National
Tyre & Wheel

Prospectus

Initial Public Offering

Initial Public Offer of 59.0 million ordinary Shares in National Tyre & Wheel Limited (ACN 095 843 020) at an offer price of $1.00 per ordinary Share to raise $59.0 million

Lead Manager and Underwriter
morgans

www.ntaw.com.au

Important Notices

The offer

This Prospectus is issued by National Tyre & Wheel Limited (ACN 095 843 020) (**NTAW** or **Company**) and NTAW SaleCo Limited (ACN 622 748 841) (**SaleCo**) for the purposes of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**). The offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares (**Shares**) in the Company (**Offer**).

Lodgement and listing

This Prospectus is dated 24 November 2017 and a copy was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus Date**). The Company will apply to ASX Limited (**ASX**) within seven days after the Prospectus Date for admission of the Company to the official list and quotation of its Shares on the ASX. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry Date

This Prospectus expires on the date that is 13 months after the Prospectus Date (**Expiry Date**) and no Shares will be issued or transferred on the basis of this Prospectus after the Expiry Date.

Note to Applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the assumptions underlying the Forecast Financial Information and the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

This Prospectus includes information regarding past performance of NTAW. Investors should be aware that past performance is not indicative of future performance.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus that is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company, the Lead Manager or any other person in connection with the Offer. You should rely only on information contained in this Prospectus.

Third party publications

This Prospectus includes attributed statements from books, journals and comparable publications that are not in connection with or specific to NTAW. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and NTAW is relying upon ASIC Corporations (Consents to Statements) Instrument 2016/72 for the inclusion of these statements in this Prospectus without such consent having been obtained.

Financial information presentation

Section 6 sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation of that information is set out in Section 6.10 and Appendix A.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board. The Forecast Financial Information included in this Prospectus is unaudited and is based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information is, to the extent applicable, consistent with the basis of preparation and presentation of the Historical Financial Information.

All financial amounts contained in this Prospectus are expressed in Australian currency, unless otherwise stated. Any discrepancies between totals and sums of components in tables and figures contained in this Prospectus are due to rounding.

The Historical Financial Information and the Forecast Financial Information in this Prospectus should be read in conjunction with, and are qualified by reference to, the information contained in Section 6.

Forward-looking statements

This Prospectus contains forward-looking statements that are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘expects’, ‘intends’ and other similar words that involve risks and uncertainties. The Forecast Financial Information included in Section 6 is an example of forward-looking statements.

Any forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual events or outcomes to differ materially from the events or outcomes expressed or anticipated in these statements, many of which are beyond the control of NTAW. The Forecast Financial Information and the forward-looking statements should be read in conjunction with, and qualified by reference to, the risk factors as set out in Section 5, the specific and general assumptions set out in Sections 6.7.1 and 6.7.2 respectively, the sensitivity analysis set out in Section 6.8 and other information contained in this Prospectus.

The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia. The Offer to which this Prospectus relates is available to persons receiving this Prospectus (electronically or otherwise) in Australia and to certain categories of investors in New Zealand, Singapore and Hong Kong.

The taxation treatment of Australian securities may not be the same as those for securities in foreign jurisdictions.

The distribution of this Prospectus outside Australia may be restricted by law, and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or any state securities laws in the United States and may not be offered, sold, pledged or transferred in the United States unless the Shares are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act and applicable US state securities laws is available.

See Section 10.18 for more details on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia.

Exposure Period

The Corporations Act prohibits the Company from processing applications for Shares in the seven day period after the Prospectus Date (**Exposure Period**). ASIC may extend this period by up to a further seven days (that is, up to a total of 14 days). The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of certain deficiencies in this Prospectus in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be given to Applications received during the Exposure Period.

Prospectus availability

During the Offer Period, a paper copy of this Prospectus is available free of charge to any Broker Firm Offer Applicant in Australia by calling the NTAW IPO Information Line on 1300 140 584 (*within Australia*) and +61 3 9415 4104 (outside Australia) from 8:30am to 5:00pm (AEDT), Monday to Friday (excluding public holidays). This Prospectus is also available to Broker Firm Offer Applicants in Australia in electronic form at the Company's website www.ntaw.com.au.

The Offer constituted by this Prospectus in electronic form is available only to persons downloading or printing it within Australia and is not available to persons in any other jurisdiction (including the United States). Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

Applications

Applications may be made only during the Offer Period on the Broker Firm Offer Application Form (referred to as an **Application Form**) attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form, which must be downloaded in its entirety from www.ntaw.com.au. By making an Application, you represent and warrant that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares offered under the Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Definitions and abbreviations

Defined terms and expressions used in this Prospectus are explained in the Glossary at the end of this Prospectus. Unless otherwise stated or implied, references to times in this Prospectus are to Australian Eastern Standard Time (**AEST**).

Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to the Company and the Share Registry, which is contracted by the Company to manage Applications. The Company and the Share Registry on their behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. Some of this personal information is collected as required or authorised by certain laws including the Income Tax Assessment Act 1997 (Cth) and the Corporations Act.

If you do not provide the information requested in an Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, that it considers may be of interest to you.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. If you do not provide all the information requested, your Application Form may not be able to be processed.

The information contained in the Company's register of members must remain there even if a person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to access and correct the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law.

Applicants can obtain a copy of the Company's privacy policy by visiting the Company's website www.ntaw.com.au. The privacy policy contains further details regarding access, correction and complaint rights and procedures.

The Share Registry's complete privacy policy can be accessed by emailing privacy@computershare.com.au and requesting a copy.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Use of trademarks

This Prospectus includes the Company's registered and unregistered trademarks. All other trademarks, trade names and service marks appearing in this Prospectus are the property of their respective owners.

Questions

If you have any questions about how to apply for Shares, please call the NTAW IPO Information Line on 1300 140 584 (within Australia) or +61 3 9415 4104 (outside Australia) from 8:30am to 5:00pm (AEDT) Monday to Friday (excluding public holidays). Instructions on how to apply for Shares are set out in Section 8 of this Prospectus and on the back of the Application Form.

If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

Contents

Key Information

Key Dates

Prospectus Date	24 November 2017
Offer opens	4 December 2017
Offer closes	12 December 2017
Allotment of New Shares and transfer of Existing Shares	14 December 2017
Despatch of Shareholder holding statements	15 December 2017
Shares expected to commence trading on ASX on an unconditional and deferred settlement basis	15 December 2017
Shares expected to commence trading on ASX on a normal settlement basis	20 December 2017

Note: All the above dates are indicative only. The Company, in agreement with the Lead Manager, reserves the right to vary these dates, including closing the Offer early or withdrawing the Offer, to extend the Closing Date or to accept late Applications (either generally or in particular cases) without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.

Key Offer Statistics

Offer Price per Share	$1.00 per Share
Number of New Shares available under the Offer	24,922,767 Shares
Number of Existing Shares available under the Offer	34,077,233 Shares
Total number of Shares retained by Existing Shareholders at Completion of the Offer[1]	42,112,127 Shares
Total number of Shares following the Offer	101,112,127 Shares
Total Proceeds of the Offer	$59.0 million
Total Proceeds from the issue of New Shares under the Offer	$24.9 million
Total Proceeds from the transfer of Existing Shares under the Offer	$34.1 million
Market Capitalisation at the Offer Price	$101.1 million
Pro forma net cash on completion of the Offer[2]	$3.6 million
Enterprise value at the Offer Price[3]	$97.5 million
Pro forma FY2018 Forecast EBITDA excluding non-controlling interests	$15.7 million
Enterprise Value / Pro forma FY2018 Forecast EBITDA excluding non-controlling interests	6.2x
Pro forma FY2018 Forecast NPATA[4] excluding non-controlling interests	$10.3 million
Offer Price / Pro forma FY2018 Forecast NPATA excluding non-controlling interests per Share	9.8x
Forecast annualised dividend yield[5] for FY2018	6.0% fully franked

Notes:

1. Of the Existing Shares retained, 39,953,331 will be subject to the voluntary escrow agreements described in Section 10.9.
2. Refer to Section 6.5.2 for details of the components of pro forma net cash.
3. Enterprise value is the Market Capitalisation at the Offer Price less pro-forma net cash on completion of the Offer.
4. NPATA is defined as Net Profit After Tax but before amortisation (and related tax impacts).
5. The annualised dividend yield is calculated by annualising the proposed interim and final dividends (totalling 3.3 cents per Share fully franked) for the period from the Allotment Date until 30 June 2018, based on the Offer Price per Share. Subject to the Board's dividend policy, an interim dividend of 1.0 cent per Share (fully franked) is expected to be declared and paid in respect of the period ending 31 December 2017 and a final dividend of 2.3 cents per Share (fully franked) is also expected to be declared and paid in respect of the 6 months to 30 June 2018.

Key Information (cont)

Questions

If you have any questions in relation to the Offer, please contact the NTAW IPO Information Line on 1300 140 584 (within Australia) or +61 3 9415 4104 (outside Australia) from 8:30am to 5:00pm (AEDT) Monday to Friday (excluding public holidays) or speak to your financial adviser.

Chairman's letter

24 November 2017

Dear Investor,

On behalf of the Board of Directors, it is with great pleasure that I present you with the opportunity to participate in the Initial Public Offering of National Tyre & Wheel Limited (**NTAW** or the **Company**).

NTAW is a tyre and wheel wholesale business which distributes its products to over 2,300 customers including tyre retailers, car dealers, mechanical repair businesses and automobile accessories retailers throughout Australia and New Zealand. By the Listing Date, NTAW will also have operations in South Africa.

The Company's strategy is to continue to grow its tyre and wheel distribution platform both organically and by acquisition in Australia and internationally.

The core business of the Company was founded 28 years ago, in 1989, by Terry and Susanne Smith in Brisbane. On the Listing Date, the Group will have over 180 employees and operate from 11 leased distribution centres as well as 7 warehouses operated by third party suppliers.

NTAW's success has been built around strong customer relationships, building brand equity and the strength of its key supplier agreements. NTAW's long term key suppliers are Cooper Tire & Rubber Co and Max Trac Tire Co, Inc (Mickey Thompson), companies based in Ohio, USA and Federal Corporation, a Taiwanese company manufacturing the Federal brand.

The Australian tyre market has been resilient and has grown along with an expanding vehicle fleet. A tyre is a necessity that deteriorates over time and with use. In general, demand for tyres is relatively predictable based on the size and age of the vehicle fleet, distances travelled, the robustness of the product and other retail sales drivers.

NTAW has an experienced Board and senior management team with the skills to continue to grow the business. Among the senior management team, NTAW has extensive operating experience in marketing, importing, wholesaling, logistics and inventory management. In addition, NTAW's Directors have experience in marketing, investment, law, finance, retailing and governance.

The Offer will raise $59.0 million at $1.00 per share and the funds raised through this Offer will be used to repay debt (including dividends previously declared), complete the acquisitions noted in this document, pay the costs of the Offer and allow the Existing Shareholders to sell some of their shares. Importantly, following Completion of the Offer, the Existing Shareholders will retain approximately 41.6% of the Company. Nearly 95% of these retained Shares will be subject to voluntary escrow arrangements.

The Company is forecasting continued earnings growth with pro-forma EBITDA excluding non-controlling interests of $15.7 million in FY2018. The Board has adopted a policy to pay dividends of between 40% and 60% of NPATA excluding non-controlling interests. Subject to that policy, an interim dividend of 1.0 cent per Share (fully franked) is expected to be declared and paid in respect of the period ending 31 December 2017 and a final dividend of 2.3 cents per Share (fully franked) is also expected to be declared and paid in respect of the 6 months to 30 June 2018.

This Prospectus contains detailed information about the Offer and the financial performance of the Company. As with all companies, NTAW is exposed to a range of risks that each investor should consider before making their investment decision. The key risks associated with investing in the Company are set out in Section 5 of this Prospectus.

We encourage you to carefully read this Prospectus in its entirety before making your investment decision and, if necessary, consult your financial adviser.

The Directors and senior management team are excited about the future of NTAW and we look forward to welcoming you as a Shareholder.

Yours Faithfully,

Murray Boyte
Chairman

1

Investment Overview

1. Investment Overview

This Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. Particular attention is drawn to the risk factors described in Section 5.

There are various entities described in this Prospectus.

On the Listing Date, NTAW will own 50% of Top Draw, and 100% of all other subsidiaries, as well as the business assets of Cotton Tyre Service ("Cotton").

National Tyre & Wheel

	Exclusive Tyre Distributors Building Leading Brands	Exclusive Tyre Distributors Building Leading Brands	DYNAMIC Wheel Co. Hottest and toughest	www.magsandtyres.com MPC MAGS AND TYRES CARAVANS • TRAILERS • CHASSIS	TOP DRAW PRODUCTS
	Australia	New Zealand	Australia	Australia	South Africa
Defined as	**"ETD"**	**"ETD New Zealand"**	**"Dynamic"**	**"MPC"**	**"Top Draw"**

1.1 Overview of NTAW and its business model

Topic	**Summary**	**Where to Find More Information**
What is NTAW?	NTAW is a tyre and wheel wholesaler carrying on business through subsidiaries and controlled entities in Australia, New Zealand and, from the Listing Date, South Africa.	Section 3.1
What is NTAW's history?	NTAW's largest operating entity is ETD, an Australian tyre wholesale business founded by Terry and Susanne Smith in 1989. ETD has the exclusive right to import and distribute Cooper (since 1989) and Mickey Thompson (since 2000) branded passenger, SUV and light truck tyres. These tyres fit passenger cars, SUVs, 4WDs and light commercial vehicles. NTAW was used by Terry and Susanne Smith in 2012 to acquire ETD from ST Corso (an entity associated with Terry and Susanne Smith). ETD New Zealand was established in 2011. Since then, NTAW has acquired interests or partial interests (either by way of share acquisition or business acquisition) in other tyre and wheel wholesale businesses, namely Dynamic Wheel Co (2013), NSW/ACT (2014), MPC, Cotton Tyre Service and Top Draw (2017). Immediately prior to the Listing Date, Dynamic Wheel Co and MPC will become wholly owned subsidiaries and NTAW's interest in Top Draw will be 50%.	Sections 3.2 and 3.3.1
Where are NTAW's operations located?	NTAW operates in Australia, New Zealand and, from the Listing Date, South Africa from 11 leased distribution centres and 7 warehouses operated by third parties. Head office is located in Brisbane.	Section 3.2
What products does NTAW distribute?	NTAW distributes tyres and wheels that fit passenger cars, SUVs 4WDs, light commercial vehicles, caravans and trailers.	Section 2.2
What is NTAW's business model?	Most of the tyres, wheels and other products NTAW imports are under agreements that give it the exclusive right to store, market and sell those products in the regions where it operates. NTAW controls the positioning and promotion of brands to customers and consumers. NTAW offers some of its customers (tyre retailers) a degree of territorial exclusivity for some brands.	Sections 3.3 and 3.5
How does NTAW generate revenue?	NTAW generates revenue from the sale of tyres and wheels to Retailers (tyre retailers, car dealers, mechanical repair businesses and automobile accessories retailers) and caravan manufacturers (in the case of MPC).	Section 3

Topic	Summary	Where to Find More Information
Who are NTAW's key suppliers?	NTAW's key suppliers are: • Cooper Tire & Rubber Co, a Delaware (USA) corporation based in Ohio, USA and with factories in USA, Mexico, China, Serbia and the United Kingdom; • Max Trac Tire Co, Inc (Mickey Thompson), a subsidiary of Cooper Tire; and • Federal Corporation, a Taiwanese company manufacturing the Federal brand of tyres in Taiwan.	Section 3.5
Who are NTAW's key customers?	In Australia and New Zealand, NTAW supplies over 2,300 customers (tyre retailers, car dealers, mechanical repair businesses automobile accessories retailers and caravan manufacturers), including customers who are part of a chain or group.	Section 3.4
What is NTAW's growth strategy?	Each operating entity has a growth strategy. ETD and ETD New Zealand are in the process of introducing a new range of products to new market segments, re-positioning the Cooper brand, tapping into new consumer purchase pathways and driving customer loyalty through value adding services. Dynamic and Top Draw are expanding their product range and entering new geographic markets. MPC is expanding into the trailer wheel and tyre segment. NTAW plans to grow by acquiring other wholesale wheel and/or tyre businesses in Australia, New Zealand and South Africa.	Section 3.6

1.2 Key features of NTAW's industry

Topic	Summary	Where to Find More Information
What industry does NTAW operate in?	NTAW operates in the tyre and wheel wholesaling industry in Australia, New Zealand and, from the Listing Date, South Africa.	Sections 2 and 3.1
What are the key drivers of growth in the industry?	The Australian tyre market has been resilient and has grown along with an expanding vehicle fleet. A tyre is a necessity that deteriorates over time and with use. In general, demand for tyres is relatively predictable. The key drivers of growth in the tyre and wheel industry are: • The size, age and composition of the vehicle fleet; • Distances travelled by vehicles and the robustness of tyres; and • Consumer demand, including considerations based on fashion and performance.	Section 2.2
Who does NTAW compete with?	NTAW competes with other tyre wholesalers including Bridgestone, Goodyear, Michelin, Toyo, Tyremax, Tyres 4 U and YHI. As no new tyres are manufactured in Australia, NTAW and all of its tyre wholesale competitors import and distribute tyres.	Section 2.1

1.3 Key strengths

Topic	Summary	Where to Find More Information
Brand equity and recognition	Independent market research commissioned by NTAW indicates that Cooper and Mickey Thompson brands are well known to consumers.	Section 3.6
Supplier relationships	NTAW has long standing key supplier arrangements, including with Cooper Tire & Rubber Co, Max Trac Tire Co, Inc, and Federal Corporation, which allow it to operate in its markets.	Section 3.5

Topic	Summary	Where to Find More Information
Established national distribution footprint	Having facilities close to its customers and operating throughout Australia, New Zealand and, from the Listing Date, South Africa allows NTAW to provide services to various types of tyre and wheel customers ranging from sole traders to national chains and groups.	Section 3.2
Business model	NTAW's business model focusses on marketing, brand building and value adding services as well as offering some customers a degree of exclusivity in return for their support in promoting brands.	Section 3
Customer relationships	NTAW has many long-term customers and is committed to supporting a wide customer base which is not concentrated on any single Retailer.	Section 3.4
Management experience	NTAW's management team is experienced in the tyre industry and other disciplines including marketing, sales, finance as well as mergers and acquisitions.	Section 4.2
Growth potential	NTAW has a history of organic growth and growth from acquisitions.	Section 3.6

1.4 Key risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and share price. The following table is a summary of some of the specific key risks to which the Company is exposed. Further details about these and other general risks associated with an investment in the Company are set out in Section 5.

Topic	Summary	Where to Find More Information
Supplier risk	NTAW is reliant on Cooper Tire for the supply of many products it wholesales in the tyre industry. Cooper and Mickey Thompson branded products accounted for 77.1% of NTAW revenue in FY2017. There are circumstances where Cooper Tire and Mickey Thompson can terminate the distributor agreements with ETD, including if there is a sale or transfer of a substantial interest in the direct or indirect ownership of NTAW. NTAW owns customer relationships and controls the marketing of brands, but it relies on rights granted by Cooper Tire and other suppliers to access those brands.	Sections 3.5, 5.2.1, 9.3 and 9.4
Customer risk	NTAW is dependent on its ability to retain its existing customers and attract new customers. Although customer concentration is low, sales revenue would be adversely affected if all members of a chain or group decided not to purchase products from NTAW.	Section 5.2.2
Structural risk	It is possible that there may be changes or disruptions to the market structure or market channels which might put competitive pressure on pricing and margins. Some participants in the tyre industry are vertically integrated in the value chain. NTAW sales revenue could be affected if a competitor acquired NTAW's customers or NTAW customers acquired a competitor of NTAW. NTAW sales revenue could also be adversely affected if manufacturers and consumers choose to deal directly with each other.	Section 5.2.3
Exchange rate risk	A significant proportion of NTAW's costs and expenses, and an increasing proportion of NTAW's revenues, are incurred in foreign currencies. Adverse movements between the Australian dollar, New Zealand dollar and South African Rand against the US dollar may increase the price at which the Group acquires its trading stock and result in volatility in profitability to the extent that the Group is unable to pass on price changes to its customers. As there is no local manufacture of tyres in Australia and New Zealand, importers do not have to contend with a local manufacturer with a competitive advantage arising from an ability to buy inputs and sell outputs in a single currency. The Company seeks to manage its foreign exchange exposures using foreign exchange contracts.	Sections 5.2.4 and 6.9.2

1. Investment Overview (cont)

Topic	Summary	Where to Find More Information
Industry risk	The tyre industry is large, mature and global in reach. Surplus capacity amongst manufacturers can result in downward pressure on prices. Barriers to entry at wholesale and retail levels are relatively low and new entrants can be disruptive. Tyre import prices are affected by the price of raw materials (particularly rubber and oil). Higher raw material prices can result in higher wholesale and retail prices.	Section 5.2.5
Key personnel risk	The Group's future success is significantly dependent on the expertise and experience of its key personnel and management. The loss of services of key members of management, and any delay in their replacement, or the failure to attract additional key managers to new roles could have a material adverse effect on NTAW's financial performance and ability to deliver on its growth strategies.	Section 5.2.6
Risk of competition	The tyre and wheel wholesale market is highly competitive, with a number of companies operating in this industry. Competition is based on factors including price, service, quality, performance standards, range and the ability to provide customers with an appropriate range of quality products in a timely manner. A failure by the Group to effectively compete with its competitors may adversely affect the Group's future financial performance and position.	Section 5.2.7
Business integration risk	Over the past 12 months, NTAW has acquired interests in MPC, Top Draw and Cotton. There is a risk that NTAW fails to successfully integrate these acquisitions and any future acquisitions with its existing businesses, experiences higher than anticipated integration costs, or realises lower than anticipated synergies, or there is a significant delay in achieving the successful integration of these acquisitions, which could have a material adverse effect on the Group's earnings from the acquisitions.	Section 5.2.8

1.5 Directors and key management

Topic	Summary	Where to Find More Information
Who are the Directors of the Company?	Murray Boyte (Non-Executive Chairman), Terence (Terry) Smith (Executive Director), William (Bill) Cook (Non-Executive Director), Robert Kent (Non-Executive Director) and (John) Peter Ludemann (CEO and Managing Director).	Section 4.1
Who are the key members of management?	Peter Ludemann (CEO and Managing Director), Jason Lamb (CFO), Christopher (Chris) Hummer (CEO, Dynamic), Simon Billington (GM, ETD New Zealand) and Georg Schramm (MD, Top Draw).	Section 4.2

1.6 Significant interests and benefits of key people

Topic	Summary	Where to Find More Information
What are the Director shareholdings?	• ST Corso, an entity associated with Terry and Susanne Smith will hold 27,032,371 Shares (26.7% of the Company's issued capital) upon Completion of the Offer. • An entity associated with Bill Cook will hold 203,132 Shares (0.2% of the Company's issued capital) upon Completion of the Offer. • Peter Ludemann will hold 2,589,928 Shares (2.6% of the Company's issued capital) upon Completion of the Offer. Murray Boyte and Robert Kent do not hold any Shares as at the date of the Prospectus however they intend to participate in the Offer as outlined in Section 8.9 of the Prospectus.	Section 4.5

1. Investment Overview (cont)

Topic	Summary	Where to Find More Information
Will the Directors receive any remuneration and share Options as part of the Offer?	Non-Executive Directors are entitled to fees for their services as Directors.	Sections 4.5 and 8.7
Who are the significant existing shareholders of NTAW and what will their interests be after Completion?	ST Corso will hold 27,032,371 (26.7% of the Company's issued capital) on Completion of the Offer.	Sections 8.7 and 10.6
Have there been any related party transactions prior to the Offer?	Other than the agreements with Directors set out in Section 4.5. There are no agreements between the Company and its related parties.	Section 4.5
What escrow arrangements will be in place as at completion of the Offer?	Of the 42,112,127 Shares of the Existing Shareholders, 39,953,331, will be subject to voluntary escrow arrangements.	Section 10.9

1.7 Key financial metrics and dividends

<table>
<tr><th>Topic</th><th>Summary</th><th>Where to Find More Information</th></tr>
<tr><td>What is NTAW's pro-forma historical and forecast financial performance?</td><td>
<table>
<tr><th></th><th>FY2015 Actual</th><th>FY2016 Actual</th><th>FY2017 Actual</th><th>FY2018 Forecast</th></tr>
<tr><td>Revenue</td><td>$137.7m</td><td>$137.4m</td><td>$144.5m</td><td>$155.2m</td></tr>
<tr><td>EBITDA</td><td>$11.0m</td><td>$10.7m</td><td>$15.6m</td><td>$16.4m</td></tr>
<tr><td>EBITDA (excl NCI)</td><td>$10.3m</td><td>$10.0m</td><td>$15.0m</td><td>$15.7m</td></tr>
<tr><td>NPATA (excl NCI)</td><td>$6.5m</td><td>$6.3m</td><td>$9.8m</td><td>$10.3m</td></tr>
</table>
Note: NPATA is net profit after tax but before amortisation (and related tax impacts).
NCI is non-controlling interests.</td><td>Section 6.3</td></tr>
<tr><td>What is NTAW's financial position on Completion of the Offer?</td><td>Following Completion of the Offer the Company will have a pro forma net cash position as at 30 June 2017 (being total debt adding back cash) of approximately $3.6 million.
The Company has generated, and will continue to generate, cash from its normal operations between 30 June 2017 and the Listing Date which means it will have a higher net cash position than the pro forma figure above upon Listing.</td><td>Section 6.5</td></tr>
<tr><td>What are the key financial metrics?</td><td>The key financial metrics of the Offer are as follows:
• The Market Capitalisation of the Company based on the Offer Price implies a price to earnings ratio of 9.8 times (based on Pro forma FY2018 Forecast NPATA excluding non-controlling interests);
• A strong balance sheet with a pro forma net cash position as at 30 June 2017 of approximately $3.6 million.
• Subject to the dividend policy described below, the Company intends to declare and pay Shareholders who are on the Company's register on the relevant record dates, an interim fully franked dividend for the period ending 31 December 2017 of 1.0 cent per Share and a final fully franked dividend for the 6 months ending 30 June 2018 of 2.3 cents per Share, translating into an annualised dividend yield, based on the Offer Price, of 6.0% fully franked.</td><td>Refer to "Key Offer Statistics" in the Key Information Section and Sections 6.11 and 8.2</td></tr>
</table>

Topic	Summary	Where to Find More Information
What is the dividend policy?	The Board's policy is to distribute to its shareholders funds surplus to the operating needs of NTAW as determined by the Board of Directors with a target dividend payout ratio in respect of each financial year of between 40% and 60% of net profit before amortisation and after tax or free cash flows, subject to the factors outlined in the Board's dividend policy.	Section 6.11

1.8 Summary of the Offer and proposed use of funds raised

Topic	Summary	Where to Find More Information
Who is the issuer of this Prospectus?	National Tyre & Wheel Limited (ACN 095 843 020) and NTAW SaleCo Limited (ACN 622 748 841).	Important Notices section
What is the Offer?	The Offer is an initial public offering of 59,000,000 Shares at an Offer Price of $1.00 per Share raising gross proceeds of $59.0 million. NTAW is offering to issue 24,922,767 New Shares to raise approximately $24.9 million and SaleCo is offering to transfer 34,077,233 Existing Shares to raise approximately $34.1 million.	Section 8.1
How is the Offer structured?	The Offer comprises: • the Broker Firm Offer, which is open to Australian resident retail clients of Brokers who receive a firm allocation of Shares from their Broker; and • the Institutional Offer, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus. There is no general public offer.	Section 8.3
What are the objectives of the Offer?	The objectives of the Offer are to: • Raise $59.0 million before costs of the Offer to be used as set out in Section 8.5; • Provide the Existing Shareholders with an opportunity to partially realise their investment in NTAW; • Provide a liquid market for Shares and an opportunity for others to invest in NTAW; • Provide NTAW with the benefit of an increased public profile that arises from being a listed entity; • Provide NTAW with additional capital for repayment of debt, in order to strengthen its balance sheet and provide financial flexibility to pursue its identified growth opportunities; and • Pay the costs of the Offer.	Section 8.4
What will the proceeds of the Offer be used for?	The $59.0 million raised under the Offer will be used as follows: • Payment of proceeds by SaleCo to Existing Shareholders: $34.1 million; • Repayment of net debt and working capital, including in relation to payments for recent acquisitions and payment of recently declared dividends: $21.2 million; and • Payment of the costs of the Offer: $3.7 million.	Section 8.5
Will the Company be adequately funded after Completion of the Offer?	Yes. The Company will have a pro forma net cash position (as at 30 June 2017) upon completion of the Offer with no net debt. The Company has a history of profitability and this is forecast to continue in FY2018 as outlined in this Prospectus. The Directors believe that, on Completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 8.6

1. Investment Overview (cont)

Topic	Summary	Where to Find More Information
What is the Offer Price?	$1.00 per Share.	
What is the minimum Application amount?	Applications must be for a minimum of 2,000 Shares, which equates to a minimum Application amount of $2,000.	Section 8
How do I apply for Shares?	You may apply for Shares by submitting a valid Application Form accompanying this Prospectus in accordance with the instructions contained within.	Section 8
What is the allocation policy?	The allocation of Shares will be determined by the Lead Manager in consultation with the Company, having regard to the following factors: • Desire to create a stable, long-term Share register; • Desire for a liquid and informed trading market for the Shares; • The overall level of demand for Shares under the Offer; and • Any other factors that the Lead Manager or the Company consider appropriate.	Section 8.9
Will the Shares be quoted on ASX?	The Company will apply to ASX no later than 7 days from the Prospectus Date for official quotation of all Shares on ASX under the ticker NTD.	Section 8.11
Is the Offer underwritten?	Yes, the Offer is fully underwritten by the Lead Manager in accordance with the terms of the Underwriting Agreement.	Sections 8.8 and 9.1
What are the costs of the Offer payable by the Company?	The Company's costs of the Offer are estimated to be approximately $3.7 million.	Section 10.8
What are the tax implications of investing in the Company?	Shareholders will generally be subject to Australian tax on dividends. The tax consequences for investors will differ depending on their individual circumstances, particularly for non-resident Shareholders.	Section 10.15
What are the key dates of the Offer?* * dates are indicative and subject to change at the discretion of the Company and the Lead Manager	The Offer opens on 4 December 2017. The Offer closes on 12 December 2017. The Shares are expected to be allotted on 14 December 2017. Shareholder statements are expected to be despatched on 15 December 2017. The Shares are expected to commence trading on a deferred settlement basis on 15 December 2017. The Shares are expected to commence trading on a normal settlement basis on 20 December 2017.	Refer to "Key Dates" in the Key Information Section
When will I receive confirmation that my Application has been successful?	Shareholder statements confirming allocations under the Offer are expected to be dispatched to Shareholders on 15 December 2017.	Refer to "Key Dates" in the Key Information Section
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of Shares under the Offer.	Section 8.10
What rights and liabilities attach to the Shares being offered?	All Shares offered under the Offer will rank equally in all respects with existing Shares on issue. The rights attaching to Shares are described in Section 10.4.	Section 10.4
How can further information be obtained?	Further information can be obtained by reading this Prospectus in its entirety, by speaking to your accountant, stockbroker or other professional adviser, by calling the NTAW IPO Information Line on 1300 140 584 (within Australia) or +61 3 9415 4104 (outside Australia) from 8:30am to 5:00pm (AEDT) Monday to Friday (excluding public holidays) or by visiting the Company website at www.ntaw.com.au.	

2

Industry Overview

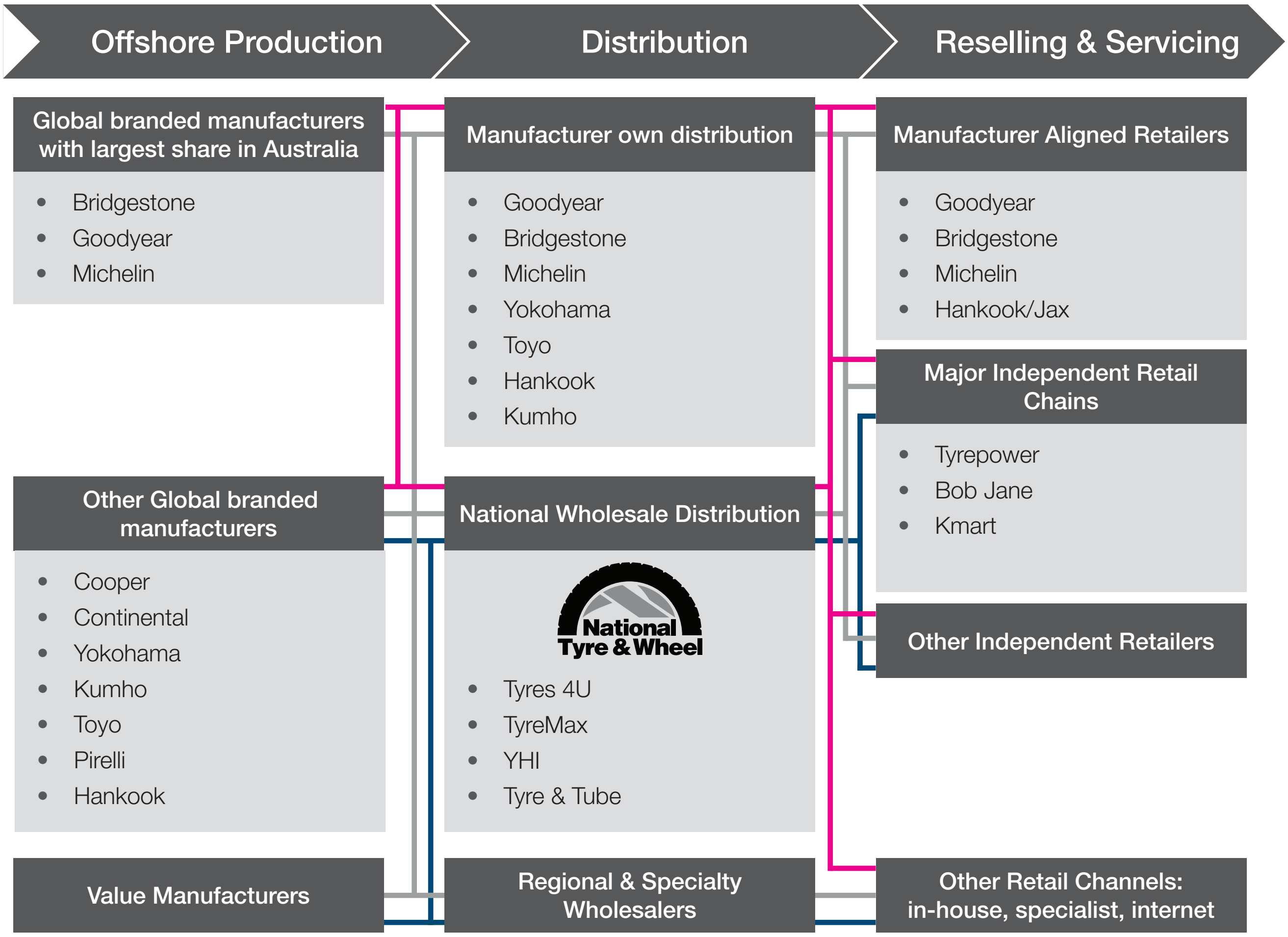
2. Industry Overview

2.1 Tyre market structure - Australia

New tyres are not manufactured in Australia. Manufacturers import and/or distribute tyres themselves or through third party wholesalers. The market includes the following types of businesses:

- Large global manufacturers of well-known brands;
- Smaller manufacturers producing less expensive products under brands that are less well known than those of the large manufacturers;
- Wholesale Distributors – including those owned by manufacturers and others which are independently owned;
- Specialty tyre retailers which are affiliated with a manufacturer or an independent chain or group of retailers; and
- Other tyre retailers that are not affiliated with a manufacturer or part of an independent chain or group (including specialty tyre retailers, mechanical service and repair businesses, car dealers, automotive accessory stores and online re-sellers).

The structure of the Australian tyre market (with examples of different kinds of businesses) is summarised in the following chart:



Source: Partners in Performance

NTAW is a national tyre and wheel wholesaler. NTAW competes with other firms in the wholesale channel of the market structure supplying retail customers in the reselling and servicing part of the tyre market.

Partners in Performance, an independent consulting firm, estimates that in 2015 the following types of wholesale businesses accounted for the following share of wholesale sales of Car, SUV and 4WD tyres in Australia:

Brand manufacturer wholesalers	50%
Other National wholesalers	33%
Other Wholesalers	17%

NTAW customers are Retailers and NTAW estimates that there are more than 2,000 specialty tyre retail outlets selling tyres in Australia. Partners in Performance estimates that, in 2015, the following types of Retailers had the following share of retail tyre sales revenue:

Brand Manufacturer aligned Retailers	28%
Retailers belonging to a chain or retailer group	41%
Other Retailers (e.g. other independent tyre specialists, mechanics and car dealers)	31%

2. Industry Overview (cont)

2.2 Australian tyre market size and value

It is estimated that the retail tyre market in 2017 – 2018 will generate revenue of $5.1 billion with revenue forecast to grow at an annualised 1% over the five years to 2022-2023.

Partners in Performance estimates that approximately 19 million tyres fitting passenger cars, SUVs, 4WD and light commercial vehicles are sold each year in Australia.

The Australian tyre market has been resilient and has grown along with an expanding vehicle fleet. A tyre is a necessity that deteriorates over time and with use. In general, demand for tyres is relatively predictable. The key drivers of demand for tyres are:

- The fact that all tyres eventually deteriorate to the extent that replacing them becomes necessary;
- The number of motor vehicles and the number of tyres they use; and
- The rate at which tyres need to be replaced.

The rate at which tyres need to be replaced will vary with:

- Distance travelled (which may vary depending on fuel costs and consumption, destination preferences and access to alternative transport methods);
- The age of vehicles;
- The robustness of the tyres fitted to a vehicle; and
- Consumer willingness to defer or accelerate a purchase based on considerations such as price and disposable income.

Tyre demand is affected by changes to motor vehicles and the way they are used. For example, electric or hybrid (electric and petrol) driven cars can be heavier than petrol driven cars.

The Australian Bureau of Statistics published the following census of motor vehicle registrations in Australia as at 1 January 2016[1]:

Motor Vehicle Census, 1 January 2016

Vehicle Category	Vehicle type	Number	Total of Category	Estimated Units pa*
Passenger & Light Commercial				
Passenger Vehicles	Conventional Passenger Vehicles	13,603,301		
Passenger Vehicles	Forward Control Passenger Vehicles	211,805		
Light Commercial Vehicles	Panel Vans	383,978		
Light Commercial Vehicles	Utilities	2,601,612	**16,800,696**	**19,000,000**
Truck & Bus				
Light Rigid Trucks up to 4.5t GVM	Light Rigid Trucks up to 4.5t GVM	145,426		
Heavy Rigid Trucks > 4.5t GVM	Heavy Rigid Trucks > 4.5t GVM	334,809		
Prime Movers	Prime Movers	96,183		
Trailers	Semi (Articulated) Trailers	339,100		
Buses > 9 seats	Buses > 9 seats	96,585	**1,012,103**	**1,893,000**
Caravans				
Campervans	Campervans	60,899		
Caravans	Caravans	554,540	**615,439**	
Trailers				
Trailers	Box Trailers	1,767,229		
Trailers	Boat Trailers	809,134		
Trailers	Horse Floats	66,544		
Trailers	Trailed Machinery	40,279		
Trailers	Other Trailers	166,337	**2,849,523**	
Motorcycles				
Motorcycles	Motorcycles	828,966	**828,966**	
Other				
Other (Agriculture, Mining, Industrial etc.)		142,355	**142,355**	
TOTAL ALL REGISTERED VEHICLES		**22,249,082**		

NTAW focuses on segments within the Passenger & Light Commercial category - historically 4WD and SUV vehicles.

NTAW launched a broader passenger car tyre range in Australia in September 2016.

MPC focuses on tyre and wheel packages for caravan manufacturers

Sources:
Vehicle Fleet – ABS Vehicle Census
Estimated Units – Partners in Performance International Pty Limited

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[1] Australian Bureau of Statistics Census of Motor Vehicle Registrations at 1 January 2016

2. Industry Overview (cont)

NTAW's agreements to import and distribute Cooper, Mickey Thompson, Starfire, Mastercraft, MPC, Federal and Dick Cepek brands apply to tyre patterns and sizes that fit most of the Passenger Vehicle and Light Commercial Vehicles described in the ABS Census.

The average age of the vehicle fleet in Australia approximates ten years.[2] New motor vehicles are sold with tyres fitted as original equipment. Tyres do not need replacing until they become worn. NTAW does not sell original equipment tyres to vehicle manufacturers, so it is primarily concerned with vehicles that need replacement tyres (generally known as "after-market" products).

Tyres are made in many sizes. For example, ETD carries approximately 850 different tyre sizes and types to supply the products it believes its customers require to meet consumer tyre size preferences.

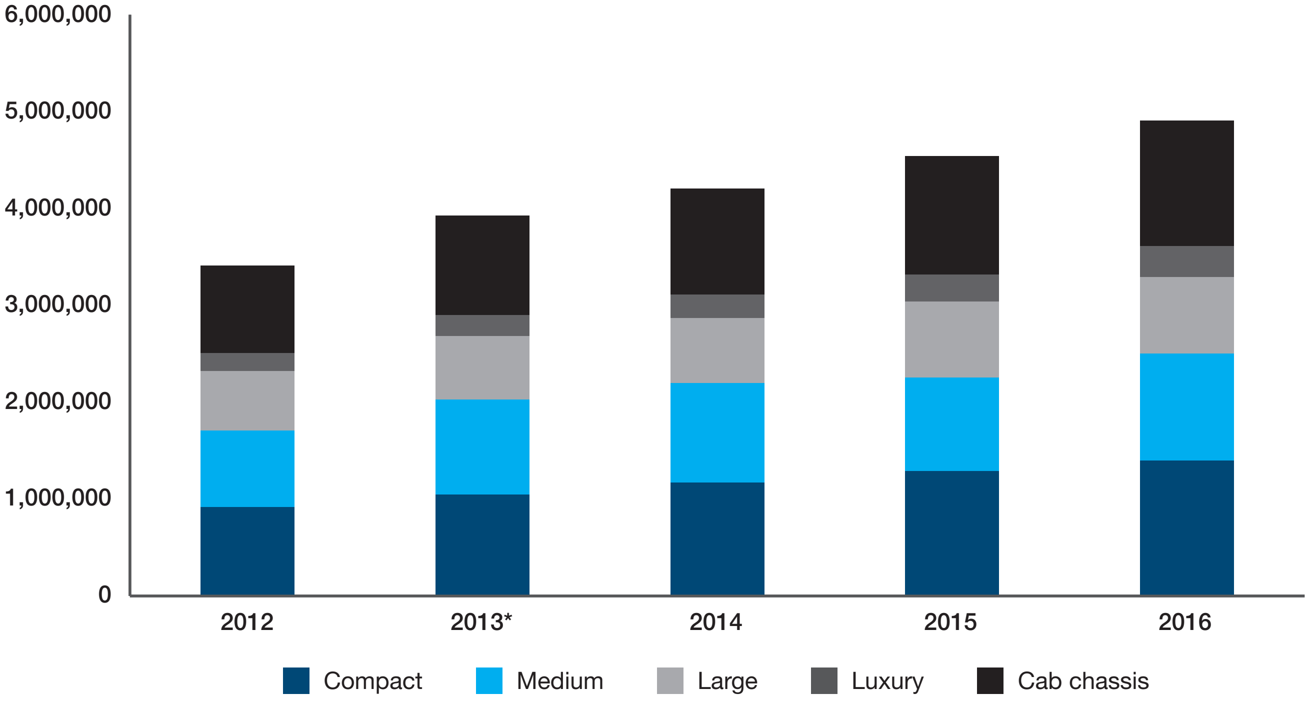
When developing its business strategies in Australia, NTAW places vehicles in the ABS' "Passenger Vehicle" and "Light Commercial Vehicles" categories into the following groups:

- Cars (including small, compact and medium passenger cars);
- SUVs; and
- 4WDs (including large, medium, small, luxury and cab chassis).

This level of segmentation allows NTAW to:

- Identify the tyre sizes required for different vehicles (with the chosen categories reflecting significant differences in tyre type and size);
- Track changes to these segments to anticipate demand; and
- Consider how the characteristics of people (who own different vehicles) might impact on their tyre preferences.

For example, the following chart describes the rate at which the 4WD and SUV fleet (as defined by NTAW) has grown in Australia since 2012.



Source: Australian Bureau of Statistics Census of Motor Vehicle Registrations at 1 January 2015 and management segmenation and analysis.

2.3 Australian wheel market

Generally, wheels do not deteriorate any faster than the vehicle to which they are fitted. Consequently, they are mostly bought as a vehicle accessory rather than a necessity and both the demand for wheels and value of the market is substantially less than the demand for, and value of, the market for tyres.

Like many non-essential automotive accessories, wheel demand is often driven by considerations of fashion and performance. For example, fitting a larger tyre than the original equipment size may also require a wheel larger than the original equipment wheel.

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[2] Management estimates

Steel wheels are generally more popular than alloy wheels for 4WDs. Most new vehicles have alloy or steel wheels as part of their original equipment. Dynamic imports and distributes steel and alloy wheels in Australia.

While some wheels are manufactured in Australia, the majority are imported. The largest wheel importer/wholesalers are mostly different from the tyre wholesalers. Wheels are more complex to replace than tyres. Wholesalers and retailers who participate in this market are especially skilled in determining which wheels will fit certain vehicles and tyres.

There are regulations that limit the range of replacement wheel and tyre possibilities when fitting sizes that differ from the original equipment sizes.

2.4 Tyre market size in New Zealand and South Africa

2.4.1 New Zealand

The structure of the New Zealand tyre industry is similar to that of Australia, with the secondary brand manufacturers being less active, fewer vertically integrated retailers, fewer wholesalers and a more fragmented retail sector (i.e. fewer chains and groups).

The New Zealand Government estimates that the light passenger vehicle fleet grew by 4.2% in 2016 to stand at approximately 3.1 million light passenger vehicles.[3] It is estimated that approximately 5 million tyres are imported into New Zealand each year.

2.4.2 South Africa

The South African tyre industry structure differs to Australia and New Zealand in that some manufacturers operate factories in South Africa. There are fewer vertically integrated retail stores and a similar number of chains and groups to Australia.

The South African vehicle fleet comprises 7.4 million passenger vehicles and 2.4 million light commercial vehicles.[4] The National Automobile Manufacturer Association of South Africa estimates that about 10 million passenger car and light truck tyres were sold in 2016 in South Africa[5].

2.5 Tyre industry trends and innovation

The Company is aware of a number of trends and potential innovations associated with the motor vehicle industry. These trends include, but are not limited to, ride sharing, driverless vehicles and electric vehicles. The Directors do not consider that these trends will impact the demand for tyres or wheels in the near future. The Directors are not aware of any current reliable substitute for tyres for passenger vehicles. The Company believes that continued research and development undertaken by tyre manufacturers to develop new technology for improved performance and efficiency of tyres will support future customer demand for its products.

2.6 Industry Regulation

Tyres imported into Australia are required to meet or comply with the technical requirements of one of the following standards:

- Australian Standards
  - 2230-1979: “New Pneumatic Highway Tyres other than Passenger Car Tyres”
  - 2230-1990 “Pneumatic Tyres Light Truck and Truck/Bus-New”.
- (US) Federal Motor Vehicle Safety Standard 119 - 1973; FR38-218: “New Pneumatic Tyres for Vehicles other than Passenger Cars”.
- ECE Regulation 54/00 - “Tyres for Commercial Vehicles”;
- Japanese Industrial Standard JIS D4230-1986 - “Tires for Automobiles”.

The Tyre Stewardship Scheme (Scheme) has been established by Tyre Stewardship Australia to promote the development of viable markets for end-of-life tyres. The Scheme is a voluntary scheme funded by a levy of 25 cents per equivalent passenger unit on the sale of new tyres sold by participating tyre companies. NTAW is not currently participating in the Scheme but it is intended that NTAW will join the Scheme in FY2019 subject to the Board approving the conditions of participation in the Scheme.

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3 NZ Ministry of Transport 2016 Vehicle Fleet Data
4 Vehicle Park Detail SA-BLNS
5 NAAMSA Tyre Estimates

3

The Company

3. The Company

3.1 Company overview

The Group operates as an independent national tyre and wheel wholesaler in Australia, New Zealand and, from the Listing Date, Southern Africa.

On the Listing Date, NTAW will own 50% of Top Draw, and 100% of all other subsidiaries, as well as the business assets of Cotton Tyre Service ("Cotton").

	Australia	New Zealand	Australia	Australia	South Africa
Defined as	**"ETD"**	**"ETD New Zealand"**	**"Dynamic"**	**"MPC"**	**"Top Draw"**

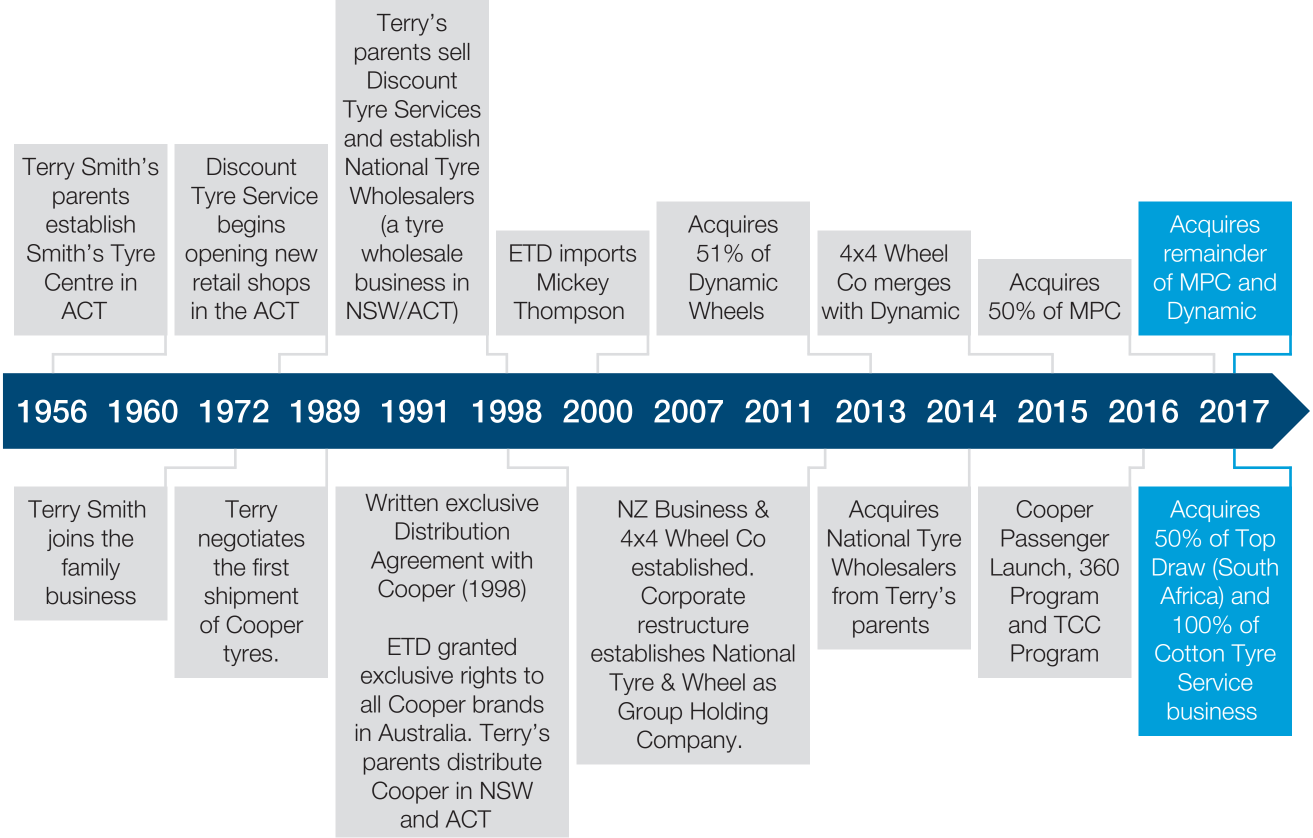
ETD is the exclusive distributor of the Cooper, Mickey Thompson, Dick Cepek, Mastercraft and Starfire branded passenger, SUV and light truck tyres in Australia and New Zealand (via ETD New Zealand). Top Draw distributes the Cooper branded passenger car, light truck and van branded tyres exclusively in Southern Africa. Top Draw also distributes Mickey Thompson tyres in South Africa.

The Federal brand is distributed exclusively by ETD in Western Australia. ETD is the only distributor of the Federal brand in New South Wales, South Australia and Victoria, and in New Zealand by ETD New Zealand, though there are no formal written agreements in place.

Dynamic distributes Dynamic branded wheels (alloy and steel) as well as brands made by The Wheel Group, Pro Comp and Mickey Thompson. MPC sells its own MPC brand of wheels and tyres as well as Cooper, Mickey Thompson and other tyre brands.

3.2 Company history

The following chart summarises the history of NTAW.



3. The Company (cont)

Terry and Susanne Smith were the founders of the business called Exclusive Tyre Distributors in 1989. That business has remained under their control since then and is now conducted by ETD.

Terry's parents established Smith's Tyre Centre (a tyre retailer) in 1956 and that business grew over time to become a chain of tyre retailers in the Australian Capital Territory called Discount Tyre Service. When that business was sold in 1997, it was operating five retail outlets in the Australian Capital Territory and two retail outlets in New South Wales. Terry was employed in that business from 1972 until he moved to Brisbane in 1989 to establish a new retail business.

In 1989 Terry and Susanne negotiated the right to import and distribute Cooper branded tyres in Australia. In 1998 that relationship became the subject matter of a written exclusive importing and distribution agreement. That Agreement now forms the basis of the present Agreement described in Section 9.3 of this Prospectus. The next renewal date for the Agreement is 14 September, 2022 at which time the agreement will automatically renew for an additional five years (until 2027) unless, at least 30 days prior to its expiration, the parties mutually agree to its termination.

ETD has grown organically over time:

- Adding Mickey Thompson, Federal, Starfire and Mastercraft to it's stable of brands;
- Establishing ETD New Zealand in 2011; and
- Starting a business unit trading as 4x4 Wheel Co in 2013 (a business that merged with Dynamic in 2015).

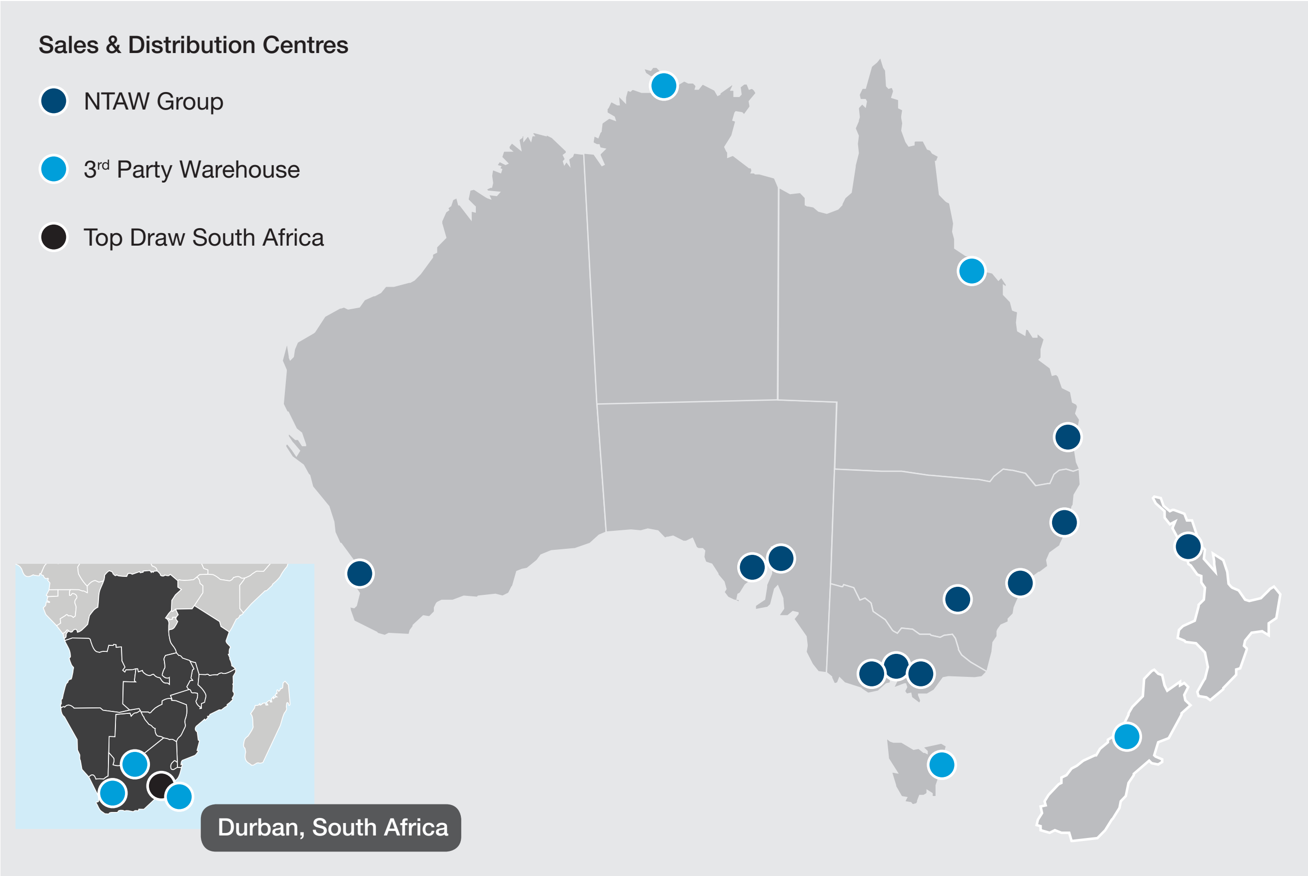
The Group has also grown by acquiring interests in the following companies and/or business assets:

- NSW/ACT (100% in 2014);
- Dynamic Wheel Co (51% in 2013, 54% at 30 June 2017 and moving to 100% prior to the Listing Date);
- MPC (50% in April 2017, moving to 100% prior to the Listing Date);
- Cotton (100% on 31 October 2017); and
- Top Draw (34% effective 1 October 2017, moving to 50% prior to the Listing Date).

All companies and businesses acquired by NTAW, as well as the original ETD business, operate as independent tyre and/or wheel wholesalers. Prior to being acquired by NTAW, NSW/ACT and Cotton worked collaboratively with ETD to market Cooper and Mickey Thompson brands for more than 20 years, in the case of NSW/ACT and 18 years in the case of Cotton. NSW/ACT was owned by Terry Smith's parents and imported and distributed Cooper, Mickey Thompson, Starfire and Mastercraft branded tyres in New South Wales and the Australian Capital Territory.

The Group (including Top Draw) presently operates 11 distribution centres in Australia and New Zealand. A further 7 warehouses are operated by third parties. Head office is located in Brisbane. ETD and Dynamic share distribution facilities in Brisbane, Auckland, Perth and Sydney. ETD, Dynamic and MPC each operate their own distribution centres in Melbourne. The Group acquires warehouse and logistics services from third parties in Darwin, Townsville, Hobart (Tasmania) and Christchurch (New Zealand). Top Draw acquires warehouse and logistics services from third parties in Cape Town, Johannesburg and Durban (South Africa). Top Draw's head office is in Durban. The Group leases all real estate upon which NTAW operated distribution centres are located.

3. The Company (cont)



The following table describes the location of NTAW's distribution centres.

Country & State	City	Entity	Company Operated	Third Party Operated	Expiry Date	Option Term(s)
Australia, Queensland	Brisbane	NTAW	✓		31 March 2022	N/A
Australia, Queensland	Townsville			✓	–	N/A
Australia, New South Wales	Coffs Harbour	ETD	✓		30 September 2019	1 x 5 years
Australia, New South Wales	Sydney	ETD/Dynamic	✓		30 September 2019	1 x 5 years
Australia, ACT	Canberra	ETD/Dynamic	✓		30 September 2019	1 x 5 years
Australia, Victoria	Melbourne	ETD	✓		28 February 2018	N/A
Australia, Victoria	Melbourne	Dynamic	✓		Holding over	N/A
Australia, Victoria	Melbourne	MPC	✓		31 January 2018	1 x 2 years
Australia, Tasmania	Hobart			✓	–	-
Australia, South Australia	Adelaide	ETD	✓		5 years[1]	2 x 5 years
Australia, South Australia	Adelaide	Dynamic	✓		Holding over	N/A
Australia, Northern Territory	Darwin			✓	–	N/A
Australia, Western Australia	Perth	ETD/Dynamic	✓		30 September 2019	N/A
New Zealand	Auckland	ETD New Zealand	✓		15 August 2020	1 x 5 years
New Zealand	Christchurch			✓	–	N/A
South Africa	Durban			✓	–	N/A
South Africa	Johannesburg			✓	–	N/A
South Africa	Cape Town			✓	–	N/A

1. ETD currently occupies premises at this property under licence whilst new purpose built premises on the property are under construction. ETD will move into the newly constructed premises on the property once construction is completed and the 5 years lease term will commence from that date.

ETD is currently negotiating to lease new premises in Dandenong South, Victoria for a term of 6 years and 11 months with a target lease commencement date of 1 July 2018. It is intended to co-locate the ETD and Dynamic businesses into these new premises.

As at 31 October 2017, the Group (including Top Draw) employed 181 people (173 full time equivalents). In the 2017 financial year, the Group (including Top Draw) sold over 800,000 product units into the geographic markets in which it operates.

During the 2017 financial year, the Group sold tyres and/or wheels to over 2,300 customers, including businesses from each category of retailer.

3.3 The Company's business model

The following chart describes the main brands imported and distributed by each of the operating entities in the Group.

Car, SUV, 4WD and Light Commercial	4WD Wheels Steel & Alloy	OE for Caravans & Trailers

3.3.1 ETD

ETD is the largest operating entity in the Group. The ETD business commenced in 1989 to develop a business from two insights:

- The 4WD motor vehicle fleet would grow faster than passenger vehicles and demand for tyres fitting those vehicles would also grow more rapidly than other tyres; and
- Tyre retailers would be willing to assist ETD to build a new brand, focussed on this 4WD segment, if ETD agreed to deal with them with some degree of exclusivity.

The word "exclusive" in ETD pays homage to these ideas. Terry and Susanne Smith identified Cooper as a brand of tyre that would be suitable for the new 4WD vehicles. ETD set out to secure the right to be the exclusive importer of Cooper tyres and to then give ETD customers (tyre retailers) the opportunity to sell those products with a degree of exclusivity in a defined territory.

The Board considers ETD to be a brand building, marketing focused business. While logistics play an important part in any distribution business, ETD continues to focus on communicating the features and benefits of its products and adapting that communication in response to changing consumer purchasing behaviour (e.g. increased use of the internet to gather information).

Over time, ETD has extended the operation of this business model to include other products (e.g. Mickey Thompson) and other types and sizes of tyres (e.g. to fit passenger cars and SUVs).

The Group segments the tyre market into:

- Vehicle type, and primarily focusses on 4WDs, SUVs and, more recently, passenger vehicles at an age when their original equipment tyre is likely to need replacing;
- Tyre retailer affiliation, and primarily focusses on retailers that are not constrained by purchasing restrictions imposed by brand manufacturers or the procurement rules of retail groups and chains; and
- Consumer buying preferences, and primarily focusses on consumers who are more engaged, enthusiastic and interested in their tyre purchase.

ETD does not seek to compete outside these target markets.

ETD's business model allows it to concentrate on building brands by focusing on communication directed at Retailers and consumers who fit within the target segments. ETD's largest selling brands (Cooper and Mickey Thompson) are premium products in the tyre marketplace that consumers rate as more fit for purpose (e.g. 4WD and SUV use) than other brands.

Different tyres sold by the Group sometimes suit the same vehicles. To avoid the sale of one tyre cannibalising the sale of another, ETD targets different types of consumers when promoting different brands and tries to manage the extent to which retail customers can purchase both brands. This approach is consistent with ETD's "exclusive" business model.

Surveys of ETD customers indicate[1]:

- Service excellence is the most important attribute tyre retailers look for when selecting a tyre supplier;
- Amongst other things, technical expertise and communication are highly important elements of service excellence;
- 89% of customers are satisfied or very satisfied with ETD service, with only 2% being dissatisfied; and
- 53% of customers say ETD service is better than the competition, 42% say it is at least as good as the competition and fewer than 5% say it is worse.

3.3.2 Other Entities

A similar emphasis on service excellence exists throughout the Group. ETD New Zealand and Top Draw adopt exclusive supply arrangements that are similar to ETD. With smaller markets to address, Dynamic and MPC do not engage in exclusive supply arrangements.

MPC supplies wheel and tyre packages to caravan and trailer manufacturers in Australia. NTAW does not otherwise supply original equipment wheels or tyres. ETD New Zealand imports and distributes small quantities of Dynamic steel wheels in New Zealand. Top Draw does not yet sell wheels in South Africa.

3.4 Customers

The Company has over 2,300 customers spread throughout Australia and New Zealand. Top Draw has over 800 customers throughout Southern Africa. Many are long standing customers who have been purchasing from the Group for many years.

In the major market of Australia, ETD and Dynamic together have over 1,900 customers.

Customer concentration is low for Dynamic, ETD and Top Draw with no single retail customer accounting for more than 1% of Group revenue.

MPC has a high level of customer concentration due to the specialised nature of its business and the relatively small number of caravan manufacturers in Australia. However, on a Group level, no single MPC customer accounts for more than 2.5% of Group revenue.

NTAW seeks to enter into formal supply agreements with its customers.

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[1] Lucidity Group ETD Customer Survey, 2017 and Lucidity Group Consumer Survey, 2017

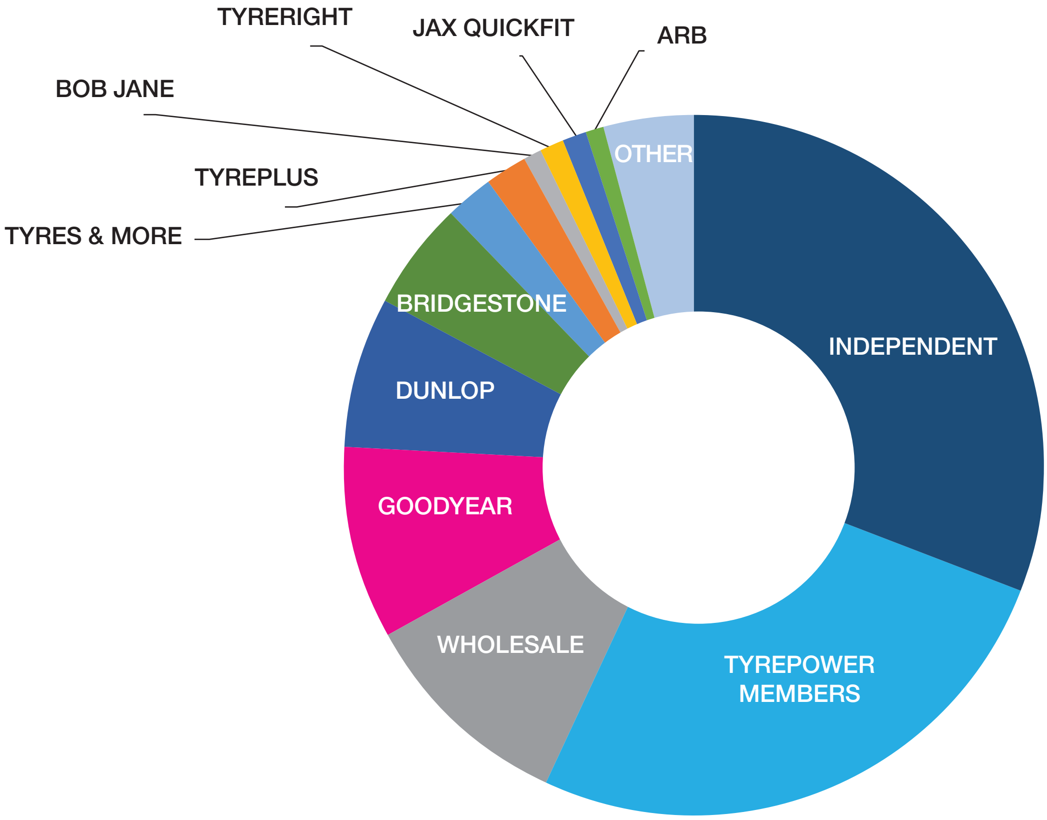

Chart showing breakdown of ETD customers by revenue in FY2017. Source: ETD sale records

3.5 Suppliers

NTAW's largest supplier is Cooper Tire & Rubber Co, a Delaware (USA) corporation based in Ohio, USA with factories in the USA, Mexico, China, Serbia and the UK. Based on 2016 financial statements, Cooper Tire was the 12th largest tyre manufacturer in the world measured by revenue.[2]

Cooper Tire has been operating for over 100 years and is listed on the New York Stock Exchange with a market capitalisation of USD1.75 billion on 20 November 2017. ETD has been Cooper Tire's exclusive distributor in Australia for more than 25 years and is one of Cooper Tire's largest international customers.

Cooper Tire supplies Cooper, Starfire and Mastercraft branded passenger, SUV and light truck tyres. Max Trac Tire Co, Inc (**Mickey Thompson**) (a subsidiary of Cooper) supplies Mickey Thompson, Deegan and Dick Cepek branded passenger, SUV and light truck tyres. Cooper Tire and Mickey Thompson brands accounted for 77.1% of NTAW revenue in FY2017.

Federal Corporation, a Taiwanese corporation, manufacturing Federal branded passenger, SUV, light truck and van tyres, is NTAW's third largest supplier.

NTAW is responsible for all marketing and promotion of Cooper and Mickey Thompson branded passenger, 4WD, SUV and light truck branded tyres in Australia, New Zealand and, from the Listing Date, South Africa, managing all creative, brand positioning (subject to Cooper Tire's policies and requirements relating to advertising and selling of products) and wholesale pricing decisions. The relevant operating entities deal directly with retail customers.

NTAW is the owner of registered designs for almost all Cooper and Mickey Thompson products sold in Australia and New Zealand. NTAW has successfully used its status as the legal owner of design patents to stop third parties from importing the relevant products in parallel with ETD and ETD New Zealand – refer to section 5.2.16 for further details.

3.6 Growth strategies

3.6.1 Organic growth – tyres in Australia and New Zealand

NTAW's organic growth strategies are based on the following assumptions:

- Consumer purchase pathways are changing with information being gathered online before and after they visit a tyre retailer;
- Expertise is an important factor in a consumer's choice of where to shop for tyres and in a retailer's choice of a wholesale supplier;

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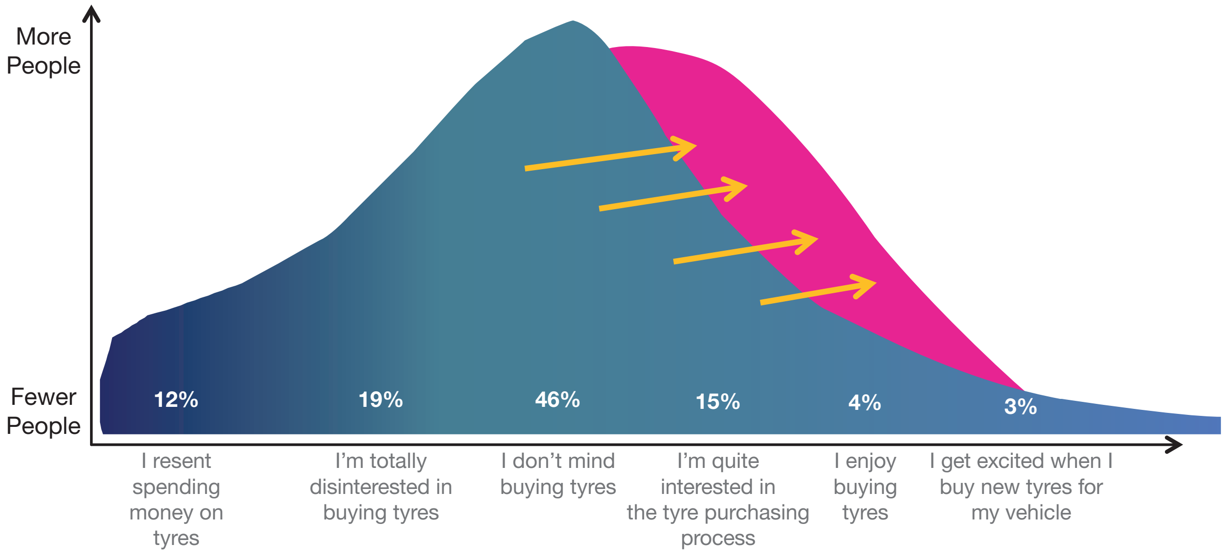
[2] Tire Business 32nd Global Tire Report, August 2017

- An environment conditioned by changing purchase pathways and more sophisticated or informed buyers and sellers will result in an increase in the present low levels of consumer engagement and interest in tyre purchases; and
- Retailers in the Group's target segments need help to respond to changing consumer pathways, new communication and promotion opportunities (e.g. digital media) and the risk of other wholesalers and manufacturers selling directly to consumers.

The Group seeks to increase market share in the target segments by:

- Promoting an expanded product range;
- Adopting promotional activities that appeal to changing consumer purchasing behaviour;
- Providing value adding services to retail customers; and
- Rewarding retailers for their loyalty.



New products & segments. "Cooper - Tyres Worth Owning"

Aftermarket tyre designs usually change every few years and new sizes are regularly released to match the size specifications of original equipment tyres fitted to new motor vehicles. The Group's experience indicates that, at least in the short term, sales revenue tends to increase with the release of new designs and/or sizes.

The Group's experience also indicates that sales revenue can reduce as some sizes and patterns become obsolete due to the aging of the vehicle fleet and/or the emergence of new product designs from competitors.

Sales growth can also come from offering products for market segments that have not previously been targeted or with designs that are entirely new. For example:

- ETD (and the other operating entities) regularly offer products in new sizes and the number of products increases over time despite existing sizes becoming obsolete;
- ETD launched a new range of products in September 2016. Since the launch, over 80 new product sizes and types for passenger cars and SUVs were added to the Cooper range of products in Australia. ETD has seen sales for these new products grow and that growth is continuing;
- Top Draw launched the Mickey Thompson product range in South Africa in September 2017; and
- Dynamic launched a range of wheel brands made by The Wheel Group during 2016.

NTAW's expansion into the passenger car and SUV tyre segments involved a change to the Cooper brand architecture, including the adoption of a new brand slogan "Tyres Worth Owning". In adopting this change to the Cooper brand architecture, the Group also sought to position Cooper as a brand that will become renowned for encouraging consumers to be more engaged in their tyre purchase on the assumption that, by facilitating that engagement, consumers will become more aware of the brand and more favourably disposed to purchasing it. NTAW refers to this strategy as the "Tyres Worth Owning" campaign.

Consumer Behaviour: Driving More Engagement

Examples of how ETD is executing its "Tyres Worth Owning" campaign.

A recent survey of NTAW's customers indicated that a majority of those selling Cooper were favourably disposed to increasing the volume of Cooper passenger car and SUV products they purchase from NTAW.[3]

A survey of consumers indicates that a relatively large number of consumers, especially owners of 4WDs and SUVs, are aware of the Cooper and Mickey Thompson brands. These brands are positioned at the premium end of the market. NTAW believes the equity in these brands is valuable because of the levels of brand awareness and this premium positioning.

The TCC™ Program

Expertise is an important factor in the choice of suppliers for retailers and consumers.[4] ETD has developed promotional campaigns to both retailers and consumers designed to make it easier for:

- Consumers to understand how to identify differences between tyres; and
- Retailers to demonstrate those differences in a manner that is consistent with evolving consumer purchasing behaviour and the way ETD communicates with consumers.

The TCC program is based on the idea that differences between tyres fall into three categories:

- Tread design;
- Carcass construction; and
- Compounds used in the manufacturing process.

(i.e. "TCC").

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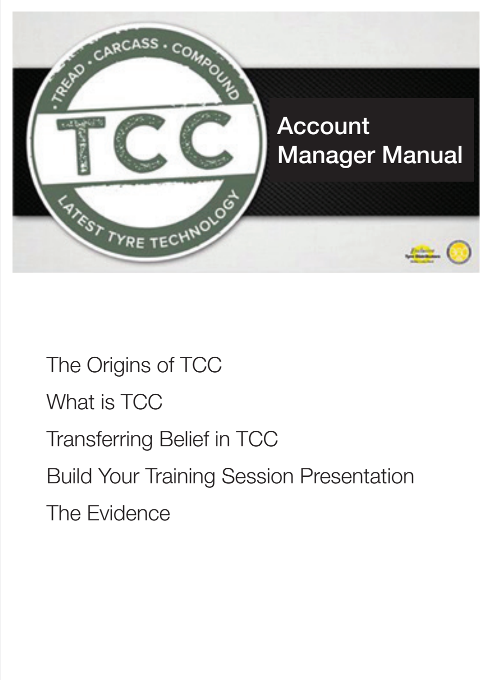
[3] Lucidity Group ETD Customer Survey, 2017 and Lucidity Group Consumer Survey 2017

[4] Lucidity Group ETD Customer Survey, 2017

3. The Company (cont)

TCC is intended to be a means by which consumers and customers can use common terminology when communicating with each other about differences between tyres. The Group believes that providing this common ground for communication will facilitate higher levels of consumer engagement and, therefore, sales (e.g. enhance the prospects for success with the Tyres Worth Owning campaign).The Company has built a data base of personal information from consumers of its products and this information can be used in collaboration with retail customers to make personal offers to consumers.



Account Manager Manual

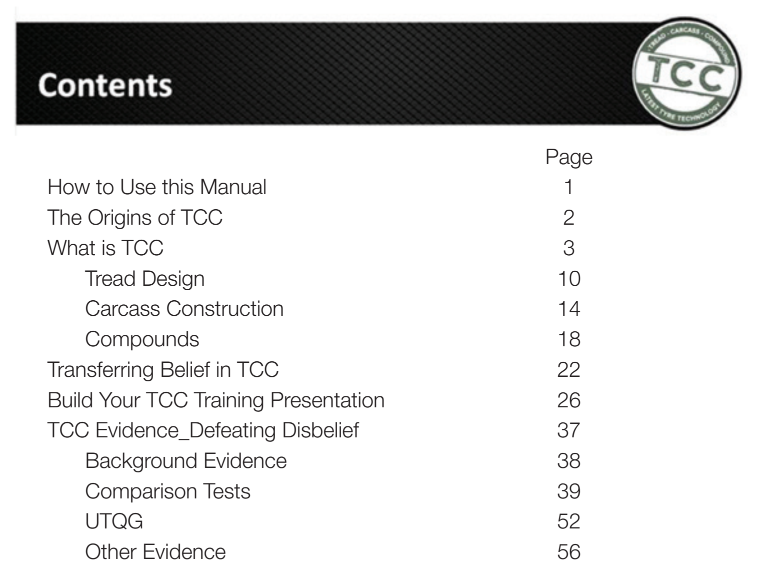
The Origins of TCC

What is TCC

Transferring Belief in TCC

Build Your Training Session Presentation

The Evidence



Contents

TCC Tool Kit

To Demonstrate Tyre Differences based on Tread, Carcass and Compound

Example of ETD executing the TCC Program

A recent survey of ETD customers indicates that 89% of them believe the TCC Program will be useful in differentiating products to influence consumer purchase decisions.[5]

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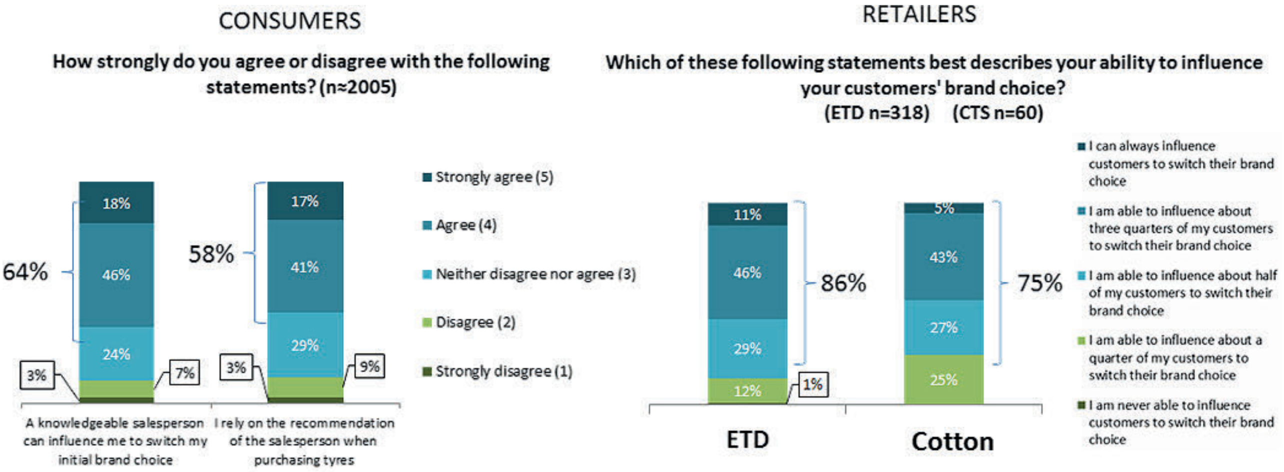
[5] Lucidity Group ETD Customer Survey, 2017

3. The Company (cont)



64% of Consumers Strongly Agreed or Agreed that a "Knowledgeable Salesperson can influence me to switch my initial brand choice"
58% of our Consumers Strongly Agreed or Agreed that "I rely on the recommendation of the salesperson when purchasing tyres"

86% of ETD and 75% of CTS Retailers said they can influence half or more of their customers to switch their brand choice

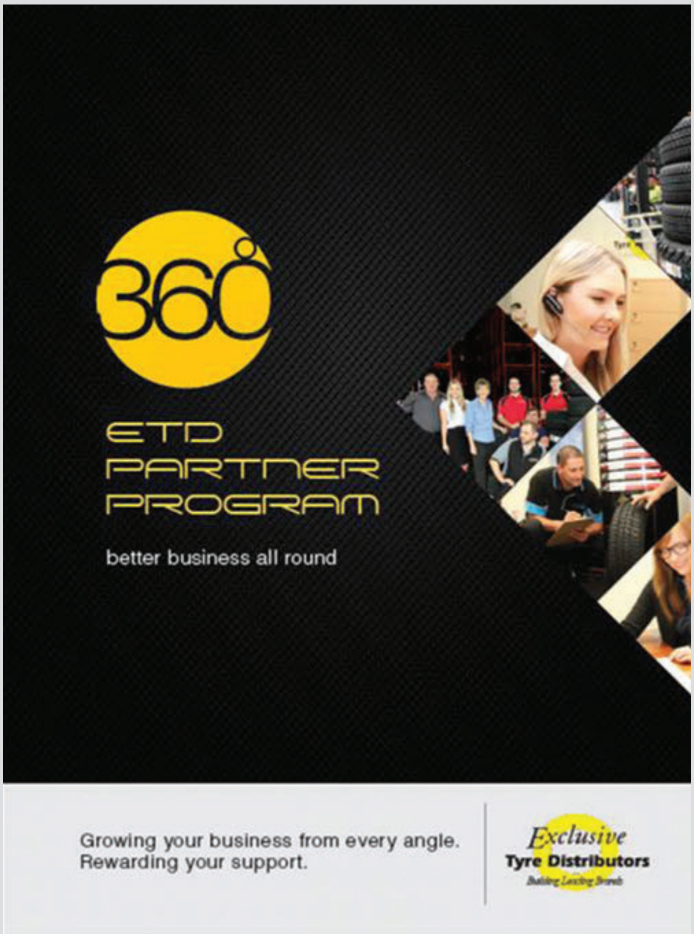
The 360° Partner Program

ETD launched a loyalty program called the 360° Partner Program in July 2016. The program codifies the arrangements ETD has with its customers in relation to:

- Degrees of territorial exclusivity;
- Differential wholesale pricing based on purchase volume;
- Marketing support ETD offers to its customers;
- Training and development services supplied by ETD;
- Other value adding services; and
- Other incentives offered by ETD in return for customer loyalty.

3. The Company (cont)

A loyalty program codifying our commitment to outstanding customer service.



"Respect is earned.

Honesty is appreciated.

Trust is gained.

Loyalty is returned"

- **Fair, Transparent, Responsive & Motivational**
- **Membership categories reflecting different business relationships**
- **Every category receives outstanding benefits**
- **More loyal members rewarded with additional benefits**
- **A "Star" Accreditation System**

"I not only use all the brains I have, but all I can borrow"... *Woodrow Wilson*

Valuing 360 Program Benefits
Territorial Protection
Store Theme Enhancement Program (STEP)
Advertising in Traditional Media, Online and in Social Media
Social Media Engagement
Sales & Product Training
Point of Sale Items & Merchandising
Rewards & Incentive Trips
Market Intelligence
Being Part of the Cooper & Mickey Thompson Families

The 360° Partner Program is designed to help EDT customers develop the tools they need to take advantage of changing consumer purchase pathways, new communication (promotion) platforms and techniques arising from digital technologies. These programs include the use of personal information data bases collected from consumers. The program rewards customers in a quantitative sense (they receive a better buying price for buying more volume) and a qualitative sense (e.g. they are rewarded for participating in ETD's Tyres Worth Owning campaign and the TCC Program).

ETD seeks to position itself as a value adding supplier by providing services that include training, market intelligence, incentive trips, co-operative advertising campaigns and point of sale material. ETD seeks to differentiate the 360° Partner Program from similar programs offered by competitors on the basis that the ETD program is designed to improve customer net profit and customer goodwill.

3.6.2 Organic growth – other operating entities

New market segments

Other operating entities are also pursuing growth strategies based on targeting new market segments. For example, MPC is seeking to sell to the trailer manufacturer segment and Dynamic is seeking to further expand its alloy wheel business. Dynamic and MPC are also introducing each other to some of their respective customers in pursuit of cross selling opportunities.

Geographic expansion

The operating entities are in various stages of development. While the ETD business has been in business for more than 25 years, MPC, Top Draw and ETD New Zealand are at a much earlier stage of their development. These younger businesses have the opportunity to expand into new regions.

For example:

- Dynamic first employed people to sell products in New South Wales and Western Australia in 2015;
- Dynamic first sold steel wheels in New Zealand in 2015 and presently offers a very limited range of alloy wheels in that market;
- MPC's present customer base is almost entirely in Victoria; and
- Top Draw has the right to sell products in Southern Africa but, to date, more than 90% of its sales revenue is generated in South Africa. There is also the opportunity to increase wheel sales in these markets.

Other growth opportunities include fleet sales, expanding the sale of white label brands owned by NTAW and the potential to increase business from existing customers and win business from new customers.

3.6.3 Growth by acquisition

ETD New Zealand commenced trading as part of the Group in 2011 and NTAW has completed the acquisition (in whole or in part) of 5 businesses since 2013. These acquisitions arose from the execution of the Company's strategy to identify and purchase tyre wholesaling businesses. The Company does not presently have any plans to purchase retail businesses as it would be inconsistent with the Company's commitment to adding value to customers.

The Board believes that there will be opportunities to grow by acquiring other wholesale businesses (operating in any vehicle segment of the industry) and/or sourcing additional products that can fit vehicles that are not in the market segments presently targeted by the Company such as truck and bus, off the road, agricultural, mining and industrial.

The Board also believes that acquiring other wholesale businesses has the potential to deliver economies of scale that reduce costs (such as consolidation of warehouse and logistics facilities) and/or enable it to deliver better services to tyre retailers.

4

Directors, Senior Management and Corporate Governance

4. Directors, Senior Management and Corporate Governance

This Section 4 sets out the details of the composition of the Board and senior management of the Company. It also details the corporate governance of the Company.

4.1 Board of Directors

Murray Boyte

Independent, Non-Executive Chairman

Mr Murray Boyte is an Independent Non-Executive Director and Chairman of NTAW. 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 industries, and health service. He was Chief Executive Officer of ASX listed Ariadne Australia Limited from 2002 to 2015.

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

(John) Peter Ludemann

Chief Executive Officer and Managing Director

Mr Peter Ludemann is the Chief Executive Officer and Managing Director of NTAW. Mr Ludemann joined the Group as a Director in 2012 and commenced his role as CEO of NTAW in July 2013.

Mr Ludemann has degrees in Law and Commerce (Marketing) from the University of NSW. He has worked as a commercial lawyer, a director of numerous private companies, the Managing Director of a life science investment firm and as a private equity Investment Manager at AMP Capital.

In his role as CEO of NTAW, Mr Ludemann has expanded operations in the passenger car, SUV and 4WD tyre segments. He has also managed the acquisition and integration of Dynamic, MPC, NSW/ACT, Cotton and Top Draw.

Terence (Terry) Smith

Executive Director

Mr Terry Smith is one of the founders of NTAW and an Executive Director of NTAW.

Mr Smith has over 40 years' experience in tyre importing, wholesaling and retailing. Mr Smith and his wife Susanne have been responsible for taking the Company from a start-up business to one of the largest independent national tyre wholesalers in Australia.

Robert Kent

Independent, Non-Executive Director

Mr Robert Kent is an Independent Non-Executive Director of NTAW. Mr Kent was the Managing Director of Publicis Mojo (Queensland), part of a global advertising firm, from 2000 to 2017. He was also a member of the Publicis National Board of Management.

Mr Kent is an experienced marketing executive who has experience managing many campaigns involving sales, promotion and brand building. He holds a Bachelor of Business (Marketing) degree from the Queensland University of Technology and is a member of the Australian Institute of Company Directors.

Mr Kent previously filled the role of Managing Director of Personalised Plates Queensland from 2013 to March 2017. Under his management, sales grew by 34% over 4 years with internet traffic providing 75% of revenue.

Mr Kent has previously held board roles of ACT for Kids (a charity) from 2001 to 2013 and South Bank Business Association in Brisbane from 2002 to 2009.

4. Directors, Senior Management and Corporate Governance (cont)

William (Bill) Cook

**Independent,
Non-Executive Director**

Mr Bill Cook is an Independent Non-Executive Director of NTAW. Mr Cook commenced his career at Ford Motor Company in finance. He worked for Consolidated Press Holdings with the late Kerry Packer from 1983 to 1996 as Head of M&A and worldwide reporting.

After two years as General Manager of Qantas Flight Catering's Sydney business he undertook Private Equity investment consulting roles, and subsequently joined AMP Capital as an investment manager in the Private Equity team. Since leaving AMP Mr Cook has served as non-executive director for a number of companies, including NTAW since 2013.

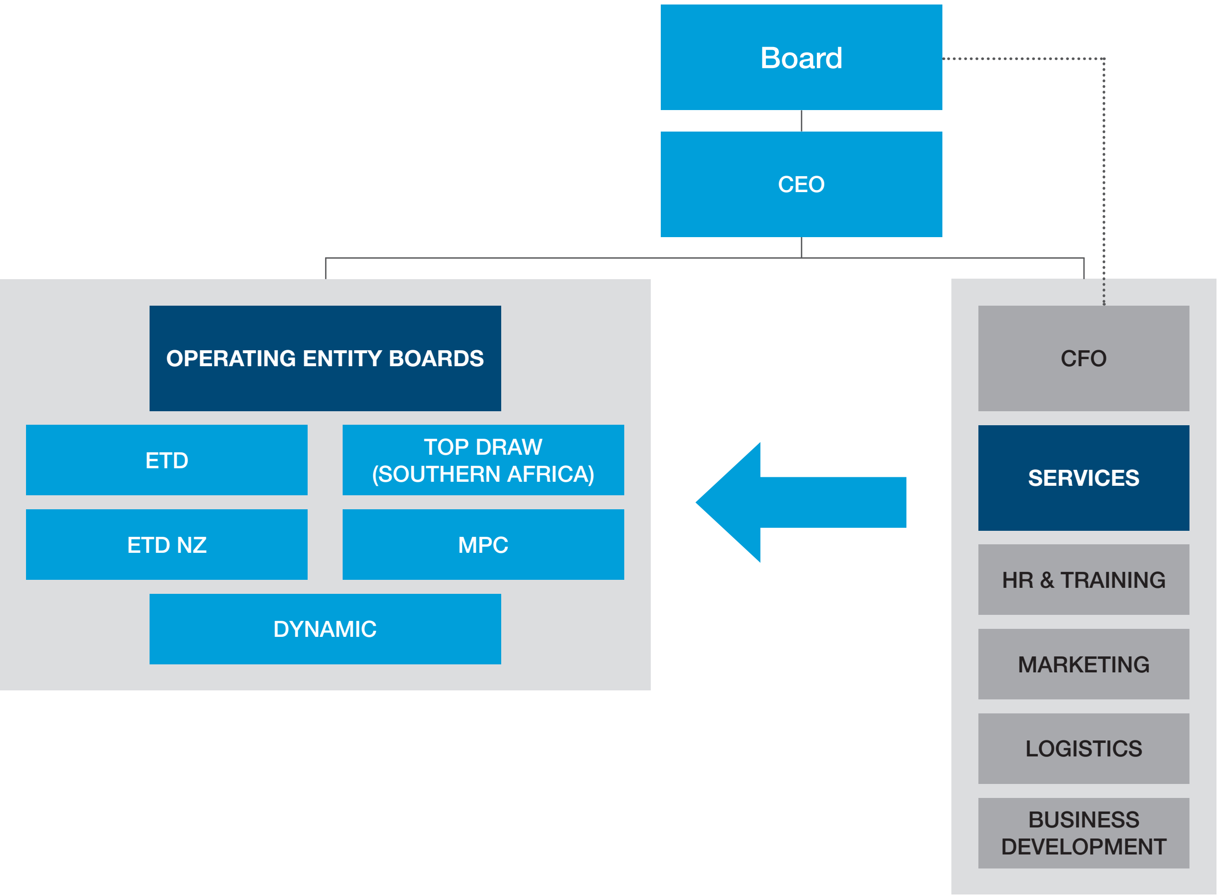
4.2 Senior management

Group management comprises executives who are responsible for subsidiary trading entities (the day to day management of those entities) and others who manage business units supplying services to these operating entities.

The General Managers of the operating entities report to the NTAW CEO and to the Board of Directors of each operating entity. The NTAW CEO reports to the NTAW Board.

Each of the service business units has a General Manager who reports to the NTAW CEO. The NTAW CFO provides financial information to the Board.

The management organisation is summarised in the following chart:



4. Directors, Senior Management and Corporate Governance (cont)

Peter Ludemann **Chief Executive Officer and Managing Director, NTAW**	See Section 4.1
 **Jason Lamb** **Chief Financial Officer and Company Secretary, NTAW**	Mr Jason Lamb is the Group Chief Financial Officer. Mr Lamb joined ETD in 2007. He has 17 years' accountancy experience. He is a Certified Practicing Accountant with a Bachelor of Commerce (Accounting & Economics) from the University of Queensland. Mr Lamb is responsible for setting up and operating the financial accounting systems for NTAW and ETD. He has also been responsible for all financial due diligence work relating to business acquisitions and the establishment of financial reporting systems for those operating entities. Mr Lamb is a member of the senior management committees at ETD and ETD New Zealand which oversee significant strategic decisions for those operating entities.
 **Chris Hummer** **Chief Executive Officer, Dynamic**	Mr Chris Hummer is the founder of Dynamic Wheels. Mr Hummer previously worked with DMIB, a company owned by Sime Darby Malaysia as an International Marketing Representative where he was responsible for creating the Simex 4WD tyre. He remains actively involved in the 4WD industry. Mr Hummer started his first business, an automotive roadside assistance firm, in 1989 and diversified into wheel and tyre wholesaling when Dynamic was formed in 1997. Mr Hummer has been responsible for growing Dynamic into a national wheel wholesaler and building the Dynamic brand of wheels. Mr Hummer serves as a non-executive director of Victorian Automobile Chamber of Commerce and he previously served as a non-executive director of Tyre Stewardship Australia from 2013 to 2015. Mr Hummer has a Company Directors diploma from the Australian Institute of Company Directors.
 **Roshan Chelvaratnam** **Managing Director, MPC**	Mr Roshan Chelvaratnam is the founder of MPC. A 7 year tenure at Qantas in aircraft engineering developed skills and knowledge that have been transferred to product design and development at MPC. Mr Chelvaratnam's entrepreneurial spirit has seen him start and operate a number of businesses across the automotive, import, export and wholesale markets. His lateral thinking, commitment to his customers and tenacity has contributed to building a successful business operation at MPC.
 **Simon Billington** **General Manager, ETD New Zealand**	Mr Simon Billington is the General Manager of ETD New Zealand. He has a degree in Business Studies (Marketing) from Massey University, Wellington, New Zealand. In addition to experience managing a retail tyre shop in Wellington, Mr Billington was a sales representative for OTR, a New Zealand tyre wholesaler from 2002 to 2011. He was General Manager of OTR for a year before joining ETD in 2013 to assist with the establishment of its operations in New Zealand. Mr Billington has been managing the ETD New Zealand business since 2013 building a team of 15 people, expanding the product platform to include Cooper, Mickey Thompson, Federal, CRS and Dynamic Wheels.

4. Directors, Senior Management and Corporate Governance (cont)

 **Georg Schramm** **Managing Director, Top Draw**	Mr Georg Schramm is the Managing Director of Top Draw. He graduated with a Higher Diploma in Business Management from Wits Business Technicon in South Africa, as well as completing the IMD signature OWP course in Lausanne Switzerland. Mr Schramm worked as a sales representative for Dunlop Tyres in 1989. He returned as a Regional Manager in 1996 and became General Manager for a number of regions in 1996. In 2006, Mr Schramm became Marketing, Sales and Operations Director after Dunlop was acquired by Apollo Tyres South Africa, a business with revenues of 2.8 billion South African Rand. Mr Schramm was the founding shareholder or Top Draw in 2011 and that business now imports and distributes Cooper and Mickey Thompson branded tyres in South Africa and neighbouring countries. At the Listing Date, Mr Schramm will own 39.6% of the issued capital of Top Draw.

4.3 Employees by location

From the Listing Date (based on employees as at 31 October 2017), NTAW expects to employ 173 full time equivalent employees located in Australia (138.5), New Zealand (14.5) and South Africa (20).

4.4 Employment agreements

The employment contracts for senior management are summarised below:

Peter Ludemann **Chief Executive Officer and Managing Director, NTAW**	Peter Ludemann is employed by NTAW in the position of Chief Executive Officer and Managing Director. Mr Ludemann's fixed remuneration package is a base salary of $406,793 including superannuation contributions. Under the terms of Mr Ludemann's employment contract, he is eligible for short term incentives as determined by the Board plus 9.5% superannuation on any incentive bonus amount. Mr Ludemann has statutory leave entitlements and is entitled to 5 weeks annual leave per year. Mr Ludemann has participated in NTAW's former share option plan and will exercise his options under the plan prior to the Listing Date. Mr Ludemann is also eligible to participate in the NTAW's ESOP described in Section 4.6. Under the terms of Mr Ludemann's contract, either party may terminate the contract on six months' notice. In the case of termination by NTAW, NTAW may provide payment in lieu of notice. Mr Ludemann's employment contract does not contain any express redundancy provisions. Mr Ludemann'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. Mr Ludemann is required to keep information obtained during his employment confidential, both during his employment and after his employment ends. Mr Ludemann's contract contains an assignment of intellectual property created during the course of his employment.
Jason Lamb **Chief Financial Officer and Company Secretary, NTAW**	Jason Lamb is employed by NTAW in the position of Chief Financial Officer and Company Secretary. Mr Lamb's fixed remuneration package is a base salary of $213,000 plus the minimum statutory superannuation contributions and a car allowance of $22,300. Under the terms of Mr Lamb's employment contract, he is eligible for short term incentives as determined by the Board. Mr Lamb has statutory leave entitlements. Under the terms of Mr Lamb's contract, either party may terminate the contract on 6 months' notice. In the case of termination by NTAW, NTAW may provide payment in lieu of notice. Mr Lamb is entitled to redundancy pay in accordance with NTAW's legal obligations. Mr Lamb's contract contains a 6 month non-compete restraint within Australia and a 6 month non-solicitation of employees, contacts and clients with whom he has contact with, or influence over. Mr Lamb is required to keep information obtained during his employment confidential, both during his employment and after his employment ends. Mr Lamb's contract contains an assignment of intellectual property created during the course of his employment.

4. Directors, Senior Management and Corporate Governance (cont)

Chris Hummer **Chief Executive Officer, Dynamic**	Chris Hummer is employed by Dynamic in the position of Chief Executive Officer. Mr Hummer's fixed remuneration package is a base salary of $160,000 plus statutory superannuation contributions. Under the terms of Mr Hummer's employment contract, he is entitled to a bonus if Dynamic achieves targets set by the Board. Mr Hummer has statutory leave entitlements. Under the terms of Mr Hummer's contract, either party may terminate the contract on 3 months' notice. In the case of termination by Dynamic, Dynamic may provide payment in lieu of notice. Mr Hummer is entitled to redundancy pay in accordance with the Company's legal obligations. Mr Hummer's contract contains a 12 month non-compete restraint within the geographical area and a 12 month non-solicitation of employees, contacts and clients with whom he has contact with, or influence over. Mr Hummer is required to keep information obtained during his employment confidential, both during his employment and after his employment ends. Mr Hummer's contract contains an assignment of intellectual property created during the course of his employment.
Roshan Chelvaratnam **Managing Director, MPC**	Roshan Chelvaratnam is employed by MPC in the position of Managing Director. Mr Chelvaratnam's fixed remuneration package is a base salary of $173,276 plus minimum statutory superannuation contributions. Under the terms of Mr Chelvaratnam's employment contract, he is entitled to a bonus if MPC achieves targets set by the Board. Mr Chelvaratnam has statutory leave entitlements. Under the terms of Mr Chelvaratnam's contract, either party may terminate the contract on 6 months' notice after the expiry of the initial term of 3 years (from 1 April 2017). In the case of termination by MPC, MPC may provide payment in lieu of notice. Mr Chelvaratnam may not terminate within the first 3 years of his employment. Mr Chelvaratnam is entitled to redundancy pay in accordance with the Company's legal obligations. Mr Chelvaratnam's contract contains a 6 month non-compete restraint within Australia and a 12 month non-solicitation of employees, contacts and clients with whom he has contact with, or influence over. Mr Chelvaratnam is required to keep information obtained during his employment confidential, both during his employment and after his employment ends. Mr Chelvaratnam's contract contains an assignment of intellectual property created during the course of his employment.
Simon Billington **General Manager, ETD New Zealand**	Simon Billington is employed by ETD New Zealand in the position of General Manager New Zealand Operations. Mr Billington's employment contract is governed by New Zealand law. Mr Billington's fixed remuneration package is a base salary of NZ$141,000 plus compulsory KiwiSaver contributions (3%). Under the terms of Mr Billington's employment contract, he is eligible for short term incentives as determined by the Board. Mr Billington has statutory leave entitlements. Under the terms of Mr Billington's contract, either party may terminate the contract on 6 months' notice. In the 30 day period commencing on the date of receiving notification of his short term incentive arrangements each year, Mr Billington can terminate the contract on 3 months' notice. At any time after the second anniversary of the agreement (21 November 2019) either party may terminate the contract on 3 months' notice. In the case of termination by ETD New Zealand, ETD New Zealand may provide payment in lieu of notice. Mr Billington's contract contains a 6 month non-compete restraint within New Zealand and a 6 month non-solicitation of employees, contacts and clients with whom he has contact with, or influence over. Mr Billington is required to keep information obtained during his employment confidential, both during his employment and after his employment ends. Mr Billington's contract contains an assignment of intellectual property created during the course of his employment.
Georg Schramm **Managing Director, Top Draw**	Georg Schramm is employed by Top Draw in the position of Chief Executive Officer. Mr Schramm's employment contract is governed by South African law. Mr Schramm's fixed remuneration package is R278,000 per month and he is entitled to car and mobile phone allowances totalling R22,300 per month. Under the terms of Mr Schramm's contract, either party may terminate the contract on 6 months' notice. Where Mr Schramm is terminated due to operational requirements, the termination will be governed by Top Draw policies or practices or, if no policy or practice exists, in accordance with the law. Mr Schramm is required to keep information obtained during his employment confidential, both during his employment and after his employment ends. Mr Schramm's contract contains an assignment of intellectual property created during the course of his employment.

4.5 Directors' interests and benefits

Directors are not required under the Constitution to hold any Shares or Options. On Completion of the Offer, the Directors will hold the following Shares (either directly or through beneficial interests or entities associated with the Director). The Directors (and their related parties and associates) are entitled to apply for additional Shares under the Offer.

Director	Shares	%
Murray Boyte[1]	0	0
Peter Ludemann	2,589,928	2.6
Terry Smith[2]	27,032,371	26.7
Rob Kent[1]	0	0
Bill Cook[3]	203,132	0.2

Notes:

1. Does not take into account Shares intended to be applied for under the Offer – see section 8.7.
2. Held through associated entity ST Corso.
3. Held through associated entity Zambo Pty Ltd atf William Cook Superannuation Fund.

The employment contracts for executive directors and appointment letters for independent non-executive directors are summarised below:

Peter Ludemann **Chief Executive Office and Managing Director**	See Section 4.4.
Terry Smith **Executive Director**	Terry Smith is employed by ETD in the position of Executive Director assisting with strategic and tactical measures required by the CEO or the Board. Mr Smith's fixed remuneration package is $70,000 inclusive of statutory superannuation contribution and a car allowance of $22,300. Mr Smith has statutory leave entitlements. Mr Smith is employed on a part time basis. Under the terms of Mr Smith's contract, either party may terminate the contract on 6 months' notice. In the case of termination by the Company, the Company may provide payment in lieu of notice. Mr Smith is entitled to redundancy pay in accordance with the Company's legal obligations. Mr Smith's contract contains a 6 month non-compete restraint within Australia and a 6 month non-solicitation of employees, contacts and clients with whom he has contact with, or influence over. Mr Smith is required to keep information obtained during his employment confidential, both during his employment and after his employment ends. Mr Smith's contract contains an assignment of intellectual property created during the course of his employment.
Independent, Non-Executive Directors	Each of the Non-Executive Directors have entered into an appointment letter with the Company, confirming the terms of their appointment, their roles and responsibilities and the Company's expectations of them as Directors. Under the Constitution, the Directors decide the total amount paid to all Directors as remuneration for their services as a Director. However, under the Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed, in aggregate in any financial year, the amount fixed by the Company in general meeting. This amount has been fixed at $750,000. For the initial year of listing, the annual base Non-Executive Director fees currently agreed to be paid by the Company are $90,000 per annum to the Independent Chairman and $70,000 per annum to the 2 Independent Non-Executive Directors.

4. Directors, Senior Management and Corporate Governance (cont)

4.5.1 Related party transactions

Other than as set out in this Section 4.5 and the employment agreements and appointment letters with Directors summarised in Sections 4.4 and 4.5, there are no agreements between the Company and its related parties.

4.5.2 Indemnification and directors & officers insurance

The Company has entered into a deed of indemnity, insurance and access with each Director, which confirms the Director's right of access to Board papers and requires the Company to indemnify the Director on a full indemnity basis, and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred by the Director as an officer of the Company or of a related body corporate. Under the deed of indemnity, insurance and access, the Company must maintain a directors' and officers' insurance policy insuring each Director and officer against liability as a Director and officer of NTAW and its related bodies corporate until seven years after the Director ceases to hold office as a Director or as a director of officer of a related body corporate (or the date any relevant proceedings commenced during the seven year period have been finally resolved).

4.6 ESOP

The Company has adopted a new employee share option plan (**ESOP**). The rules of the ESOP are summarised in the following paragraphs:

- Options may be granted under the ESOP to any person who is, or is proposed to be, a full-time or part-time employee, a non-executive director, a contractor (40% full-time equivalent (FTE)) or a casual employee (40% FTE) of the Company or any of its associated bodies corporate, and whom the Board determines to be an eligible person for the purposes of participation in the ESOP (referred to as an Eligible Person).
- An option may not be granted under the ESOP if, immediately following its grant, the Shares to be received on exercise of the option, when aggregated with the number of Shares which would be issued if each unvested option granted under the ESOP or any other employee incentive scheme of the Company were to vest and be exercised and the number of Shares issued in the previous 3 years under the ESOP or any other employee incentive scheme of the Company, exceeds 5% of the total number of issued Shares at the time of grant (or any varied limit if permitted under the Corporations Act, ASX Listing Rules and ASIC instruments). Certain offers of options may be excluded from calculation as permitted under Class Order 14/1000, including excluded offers under section 708 of the Corporations Act and offers under a disclosure document.
- Each option entitles the participant to subscribe for one ordinary Share in the Company.
- The specific terms relevant to the grant of options are set out in an offer from the Company to the Eligible Person which shall contain details of the application price (if any) (which must not be for more than nominal consideration), the expiry date, the exercise price, the vesting date, any applicable performance conditions and other specific terms relevant to those options.
- Unless otherwise specified in the offer of an option, if a "Change of Control Event" occurs before the vesting date of an option, that option immediately vests and ceases to be subject to any performance condition to which it was subject. A Change of Control Event means the occurrence of one or more of the following events:
  - A person who has offered to acquire all shares in the Company acquires Control (as defined in section 50AA of the Corporations Act) of the Company;
  - Any other event occurs which causes a change in Control of the Company;
  - Unless the Board determines otherwise, a takeover bid is recommended by the Board or a scheme of arrangement which would have a similar effect to a full takeover bid is announced by the Company; and
  - Any other event which the Board reasonably considers should be regarded as a Change of Control Event.
- Options may only be transferred:
  - To a legal personal representative on the death of the participant or to the participant's trustee in bankruptcy on the bankruptcy of the participant; or
  - Pursuant to an off-market takeover bid, in various compulsory acquisition scenarios under Chapter 6A of the Corporations Act, under a creditor's scheme of arrangement under section 411 of the Corporations Act or if approved by the Board.
- An option does not confer any rights to participate in a new issue of Shares by the Company.
- If the Company conducts a rights issue, the exercise price of options will be adjusted in accordance with the adjustment formula for pro rata issues set out in the Listing Rules.
- If the Company makes a bonus issue of securities to holders of Shares, the rights of a holder in respect of an unexercised Option will be modified such that the participant will receive, upon exercise of an Option, one Share plus such additional securities which the participant would have received had the participant exercised the Option immediately before the record date for that bonus issue and participated in the bonus issue as the holder of the Share.

- If the Company's issued capital is reorganised (including consolidation, subdivision, reduction, or return), then the number of options, the exercise price or both or any other terms will be reorganised in a manner determined by the Board which complies with the Listing Rules.
- Any Shares issued under the ESOP rank equally in all respects with the Shares of the same class on issue, subject to the restrictions on the transfer of Shares summarised below.
- Shares issued on exercise of options are not transferable for the period (if any) specified in the offer from the Company to the Eligible Person.
- An unvested option lapses upon the first to occur of the following:
  - Its expiry date;
  - Any applicable performance condition not being satisfied prior to the end of any prescribed performance period;
  - A transfer or purported transfer of the option in breach of the rules;
  - 30 days following the day the participant ceases to be employed or engaged by the Company or an associated body corporate by resigning voluntarily and not recommencing employment with the Company or an associated body corporate before the expiration of that 30 days;
  - 30 days following the day the participant ceases to be employed or engaged by the Company or an associated body corporate by reason of his or her death, disability, bona fide redundancy, or any other reason with the approval of the Board and the participant has not recommenced employment with the Company or an associated body corporate before the expiration of those 30 days, however the Board has a discretion to deem all or any of the options to have vested; or
  - Termination of the participant's employment or engagement with the Company or an associated body corporate on the basis the participant acted fraudulently, dishonestly, in breach of the participant's obligations or otherwise for cause.
- A vested but unexercised option lapses upon the first to occur of the following:
  - Its expiry date;
  - A transfer or purported transfer of the option in breach of the rules; or
  - Termination of the participant's employment or engagement with the Company or an associated body corporate on the basis the participant acted fraudulently, dishonestly, in breach of the participant's obligations or otherwise for cause.
- Subject to the ASX Listing Rules and the law, the Board may at any time by resolution amend or add to the rules of the ESOP. However, the consent of a participant is required for any change to the rules or option terms which prejudicially affects the rights of the participant in relation to the option (except for certain changes, including changes to benefit the administration of the Plan or to comply with laws, ASX Listing Rules or regulations).

4.7 Corporate governance

This Section 4.7 explains how the Board will oversee the management of NTAW's business. The Board is responsible for the overall corporate governance of NTAW.

The Board monitors the operational and financial position and performance of NTAW and oversees its business strategy including approving the strategic goals of NTAW. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of NTAW.

In conducting the Company's business with these objectives, the Board seeks to ensure that NTAW is properly managed to protect and enhance Shareholder interests, and that NTAW, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing NTAW, including adopting relevant internal controls, risk management processes and corporate governance policies and practices, which it believes are appropriate for NTAW's business and which are designed to promote the responsible management and conduct of NTAW.

The main policies and practices adopted by NTAW, which will take effect from Listing, are summarised below. In addition, many governance elements are contained in the Constitution.

The Company's Code of Conduct outlines how the Company expects Directors and personnel to behave and conduct business in a range of circumstances. In particular the code requires awareness of, and compliance with, laws and regulations relevant to the Company's operations.

4.7.1 ASX Corporate Governance council's "Corporate Governance Principles and Recommendations"

The Company is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its ASX Corporate Governance Principles and Recommendations 3rd edition (**ASX Recommendations**) for entities listed on the ASX in order to promote investor confidence and to assist companies to meet stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the ASX Recommendations during each reporting period. Where the Company does not follow an ASX Recommendation, it must identify the recommendation that is not being followed and give reasons for not following it.

The Board will comply with the ASX Recommendations on Listing except as set out below.

Details of NTAW's key policies and practices and the Charters for the Board and each of its committees are available from the Company's website at www.ntaw.com.au.

4.7.2 Board of directors

The Board of Directors is comprised of the Independent Non-Executive Chairman, 2 Executive Directors and 2 other Independent Non-Executive Directors. Biographies of the Directors are provided in Section 4.1.

The Board charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers an independent Director to be a Non-Executive Director who is not a member of NTAW's management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board considers quantitative and qualitative principles of materiality for the purpose of determining independence on a case-by-case basis. The Board will consider whether there are any factors or considerations that may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of NTAW.

The Board considers that each of Mr Murray Boyte and Mr Bill Cook are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Director's unfettered and independent judgement and is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Publicis Mojo (Queensland) has provided services to the Company within the last 3 years. Mr Rob Kent was Managing Director of Publicis Mojo (Queensland) until March 2017. The Board has considered the nature, extent and materiality of the relationship between Mr Kent, Publicis Mojo (Queensland) and the Company and considers that Mr Kent is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of his unfettered and independent judgement and is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Mr Peter Ludemann and Mr Terry Smith are currently considered by the Board not to be independent. Mr Ludemann is currently the Chief Executive Officer and Managing Director of the Company. Mr Smith is also an executive Director as well as a substantial holder of the Company.

The Directors consider that they are able to objectively analyse the issues before them in the best interests of all Shareholders and in accordance with their duties as Directors. Each Director has confirmed to NTAW that they anticipate being available to perform their duties as a Non-Executive or Executive Director as the case may be without constraint from other commitments.

4.7.3 Board charter

The Board has adopted a written Charter to set out the key roles and responsibilities of the Board.

The Board is committed to:

(a) Protecting the interests of the Company, its shareholders and other stakeholders in the Company (such as employees and business partners, those who may benefit from products distributed by the Company, and the community as a whole);

(b) Promoting and maintaining a culture of good corporate governance and structures to facilitate the growth of the Company while managing risks and being accountable to stakeholders;

(c) Attracting and supporting a team with an appropriate and diverse blend of qualifications, skills, background and knowledge;

(d) Acting efficiently, honestly and fairly; and

(e) Acting in accordance with all applicable laws and regulations.

4. Directors, Senior Management and Corporate Governance (cont)

The key responsibilities of the Board are:

(a) Overseeing the business and strategic direction of the Company in order to maximise sustainable performance and generate appropriate levels of shareholder return;

(b) Appointing, evaluating and removing the CEO and Chairman, and, where appropriate, ratifying the appointment and removal of senior executives;

(c) Establishing reviewing, ratifying and monitoring systems of internal controls, risk management and legal compliance;

(d) Reviewing the performance and implementation of corporate strategies and risk management by senior management and ensuring that senior management have the necessary resources to carry out their functions;

(e) Approving and supervising significant capital expenditure, capital management, acquisitions and divestments;

(f) Approving and monitoring the performance of annual budgets and strategic plans;

(g) Succession planning; and

(h) Approving and monitoring financial and other reporting made to shareholders and the ASX under the continuous disclosure regime.

The Chairman is responsible for leadership of the Board and "setting the tone" for an effective working relationship between Board members, and between the Board and management.

The Board has appointed a CEO who has responsibility for the overall operational, business and profit performance of the Company. The CEO manages the Company in accordance with the strategy, plans and policies approved by the Board from time to time.

4.7.4 Board committees

The Board may from time to time establish committees to assist in the discharge of its responsibilities. The Board has established the Audit and Risk Committee, and the Remuneration and Nominations Committee. The Audit and Risk Committee is responsible for overseeing the external auditing of the Company's activities. The Remuneration and Nominations Committee is responsible for making recommendations to the Board on remuneration packages for senior executives, senior Managers and executive Directors; and for making recommendations to the Board on the composition of the Board and appointment and evaluation of the CEO.

Full details of NTAW's key Corporate Governance policies and practices and the Charters for the Board and each of its committees are available from the Company's website, www.ntaw.com.au.

4.7.5 Securities trading policy

NTAW has adopted a Securities Trading Policy which sets out the rules which govern Key Management Personnel and employees dealing in securities of the Company. The policy also explains the types of conduct in dealings in securities that are prohibited under the Corporations Act and establishes a procedure for the buying and selling of securities that protects the Company, Directors and employees against the misuse of unpublished information that could materially affect the value of securities.

The policy applies to all Directors, officers, senior executives and employees who have been advised by the Company Secretary that they have information that is or may become inside information and their relatives.

The policy provides that relevant persons who are not in possession of inside information may buy, sell or deal in the Company's Securities during a number of trading windows. Notification of dealing is required before any proposed transaction during a trading window.

The policy provides that relevant persons must not deal in NTAW's securities:

- When they are in possession of material price-sensitive information;
- On a short term trading basis; and
- During closed periods (outside a trading window), except in exceptional circumstances.

4.7.6 Code of conduct

The Board has adopted a Code of Conduct that requires all Directors and employees to conduct themselves with integrity, recognising their accountability to those who will benefit from the Company's success in bringing its products to market. In addition to complying with its legal obligations, the Company seeks to conduct itself in an ethical and responsible manner.

The Code of Conduct requires that Directors and employees:

- Comply with the letter and spirit of applicable laws and regulations in the jurisdictions in which the Company operates, in carrying out their responsibilities and in dealing with fellow employees, customers, suppliers and the community as a whole;

- Must not receive personal financial rewards or other inducements in return for making particular business decisions or accept gifts or other benefits where doing so may influence, or be seen to influence, the objectivity of their decision making;
- Must show consideration and respect for each other;
- Must act in the best interests of the Company;
- Must act honestly and with high standards of personal integrity;
- Must comply with the laws and regulations that apply to the Company’s operations;
- Must not knowingly participate in any illegal or unethical activity;
- Must avoid or appropriately manage actual, apparent or potential conflicts of interest; and
- Must ensure that confidential information about the Company is not disclosed to third parties, except where appropriately authorised or legally mandated.

4.7.7 Communication with shareholders

The Board is committed to ensuring that all shareholders have equal and timely access to material information concerning the Company and all Company announcements are factual and presented in a clear and balanced way.

All disclosures made to the ASX, and all information provided to analysts or the media during briefings, will be promptly posted on the Company’s website. The Company’s website will also include other information including general information about the Company, details of Directors and senior executives; corporate governance documents and copies of ASX announcements and annual and half yearly reports.

Shareholders are encouraged to attend and to actively participate at annual general meetings to ensure a high level of transparency and scrutiny of the Company’s strategy and goals.

4.7.8 Departures from the ASX Corporate Governance Recommendations

Following Listing, the Company will be required to report any departures from the ASX Recommendations in its annual financial report.

The Company’s departures from the ASX Recommendations as at the Prospectus Date, are set out in the table below:

ASX Recommendation	Explanation for departure
Principle 1 – Lay solid foundations for management and oversight	
Listed entities should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated	
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or (2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.	The Board considers that at this time no efficiencies or other benefits would be gained by introducing a formal diversity policy. In the future, as NTAW grows, and increases in size and activity, the Board will consider the establishment of a formal diversity policy.

ASX Recommendation	Explanation for departure
Principle 2 – Structure the board to add value	
A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively	
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has the relevant industry experience and specific expertise relevant to NTAW's business and level of operations. While the Board Charter contemplates the adoption of a skills matrix, the Board considers that its structure is, and will continue to be, appropriate in the context of NTAW's activities and does not consider it necessary at this stage to develop a matrix setting out the mix of skills of the Directors. The experience and skills of the Directors are well documented in this Prospectus and NTAW's website.

5

Risk Factors

5. Risk Factors

5.1 General

There are a number of risk factors associated with the Company and a number of general risk factors associated with an investment in Shares. These risks may individually or in combination materially and adversely affect the future operating and financial performance of the Company and accordingly the value of Shares. Many of these risks are outside the control and influence of the Directors and management. There can be no guarantee that the Company will achieve its stated objectives or that any of the forward looking statements or projections will eventuate.

This Section describes the major risks associated with an investment in the Company. The risks have been separated into business risk factors specific to the Company and general risk factors associated with any investment in shares. All investors need to be aware that this is not an exhaustive list of risks associated with an investment in the Company and this information needs to be considered in conjunction with all the other information disclosed in the Prospectus. Before making any investment in Shares, you should seek professional guidance from your stockbroker, solicitor, accountant or other qualified professional adviser before deciding whether to invest.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects for the Company, should consider the assumptions underlying the prospective financial information and the risk factors that could affect the future performance of the Company.

5.2 Company specific risk factors

Company specific risk factors are as follows:

5.2.1 Relationships with suppliers

The Group is reliant on Cooper Tire for the supply of many of the products it wholesales in the tyre and wheel industry. During FY2017, Cooper Tires and Mickey Thompson products accounted for approximately 77.1% of NTAW revenue. A summary of the distributor agreements between the Group and Cooper Tires and Mickey Thompson, including the circumstances in which those agreements may be liable to be terminated, are set out in Sections 9.3 and 9.4 respectively.

As set out in Sections 9.3 and 9.4, Cooper Tire and Mickey Thompson have the right to terminate their distributor agreements with ETD if there is a sale or transfer of a “substantial interest in the direct or indirect ownership” of ETD without their consent. Cooper Tire and Mickey Thompson have consented to the issue and sale of Shares under the Offer. Going forward, it has been agreed that this right will be triggered by the acquisition, directly or indirectly, by a person or group of persons of a beneficial ownership of:

(a) more than 20% of the issued shares;

(b) less than 20% of the issued shares in circumstances where such person or group of persons has acquired such shares with the effect of exerting or changing the control of NTAW or acting in a way that evidences an intention to exert control of NTAW, or in connection with or as a participant in any transaction having such purpose;

(c) more than 6% of the issued shares if such person or group of persons is deemed by either Cooper Tire or Mickey Thompson, as applicable and in its sole and reasonable discretion, to be a competitor of either Cooper Tire or Mickey Thompson (ie. is involved in the design or manufacture of tyres or the marketing of their own brand of tyres); or

(d) more than 5% of issued shares if such persons or their associates has violated any provision of the Foreign Corrupt Practices Act of 1977 or is owned or controlled by entities the subject or target of sanctions administered by the US Department of the Treasury, the US State Department, the United Nations Security Council, Her Majesty’s Treasury or other relevant sanction authority or located or resident in a country or territory whose government is the subject of such sanctions.

In making any determination about these matters, the distributor agreements require Cooper Tire and Mickey Thompson to act in good faith.

The distributor agreements with Cooper Tire and Mickey Thompson do not restrict the ability of ETD to distribute competitors’ products. If the distributor agreements were to terminate, ETD will continue to own the key distribution assets including the customer relationships, the distribution platform and channels, industry knowledge and relationships, business methods and personnel. As a result, management believe Cooper Tire and Mickey Thompson are very dependent on ETD to distribute their products in Australia and New Zealand and that these provisions are intended to protect that relationship. ETD has been the exclusive importer and distributor in Australia of Cooper Tire branded products for 28 years and Mickey Thompson branded products for 15 years.

If Cooper Tire was unable or unwilling to supply stock to the Group for any reason, there can be no assurance that the Group would be able to identify new replacement suppliers. In addition, there can be no assurance that the provision of product from new suppliers, if any, would be on commercially comparable terms. As such, the Group’s operations and financial performance may be adversely affected.

The Group also depends upon Cooper Tire and other suppliers providing it with reliable products that compare favourably with competing products in terms of quality, performance, safety and advanced features. Any adverse change in the product quality, production efficiency, product development efforts, technological advancement, marketplace acceptance, reputation, marketing capabilities or financial condition of its key suppliers or any product recall could have an adverse impact on the financial performance of the Group. Any difficulties encountered by any of those suppliers resulting from economic, financial, or other factors could also adversely affect the Group's financial performance.

Cooper Tire is listed on the New York Stock Exchange. There is also a risk of Cooper Tire being taken over by another manufacturer already operating in Australia which could adversely impact the relationship between Cooper Tire and the Group in which case the Group's operations and financial performance may be adversely affected.

5.2.2 Customer risk

The Group's business is dependent on its ability to retain its existing customers and attract new customers. The Group's business operates under various contractual arrangements with customers all of which are exposed to the risk of termination, expiry and non-renewal. Customers may also reduce the volume of products they order from the Group.

The Group may also fail to retain existing customers and attract new business for a number of reasons, such as the failure to meet customer expectations, poor customer service, pricing or competition. The Group's ability to retain and renew existing contracts and win new contracts may also be impacted by broader external factors including a slowdown in economic activity, changes to law or changes to regulation.

If the Group fails to retain existing customers, attract further business from existing customers and attract new customers, the Group's future operating and financial performance may be adversely affected and its reputation may be damaged.

5.2.3 Structural risk

A description of the current industry and market structure is described in Section 2. It is possible that there may be changes or disruptions to this structure or other market channels such as a current wholesale competitor acquiring a retail chain, an expansion in the take up of online sales of tyres and/or wheels or new entrants coming into the market. If any of these or similar events occur there will likely be competitive pressure on pricing and margins and the Group's operations and financial performance may be adversely affected.

Some participants in the tyre industry are vertically integrated in the value chain. NTAW's sales revenue could be affected if a competitor acquired NTAW's customers or NTAW's customers acquired a competitor of NTAW. NTAW's sales revenue could also be adversely affected if manufacturers and consumers choose to deal directly with each other.

5.2.4 Exchange rate risk

A significant proportion of the Group's costs and expenses, and an increasing proportion of the Group's revenues, are incurred in foreign currencies, whereas the Group reports in Australian dollars. As a result of the use of these various currencies, the Group is subject to foreign currency fluctuations, which may materially affect its financial position and operating results. For example, an appreciation in the value of the US dollar relative to the Australian dollar may result in higher than anticipated expenses which would adversely impact, profit and earnings as a result of the translation of the US dollar expenses to Australian dollars.

The Group purchases the majority of its trading stock in US dollars. Adverse movements between the Australian dollar, New Zealand dollar and South African Rand against the US dollar may increase the price at which the Group acquires its trading stock and result in volatility in profitability to the extent that the Group is unable to pass on price changes to its customers.

As there is no local manufacture of tyres in Australia and New Zealand, importers do not have to contend with a local manufacturer with a competitive advantage arising from an ability to buy inputs and sell outputs in a single currency. The Company seeks to manage its foreign exchange exposures using foreign exchange contracts.

5.2.5 Industry Risk

The tyre industry is large, mature and global in reach. Surplus capacity amongst manufacturers can result in downward pressure on prices. Barriers to entry at wholesale and retail levels are relatively low and new entrants can be disruptive. Tyre import prices are affected by the price of raw materials (particularly rubber and oil). Higher raw material prices can result in higher wholesale and retail prices.

5.2.6 Reliance on key personnel and management

The Group's future success is significantly dependent on the expertise and experience of its key personnel and management. In particular the CEO, Peter Ludemann, has been instrumental in executing the acquisition growth strategy of the Group.

The loss of services of key members of management, and any delay in their replacement, or the failure to attract additional key managers to new roles could have a material adverse effect on the Group's financial performance and ability to deliver on its growth strategies.

5.2.7 Competition

The tyre and wheel wholesale market is highly competitive, with a number of companies operating in this industry. Competition is based on factors including price, service, quality, performance standards range and the ability to provide customers with an appropriate range of quality products in a timely manner - refer to Section 2.1 for a detailed description of the competitive environment in which the Group operates.

Some of the Group's competitors may have longer operating histories, greater market share in certain markets or greater financial and other resources, which may make them better able to withstand any downturns in the market or expand into new and developing markets more aggressively than the Group. A failure by the Group to effectively compete with its competitors may adversely affect the Group's future financial performance and position.

5.2.8 Integration of recent and future acquisitions

Over the past 12 months, the Group has acquired interests in MPC, Top Draw and Cotton. There is a risk that the Group fails to successfully integrate these acquisitions and any future acquisitions with its existing businesses, experiences higher than anticipated integration costs, or realises lower than anticipated synergies, or there is a significant delay in achieving the successful integration of these acquisitions, which could have a material adverse effect on the Group's earnings from the acquisitions. Areas of particular risk include:

(a) Difficulties or unexpected costs relating to the integration of information technology platforms, financial and accounting systems and management systems of the organisations;

(b) Difficulties or unexpected costs in realising synergies from the consolidation of the head office and back office functions;

(c) Higher than expected levels of customer attrition;

(d) Unexpected losses of key personnel during or following integration;

(e) Possible conflict of culture and a decrease in employee morale caused by uncertainty arising from the acquisitions; and

(f) Timing of integration benefits realisation.

5.2.9 Historical information and due diligence

In relation to the Group's recent acquisitions, there is a risk that due diligence conducted has not identified issues that would have been material to the decision to acquire these businesses. A material adverse issue which was not identified prior to completion of the acquisition could have an adverse impact on the financial performance or operations of the relevant businesses and may have a material adverse impact on the Group's earnings and financial position.

The Company performed due diligence investigations in relation to the recent acquisitions of MPC and the assets of Cotton, however the historical financial reports for MPC and Cotton were not audited. There is a risk that historical financial and operating information provided by vendors in relation to these acquisitions which was not completely verifiable, may not be reliable, and that this could materially impact the Group's future earnings. If that risk eventuates, it may result in financial statements regarding the financial position and performance of the Company that are materially different than which has been assumed at the Prospectus Date.

As is usual in the conduct of acquisitions, the due diligence process undertaken by the Group identified a number of risks associated with the businesses to be acquired which the Company had to evaluate and manage. The mechanisms used by the Company to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Group may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated, and hence they may have a material adverse impact on the Group's earnings and financial position. This risk will also apply to any future acquisitions undertaken by the Group as part of its growth strategy.

5.2.10 Funding

The Group may require funding in the future to fund growth and further acquisitions. The ability of the Group to acquire funding will be subject to credit and capital market conditions which can experience extreme volatility and disruption.

If market conditions deteriorate due to economic, financial, political or other reasons, it may be difficult for the Group to obtain funding. The availability of such funding, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions, the availability of credit and the Group's credit risk. There is no assurance that the Group will be able to obtain adequate funding at acceptable prices or at all.

5.2.11 Strategy execution

The Group's future performance is to some extent dependent upon its success in executing its growth strategies and initiatives. The Group's strategies within existing markets and entry into new markets may not be successful in part or at all. If these key strategies are ineffective or achieved later than expected, the Group's operations and financial performance could be adversely affected.

5.2.12 Impact of new technologies

The Group's business model may be adversely affected by new technologies that replace or reduce demand for tyres or wheels.

New technologies, such as improvements or innovations in the design and construction of tyres, may result in a reduction in the rate at which tyres need to be replaced. Additionally, new services facilitated by technologies, such as driverless cars and ride sharing services, may reduce the overall demand for tyres via a reduction in the size of the vehicle fleet needing tyres. The financial performance of the Group may be adversely effected by new technologies that have the effect of reducing overall demand for replacement tyres and wheels.

5.2.13 Minority shareholder risks

Third parties hold minority shareholdings in the South African trading business, Top Draw. Whilst from Listing NTAW will be the largest shareholder in the South African entity, with a 50% shareholding, there is a risk that a minority shareholder may enter into insolvency, a dispute or otherwise an event that causes delay or disruption to the operations of the South African business and thereby an adverse effect on the Group's financial performance.

5.2.14 Information technology systems and infrastructure

NTAW relies on third party software products and services for its logistics and management information systems. Any damage or interruption from system failures, computer viruses, cyber-attacks or other events, to these systems could impair the ability of NTAW to sell or deliver stock to its customers which may have an adverse impact on financial performance.

5.2.15 Rubber and oil commodity prices

Rubber and oil are the essential raw materials used in tyre manufacture, accounting for up to 30% of tyre cost. Suppliers of those materials are reasonably concentrated but highly competitive. As there is little vertical integration of manufacturing and raw material suppliers, tyre production costs and prices tend to uniformly change in response to movements in raw material prices. Any adverse movement in rubber and oil commodity prices, to the extent that it is not absorbed by the tyre manufacturer, and is not able to be passed on by NTAW to its customers, may have an adverse impact on the financial performance of the Group.

5.2.16 Intellectual property

NTAW relies on laws regulating trade secrets, copyright, trademarks and registered designs to assist in protecting its intellectual property. There is a risk that NTAW may inadvertently fail to adequately protect its intellectual property or infringe the intellectual property rights of third parties. These scenarios may involve significant expense and potentially an inability to use the property in question. If an alternate cost-effective solution is not available, or no solution is available, this could damage NTAW's brands which could adversely affect financial performance.

In addition, there is a risk that third parties may import products under brands that NTAW has been granted exclusive distribution rights to in the territories in which it operates. The availability of these third party imported products could reduce demand for NTAW's products and adversely affect NTAW's relationships with its supply chain, which could adversely affect the Company's performance. NTAW is the owner of registered designs covering certain Cooper products. The Designs Act 2003 (Cth) (**Act**) confers on NTAW exclusive rights in relation to the registered designs in Australia. The Act provides that a person infringes a registered design if they import into Australia for sale or for use for the purposes of any trade or business, a product, in relation to which the design is registered, which embodies a design that is identical to, or substantially similar in overall impression to, the registered design. A person will also infringe a registered design if they sell, hire or otherwise dispose of, or offer to sell, hire or otherwise dispose of, such a product. In order to mitigate the risk of parallel importation NTAW seeks to enforce its rights as owner of registered designs when it becomes aware that products protected by its registered designs have been imported into Australia.

5.2.17 Adverse incidents resulting in serious injury or damage to property may occur

The Company's personnel are routinely involved in the movement of heavy machinery and materials, with the potential for risk to both property and personnel. An incident may occur that results in serious injury or death, damage to property or business interruption, resulting in the Company's financial performance and position being adversely affected.

The Company faces risk of workplace injuries which may result in operations or industrial stoppages, workers' compensation claims, claims under the work health and safety regimes, common law claims and potential occupational health and safety prosecutions in the various jurisdictions in which the Company operates.

The Company's failure to safely conduct its operations or to comply with the necessary occupational health and safety legislative requirements in the jurisdictions in which it operates could result in fines, penalties and compensation for damages as well as having the effect of damaging the Company's reputation. Where fines, penalties or compensation for damages (and similar consequences) are imposed on the Company, there is a risk that these consequences could have an adverse effect on the Company's future financial performance and position to the extent that they are not covered by insurance.

5.3 General risk factors

General risks associated with any investment in listed securities are described below.

5.3.1 Price of Shares may fluctuate

There are pricing risks associated with any stock market investment on the ASX. The share prices on ASX may rise or fall due to investor sentiments, general economic conditions and outlook, international and local stock markets, employment, inflation, interest rates, government policy, taxation and regulations.

5.3.2 Trading and liquidity in Shares

There is no guarantee that there will be an active market in Shares listed on the ASX. There may be few potential buyers and sellers of Shares at any point in time which will impact upon Share liquidity. This may increase the volatility of the market price of the Shares. This may also impact upon the ability of the Shareholders to be able to sell their Shares at a price that is more or less than that paid by the Shareholder.

5.3.3 Major shareholder

ST Corso, a company associated with Terry Smith, will not sell all of its Shares in the Offer. On Completion, ST Corso will hold approximately 26.7% of all Shares. At this level of shareholding, ST Corso will have the ability to influence the appointment of Directors and new management, as well as the outcome of matters submitted to meetings of Shareholders on which it can vote.

5.3.4 Taxation changes

Any taxation changes (such as income tax) may impact upon shareholder returns. In addition, personal tax changes may impact differently to shareholders and may similarly impact upon shareholder returns.

5.3.5 Regulatory matters

The Group complies with a wide range of laws, regulations and accounting standards. Future changes to these laws, regulations and accounting standards from time to time could adversely affect the Group's future financial performance and position.

5.3.6 Force majeure events

Events could occur within or outside Australia and / or New Zealand which could impact upon the world economy, the Australian and / or New Zealand or South African economies, the operations of the Company and the trading price of Shares. These events could include war, acts of terrorism, international hostilities, labour strikes, fires, floods, earthquakes and other natural events.

5.3.7 General economic and financial market conditions

The operating and financial performance of the Group is influenced by a number of domestic and global economic and business factors that are outside the control of NTAW. There is a risk that prolonged deterioration in economic conditions may negatively impact the Group's financial performance, financial position, cash flows, dividends and share price.

5.3.8 Future acquisitions and investments

The Group may make acquisitions or investments in line with its stated growth strategy. The success of these investments or acquisitions is dependent on a number of factors. To the extent these investments or acquisitions are not successfully integrated or fail to achieve the anticipated financial returns, the overall financial performance of the Group may be impacted. The funding of these acquisitions or investments may be done by issuing new Shares in the Company. If this was to occur it may result in dilution of the ownership of NTAW's shareholders.

6

Financial Information

6. Financial Information

6.1 Introduction

6.1.1 Financial Information

Financial information for NTAW contained in this Section 6 is set out below for the historical financial years ended 30 June 2015 (**FY2015**), 30 June 2016 (**FY2016**), 30 June 2017 (**FY2017**) and the forecast for the financial year ending 30 June 2018 (**FY2018**).

This Section 6 contains a summary of:

- The historical financial information for NTAW comprising:
  - the statutory consolidated historical income statements for FY2015, FY2016 and FY2017 (**Statutory Historical Income Statements**);
  - the abridged statutory consolidated historical statements of cash flow FY2015, FY2016 and FY2017 (**Statutory Historical Cash Flows**); and
  - the statutory consolidated historical statement of financial position as at 30 June 2017 (**Statutory Historical Balance Sheet**), (together, **Historical Financial Information**);
- The pro forma historical financial information for NTAW comprising:
  - the pro forma consolidated historical income statements for FY2015, FY2016 and FY2017 (**Pro forma Historical Income Statements**);
  - the pro forma consolidated historical cash flows before corporate financing and taxation for FY2015, FY2016 and FY2017 (**Pro forma Historical Cash Flows**); and
  - the pro forma consolidated historical statement of financial position as at 30 June 2017 (**Pro forma Historical Balance Sheet**), (together, **Pro forma Historical Financial Information**); and
- The forecast financial information for NTAW comprising:
  - the statutory consolidated forecast income statement (**the Statutory Forecast Income Statement**) and the statutory consolidated forecast net cash flows (**Statutory Forecast Cash Flows**) for FY2018 (**Statutory Forecast Financial Information**); and
  - the pro forma consolidated forecast income statement (**Pro forma Forecast Income Statement**) and the pro forma consolidated forecast net cash flows before financing and taxation (**Pro forma Forecast Cash Flows**) for FY2018 (**Pro forma Forecast Financial Information**), (together, **Forecast Financial Information**).

The Historical Financial Information, the Pro forma Historical Financial Information and the Forecast Financial Information are together the **Financial Information**.

The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information, by Pitcher Partners Corporate Finance Limited whose Investigating Accountant's Report on the Financial Information is contained in Section 7. The Investigating Accountant's Report on the Financial Information has been prepared solely in connection with the Offer of shares in Australia and New Zealand.

6.1.2 Additional information

Also summarised in this Section 6 is:

- A summary of the basis of preparation and presentation of the Financial Information (see Section 6.2) including the statutory entities and the businesses that are included in the Financial Information presented for the respective historical and forecast periods;
- A description of the pro forma adjustments to the Historical Financial Information and reconciliations between the Historical Financial Information and the Pro forma Historical Financial Information (see Section 6.3.3);
- A summary of the key drivers impacting NTAW's business including key financial and operating metrics set out in Section 6.3.2 and management's discussion and analysis of the Pro forma Historical Financial Information and Forecast Financial Information (see Section 6.6);
- A summary of NTAW's indebtedness and debt facilities (see Section 6.5.2);
- NTAW's best estimate assumptions and general assumptions underlying the Forecast Financial Information (see Section 6.7);
- An analysis of the key sensitivities in respect of the Pro forma Forecast Income Statement (see Section 6.8); and
- A summary of NTAW's proposed dividend policy (see Section 6.11).

A description of NTAW's significant accounting policies is summarized in Appendix A.

The information in this Section 6 should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus. All amounts disclosed in the tables are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest $1,000. The tables in this Section 6 have not been amended to correct immaterial summation differences that may arise from this round convention.

6.2 Basis of preparation of the Financial Information

6.2.1 Overview

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of NTAW, together with the forecast financial performance and cash flows. The Directors are responsible for the preparation and presentation of the Financial Information.

Subject to Section 6.2.2 which sets out the basis of extraction of the Historical Financial Information, the Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards, which are consistent with the International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board. The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

NTAW's key accounting policies relevant to the Financial Information are set out in Appendix A. In preparing the Historical Financial Information and the Statutory Forecast, the accounting policies of NTAW have been applied consistently throughout the periods presented.

NTAW operates under one reportable segment in accordance with Australian Accounting Standard AASB 8 Operating Segments.

6.2.2 Historical Financial Information/Treatment of acquisition in the Historical and Forecast Financial Information

The Historical Financial Information has been extracted from the Statutory Financial Reports of the NTAW covering FY2015, FY2016 and FY2017, which was audited by Pitcher Partners in accordance with Australian Auditing Standards. Pitcher Partners issued unmodified audit opinions on the Statutory Financial Reports.

At 30 June 2017, NTAW controlled the following businesses:

- ETD – exclusive distributor of the Cooper, Mickey Thompson, Dick Cepek, Mastercraft and Starfire branded passenger, SUV and light truck tyres in Australia;
- ETD New Zealand – exclusive distributor of the Cooper, Mickey Thompson, Dick Cepek, Mastercraft and Starfire branded passenger, SUV and light truck tyres in New Zealand;
- Dynamic – Importer and distributor of Dynamic branded wheels (alloy and steel) as well as brands made by The Wheel Group, Pro Comp and Mickey Thompson; and
- MPC – OEM supplier of wheel and tyre packages to caravan and trailer manufacturers in Australia.

6.2.3 Acquired businesses

Where an entity or business has been acquired, its operating results have been included in the Statutory Financial Information from the date control was established.

Acquisitions made prior to 30 June 2017

Acquisitions made prior to 30 June 2017 include:

- NSW/ACT – until October 2014 the distribution of Cooper, Mickey Thompson, Dick Cepek, Mastercraft and Starfire brands within New South Wales and the Australian Capital Territory was undertaken by an entity that was not part of the NTAW Group. This business was acquired by ETD in October 2014 and fully integrated into ETD;
- Dynamic – a 51% shareholding in Dynamic was acquired in May 2013, at which time NTAW obtained control (and consolidated for accounting purposes thereafter). NTAW owned 54% as at 30 June 2017. Dynamic will become 100% owned prior to Listing; and
- MPC – a 50% shareholding in MPC was acquired in April 2017, at which time NTAW obtained control (and consolidated for accounting purposes thereafter). MPC will become 100% owned prior to Listing.

Acquisitions made/to be made post 30 June 2017

Cotton

Cotton has been the sub-distributor of Cooper and Mickey Thompson, in South Australia since 1999. The business was acquired by NTAW on 31 October 2017.

Accordingly, the Statutory Forecast Financial Information includes the forecast results of the Cotton business for the period from Completion (1 November 2017) to 30 June 2018, and the Pro forma Forecast Financial Information reflects the full year performance of the Cotton business. Pro forma adjustments have been made to the historical financial performance of Cotton for FY2015, FY2016 and FY2017 based on special purpose accounts for FY2015, FY2016 and FY2017.

The special purpose accounts for Cotton for FY2015, FY2016 and FY2017 were un-audited. The FY2015, FY2016 and FY2017 balances remain un-audited but have been reviewed by the Investigating Accountant. Cotton accounts for 6.3% of NTAW's pro forma FY2018 EBITDA.

Top Draw

Top Draw is a company which will become controlled by NTAW at completion of the Listing. NTAW signed a binding sale and purchase agreement on 28 September 2017 to acquire 34% of the share capital. NTAW will acquire a further 16% of the share capital of Top Draw prior to Listing.

Accordingly, the Statutory Forecast Financial Information includes the forecast results of the Top Draw company on:

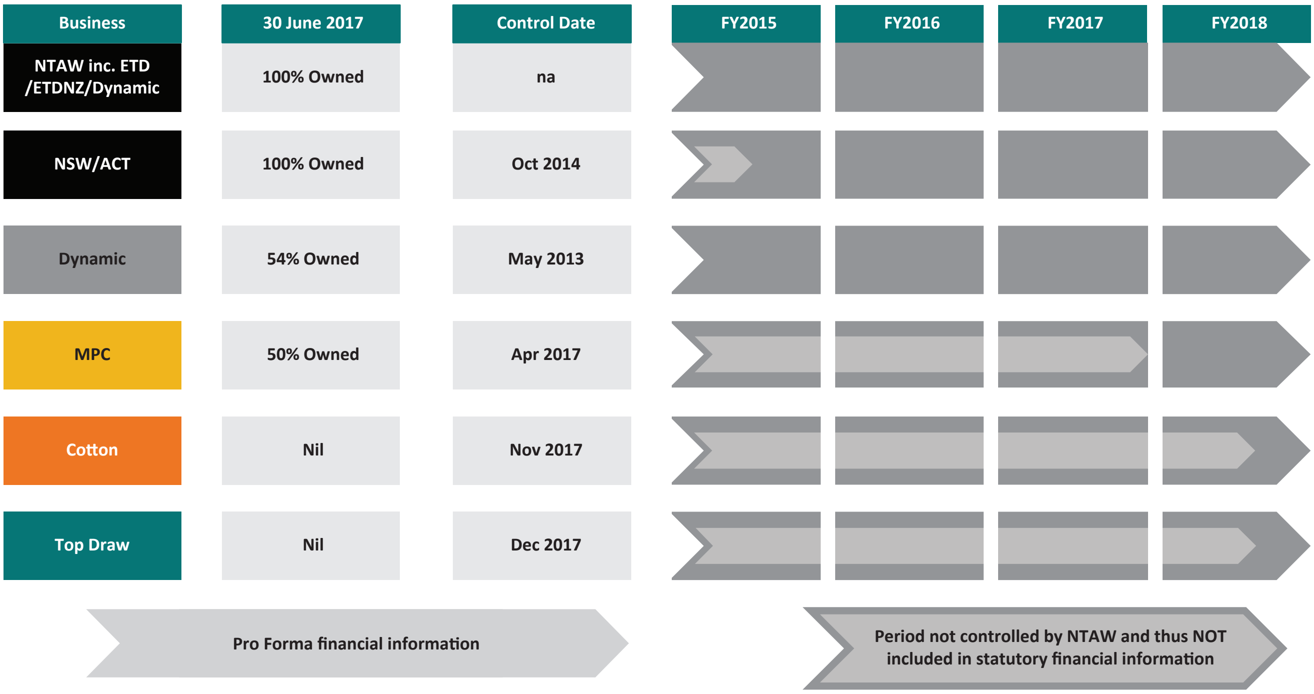
- An equity accounted basis for the period from 28 September 2017, to the date at which control is obtained (expected to be on or around 31 December 2017); and
- A controlling basis, reflecting the full year performance of the Top Draw business for the period from the date at which control is expected to be obtained (on or around 31 December 2017) to 30 June 2018.

The Pro forma Forecast Financial Information reflects the full year performance of the Top Draw company. Pro forma adjustments have been made to the historical financial performance of Top Draw for FY2015, FY2016 and FY2017 based on special purpose accounts for FY2015, FY2016 and FY2017.

The special purpose accounts for Top Draw for the financial years ending 28 February 2015, 28 February 2016, 28 February 2017 were audited by Tselentis & Collett Chartered Accountants (SA) and Registered Auditors in accordance with International Auditing Standards. The auditor issued an unmodified opinion on the accounts of Top Draw. The financial results for FY2015, FY2016 and FY2017 have been reviewed by the Investigating Accountant. Top Draw accounts for less than 8% of NTAW's pro forma FY2018 EBITDA.

The Pro Forma Financial Information includes the operating results of the Acquired Businesses as if these businesses had been wholly owned from 1 July 2014.

Figure 6A – Businesses included in the Financial Information



Business	30 June 2017	Control Date	FY2015	FY2016	FY2017	FY2018
NTAW inc. ETD /ETDNZ/Dynamic	100% Owned	na				
NSW/ACT	100% Owned	Oct 2014				
Dynamic	54% Owned	May 2013				
MPC	50% Owned	Apr 2017				
Cotton	Nil	Nov 2017				
Top Draw	Nil	Dec 2017				

6.2.4 Preparation of the Pro forma Historical Financial Information

The Pro forma Historical Financial Information has been prepared for the purpose of this Prospectus and has been derived from the Historical Financial Information to illustrate the net income, assets, liabilities and cash flows of NTAW adjusted for certain significant transactions and pro forma adjustments.

The pro forma adjustments are described in Section 6.3.3 (reconciliation between the Statutory Historical Income Statements and the Pro forma Historical Income Statements). In particular, pro forma adjustments have been made to reflect the inclusion of the Acquired Businesses with effect from 1 July 2014, and to reflect the new listed entity structure.

The Pro forma Historical Balance Sheet, as set out in Section 6.5.1, is based on the Statutory Historical Balance Sheet, and similarly adjusted to include the acquisitions. In addition, the Pro forma Historical Balance Sheet includes certain other pro forma adjustments to reflect:

- The impact of the Offer, including a portion of the Offer costs offset against equity, and the balance expensed within the income statement; and
- The operating and capital structures that will be in place following Completion as if they had occurred or were in place as at 30 June 2017.

The Pro forma Historical Balance Sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of NTAW's view on its future financial position. Investors should note that past results are not a guarantee of future performance.

6.2.5 Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared by NTAW based on an assessment of present economic and operating conditions and on a number of assumptions, including the general assumptions and the Directors' best estimate specific assumptions set out in Section 6.7.

The Directors have prepared the Forecast Financial Information with due care and attention, and consider all best estimate assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned to not place undue reliance on the Forecast Financial Information.

This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on NTAW's actual financial performance or financial position. Investors are advised to review the assumptions set out in Sections 6.7.1 and 6.7.2 in conjunction with the sensitivity analysis set out in Section 6.8, the risk factors set out in Section 5 and other information set out in this Prospectus.

The Forecast Income Statement and the Forecast Cash Flows of NTAW for FY2018 have been presented on both a Pro forma and a Statutory consolidated basis. The Pro forma Forecast Income Statement and the Pro forma Forecast Cash Flows of NTAW for FY2018 are based on the Statutory Forecast Income Statement and the Statutory Forecast Cash Flows, adjusted for the consolidation of the Acquired Businesses in the results for the period from 1 July 2014 to their acquisition dates, and the full year effect of the operating and capital structure that will be in place upon Completion, but exclude the costs of the Offer and other items which are not expected to occur in the future. Section 6.3.3 provides a reconciliation between the Statutory Forecast Income Statement and the Pro forma Forecast Income Statement of NTAW for FY2018, and Section 6.4.2 provides a reconciliation between the Statutory Forecast Cash Flows and the Pro forma Forecast Cash Flows for FY2018.

The basis of preparation and presentation of the Statutory Forecast Financial Information, to the extent relevant, is consistent with the basis of preparation and presentation of the Pro forma Historical Financial Information.

The Directors have no intention to update or revise the Forecast Financial Information or other forward looking statements following the issue of this Prospectus, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

6.2.6 Acquisition accounting

Acquisition of the Acquired Businesses have been accounted for using the acquisition method under AASB 3 *Business Combinations*.

AASB 3 requires that the identifiable assets and liabilities acquired (including intangible assets) are measured at their respective fair values at acquisition date. The Company has performed an assessment of the fair values of the identifiable assets and liabilities acquired. For the purposes of the Pro forma Historical Balance Sheet, the assets and liabilities have been recorded at their provisional fair values based on the 30 June 2017 Balance Sheet. Under the Australian Accounting Standards, NTAW has up to 12 months from the date of acquisition to complete its initial acquisition accounting.

The increase in intangible asset values, of $2,500k, has been allocated between identifiable finite life intangible assets consisting of non-contractual customer relationships, supplier distribution rights and the remainder to goodwill. This allocation is based on provisional estimates by NTAW. A deferred tax liability is recognised in respect of the finite life intangibles on the balance sheet. These adjustments are reflected on the Pro forma Historical Balance Sheet set out in Section 6.5.1.

The Financial Information presented in this Section 6 on a pro forma basis assumes that the businesses and entities that form part of NTAW at completion of the Proposed Transaction had always operated as a consolidated group. Accordingly, the amortisation of the finite life intangibles (acquisition amortisation defined below) has been reflected in the Pro forma Historical Financial Information for the periods FY2015, FY2016 and FY2017.

6.2.7 Explanation of non-IFRS and other financial measures

NTAW uses certain measures to manage and report on its business that are not recognised under AAS, or IFRS. These measures are referred to as non-IFRS financial measures. These non-IFRS financial measures do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although NTAW believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of the business, investors are cautioned not to place undue reliance on any non-IFRS financial measures included in the Prospectus. In the disclosures in this Prospectus, NTAW uses the following non-IFRS financial measures:

- EBITDA: earnings before interest, tax, depreciation and amortisation;
- EBIT: earnings before interest and tax;
- NPATA: net profit after tax but before amortisation (and related tax impacts);
- Acquisition amortisation: non-cash amortisation relating to finite life intangible assets (including customer relationships, importation and distribution rights) recognised as part of acquisitions undertaken by NTAW, but excluding any information technology assets or software assets recognised; and
- Capital expenditure: includes investment in property and equipment including leasehold improvements, as well as software and licence assets.

6. Financial Information (cont)

6.3 Pro forma Historical, Pro forma Forecast and Statutory Forecast Financial Information

6.3.1 Pro forma Historical Income Statements, Pro forma Forecast and Statutory Forecast Income Statements

The table below sets out the Pro forma Historical, Pro forma Forecast and Statutory Forecast Income Statements for FY2015 to FY2018.

Table 6A – Pro forma Historical Income Statements, Pro forma Forecast Income Statement and the Statutory Forecast Income Statement

$'000		Pro Forma				Statutory
		Historical			Forecast	Forecast
	Notes	FY2015	FY2016	FY2017	FY2018	FY2018
Sales revenue	1	137,662	137,379	144,464	155,232	145,801
Cost of sales	2	(95,552)	(97,452)	(97,343)	(106,199)	(99,445)
Gross profit		**42,110**	**39,927**	**47,121**	**49,033**	**46,356**
Other revenue		471	252	377	180	146
Employee benefits expense		(14,622)	(15,156)	(16,150)	(16,589)	(17,556)
Advertising & promotions		(6,356)	(4,240)	(5,517)	(5,519)	(5,005)
Occupancy expense		(3,481)	(3,562)	(3,543)	(3,802)	(3,754)
Other expenses	3	(7,149)	(6,484)	(6,689)	(6,922)	(8,908)
EBITDA		**10,973**	**10,737**	**15,599**	**16,381**	**11,279**
Depreciation	4	(803)	(874)	(797)	(880)	(840)
Amortisation of intangibles	5	(1,514)	(1,514)	(1,514)	(1,514)	(1,361)
EBIT		**8,656**	**8,349**	**13,288**	**13,987**	**9,078**
Share of net profit of associate						78
Interest (net)	6	(228)	(228)	(228)	(228)	(203)
Profit before tax		**8,428**	**8,121**	**13,060**	**13,759**	**8,953**
Income tax expense	7	(2,811)	(2,721)	(4,221)	(4,432)	(3,851)
NPAT		**5,617**	**5,400**	**8,839**	**9,327**	**5,102**
Non-controlling interests	8	(411)	(434)	(335)	(397)	(610)
NPAT attributable to NTAW		**5,206**	**4,966**	**8,504**	**8,930**	**4,492**
Amortisation (addback)	9	1,339	1,339	1,339	1,339	1,232
NPATA attributable to NTAW	10	**6,545**	**6,305**	**9,843**	**10,269**	**5,724**
EBITDA attributable to NTAW	11	**10,302**	**10,034**	**15,039**	**15,728**	

Notes:

1. **Sales Revenue** – represents revenue from the sale of inventory.
2. **Cost of sales** – includes freight costs, warranty income and volume related rebates and allowances from suppliers.
3. **Other expenses** – include warranty expense, warehousing suppliers, motor vehicle fleet costs and outside service costs (contractors and professional costs) and general and administrative costs.
4. **Depreciation** – depreciation of property, plant and equipment.
5. **Amortisation of intangibles** – includes the amortisation of finite life intangibles relating to customer relationships and importation and distribution rights. A component of these were recognised on the application of acquisition accounting as set out in Section 6.2.6.
6. **Interest (net)** – the pro forma forecast interest (net) reflects the forecast expense on borrowing facilities and finance leases at Completion, offset by interest income. The statutory interest expense reflects the expense for the year ending to 30 June 2018.
7. **Income tax expense** – the forecast income tax rate applicable to NTAW is approximately 32%, which is equivalent to the Australian corporate tax rate adjusted for permanent differences.
8. **Non-controlling interests** – reflect the residual 50% interest in Top Draw held by the Top Draw vendor shareholders.

6. Financial Information (cont)

9. **Amortisation** – The amortisation of finite life intangibles relating to customer relationships and distribution rights. The amortisation expense is based on an average useful life of between 7 and 12 years ($1,514k per annum). The add-back to NPAT is presented on a tax-effected basis. The adjustment has also been reflected in the Pro forma Historical Financial Information for the periods from FY2015 to FY2017.
10. **NPATA** – NPAT excluding non-controlling interests, attributable to NTAW shareholders adjusted for amortisation (before related tax impacts).
11. **EBITDA attributable to NTAW** – EBITDA excluding non-controlling interests, attributable to NTAW shareholders. The non-controlling interest represents the residual 50% interest in Top Draw held by the Top Draw Vendors.

6.3.2 Key operating metrics

The table below sets out the key operating metrics of NTAW for FY2015 to FY2017 on a pro forma basis, and for FY2018 on a pro forma and statutory basis.

Table 6B – Key operating metrics of NTAW

	Historical			Forecast	Statutory
	Pro forma			Pro forma	Forecast
	FY2015	FY2016	FY2017	FY2018	FY2018
Number of tyres sold	666,434	675,504	720,566	783,550	
Tyres sold growth %	n/a	1.4%	6.7%	8.7%	
Revenue growth %	n/a	(0.2%)	5.2%	7.5%	
Gross profit growth %	n/a	(5.2%)	18.0%	4.1%	
Gross profit margin	30.6%	29.1%	32.6%	31.6%	31.8%
Operating costs as % of total revenue	23.0%	21.4%	22.1%	21.2%	24.2%
EBITDA growth %	n/a	(2.2%)	45.3%	5.0%	
EBITDA margin	8.0%	7.8%	10.8%	10.6%	7.7%

6.3.3 Reconciliation from NPAT to NPATA attributable to NTAW

The amortisation of intangible assets results in non-cash accounting charges being recorded. As such, the Directors believe presenting NPATA (which excludes the impact of amortisation of intangible assets, net of tax effect), although non-IFRS financial information, provides useful information to users in measuring the financial performance of the Group. The Directors have determined that the dividend policy (as set out in Section 6.11) will refer to NPATA. Set out in the table below is a reconciliation from pro forma historical NPAT to pro forma historical NPATA, as well as Pro Forma Forecast and Statutory Forecast NPAT to Pro Forma Forecast and Statutory Forecast NPATA.

Table 6C – Reconciliation from NPAT to NPATA attributable to NTAW

$'000	Pro Forma				Statutory
	Historical			Forecast	Forecast
	FY2015	FY2016	FY2017	FY2018	FY2018
NPAT attributable to NTAW	**5,206**	**4,966**	**8,504**	**8,930**	**4,492**
Addback: Amortisation of intangibles	1,514	1,514	1,514	1,514	1,361
Deduct tax effect	(175)	(175)	(175)	(175)	(129)
NPATA attributable to NTAW	**6,545**	**6,305**	**9,843**	**10,269**	**5,724**

6.3.4 Pro forma adjustments to the Statutory Historical Income Statements and the Statutory Forecast Income Statement

The tables below set out the pro forma adjustments made to Statutory Historical and Forecast Revenue and NPAT respectively for FY2015 to FY2018.

Table 6D – Pro forma adjustments to Statutory Historical and Forecast Revenue

$'000	Note	FY2015	FY2016	FY2017	FY2018
Pro forma revenue		**137,662**	**137,379**	**144,464**	**155,232**
Revenue relating to acquired businesses:	1				
NSW/ACT		(4,960)	-	-	-
MPC		(8,351)	(10,659)	(8,785)	-
Cotton		(10,155)	(9,835)	(9,729)	(3,262)
Top Draw		(12,628)	(12,823)	(13,779)	(8,446)
Inter-company eliminations	2	7,233	7,222	7,226	2,277
Statutory revenue		**108,801**	**111,284**	**119,397**	**145,801**

Notes:

1. **Revenue relating to acquired businesses** – reflects the trading of the Acquired Business from 1 July 2014 to the dates on which they became / will become controlled (to the extent such trading was not already included in the FY2015, FY2016 and FY2017 statutory financials for NTAW, or the FY2018 statutory forecast).
2. **Inter-company eliminations** – reflects transactions by NTAW with the Acquired Business from 1 July 2014 to the dates on which they became / will become controlled which is required to be eliminated (to the extent such trading was not already included in the FY2015, FY2016 and FY2017 statutory financials for NTAW, or the FY2018 statutory forecast).

Table 6E – Pro forma adjustments to Statutory Historical and Forecast NPAT

$'000	Note	FY2015	FY2016	FY2017	FY2018
Pro forma NPAT		**5,617**	**5,400**	**8,839**	**9,327**
NPAT relating to acquired businesses:	1				
MPC		(986)	(1,163)	(1,059)	-
Cotton		(451)	(489)	(530)	(127)
Top Draw		(822)	(867)	(670)	(415)
Equity accounting Top Draw	2	-	-	-	(78)
Gain on acquisition of NSW/ACT	3	276	-	-	-
Offer costs	4	-	-	-	(1,531)
Public company costs	5	261	244	241	28
Share based payments	6	(100)	600	(444)	(2,052)
Other pro forma adjustments	7	-	86	100	-
Net interest	8	(119)	(157)	(78)	18
Taxation adjustment	9	(290)	294	(195)	(68)
Statutory NPAT		**3,386**	**3,948**	**6,204**	**5,102**

Notes:

1. **NPAT relating to acquired businesses** – reflects the trading of the Acquired Business from 1 July 2014 to the dates on which they became / will become controlled (to the extent such trading was not already included in the FY2015, FY2016 and FY2017 statutory financials for NTAW, or the FY2018 statutory forecast).
2. **Equity accounting Top Draw** – reflects the equity accounted share of Top Draw's profit for the period from 1 November 2017 until the date of control (expected to be on or around 31 December 2017).
3. **Gain on acquisition of NSW/ACT** – reflects the non-cash accounting gain recognised on the business assets acquisition of NSW/ACT.
4. **Offer costs** – reflects the amounts forecast to be expensed in FY2018 in relation to Offer (fees payable to advisors, Lead Manager and tax, accounting and legal fees) and the listing on the ASX. Note that $1,006k of the Offer costs (relating to the primary issue) tax effected are netted off against issued capital.

5. **Public company costs** – reflects the increase in corporate costs expected as a consequence of the Company becoming ASX listed. The costs principally relate to Board and governance (additional non-executive Directors, Audit and Remuneration Committee), additional professional, legal and company secretarial costs as well as an increase in administrative resources and investor relations. The FY2018 adjustment reflects the incremental costs that have not been incurred prior to Completion but are included in the Pro forma Forecast.
6. **Share based payments** – reflects a share based payments remuneration expense based upon the Board's view of a reasonable LTI scheme, to be implemented, incorporating "at risk" share based remuneration to key management personnel and to other employees under a proposed Employee Equity Plan. The statutory forecast includes a share based expense of approximately $2,652k which is the expense for the option package for senior management of NTAW prior to the IPO. This package does not reflect the expense of the share based equity scheme post IPO. All options under the pre IPO plan have been exercised and held as ordinary shares and are either to be sold through the offer or held in escrow.
7. **Other pro forma adjustments** – includes one-off costs that are considered to be non-recurring.
8. **Interest (net)** – Interest (net) reflects the expense on the corporate debt facility and finance leases at Completion, offset by interest income on cash.
9. **Taxation adjustment** – Net taxation effect of other residual items between forecast Pro forma taxation expense (including recurring non-deductible items) and taxation statutory expense.

6.3.5 Statutory Historical Income Statements

The table below sets out the Statutory Historical Income Statements for FY2015 to FY2017 extracted from the Accounts of NTAW. These have been reconciled with the Pro forma Historical Income Statements in Section 6.3.4. above.

Table 6F – Statutory Historical Income Statements for NTAW

$'000		Audited	
	FY2015	FY2016	FY2017
Sales income	108,801	111,284	119,397
Cost of sales	(75,644)	(79,955)	(80,716)
Gross profit	**33,157**	**31,329**	**38,681**
Other revenue	424	105	28
Employee benefits expense	(11,624)	(11,950)	(13,844)
Advertising & promotions	(5,635)	(3,722)	(4,909)
Occupancy expense	(3,030)	(3,293)	(3,292)
Other expenses	(5,614)	(5,035)	(5,173)
Total expenses	**(25,903)**	**(24,000)**	**(27,218)**
EBITDA	**7,678**	**7,434**	**11,491**
Depreciation & amortisation	(1,582)	(1,650)	(1,651)
Interest (net)	(398)	(453)	(339)
Net profit before tax	**5,698**	**5,331**	**9,501**
Income tax expense	(2,312)	(1,383)	(3,297)
Net profit after tax	**3,386**	**3,948**	**6,204**
Profit attributable to:			
NTAW Shareholders	3,072	3,668	5,530
Non-controlling interest	314	280	674
	3,386	**3,948**	**6,204**

6.4 Historical, Pro forma Historical, Pro forma Forecast and Statutory Forecast Cash Flows

6.4.1 Overview

The table below sets out the Pro forma Historical, Pro forma Forecast and Statutory Forecast Cash Flows for FY2015 to FY2018.

Table 6G – Pro forma Historical, Pro forma Forecast and Statutory Forecast Cash Flows

$'000		Pro Forma				Statutory
		Historical			Forecast	Forecast
	Note	FY2015	FY2016	FY2017	FY2018	FY2018
EBITDA		**10,973**	**10,737**	**15,599**	**16,381**	**11,279**
Non-cash items	1	(166)	1,473	865	600	2,652
Net movement in working capital	2	2,652	(870)	(2,961)	(3,179)	(3,268)
Operating cash flow before financing, taxation and capital expenditure		**13,459**	**11,340**	**13,503**	**13,802**	**10,663**
Capital expenditure (net)	3	(27)	(771)	(400)	(1,363)	(1,263)
Cash flow before financing and taxation		**13,432**	**10,569**	**13,103**	**12,439**	**9,400**
Payments to Non-controlling interests	4					(2,706)
Acquisition payments	5					(7,783)
Proceeds from Offer	6					24,923
Proceeds from exercise of options	7					1,311
Capitalised offer costs	8					(1,624)
Repayment of borrowings	9					(1,368)
Interest paid	10					**(203)**
Net cash flow before taxation and dividends						**21,950**
Income tax paid	11					(3,856)
Net cash flow before dividends						**18,094**
Dividend	12					(16,011)
Net cash flow						**2,083**
EBITDA Cash flow conversion %	13	**122%**	**98%**	**84%**	**76%**	**83%**

Notes:

1. **Non-cash expenses** – reflects an adjustment for the Pro forma share based payments LTI plan proposed to be implemented for NTAW and non-cash movements relating to foreign exchange differences.
2. **Movement in working capital** – Comprises changes in inventories (net of provisions against inventory), receivables, payables and employee entitlements.
3. **Capital expenditure** – reflects fixed asset additions and leasehold improvements.
4. **Payments to Non-controlling interest** – reflects payment of deferred consideration upon the acquisition of the initial 50% interest in MPC and pre-completion dividend payments to non-controlling interests from Dynamic and MPC.
5. **Acquisitions** – represents the cash outflow to acquire Top Draw and Cotton.
6. **Proceeds from the Offer** – the expected proceeds from the issue of new Shares.
7. **Proceeds from exercise of options** – the expected proceeds from exercise of employee options.
8. **Offer costs** – reflect the costs incurred in respect of the Offer that are partially offset against equity in the balance sheet, and partially recorded as an expense in the income statement.
9. **Loan repayments** – forecast repayment of loans during FY2018 in accordance with the terms of the facilities.
10. **Interest (net)** – reflects the interest expense on loan facilities offset by interest income on cash in the balance sheet.
11. **Income tax paid** – represents NTAW's forecast of taxes that will be paid by the Company between Completion and 30 June 2018 on a Statutory basis. Pro forma taxes paid are assumed to be consistent with the pro forma tax expense per the Pro forma Forecast Income Statement**.**
12. **Dividend** – Reflects pre-completion dividend paid to Existing Owners of $15,000k together with an interim dividend of $1,011k.
13. **Cash flow conversion %** – Calculated as the ratio of cash flow before financing and taxation to EBITDA.

6.4.2 Pro forma adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flows

The table below sets out the pro forma adjustments made to the Statutory Historical and Statutory Forecast Cash Flows for FY2015 to FY2018.

Table 6H – Pro forma adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flows

$'000			Historical		Forecast
	Note	FY2015	FY2016	FY2017	FY2018
Pro forma cash flow before financing and taxation		**13,432**	**10,569**	**13,103**	**12,439**
Pre-acquisition cash flows of acquisitions	1	(4,430)	(2,046)	(4,093)	(607)
Cash settled share based payments	2	(652)	-	-	-
Offer costs	3	-	-	-	(2,116)
Public company costs	4	372	348	345	150
Other pro forma adjustments	5	**-**	**86**	**(26)**	**(466)**
Statutory cash flow before financing and taxation		**8,722**	**8,957**	**9,329**	**9,400**

Notes:

1. **Acquisitions** – cash flows for the Acquisitions have been included on a pro forma basis from 1 July 2014. The statutory result for FY2018 includes the earnings of these acquisitions from the respective dates on which control was obtained to 30 June 2018.
2. **Cash settled share based payments** – reflects cash payments to employees for share based payments included within the statutory cash flow which are not recurring.
3. **Offer costs** – reflects the deduction of amounts forecast to be expensed in FY2018 in relation to the Offer (fees payable to advisors, Lead Manager and tax, accounting and legal fees) and the listing on the ASX. Note that $1,437k (gross of tax effect) of the Offer costs are netted off against issued capital.
4. **Public company costs** – reflect the increase in corporate costs expected to arise as a consequence of the Company becoming ASX listed. The costs principally relate to Board and governance (non-executive Directors, Audit and Remuneration Committee), additional legal and company secretarial costs as well as an increase in administrative resource and investor relations.
5. **Other pro forma adjustments** – reflects the cash impact of the balance of the pro forma adjustments.

6.4.3 Statutory Historical Cash Flows and the Statutory Forecast Cash Flows

The table below sets out the abridged Statutory Historical and abridged Statutory Forecast Cash Flows for FY2015 to FY2018 which presents cash flows before financing and taxation.

Table 6I – Abridged Statutory Historical Cash Flows and the abridged Statutory Forecast Cash Flows

$'000			Statutory		
			Historical		Forecast
	Note	FY2015	FY2016	FY2017	FY2018
EBITDA		**7,678**	**7,434**	**11,491**	**11,279**
Non-cash items	1	(1,112)	873	964	2,652
Net movement in working capital	2	2,311	1,123	(2,765)	(3,268)
Operating cash flow before financing, taxation and capital expenditure		**8,877**	**9,430**	**9,690**	**10,663**
Capital expenditure (net)	3	**(155)**	**(473)**	**(361)**	**(1,263)**
Cash flow before financing and taxation		**8,722**	**8,957**	**9,329**	**9,400**

6.5 Financial position

6.5.1 Statutory Historical Balance Sheet and Pro forma Historical Balance Sheet

The table below sets out the adjustments that have been made to the audited statutory balance sheet of NTAW as at 30 June 2017 to present a pro forma consolidated balance sheet for NTAW as if Completion occurred on 30 June 2017. This table reflects a number of adjustments, including:

- Pre completion dividends and settlement of related party amounts;
- The acquisitions of Top Draw and Cotton;
- Proceeds from the exercise of employee options prior to Completion; and
- The impact of the Offer.

Table 6J – Pro forma Historical Balance Sheet as at 30 June 2017

$'000	Statutory 30 June 2017	Dynamic Residual / Dividend	MPC Residual, Earn-out / Dividend	Pre Completion Dividend	Top Draw acquisition	Cotton acquisition	Exercise of Options	Offer Proceeds	Offer Costs	Transfers	Pro Forma 30 June 2017
Notes		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	
Current Assets											
Cash and cash equivalents	14,764	(506)	(2,200)	(15,000)	(4,051)	(3,732)	1,311	24,923	(3,741)		11,768
Receivables	19,842	-	-		2,499	2,422	-	-	-		24,763
Inventories	31,346	-	-		5,796	1,563	-	-	-		38,705
Other assets	271	-	-		-	40	-	-	-		311
Total Current Assets	**66,223**	**(506)**	**(2,200)**	**(15,000)**	**4,244**	**293**	**1,311**	**24,923**	**(3,741)**	**-**	**75,547**
Non-Current Assets											
Receivables	80	-	-		-	-	-	-	-		80
Other financial assets	-	-	-		-	-	-	-	-		-
Property, plant & equipment	3,245	-	-		41	206	-	-	-		3,492
Goodwill	2,043	-	-		2,971	2,783	-	-	-		7,797
Other intangibles	10,647	-	-		1,500	1,000	-	-	-		13,147
Deferred tax assets	1,116	-	-		139	30	-	-	1,066		2,351
Total Non-Current Assets	**17,131**	**-**	**-**	**-**	**4,651**	**4,019**	**-**	**-**	**1,066**	**-**	**26,867**
Total Assets	**83,354**	**(506)**	**(2,200)**	**(15,000)**	**8,895**	**4,312**	**1,311**	**24,923**	**(2,675)**	**-**	**102,414**
Current Liabilities											
Payables	(25,367)	-	300		(4,112)	(1,425)	-	-	188		(30,416)
Borrowings	(1,354)	-	-		-	-	-	-	-		(1,354)
Provisions	(1,976)	-	-		(168)	(100)	-	-	-		(2,244)
Income tax payable	(521)	-	-		-	-	-	-	-		(521)
Other financial liabilities	(399)	-	-		(112)	-	-	-	-		(511)
Other liabilities	(48)	-	-		-	-	-	-	-		(48)
Total Current Liabilities	**(29,665)**	**-**	**300**	**-**	**(4,392)**	**(1,525)**	**-**	**-**	**188**	**-**	**(35,094)**

$'000	Statutory 30 June 2017	Dynamic Residual / Dividend	MPC Residual, Earn-out / Dividend	Pre Completion Dividend	Top Draw acquisition	Cotton acquisition	Exercise of Options	Offer Proceeds	Offer Costs	Transfers	Pro Forma 30 June 2017
Notes		1	2	3	4	5	6	7	8	9	
Non-Current Liabilities											
Payables	(2,151)	-	1,750		-	-	-	-	-		(401)
Borrowings	(6,812)	-	-		-	-	-	-	-		(6,812)
Provisions	(1,295)	-	-		-	-	-	-	-		(1,295)
Deferred tax liabilities	(149)	-	-		(451)	(300)	-	-	-		(900)
Other liabilities	-	-	-		-	-	-	-	-		-
Total Non-Current Liabilities	**(10,407)**	**-**	**1,750**	**-**	**(451)**	**(300)**	**-**	**-**	**-**	**-**	**(9,408)**
Total Liabilities	**(40,072)**	**-**	**2,050**	**-**	**(4,843)**	**(1,825)**	**-**	**-**	**188**	**-**	**(44,502)**
Net Assets	**43,282**	**(506)**	**(150)**	**(15,000)**	**4,052**	**2,487**	**1,311**	**24,923**	**(2,487)**	**-**	**57,912**
Issued Capital (10)	18,942	4,195	7,859		-	2,487	1,311	24,923	(1,006)		58,711
Reserves	1,966	(1,686)	(4,015)		-	-	-	-	-	(1,733)	(5,468)
Retained earnings (11)	16,021	(506)	(150)	(15,000)	-	-	-	-	(1,481)	1,733	617
Non-controlling interests (12)	6,353	(2,509)	(3,844)		4,052	-	-	-	-		4,052
Total Equity	**43,282**	**(506)**	**(150)**	**(15,000)**	**4,052**	**2,487**	**1,311**	**24,923**	**(2,487)**	**-**	**57,912**

Notes

1. **Dynamic residual acquisition** – refer Section 9.2, prior to Completion NTAW will acquire the remaining issued capital it currently does not own in Dynamic. A pre-completion dividend of $1,108k will be paid prior to Completion with $506k being paid to non-controlling interests.
2. **MPC residual acquisition** - refer Section 9.2, prior to Completion NTAW will acquire the remaining issued capital it currently does not own in MPC. A pre-completion dividend of $300k will be paid prior to Completion, with $150k being paid to non-controlling interests. In addition the statutory financial position of the NTAW Group at 30 June 2017 includes an amount of $2,050k in deferred consideration related to the acquisition of MPC. The deferred consideration will be cash settled prior to or at Completion.
3. **Pre-Completion dividend** – payment of Pre Completion dividends to Existing Owners totalling $15,000k.
4. **Acquisition of Top Draw** – as set out in Section 6.2.2, the Top Draw company will be 50% acquired by NTAW prior to Listing. NTAW signed a binding sale and purchase agreement on 28 September 2017 to acquire 50% of the share capital of Top Draw based on the balance sheet of the business at 30 June 2017. NTAW will acquire assets consisting of inventory ($5,796k), receivables ($2,499k), and assumed other liabilities ($4,392k). The Acquisition will be funded by a cash payment of $4,051k. Based on provisional accounting estimates, on consolidation within NTAW, finite life intangibles (non-contractual customer relationships) will be recognised ($1,500k) with a corresponding deferred tax liability ($450k). The residual purchase price will be allocated to goodwill (estimated at $2,971k). Under the Australian Accounting Standards, the Company has up to 12 months from acquisition to complete its initial acquisition accounting.
5. **Acquisition of Cotton** – as set out in Section 6.2.2, the Cotton business was 100% acquired by NTAW with effect from 1 November 2017. NTAW acquired assets consisting of receivables of $2,422k, inventory ($1,563k), other assets $40k, plant & equipment ($206k) and assumed other liabilities ($1,525k). The Acquisition will be funded through the issue of 2,487,440 shares in the Company ($2,487k) and a cash payment of $3,732k. Based on provisional accounting estimates, upon consolidation within NTAW, finite life intangibles (non-contractual customer relationships) will be recognised ($1,000k) with a corresponding deferred tax liability ($300k). The residual purchase price will be allocated to goodwill (estimated at $2,783k). Under the Australian Accounting Standards, the Company has up to 12 months from acquisition to complete its initial acquisition accounting.
6. **Options exercise** – proceeds of $1,311k are expected to be received from the exercise of 7,582,964 employees options prior to Completion.
7. **Offer Proceeds** – proceeds of $24,923k are expected to be generated by the Offer through a new issue of 24,922,767 shares in the Company.
8. **Offer costs** – total offer costs approximate $3,741k. These costs are to be apportioned between the income statement and equity in accordance with Accounting Standards. To the extent the costs are necessarily incurred in raising new capital, these will be capitalised and offset against equity on the balance sheet. For the purpose of the Pro forma Consolidated Balance Sheet, it is assumed that direct costs associated with the issue of new share capital of $1,437k ($1,006k net of tax) are offset against equity and $2,116k is expensed ($1,481k net of tax). A deferred tax asset of $1,066k has been recognised in respect of transaction costs as they should be deductible for tax purposes over a five year period.
9. **Transfers** –represents the recognition of share based payments expense, against Reserves, for employee options that vest upon Listing.
10. **Issued capital** – at Completion, NTAW's issued capital will reflect the movements outlined in notes 1 to 8. Market capitalisation of the listed group less any Offer costs that are apportioned against Equity.
11. **Retained earnings** – retained earnings in the Pro forma balance sheet reflects the portion of Offer costs expensed and the impact of share based payments expense for the period.
12. **Non-controlling equity interest** – reflects the value of the 50% interest in Top Draw held by non-controlling interests.

6.5.2 Indebtedness

The table below sets out the composition of NTAW's indebtedness and pro forma indebtedness as at 30 June 2017.

Table 6K – Summary of pro forma net debt

$'000	Note	Audited Statutory 30 June 2017	Pro Forma 30 June 2017
Financial liabilities (current)		1,354	1,354
Non-current financial liabilities		6,812	6,812
Total borrowings	**1**	**8,166**	**8,166**
Less: cash and cash equivalents		(14,764)	(11,768)
Total net (cash) / indebtedness	**2**	**(6,598)**	**(3,602)**

Notes:

1. **Borrowings** of $8,166k include finance lease facilities of $387k and bank loans of $7,780k. The bank borrowings are market rate loans that expire in March 2020. The bank facility is subject to a number of covenants, including asset and earnings based ratios, tested on a quarterly basis. Refer section 9.11 (CBA Letter of Offer –NTAW) for further commentary.
2. **Net Cash** - the actual net cash / indebtedness at the date of the Offer may differ from that shown at Table 6J as it will reflect cash flows from operations between 30 June 2017 and the date of the Offer. The Directors expect the net cash balance to be higher than the pro forma net cash position at the Offer close date.

6.5.3 Liquidity and capital sources

Following Completion, NTAW's principal sources of funds will be cash flow from operations, and cash held at Completion as described in Section 6.5.2.

NTAW expects that it will have sufficient cash flow from operations to fund its operational requirements and business needs during the forecast period and will have sufficient working capital to carry out its stated objectives.

NTAW expects that its operating cash flow and cash held on balance sheet will position it to grow its business in accordance with the Forecast Financial Information.

NTAW's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control including general economic, financial and competitive conditions and other risk factors described in Section 5. Over time NTAW may seek additional funding from a range of sources to diversify its funding base to reduce reliance on the bank finance market and to manage its exposure to interest rate risks on long term borrowings.

6.5.4 Contractual obligations, commitments and contingent liabilities

The table below sets out the Company's pro forma contractual obligations, commitments and contingent liabilities

Table 6L – Pro Forma contractual obligations, commitments and contingent liabilities of NTAW as at 30 June 2017

$'000		Less than	1-5	More than	
Obligation	Note	1 year	years	5 years	Total
Finance leases	1	168	248	-	416
Non-cancellable operating lease commitments	2	2,675	4,584	-	7,259
Earn out payable	3	2,050	-	-	2,050
Bank loans	4	1,200	6,580	-	7,780
Contingent liabilities	5	1,761	787	-	2,548

Notes:

1. **Finance leases** – finance lease commitments relating to equipment loans.
2. **Non-cancellable operating leases** – represent the amounts payable on property leases (extracted from the NTAW Accounts) has been adjusted to include the leases in relation to the Acquired Businesses. The Group has bank guarantees of $2,365k over some of the Group's leased premises.

3. **Earn out payable** – liability in relation to the acquisition of MPC due to the vendor if the business achieves an agreed operating result. The earn-out payable is tested against earnings benchmarks at 30 June 2017 and expires after 30 June 2022. A provision was booked in respect of this amount as NTAW did anticipate that the earn-out would be triggered based on its FY2018 forecast. This earn out is forecast to be paid from the proceeds of the Offer (refer Section 6.3.1).
4. **Bank Loans** – term bank borrowing facilities expiring in March 2020.
5. **Contingent liability** – the Group has bank guarantees supporting letters of credit to New Zealand suppliers ($1,761k). A potential maximum earn out payment to the vendors of Top Draw, being Rand 8,234,000. The earn out is tested against an earnings benchmark as at 30 June 2018. No provision has been booked in respect of this amount as NTAW does not anticipate that the earn out will be triggered based on its FY2018 forecast.

6.6 Management discussion and analysis of the Pro forma Historical Financial Information

6.6.1 Key factors affecting NTAW's financial performance

This Section 6.6 discusses the general factors which affected NTAW's operating and relative financial performance in FY2015, FY2016 and FY2017 and which the Company expects may continue to affect it in future.

The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that have affected NTAW's historical operating and financial performance, or everything that could have an impact on its operating and financial performance in the future.

Unless otherwise stated, all metrics and financial information presented in this Section 6.6, and the related commentary is on a pro forma basis only.

Revenue

NTAW derives revenue from a number of related sources including:

- Sale of tyres and wheels for passenger, SUV and 4WD vehicles to Retailers including tyre retailers, car dealers, mechanical repair businesses and automobile accessories retailers throughout Australia, New Zealand and South Africa;
- Sale of OEM caravan wheels and tyres to caravan manufacturers and caravan chassis manufacturers in Australia; and
- Sale of ancillary aftermarket products associated with tyres and wheels.

The key drivers of revenue are volume and wholesale price. The volume of tyres and wheels sold reflects a range of factors including the number and quality of Retailer customers and the range and attractiveness of NTAW's tyre and wheel products. NTAW controls the setting of wholesale prices for all products. The active management of the product range, supported by brand education and marketing campaigns have been a positive driver of NTAW's revenue growth.

Cost of goods sold and gross profit margin

NTAW's cost of goods sold incorporates the cost of purchasing inventory and direct expenses such as supplier rebates, freight, and handling charges. NTAW manages cost of sales via negotiations with its suppliers on price and range of SKU's. The following factors can affect gross profit margins:

- Import prices – the prices paid by NTAW to its suppliers. These suppliers operate in a competitive environment and they will set import prices that are competitive. Rubber and oil are the main raw materials used in all tyre manufacturing so a change in the cost of those raw materials affects all suppliers;
- Wholesale prices - are monitored and adjusted by NTAW to reflect market conditions;
- Foreign exchange rates - NTAW purchases the majority of its products in US dollars and sells in Australian dollars, New Zealand dollars and South African Rand (each a "Relevant Currency"). NTAW is therefore exposed to a devaluation of each Relevant Currency against the USD. A weakness in a Relevant Currency against USD affects the price NTAW pays for inventory. Conversely, weakness in the US dollar against a Relevant Currency may have a positive effect on gross profit margins to the extent that import prices and wholesale prices are not adjusted. Historically NTAW gross margins remain relatively stable as the impact of changes in the rate of exchange between the Relevant Currencies and the USD is offset by changes to import prices and wholesale prices. As there is no local manufacture of tyres in Australia and New Zealand, importers do not have to contend with a local manufacturer with a competitive advantage arising from an ability to buy inputs and sell outputs in a single currency. The company seeks to manage its foreign exchange exposures using foreign exchange contracts; and
- Mix of product sales – NTAW's gross margins vary across its range of SKU's.

Other operating expenses

Other operating expenses primarily comprise employee expenses, occupancy costs and advertising and promotions costs. NTAW has a relatively fixed cost base that provides it with operating leverage and the ability to grow earnings faster than revenue.

Employee costs are the most significant operating expense of the business and include salaries, wages, commissions, superannuation, share based payments and other employment related costs of all staff. NTAW's cost base also includes head office and corporate costs including the expense of the senior management team. NTAW leases all its business premises and incurs rental expenses.

Advertising and promotions expense includes expenditure on online, media, point of sale and event promotional activities.

An adjustment has been made to the Pro Forma Historical Results for public company costs and remuneration which NTAW estimates it will incur as a listed company. These pro forma adjustments include share registry fees, Director remuneration, Executive share based payment remuneration, additional audit and legal costs as well as annual general meeting and annual report costs.

Depreciation and amortisation

Leasehold improvements are amortised over the term of the lease, including any options. Other assets are depreciated over their useful life, typically three to ten years depending on the nature of the asset.

Acquired distribution rights are amortised by NTAW over the term of the distribution agreement, which is between 7 and 12 years from Completion.

As discussed in Section 6.2.6, acquisition of the entities forming NTAW, including the holding entity for the Acquired Businesses have been and will be accounted for using the acquisition method under AASB 3 *Business Combinations*. The Company has performed a provisional assessment of the fair values of the identifiable assets and liabilities acquired in respect of MPC, Top Draw and Cotton including finite life intangible assets. These customer intangibles will be amortised over a period between seven and nine years from Completion. The amortisation expense has been reflected in the Pro forma Historical and Forecast Financial Information.

Working capital

The Company defines working capital as third party receivables, third party payables, and inventory. The Company has a predictable working capital cycle and inventory, receivables and payables are mostly influenced by volume of product being sold. The Company has systems to ensure that receivables are collected and payables are paid in accordance with agreed terms.

Capital expenditure

NTAW's capital expenditure has historically included:

- Refurbishment or improvement of facilities; and
- Replacement and upgrade of operating assets such as sales representatives motor vehicles and IT systems.

In addition, historical capital expenditure reported in the accounts includes the acquisition of business and other operations.

6.6.2 NTAW management discussion and analysis: Pro forma Historical Income Statements for FY2015, and FY2016

The table below compares the Pro forma Historical Income Statement for FY2015 and FY2016.

Table 6M – Pro forma Historical Income Statements for FY2015 compared to FY2016

$'000	Pro Forma Historical		
	FY2015	FY2016	*Change %*
Sales revenue	137,662	137,379	*(0.2%)*
Cost of sales	(95,552)	(97,452)	*(2.0%)*
Gross profit	**42,110**	**39,927**	***(5.2%)***
Other revenue	471	252	*(46.5%)*
Employee benefits expense	(14,622)	(15,156)	*(3.7%)*
Advertising & promotions	(6,356)	(4,240)	*33.3%*
Occupancy expense	(3,481)	(3,562)	*(2.3%)*
Other expenses	(7,149)	(6,484)	*9.3%*
EBITDA	**10,973**	**10,737**	***(2.2%)***
Depreciation	(803)	(874)	*(8.8%)*
Amortisation of intangibles	(1,514)	(1,514)	*0.0%*
EBIT	**8,656**	**8,349**	***(3.5%)***
Interest	(228)	(228)	*0.0%*
Profit before tax	**8,428**	**8,121**	***(3.5%)***
Income tax expense	(2,811)	(2,721)	*3.2%*
NPAT	**5,617**	**5,400**	***(3.9%)***

Table 6N – KPIs for FY2015 compared to FY2016

	Pro Forma Historical	
	FY2015	FY2016
Tyres sold	666,434	675,504
Tyres sold growth (%)	n/a	1.4%
Revenue growth (%)	n/a	-0.2%
Gross profit % of revenue	30.6%	29.1%
Operating costs as % of total revenue	23.0%	21.4%
EBITDA growth on pcp	n/a	(2.2%)
EBITDA margin % of revenue	8.0%	7.8%

Revenue

Revenue in FY2016 of $137,379k was 0.2% below FY2015 pro forma revenue of $137,662k. Whilst the gross number of tyres sold across the Pro forma Group increased by 1.4% in FY2016, the incremental revenue from volume growth was offset by a reduction in average unit selling price, most notably in the ETD business, due to promotional discounting of some SKU's and an increase in lower priced passenger tyres as a proportion of total sales. Other key factors affecting revenue performance included;

- The MPC business grew revenue by $2,308k, or 27.6%, due to increased volume from new and existing customers;
- The volume of tyres sold by the ETD businesses, including Dynamic, were in line with FY2015 however revenue declined by $2,466k, or 2.3%. Market conditions, including competitive pressures from "4 for 3" sales campaigns run by some of the major manufacturer competitors resulted in downward pressure on tyre pricing in FY2016 and increased promotional discounting by ETD. Revenue in FY2016 also included an increased mix from the lower priced passenger tyre range which also contributed to lower average unit sales prices and lower revenue in ETD; and
- Pro forma revenue contributions in FY2016 from Top Draw South Africa, and Cotton were in line with FY2015.

Gross profit

Gross profit decreased by 5.2% from $42,110k to $39,927k, with the average gross margin decreasing from 30.6% to 29.1%. This fall in gross margins arose from discounting the wholesale price of some products in response to intense price competition. NTAW negotiated lower import prices during the year to partially offset lower wholesale pricing to customers however the benefit of these lower prices largely flowed into gross margins in FY2017.

Operating costs and EBITDA

Operating costs as a percentage of revenue improved to 21.4% of revenue in FY2016, from 23.0% of revenue in FY2015. The reduction in operating costs as a percentage of revenue was primarily due to lower advertising and promotional expenditure. In order to experiment with new media and to offset the lower gross margin arising from wholesale price discounting NTAW spent less on traditional media (e.g. television advertising) and more on new media (e.g. online advertising) in FY2016 resulting in a net reduction of overall advertising expenditure. The combined effect of revenue, gross profit and this reduction in overhead expenditure was a reduction in EBITDA to revenue margin in FY2016 of 0.2% from FY2015 to 7.8% of revenue.

Depreciation and amortisation

Excluding the amortisation of customer intangibles, depreciation and amortisation expense increased from $803k to $874k as depreciable assets in NTAW increased due to an IT server upgrade.

6.6.3 NTAW management discussion and analysis: Pro forma Historical Cash Flows for FY2016 compared to FY2015

The table below compares the Pro forma Historical Cash Flows for FY2015 and FY2016.

Table 60 – Pro forma Historical Cash Flows for FY2015 and FY2016.

$'000	Pro Forma Historical		
	FY2015	FY2016	*Change %*
EBITDA	**10,973**	**10,737**	***(2.2%)***
Non-cash expenses	(166)	1,473	*987.3%*
Net movement in working capital	2,652	(870)	*(132.8%)*
Operating cash flow before financing, taxation and capital expenditure	**13,459**	**11,340**	***(15.7%)***
Capital expenditure	(27)	(771)	*(2755.6%)*
Cash flow before financing and taxation	**13,432**	**10,569**	***(21.3%)***

Movement in working capital

The movement in FY2016 working capital is predominantly due to $2.2 million increase in trade receivables offset by a reduction on other trade working capital balances. Movements in working capital in FY2016 were $870k.

Capital expenditure

Total capital expenditure for FY2016 was $771k, mainly in respect of an IT upgrade and replacement of sales fleet motor vehicles.

6.6.4 NTAW management discussion and analysis: Pro forma Historical Income Statement for FY2017 compared to FY2016

The table below compares the Pro forma Historical Income Statement for FY2016 and FY2017.

Table 6P – Pro forma Historical Income Statements for FY2016 compared to FY2017

$'000	Pro Forma Historical		
	FY2016	FY2017	*Change %*
Sales revenue	137,379	144,464	*5.2%*
Cost of sales	(97,452)	(97,343)	*0.1%*
Gross profit	**39,927**	**47,121**	*18.0%*
Other revenue	252	377	*49.6%*
Employee benefits expense	(15,156)	(16,150)	*(6.6%)*
Advertising & promotions	(4,240)	(5,517)	*(30.1%)*
Occupancy expense	(3,562)	(3,543)	*0.5%*
Other expenses	(6,484)	(6,689)	*(3.2%)*
EBITDA	**10,737**	**15,599**	***45.3%***
Depreciation	(874)	(797)	*8.8%*
Amortisation of intangibles	(1,514)	(1,514)	*0.0%*
EBIT	**8,349**	**13,288**	***59.2%***
Interest	(228)	(228)	*0.0%*
Profit before tax	**8,121**	**13,060**	***60.8%***
Income tax expense	(2,721)	(4,221)	*(55.1%)*
NPAT	**5,400**	**8,839**	***63.7%***

Table 6Q – KPIs for FY2016 compared to FY2017

	Pro Forma Historical	
	FY2016	FY2017
Tyres sold	675,504	720,566
Tyres sold growth (%)	1.4%	6.7%
Revenue growth (%)	(0.2%)	5.2%
Gross profit % of revenue	29.1%	32.6%
Operating costs as % of total revenue	21.4%	22.1%
EBITDA growth on pcp	(2.2%)	45.3%
EBITDA margin % of revenue	7.8%	10.8%

Revenue

Revenue increased by 5.2% from $137,379k in FY2016 to $144,464k in FY2017 driven by a 6.7% increase in the number of tyres sold and an increase in the wholesale price in H2 FY2017. Other factors driving revenue performance included:

- The ETD businesses, including Dynamic, grew revenue by $4,893k, or 4.4% primarily due to increase volume in both Australia and New Zealand;
- The MPC business grew revenue by $1,346k, or 12.6%, due to increased sales to new and existing customers; and
- Top Draw revenues increased by $946k, or 5% due to increased volume.

Gross profit

Gross profit increased by 18.0% from $39,927k in FY2016 to $47,121k in FY2017, as a result of both increased volumes of tyre sales and improvement in gross margins from 29.1% to 32.6%. The improved gross margins reflected the lower cost of sales following renegotiations with key suppliers during FY2016 as referred to in Section 6.4.2.

Operating costs and EBITDA

Operating costs increased by $2,457k, to represent 22.1% of revenue in FY2017, up from 21.4% of revenue in FY2016. The increased operating costs primarily related to an increase of $994k in employee benefits expense relates to increased employees in Top Draw and MPC. Advertising & promotions were up $1,277k due to costs associated with the launch of Cooper brand passenger tyres and to much less wholesale price discounting.

Depreciation and amortisation

Excluding the amortisation of customer intangibles, depreciation and amortisation expense decreased from $874k to $797k.

6.6.5 NTAW management discussion and analysis: Pro forma Historical Cash Flows for FY2017 compared to FY2016

The table below compares the Pro forma Historical Cash Flows for FY2016 and FY2017

Table 6R – Pro forma Historical Cash Flows for FY2016 and FY2017

$'000	**Pro Forma Historical**		
	FY2016	**FY2017**	***Change %***
EBITDA	10,737	15,599	*45.3%*
Non-cash expenses	1,473	865	*(41.3%)*
Net movement in working capital	(870)	(2,961)	*(240.3%)*
Operating cash flow before financing, taxation and capital expenditure	**11,340**	**13,503**	***19.1%***
Capital expenditure	(771)	(400)	*48.1%*
Cash flow before financing and taxation	**10,569**	**13,103**	***24.0%***

Movement in working capital

Working capital increased by $2,961k in FY2017 predominantly due to a $2,100k decrease in trade payables and $900k increase in inventory offset by a reduction on other trade working capital balances.

Capital expenditure

Total capital expenditure for FY2017 was $400k, mainly in respect of a replacement motor vehicle and maintenance capital expenditure.

6.7 Forecast Financial Information

The basis of preparation for the FY2018 Forecast Financial Information is detailed in Section 6.2. This Section 6.7 includes the Directors' best estimate assumptions specific to the Forecast Period. In addition to these specific assumptions, the general assumptions adopted in preparing the Forecast Financial Information are detailed in Section 6.7.1.

6.7.1 General assumptions

The following general assumptions are relevant to the Forecast Financial Information:

- There are no material changes in the competitive and operating environment in which NTAW operates;
- There are no significant deviations from current market expectations of economic and market conditions under which NTAW operates;
- There are no material changes in government legislation, tax legislation, regulatory requirements or government policy that will have a material impact on the financial performance, cash flows, financial position, accounting policies, financial reporting or disclosures of NTAW;
- There are no changes in applicable AAS, IFRS, other mandatory professional reporting requirements or the Corporations Act which could have a material impact on NTAW's reported financial performance or cash flows, financial position, accounting policies, financial reporting or disclosures;
- There are no material employee relations disputes or other disturbances, contingent liabilities or legal claims that arise or that are settled to the detriment of NTAW;
- There are no material changes in key personnel, including key management personnel. It is also assumed that NTAW will maintain its ability to recruit and retain the personnel required to support future growth;
- There are no material acquisitions, disposals, restructurings or investments other than as contemplated by this Prospectus;
- There are no material changes to NTAW's corporate and funding structure, excluding the impact of this Offer;
- There are no significant disruptions to the continuity of operations of NTAW or other material changes in the business;
- There are no material amendments to any material contract, agreement or arrangement relating to NTAW's business or intellectual property; and
- None of the risks listed in Section 5 has a material adverse impact on the operations of NTAW; and
- The Offer proceeds are received in accordance with the timetable set out in the Key Dates section of this Prospectus.

6.7.2 Specific assumptions

The Forecast Financial Information is based on various specific assumptions, of which the key assumptions are set out below. The assumptions below are a summary only and do not represent all factors that will affect NTAW's forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur.

The FY2018 forecasts have been built up from detailed review of each individual business based on the actual results for the 3 months to the end of September 2017 and forecasts for the remaining 9 months based on the following key assumptions:

- Growth rates in sales are based on the actual result for the 3 months to the end of September 2017, with the balance of FY2018 forecast based on historical trends, an assessment of seasonality and best estimates of anticipated future transactions and events based on the information and documents available at the date of the Prospectus. NTAW may achieve a different mix of product sales volumes as a result of factors described in Section 6, including changes in the forecast mix of brands sold, among other factors; and
- Gross profit per product is based on historical gross margins achieved or estimated margins based on wholesale prices for new products; and Rates of exchange between the USD and the Relevant Currencies will be relatively stable or the impact of any substantial change will, over time, be normalized by changes to import prices and wholesale prices.

With regard to the cost base, NTAW's average operating ratio (ratio of operating costs to total revenue) across the business has been forecast in line with historical experience, and no operating or cost synergies from the Acquired Businesses have been included in the Forecast Financial Information. Operating costs also include incremental costs that NTAW will expect to incur as a public listed entity as well as additional executive remuneration (as set out in the pro forma adjustments in Table 6H).

6.7.3 NTAW management discussion and analysis: Pro forma Forecast Income Statement for FY2018 compared to Pro forma Historical Income Statement for FY2017

The table below compares the Pro forma Historical Income Statement for FY2017 and the Pro forma Forecast Income Statement for FY2018.

Table 6S – Pro forma Forecast Income Statement for FY2018 compared to pro forma Historical Income Statement for FY2017

$'000	Pro forma		
	Historic	Forecast	
	FY2017	FY2018	*Change %*
Sales revenue	144,464	155,232	*7.5%*
Cost of sales	(97,343)	(106,199)	*(9.1%)*
Gross profit	**47,121**	**49,033**	***4.1%***
Other revenue	377	180	*(52.3%)*
Employee benefits expense	(16,150)	(16,589)	*(2.7%)*
Advertising & promotions	(5,517)	(5,519)	*(0.0%)*
Occupancy expense	(3,543)	(3,802)	*(7.3%)*
Other expenses	(6,689)	(6,922)	*(3.5%)*
EBITDA	**15,599**	**16,381**	***5.0%***
Depreciation	(797)	(880)	*(10.4%)*
Amortisation of intangibles	(1,514)	(1,514)	*0.0%*
EBIT	**13,288**	**13,987**	***5.3%***
Interest	(228)	(228)	0.0%
Profit before tax	**13,060**	**13,759**	***5.4%***
Income tax expense	(4,221)	(4,432)	*(5.0%)*
NPAT	**8,839**	**9,327**	***5.5%***

Table 6T – Pro forma Forecast KPIs for FY2018 compared to KPIs for FY2017

	Pro forma	
	Historic	Forecast
	FY2017	FY2018
Tyres sold	720,566	783,550
Tyres sold growth (%)	6.7%	8.7%
Revenue growth (%)	5.2%	7.5%
Gross profit % of revenue	32.6%	31.6%
Operating costs as % of total revenue	22.1%	21.2%
EBITDA growth on pcp	45.3%	5.0%
EBITDA margin % of revenue	10.8%	10.6%

Revenue

FY2018 revenue is forecast to grow by 7.5% to $155,232k, driven by an increase in tyre volume up 8.7% to 783,550. Overall factors driving revenue performance in FY2018 include:

- The ETD businesses, including Dynamic, forecast revenue to increase by $7,929k resulting from increased passenger tyre sales and continued growth in traditional tyre lines;
- Top Draw forecast growth in revenue of $1,720k from increased unit volume sales, including the launch of the Mickey Thompson brand in South Africa in FY2018; and
- MPC revenues are forecast to be in line with FY2017.

Gross profit

Gross profit is forecast to increase from $47,121k to $49,033k, with the average gross margin decreasing from 32.6% to 31.6%. This fall in gross margin arises from an increase in supplier prices in the second half of FY2017.

Operating costs and EBITDA

Operating costs are forecast to increase by $898k, to represent 21.2% of revenue in FY2018, down from 22.1% of revenue in FY2017. The increased operating costs primarily related to an increase of $439k in employee benefits expense relates to increased head counts in the group and general cost of living pay increases. Occupancy expenses are forecast to increase by $259k resulting from a market rent increase in New Zealand and a proposed relocation in Australia for the ETD and Dynamic businesses.

Depreciation and amortisation

Depreciation and amortisation expense is forecast to increase marginally to $880k, reflecting the replacement of motor vehicles and the installation of IT warehouse management systems in warehouses in Western Australia and Victoria together with maintenance capital expenditure.

6.7.4 NTAW management discussion and analysis: Pro forma Forecast Cash Flows for FY2018 compared to Pro forma Historical Cash Flows for FY2017

The table below compares the Pro forma Historical Cash Flows for FY2017 and the Pro forma Forecast Cash Flows for FY2018

Table 6U – Pro forma Forecast Cash Flows for FY2018 compared to Pro forma Historical Cash Flows for FY2017

$'000	Pro forma		
	Historic	Forecast	
	FY2017	FY2018	*Change %*
EBITDA	15,599	16,381	*5.0%*
Non-cash expenses	865	600	*(30.6%)*
Net movement in working capital	(2,961)	(3,179)	*(7.3%)*
Operating cash flow before financing, taxation and capital expenditure	**13,503**	**13,802**	*2.4%*
Capital expenditure	(400)	(1,363)	*(240.8%)*
Cash flow before financing and taxation	**13,103**	**12,439**	*(5.1%)*

Movement in working capital

Year-end net working capital is forecast to increase by $3,179k. The key drivers are an expected increase in inventory together with increased trade receivables resulting from increased sales.

Capital expenditure

Capital expenditure has been forecast at $1,363k and includes expenditure on sales fleet motor vehicle replacement of $770k, IT equipment of $200k and the balance on general warehousing equipment.

6.8 Sensitivity analysis

The Forecast Financial Information included in this Section 6 is based on a number of estimates and assumptions as described in Sections 6.7.1 and 6.7.2. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of NTAW, the Directors and management of NTAW. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the forecasts, set out below is a summary of the sensitivity of the pro forma NPAT to changes in a number of key assumptions.

The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Sensitivity analysis is conducted independently of potentially interrelated effects resultant from a variance in the assumption. Variations in actual performance could exceed the ranges shown.

For the purposes of this analysis, each sensitivity factor is presented in terms of its impact on the forecast FY2018 pro forma NPAT and is set out below in Table 6V. The sensitivity of these factors has been considered in isolation; however, there may be a degree of correlation between the movement in one or more of these sensitivities which will have an impact that is greater than what is shown below.

Table 6V – Pro forma FY2018 Sensitivities (NPAT impact)

Sensitivity	Note	Assumption	Movement	NPAT Impact ($'000)
Revenue growth rate	1	7.50%	+/- 1ppt	+/- $ 320k
Tyre unit sales growth rate	2	8.70%	+/- 1ppt	+/- $ 306k
Gross profit margin	3	31.60%	+/- 1ppt	+/- $ 1,087k
Operating cost as a % of revenue	4	21.20%	+/- 1ppt	+/- $ 1,087k

Notes:

1. **Revenue growth rate –** The revenue growth rate sensitivity demonstrates the impact of a change in the assumed growth rate of revenue by +/- 1.0 percentage point on NTAW's NPAT for FY2018. The calculation is based on the margin incorporating the key variable expenses (predominantly cost of goods sold, freight costs, warranty income and volume related rebates and allowances from suppliers), and has been tax effected. A change in the forecast revenue growth rate of +/- 1.0% (i.e. to 8.5% or 6.5%) is likely to result in an NPAT impact of +/- $320k.
2. **Tyres unit sales growth rate –** The tyre unit growth rate sensitivity demonstrates the impact of a change in the assumed number of tyre units sold by +/- 1.0 percentage point on NTAW's NPAT for FY2018. The calculation is based on the margin incorporating the key variable expenses (predominantly cost of goods sold, freight costs, warranty income and volume related rebates and allowances from suppliers), and has been tax effected. A change in forecast growth rate of tyre units sold of +/- 1.0% (i.e. 9.7% to 7.7%) is likely to result in a NPAT impact of +/- $306k.
3. **Gross profit margin –** As discussed in Section 6.7, gross profit margin is forecast to decrease to 31.6% in FY2018, from 32.6% in FY2017. The sensitivity demonstrates the impact of a +/- 1.0 percentage point movement in the gross margin, calculated based on FY2018 sales revenue and on a tax-effected basis. As discussed in Section 6.6.1 gross profit margins can be impacted by changes in supplier prices or movement in relevant foreign exchange rates to the extent that wholesale prices are not adjusted. A change in gross profit margins of +/- 1.0 percentage point (i.e. to 30.6% to 32.6%) is likely to result in a FY2018 NPAT impact of +/- $1,087k.
4. **Operating cost as a % of revenue –** The ratio of operating costs to revenue is forecast at 21.2% in FY2018. A movement of +/- 1.0 percentage point (i.e. to 20.2% to 22.2%) would have an impact of +/- $1,087k on the FY2018 NPAT of NTAW based on the forecast operating costs and has been tax-effected.

6.9 Financial risk management framework

NTAW's activities expose it to a number of financial risks including interest rate risk, liquidity risk and credit risk.

The Group manages financial risk through Board approved policies and procedures. These detail the responsibility of the Directors and senior management with regard to the management of financial risk. Financial risk is managed centrally by NTAW's finance team via a risk management framework.

NTAW does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

6.9.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial asset or financial liability will change as a result of changes in market interest rates. NTAW is exposed to interest rate risk through its capital loan facilities, which are floating rate facilities.

6.9.2 Foreign exchange risk

Foreign exchange risk is the risk that NTAW's financial performance and position will be affected by fluctuations in the Australian dollar exchange rate against the US dollar, New Zealand dollar and South African Rand. NTAW purchases the majority of its products in US dollars and sells in Australian dollars, New Zealand Dollars and South African Rand (each a "Relevant Currency"). NTAW is therefore exposed to a devaluation of each Relevant Currency against the USD. A weakness in a Relevant Currency against USD may affect the price NTAW pays for inventory. Conversely, weakness in the US dollar against a Relevant Currency may have a positive effect on gross profit margins to the extent that import prices and wholesale prices are not adjusted. The Company seeks to manage its foreign exchange exposure using foreign exchanges contracts.

In addition, the Group's activities expose it to the financial risks of changes in foreign currency exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the New Zealand dollar and the South African Rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is different to the Australian dollar, the Group's functional currency.

6.9.3 Liquidity risk

Liquidity risk is the risk that NTAW will not have sufficient funds to meet its financial commitments as and when they fall due. Liquidity risk management involves maintaining available funding and ensuring NTAW has access to an adequate amount of cash and credit facilities.

6.9.4 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to NTAW.

NTAW is exposed to counterparty credit risk arising from its operating activities, primarily relating to the sale of tyres to trade customers. NTAW typically performs a credit check on counterparties prior to extending credit and monitors its receivables balances regularly on a detailed basis, with the result that NTAW's exposure to bad debts has historically been negligible.

NTAW is also exposed to counterparty credit risk arising from its financing activities where it deposits money with banks and financial institutions.

6.10 Summary of significant accounting policies

6.10.1 Significant accounting policies

Set out in Appendix A is a summary of the significant accounting policies adopted in preparing the Financial Information contained in this Section 6.

6.10.2 Critical accounting estimates and judgements

Preparing financial statements in accordance with Australian Accounting Standards requires management to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Judgements made by management in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Refer to the significant accounting policies outlined in Appendix A of this Prospectus.

6.10.3 New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Group.

AASB 9 Financial Instruments (effective 30 June 2019)

The Standard contains significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value.

Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure: (i) the 12- month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date): or (ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.

The impact of the adoption of this standard is yet to be assessed by the Group.

AASB 15 Revenue from contracts with customers (effective 30 June 2019)

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The impact of the adoption of this standard is yet to be assessed by the Group.

AASB 16 Leases (effective 30 June 2020)

AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the income statement impact of the leases will be through amortisation and interest charges.

Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating leases which it is anticipated will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense (and thus EBITDA) will decrease.

6.11 Dividend policy

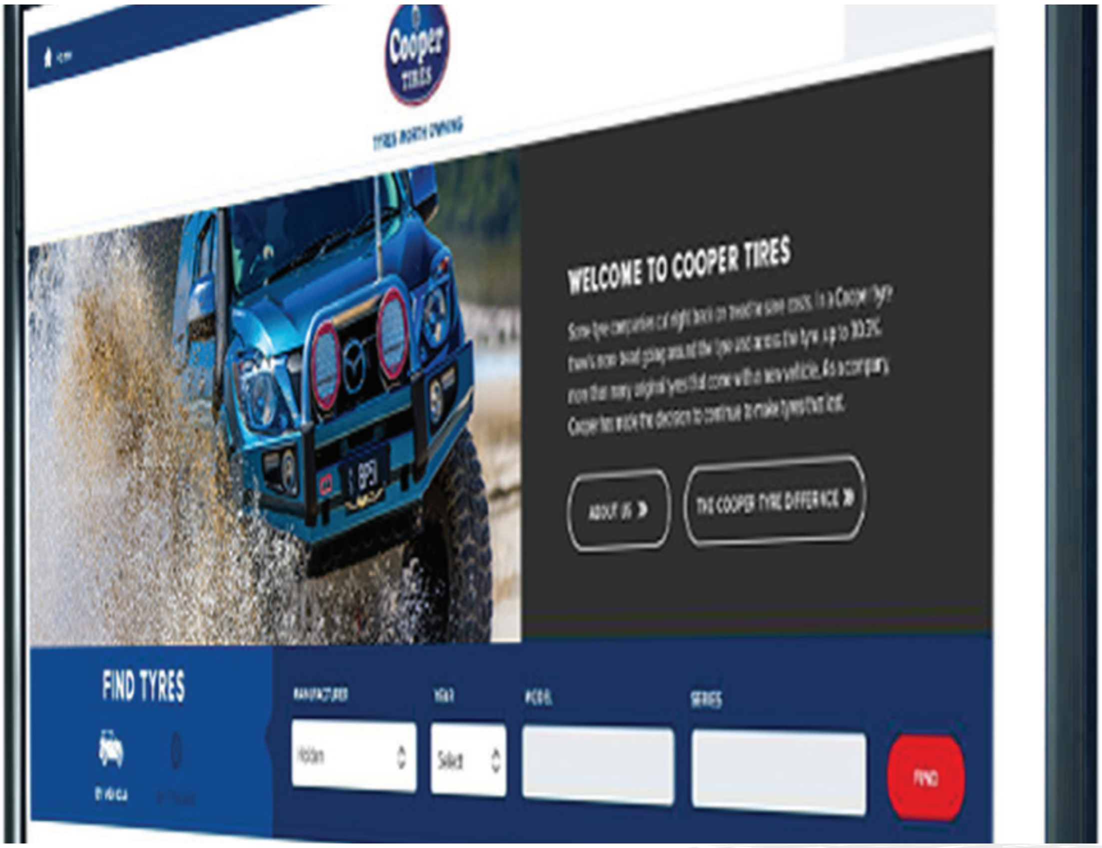
Depending on available profits and the financial position of NTAW, it is the current intention of the Company to pay dividends.

The Board has adopted a dividend policy to distribute to its shareholders funds surplus to the operating needs of NTAW as determined by the Board of Directors with a target dividend payout ratio in respect of each financial year of between 40% and 60% of net profit before amortisation and after tax or free cash flows (to the extent the Board considers the difference to be relevant) but subject always to:

(a) The solvency requirements of the Corporations Act;
(b) Any banking or other funding covenants by which the NTAW is bound from time to time;
(c) The operating requirements of NTAW;
(d) The working capital requirements (including the cost of funding potential acquisitions);
(e) The requirements of the NTAW Constitution;
(f) Any actual or forecast cash flows not reflected in the calculation of net profit after tax; and
(g) Such other matters as the Board may determine from time to time.

It is the current intention of the Board to pay interim dividends in respect of half years ending in December and final dividends in respect of full years ending in June each year. It is anticipated that interim dividends will be paid in March and final dividends will be paid in September following the relevant financial period end. It is expected that all future dividends will be franked to the maximum extent possible.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.



7

Investigating Accountant's Report

7. Investigating Accountant's Report

PITCHER PARTNERS
CORPORATE FINANCE LIMITED

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Brisbane
Queensland 4000

Postal Address:
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Queensland 4001

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Pitcher Partners is an association of independent firms
Brisbane | Melbourne | Sydney | Perth | Adelaide | Newcastle

24 November 2017

Board of Directors
National Tyre & Wheel Limited
30 Gow Street
Moorooka Qld 4105

Dear Sirs,

INVESTIGATING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION, THE PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FORECAST FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the directors of National Tyre & Wheel Limited (the Company) (the Directors) for inclusion in a Prospectus to be issued by the Company (the Prospectus) in respect of the initial public offering of fully paid ordinary shares in the Company (the Offer) and listing of the Company on the Australian Securities Exchange.

Pitcher Partners Corporate Finance Limited (a related entity of Pitcher Partners Queensland Partnership) holds the appropriate Australian Financial Services Licence under the Corporations Act 2001 for the issue of this report.

References to the Company and other capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

Scope

Historical Financial Information

Pitcher Partners Corporate Finance Limited has been engaged by the Directors to review:

- the Company's consolidated historical income statements for the three years ended 30 June 2017;
- the Company's abridged consolidated historical statements of cash flow for the three years ended 30 June 2017; and
- the Company's consolidated historical statement of financial position as at 30 June 2017;

as set out in Tables 6F, 6I and 6J respectively of the Prospectus (together, the Historical Financial Information).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information was audited by Pitcher Partners Queensland Partnership in accordance with Australian Auditing Standards. Pitcher Partners Queensland Partnership issued unmodified opinions.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

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an independent member of
BAKER TILLY
INTERNATIONAL

Pro forma Historical Financial Information

Pitcher Partners Corporate Finance Limited has been engaged by the Directors to review:

- the Company's pro forma consolidated historical income statements for the three years ended 30 June 2017;
- the Company's pro forma abridged consolidated historical statements of cash flow before financing and taxation for the three years ended 30 June 2017; and
- the Company's pro forma consolidated statement of financial position as at 30 June 2017.

as set out in Tables 6A, 6G and 6J respectively of the Prospectus (together, the Pro forma Historical Financial Information).

The Pro forma Historical Financial Information has been derived from the Historical Financial Information, after adjusting for the effects of Pro forma adjustments described in Tables 6C, 6E and 6H of the Prospectus (the Pro forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the Pro forma Adjustments relate, as described in Section 6 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and cash flows.

Forecast Financial Information

Pitcher Partners Corporate Finance Limited has been engaged by the Directors to review:

- the Company's consolidated forecast income statement and the consolidated abridged forecast statement of net cash flows for the year ending 30 June 2018 as set out in Tables 6A and 6G of the Prospectus (the Statutory Forecast). The Directors' best-estimate assumptions underlying the Statutory Forecast are described in Section 6.7 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies;
- the Company's pro forma consolidated forecast income statement and the pro forma abridged consolidated forecast statement of net cash flows before financing and taxation of the Company for the year ending 30 June 2018 as set out in Tables 6A and 6G of the Prospectus (the Pro forma Forecast). The Pro forma Forecast has been derived from the Statutory Forecast of the Company, after adjusting for the effects of the Pro forma Adjustments described in Section 6.3.4, Section 6.3.5 and Section 6.4.2 of the Prospectus. The Directors' best-estimate assumptions underlying the Pro forma Forecast are described in Section 6.7 of the Prospectus.

(together the Forecast Financial Information)

The stated basis of preparation used in the preparation of the Pro forma Forecast is the recognition and measurement principles contained in Australian Accounting Standards applied to the forecast financial information of the Company, the Company's adopted accounting policies and the events or transactions to which the Pro forma Adjustments relate, as if those events or transactions had occurred as at 1 July 2017. Due to its nature the Pro forma Forecast does not represent the Company's actual or prospective financial performance and cash flows for the year ending 30 June 2018.

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the year ending 30 June 2018. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the assumptions on which the forecasts are based, however, such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in Section 5 of the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks set out in Section 5 of the Prospectus. The sensitivity analysis set out in Section 6.8 of the Prospectus demonstrates the impacts on the Pro forma Forecast of changes in key assumptions. The Statutory Forecast and Pro forma Forecast are therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Historical Financial Information and Pro forma Historical Financial Information, including the selection and determination of Pro forma Adjustments made to the historical financial information and included in the Pro forma Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the Pro forma Adjustments made to the Statutory Forecast and included in the Pro forma Forecast; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information, the Pro forma Historical Information and the Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information, Pro forma Historical Financial Information, the Statutory Forecast and the Pro Forma Forecast based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we do not express an audit opinion.

Our procedures did not involve updating or re-issuing any previously issued audit report, nor issuing standalone review opinions on un-audited entities, used as a source of the financial information.

Set out below is a summary of the procedures that we, in our professional judgement, considered reasonable in the circumstances.

Historical Financial Information

- analytical procedures on the audited financial performance and cash flows of the Company for the years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- a comparison of consistency in application of recognition and measurement principles in accordance with the Australian Accounting Standards, and the accounting policies adopted by the Company as disclosed in the Prospectus;
- a review of the work papers, accounting records and other documents of the Company and its auditors;
- a review of the application of Australian Accounting Standards as at 30 June 2017; and
- enquiry of Directors, management, and others in relation to the Historical Financial Information.

Pro forma Historical Financial Information

- review of the work papers, accounting records and other documents, including those dealing with the extraction of historical financial information of the Company from its audited financial statements for the years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- a review of the work papers, accounting records and other documents, including those dealing with the extraction of historical financial information of the Acquired Businesses from their audited/un-audited financial statements as follows:
  - NSW/ACT from the un-audited management accounting information for the 3 months ended 30 September 2015;
  - Top Draw from the audited special purpose financial information for the three years ended 28 February 2017;
  - Top Draw from the un-audited management accounting information for the four months ended 30 June 2017;
  - MPC from the un-audited management accounting information for the two years and nine months ended 31 March 2017;
  - Cotton from the un-audited management accounting information for the three years ended 30 June 2017;
- consideration of the appropriateness of the Pro Form Adjustments described in Section 6.3.4, Section 6.3.5, Section 6.4.2 and Section 6.5.1 of the Prospectus;
- enquiry of Directors, management, personnel, auditors and advisors;
- analytical procedures applied to the Pro forma Historical Financial Information; and
- a review of the accounting policies adopted over the period for consistency of application.

Forecast Financial Information

- enquiries, including discussions with management and Directors of the factors considered in determining the Directors' best estimate assumptions;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the Directors' best estimate assumptions, amounts and other disclosures in the Forecast Financial Information;
- review of the accounting policies adopted and used in the preparation of the Forecast Financial Information; and
- consideration of the Pro forma Adjustments applied to the Statutory Forecast of the Company in preparing the Pro forma Forecast.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information is not prepared and presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 6.2 of the Prospectus.

Pro forma Historical Financial Information

Based on our review, which is not an audit, except for the possible effects of the matter described below, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information is not prepared and presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 6.2 of the Prospectus.

Basis for Qualified Review Opinion

The financial statements of MPC were not subject to audit prior to the three month period ended 30 June 2017. As such we were unable to satisfy ourselves in regard to inventory quantities held by MPC at 30 June 2014 ($1,350,000), 30 June 2015 ($2,632,000), and 30 June 2016 ($2,844,000). Since inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments (if any) may have been necessary in respect of the income reported in the income statement (Table 6A), and the net cash flows from operating activities reported in the abridged statement of cash flows, for years ended 30 June 2015, 30 June 2016 and 30 June 2017 (Table 6G).

Statutory Forecast

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

i. the Directors' best estimate assumptions used in the preparation of the Statutory Forecast do not provide reasonable grounds for the Statutory Forecast;

ii. in all material respects, the Statutory Forecast:
    a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 6.7 of the Prospectus;
    b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards;

iii. the Statutory Forecast itself is unreasonable.

Pro forma Forecast

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

i. the Directors' best estimate assumptions used in the preparation of the Pro forma Forecast do not provide reasonable grounds for the Pro forma Forecast;

ii. in all material respects, the Pro forma Forecast:
    a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 6.7 of the Prospectus;
    b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company, the recognition and measurement principles contained in Australian Accounting Standards applied to the forecast financial information of the Company and the Pro forma Adjustments as if those adjustments had occurred as at 1 July 2017

iii. the Pro forma Forecast itself is unreasonable.

Restrictions on Use

Without modifying our conclusions, we draw attention to the Important Notices of the Prospectus, which describes the purpose of the Historical Financial Information, the Pro forma Historical Financial Information and the Forecast Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Pitcher Partners Corporate Finance Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of Pitcher Partners Corporate Finance Limited is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate Finance makes no representation regarding, and has no liability for any other statement or other material in, or any omissions from the prospectus.

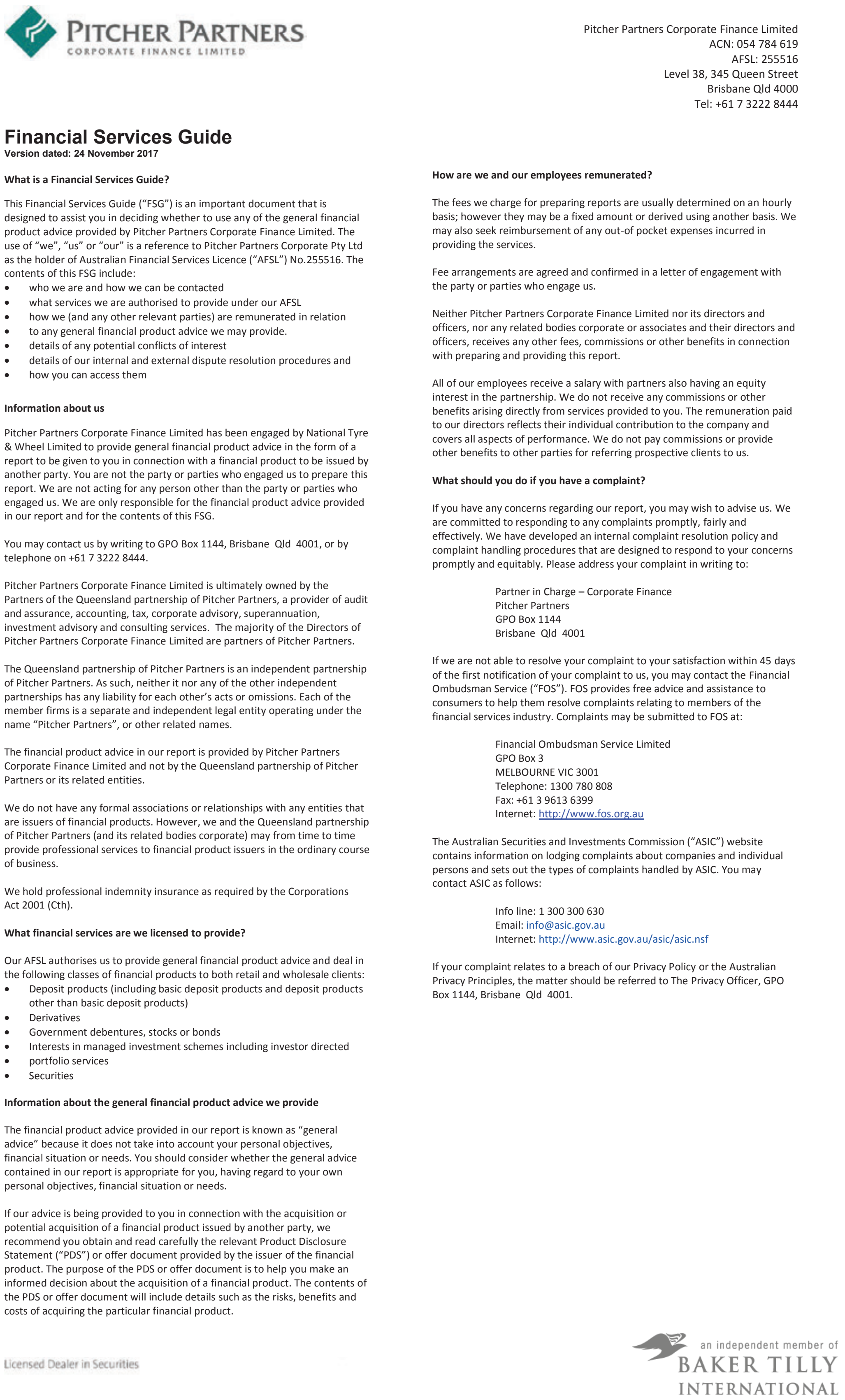
Disclosure of Interest

Pitcher Partners Corporate Finance Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Pitcher Partners is the auditor of the Company.

Yours faithfully
PITCHER PARTNERS CORPORATE FINANCE LIMITED

Warwick Face
Executive Director
Authorised Representative of
Pitcher Partners Corporate Finance Limited



PITCHER PARTNERS
CORPORATE FINANCE LIMITED

Pitcher Partners Corporate Finance Limited
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Level 38, 345 Queen Street
Brisbane Qld 4000
Tel: +61 7 3222 8444

Financial Services Guide

Version dated: 24 November 2017

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document that is designed to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Finance Limited. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No.255516. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation
- to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution procedures and
- how you can access them

Information about us

Pitcher Partners Corporate Finance Limited has been engaged by National Tyre & Wheel Limited to provide general financial product advice in the form of a report to be given to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are only responsible for the financial product advice provided in our report and for the contents of this FSG.

You may contact us by writing to GPO Box 1144, Brisbane Qld 4001, or by telephone on +61 7 3222 8444.

Pitcher Partners Corporate Finance Limited is ultimately owned by the Partners of the Queensland partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, superannuation, investment advisory and consulting services. The majority of the Directors of Pitcher Partners Corporate Finance Limited are partners of Pitcher Partners.

The Queensland partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Finance Limited and not by the Queensland partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Queensland partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

We hold professional indemnity insurance as required by the Corporations Act 2001 (Cth).

What financial services are we licensed to provide?

Our AFSL authorises us to provide general financial product advice and deal in the following classes of financial products to both retail and wholesale clients:

- Deposit products (including basic deposit products and deposit products other than basic deposit products)
- Derivatives
- Government debentures, stocks or bonds
- Interests in managed investment schemes including investor directed
- portfolio services
- Securities

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

The fees we charge for preparing reports are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners Corporate Finance Limited nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. We are committed to responding to any complaints promptly, fairly and effectively. We have developed an internal complaint resolution policy and complaint handling procedures that are designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

Partner in Charge – Corporate Finance
Pitcher Partners
GPO Box 1144
Brisbane Qld 4001

If we are not able to resolve your complaint to your satisfaction within 45 days of the first notification of your complaint to us, you may contact the Financial Ombudsman Service ("FOS"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOS at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: http://www.fos.org.au

The Australian Securities and Investments Commission ("ASIC") website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: http://www.asic.gov.au/asic/asic.nsf

If your complaint relates to a breach of our Privacy Policy or the Australian Privacy Principles, the matter should be referred to The Privacy Officer, GPO Box 1144, Brisbane Qld 4001.

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8

Details of the Offer

8. Details of the Offer

8.1 Offer size

The Offer is for 59,000,000 Shares. The Shares issued under the Offer will represent 58.4% of the total Shares on issue following completion of the Offer, with the remaining 41.6% held by the Existing Shareholders. All Shares under the Offer will be sold at the Offer Price, being $1.00 per share.

8.2 Key financial metrics

The key investment features of the Offer are as follows:

- The Market Capitalisation of the Company based on the Offer Price implies a price to earnings ratio of 9.8 times (based on Pro forma FY2018 Forecast NPATA excluding non-controlling interests);
- Solid earnings growth with forecast pro forma EBITDA growth of approximately 5.0% from FY2017 to FY2018;
- A strong balance sheet with net cash of $3.6 million on a pro-forma basis as at 30 June 2017; and
- Subject to the dividend policy described in Section 6.11, the Company intends to declare and pay Shareholders who are on the Company's register on the relevant record dates, an interim fully franked dividend for the period ending 31 December 2017 of 1.0 cent per Share and a final fully franked dividend for the 6 months ending 30 June 2018 of 2.3 cents per Share, translating into an annualised dividend yield, based on the Offer Price, of 6.0% fully franked.

8.3 Structure of the Offer

The Offer comprises:

- The Broker Firm Offer, which is open to Australian resident retail clients of Brokers who receive a firm allocation of Shares from their Broker; and
- The Institutional Offer, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus.

There is no general public offer.

8.4 Objectives of the Offer

The objectives of the Offer are to:

- Raise $59.0 million before costs of the Offer to be used as set out in Section 8.5;
- Provide the Existing Shareholders with an opportunity to partially realise their investment in NTAW;
- Provide a liquid market for Shares and an opportunity for others to invest in NTAW;
- Provide NTAW with the benefit of an increased public profile that arises from being a listed entity;
- Provide NTAW with additional capital for repayment of debt, in order to strengthen its balance sheet and provide financial flexibility to pursue its identified growth opportunities; and
- Pay the costs of the Offer.

8.5 Use of funds

The $59.0 million raised under the Offer will be used as follows:

- Payment of proceeds by SaleCo to Existing Shareholders: $34.1 million;
- Repayment of net debt and working capital, including in relation to payments for recent acquisitions and payment of recently declared dividends: $21.2 million; and
- Payment of costs of the Offer: $3.7 million.

8.6 Working capital

The Company will have a pro forma net cash position of $3.6 million (as at 30 June 2017) upon completion of the Offer. The Company has a history of profitability and this is forecast to continue in FY2018 as outlined in this Prospectus.

The Directors believe that, on Completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

8.7 Ownership structure

The ownership structure of NTAW before and after the completion of the Offer and listing on the ASX is shown in the table below:

Owner	Prior to the Allotment Date Quantity (Shares)	Percentage	Upon Completion of the Offer Quantity	Percentage
Terry Smith and associated entities	54,064,742	71.0%	27,032,371	26.7%
Management	7,582,964	9.9%	4,467,352	4.4%
Vendor Shareholders	14,541,654	19.1%	10,612,404	10.5%
New Investors in the Offer	0	0.0%	59,000,000	58.4%
Total	**76,189,360**	**100.0%**	**101,112,127**	**100.0%**

Of the 42,112,127 Shares held by the Existing Shareholders, 39,953 331 will be subject to voluntarily escrow. For details see Section 10.9.

8.8 Management and underwriting of the Offer

The Offer will be managed by Morgans Corporate Limited as Lead Manager, Sole Bookrunner and Underwriter subject to the terms of the Underwriting Agreement. Details of the Underwriting Agreement, including the termination provisions and the fees payable, are set out in Section 9.1.

8.9 Allocation policy

The allocation of Shares will be determined by the Lead Manager in consultation with the Company, having regard to the following factors:

- The desire to achieve a stable, long-term Share register;
- The desire for a liquid and informed trading market for the Shares;
- The overall level of demand for Shares under the Offer; and
- Any other factors that the Lead Manager or the Company consider appropriate.

There is no general public offer.

There is no assurance that any person will be allocated any Shares or the number of Shares for which they have applied for.

The following Directors (directly or indirectly) intend to apply for Shares as follows:

- Murray Boyte (Non-Executive Chairman) as to 75,000 Shares;
- Robert Kent (Non Executive Director) as to 100,000 Shares.

8.10 Brokerage, commission and stamp duty

You do not have to pay brokerage, commission or stamp duty if you acquire Shares under the Offer. Various fees are payable by the Company in relation to the Offer to the Underwriter and certain advisers which are set out in Section 10.7.

8.11 ASX Listing

The Company will, within seven days after the date of this Prospectus, apply for admission to the official list of ASX and for Official Quotation on ASX of the Shares offered under this Prospectus and the Existing Shares. Trading of Shares on ASX is expected to commence on 15 December 2017 on a deferred settlement basis.

It is expected that the initial Shareholder statements will be despatched by post on 15 December 2017 and that trading of Shares on a normal settlement basis will commence on 20 December 2017. It is your responsibility to determine your allocation before you trade in Shares. If you trade in Shares before you receive your initial Shareholding statement, then you do so at your own risk.

8.12 CHESS and holding statements

The Company intends to apply to participate in CHESS. In accordance with the Listing Rules and the ASTC Settlements, it will maintain an electronic issuer sponsored sub-register and an electronic CHESS sub-register.

If you are issued Shares, then you will be sent an initial statement of holding. It will set out the number of Shares that have been allocated to you in the Offer, and details of your HIN in the case of a holding on the CHESS sub-register, or SRN in the case of a holding on the issuer sponsored sub-register. You will need to quote your HIN or SRN, as appropriate, in all dealings with a stockbroker or the Share Registry.

Shareholders will receive statements during the first week of the month after any month in which there has been a change to their holding on the Register and as otherwise required under the Listing Rules and the Corporations Act.

8.13 Withdrawal

The Company reserves the right to withdraw the Offer at any time before the issue of Shares to successful Applicants. If the Offer is withdrawn, then Application Monies will be refunded. No interest will be paid on any Application Money refunded as a result of the withdrawal of the Offer or otherwise. The Company will retain any interest which accrues on Application Monies.

8.14 How to apply

Applications for Shares can only be made by completing and submitting the Application Form accompanying this Prospectus. Instructions on how to apply for Shares are printed on the reverse side of the Application Form. The Application Form must not be circulated in either hard copy or electronically unless accompanied by a copy of this Prospectus.

8.14.1 Broker Firm Offer

(a) Who may apply

The Broker Firm Offer is open to retail clients of Brokers who received a firm allocation of Shares from their Broker and who have a registered address in Australia and are not located in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

(b) How to apply

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Application Form and for payment instructions.

Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry. Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form, or download a copy at www.ntaw.com.au. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (AEST) on the Closing Date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Application Form with the Broker from whom they received their invitation to acquire Shares under this Prospectus. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Applicants under the Broker Firm Offer should contact their Broker about the minimum and maximum Application size. The Company and the Lead Manager reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.

The Company and the Lead Manager may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

(c) How to pay for your Shares

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

8.14.2 Allocation policy under the Broker Firm Offer

The allocation of Shares to Brokers will be determined by the Lead Manager in consultation with the Company. Shares that are allocated to Brokers for allocation to their clients will be issued or transferred to the Applicants nominated by those Brokers. It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company nor the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

Applicants under the Broker Firm Offer should confirm their allocation through the Broker from whom they received their allocation.

8.14.3 Institutional Offer

The Institutional Offer consists of an invitation prior to or after the Prospectus Date to certain institutional investors in Australia and certain other jurisdictions as set out in Section 10.18. Application procedures for Institutional Investors have been, or will be, advised to the Institutional Investors directly by the Lead Manager. Allocations under the Institutional Offer have or will be determined at the sole discretion of the Lead Manager in consultation with the Company.

8.15 Further information

If you have queries in relation to this Prospectus, including how to complete the Application Form or how to obtain additional copies, then you can

- contact the Offer Information Line on 1300 140 584; or
- visit www.ntaw.com.au to download an electronic copy of the Prospectus.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, then you should seek professional advice from your stockbroker, accountant, financial adviser, lawyer or other professional adviser.

9

Material Contracts

9. Material Contracts

The following is a summary of material contracts relating to the Company. The summaries are not intended to be exhaustive.

Contract	Parties	Purpose	Section
Underwriting Agreement	The Company and the Underwriter	To deal with the underwriting and management of the Offer	Section 9.1
IPO Implementation Deeds	NTAW, ST Corso, the Vendors, the Optionholders and Terry	To implement the IPO and associated transactions	Section 9.2
Cooper Tire Distributor Agreement	ETD and Cooper Tire & Rubber Company	To grant exclusive distribution rights to ETD in relation to certain tyres in Australia, New Zealand and Papua New Guinea	Section 9.3
Mickey Thompson Distributor Agreement	ETD and Max Trac Tire Co., Inc	To grant exclusive distribution rights to ETD in relation to certain tyres in Australia, New Zealand and Papua New Guinea	Section 9.4
Cooper Tire Distributorship Agreement (SA)	Top Draw and Cooper Tire & Rubber Company Europe Limited	To grant exclusive distribution rights to Top Draw in relation to certain tyres in South Africa, Namibia, Botswana, Zambia, Lesotho, Swaziland, Mozambique and Zimbabwe	Section 9.5
Federal Distribution Arrangement	ETD and Federal Corporation	To grant exclusive distribution rights to ETD in relation to certain tyres in Western Australia	Section 9.6
Tyrepower Agreement	ETD and Tyrepower Limited	To supply products into Tyrepower members stores and for payments of rebates	Section 9.7
MPC SPA	NTAW, the MPC Vendor and MPC	Acquired 50% of the ordinary shares of MPC	Section 9.8
Top Draw SPA	NTAW and Top Draw Vendors	Acquired the initial 34% of the ordinary shares in Top Draw	Section 9.9
Top Draw Shareholders Agreement	NTAW, Top Draw Vendors and Top Draw	To govern relationships between NTAW and Top Draw Vendors as shareholders of Top Draw	Section 9.10
Cotton Sale Deed	ETD, the Cotton Vendor, Craig Roderick Felton, Alison Gaye Felton, Graham Stanley Neighbour, Peggy Diane Neighbour and NTAW	Acquired the Cotton Tyre Service business and assets	Section 9.11
CBA Letter of Offer - NTAW	NTAW and CBA	Banking facilities	Section 9.12
CBA Letter of Offer - ETD	ETD and CBA	Banking facilities	Section 9.13

9.1 Underwriting agreement

The Company, SaleCo and the Underwriter have entered into an underwriting agreement dated 24 November 2017 **(Underwriting Agreement)** pursuant to which the Underwriter has agreed to act as sole lead manager, bookrunner and underwriter in connection with the Offer.

9.1.1 Commission, fees and expenses

On the settlement date of the Offer **(Settlement Date)**, the Company and SaleCo must pay the Underwriter an underwriting fee of 3.0% of the proceeds of the Offer and a management fee of 1.0% of the proceeds of the Offer.

The Company has also agreed to reimburse the Underwriter for reasonable costs and expenses of and incidental to the Offer.

9.1.2 Termination events

The Underwriter may, at any time in the period from the date of the Underwriting Agreement to completion of the issue and sale of all shares under the Offer (**Offer Shares**) or at any other time as specified below, terminate the Underwriting Agreement (without any cost or liability to the Underwriter by notice to the Company), if any of the following events occur:

- **(Pathfinder, Final Draft Prospectus and Prospectus)** A statement contained in the Pathfinder, the Final Draft Prospectus or the Prospectus is misleading or deceptive or a matter required to be included is omitted from the Pathfinder, the Final Draft Prospectus or Prospectus (having regard to the provisions of section 710, 711 and 716), or the Pathfinder, the Final Draft Prospectus or Prospectus otherwise fails to comply with the Corporations Act, the ASX Listing Rules or other applicable laws;
- **(Lodgement)** The Company fails to lodge the Prospectus with ASIC on or before the Lodgement Date (or such later date approved in writing by the Underwriter);
- **(Supplementary Prospectus)** A Supplementary Prospectus must, in the reasonable opinion of an Underwriter, be lodged with ASIC under section 719 of the Corporations Act or the Company lodges a Supplementary Prospectus (other than in accordance with the agreement) in a form that has not been approved by the Underwriter;
- **(ASIC action)** any of the following notifications or actions are made or taken in respect of the Offer (other than a notification or action that is not made public and that is withdrawn within 3 Business Days or prior to 8.00am on the Settlement Date, whichever is earlier):
  - (a) ASIC gives notice of an intention to hold a hearing under section 739(2) of the Corporations Act or issues an order under section 739(1) of the Corporations Act or an interim order under section 739(3) of the Corporations Act; or
  - (b) ASIC applies for an order under sections 1324B or 1325 of the Corporations Act in relation to the Offer, the Pathfinder, the Final Draft Prospectus or the Prospectus;
  - (c) ASIC prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or SaleCo or any of their officers, employees or agents in relation to the Offer or the Pathfinder, the Final Draft Prospectus or the Prospectus; or
  - (d) An application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer, the Pathfinder, the Final Draft Prospectus or the Prospectus;
- **(consent)**
  - (a) Any person (other than the Underwriter) whose consent to the issue of the Prospectus or Supplementary Prospectus is required by section 720 of the Corporations Act who has previously consented to the issue of the Prospectus or Supplementary Prospectus withdraws such consent;
  - (b) Any person gives a notice under section 733(3) of the Corporations Act; or
  - (c) Any person otherwise named in the Prospectus with their consent (other than an Underwriter) who has previously consented to the inclusion of their name or any statement in the Prospectus or any Supplementary Prospectus withdraws such consent;
- **(section 730 notice)** Any person gives a notice under section 730 of the Corporations Act;
- **(withdrawal)** The Company withdraws the Prospectus, the Offer or any part of the Offer, or the Company or SaleCo indicates that it does not intend to proceed with the Offer or any part of the Offer;
- **(ASX approval)** Approval is refused or not granted, other than subject to customary conditions, to:
  - (a) the Company's admission to the official list of the ASX; or
  - (b) the official quotation of all of the Offer Shares on ASX,

  on or before the Listing Approval Date or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld or ASX makes an official statement to any person or indicates to the Company or the Underwriter that admission to the official list or the official quotation of the Offer Shares will not be granted;
- **(Insolvency)** An Insolvency Event occurs in relation to SaleCo or a member of the Group or there is an act or omission which is likely to result in an Insolvency Event occurring in relation to a member of the Group;
- **(material adverse change)** There is a material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group from that described in the Prospectus;
- **(Directors and senior management):**
  - (a) Any Director or member of senior management of the Company is charged with a criminal offence relating to any financial or corporate matter;
  - (b) Any Government Agency commences public action against the Company, any Directors or any member of senior management of the Company, or announces that it intends to take any such action; or
  - (c) Any Director or Chief Executive Office of the Company is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;

- **(market fall)** The S&P/ASX 200 Index closes on any Business Day before the Settlement Date at a level that is 10% or more below the level of that index at the close of normal trading on ASX on the Business Day immediately preceding the agreement and closes at or below that level:
  - (a) For at least two consecutive Business Days; or
  - (b) On the Settlement Date;
- **(Timetable)** Any event specified in the Timetable is delayed for more than one Business Day without the prior written approval of the Underwriter (which approval must not be unreasonably withheld or delayed);
- **(no issue)** The Company is or becomes unable, for any reason, to issue or allot the Offer Shares or SaleCo is or becomes unable, for any reason, to transfer the Offer Shares;
- **(offer of refund to investors)** any circumstance arises after lodgement of the Prospectus that results in the Issuer either repaying the money received from persons who have applied for Offer Shares or offering persons who have applied for Offer Shares an opportunity to withdraw their application for Offer Shares and be repaid their application money;
- **(ASIC and ASX Waivers)** any of the ASIC Waivers or ASX Waivers obtained in satisfaction of the Condition Precedent in the agreement relating to regulatory relief are withdrawn, revoked or amended without the prior written approval of the Underwriter;
- **(misleading or deceptive conduct)** any civil or criminal proceedings are brought against the Company or any officer of the Company in relation to any fraudulent, misleading or deceptive conduct relating to the Company whether or not in connection with the Offer except for any Claim where at the time the Claim is made, it is immediately apparent, in the reasonable opinion of an Underwriter, that, on the face of the Claim, it has no prospect of success, is vexatious or without merit; or
- **(illegality)** There is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including on compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government Agency which makes it illegal for an Underwriter to satisfy an obligation under the agreement, or to market, promote or settle the Offer in accordance with the agreement;

9.1.3 Termination events subject to materiality

The Underwriter may, at any time in the period from the date of the Underwriting Agreement to Completion or at any other time as specified below, terminate the Underwriting Agreement (without any cost or liability to the Underwriter by notice to the Company), if any of the following events occur and, in the reasonable opinion of the Underwriter, the event has or is likely to have a material adverse effect on the success or settlement of the Offer or leads, or is likely to lead to a contravention by the Underwriter of the Corporations Act or any other applicable law or to a liability for the Underwriter under the Corporations Act or any other applicable law:

- **(misrepresentation)** A representation or warranty made or given or deemed to have been made or given by the Company under the agreement proves to be, or has been, or becomes, untrue or incorrect;
- **(breach)** The Company fails to perform or observe any of its obligations under the agreement, or any representation or warranty by the Issuer in the agreement is or becomes incorrect;
- **(Certificate)** A Certificate which is required to be furnished by the Company under the agreement is not furnished when required or a statement in a Certificate is untrue, incorrect or misleading or deceptive;
- **(change in law)** There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or the Government of Australia, or any State or Territory of Australia, the Reserve Bank of Australia, or any Minister or other Government Agency of Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the agreement);
- **(hostilities)** in respect of any one or more of Australia, the United States of America, any member state of the European Union, Indonesia, Japan, Russia, the People's Republic of China, North Korea or South Korea:
  - (a) Hostilities not presently existing at the date of the agreement commence (whether or not war has been declared);
  - (b) A major escalation in existing hostilities occurs (whether or not war has been declared);
  - (c) A declaration is made of a national emergency or war; or
  - (d) A terrorist act is perpetrated in any of those countries or a diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;
- **(material adverse change in financial markets)** any of the following occurs:
  - (a) Any material adverse change or disruption to the political conditions or financial markets of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions;

  (b) A general moratorium on commercial banking activities in Australia, the United States of America, Japan or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  (c) Trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading;

- **(Offer Documents)** the Underwriter forms the view (acting reasonably) that:
  (a) There is an omission from the Disclosure Document or any Supplementary Disclosure Document of material required by the Corporations Act to be included;
  (b) An Offer Document contains a statement which is untrue, inaccurate, misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission); or
  (c) An Offer Document does not contain all information required to comply with all applicable laws;
- **(debt facilities)**
  (a) A Group Member breaches, or defaults under, any material provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has, or may have, a material adverse effect on the Group; or
  (b) There occurs:
    (i) an event of default;
    (ii) a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing; or
    (iii) any other similar event,

  under or with respect to any such debt or financing arrangement or related documentation which has, or may have a material adverse effect;
- **(Directors and Senior Management)** a change in the Senior Management or the Directors occurs, or a Director or any member of the Senior Management dies or becomes permanently incapacitated;
- **(material contracts)** any contract, deed or other agreement which is summarised in the Prospectus:
  (a) terminated, rescinded, altered or amended without the prior written consent of the Underwriter (such consent not to be unreasonably withheld); or
  (b) found to be void or voidable;
- **(unauthorised alterations)** without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld), a Group Member alters its share capital, the Constitution (in the case of the Company) or its constitution (in the case of any other Group Member); or
- **(disclosures in Due Diligence Report)** The Due Diligence Report or any other information supplied by or on behalf of any Group member to the Underwriter in relation to the Group or the Offer is misleading or deceptive.

9.1.4 Representations, warranties and undertakings

The Underwriting Agreement contains representations, warranties and undertakings provided by the Company and SaleCo to the Underwriter. The representations and warranties relate to matters such as each company's powers and capacities, its conduct (including in respect of its compliance with applicable laws and the ASX Listing Rules, business and status, ongoing due diligence and disclosure), the Offer Documents, the information provided (including the financial information), insolvency, the conduct of the Offer, litigation and insurance.

The Company's undertakings include that it will not, during the 120 day period after Completion of the Offer, issue any further shares (without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed)) or dispose of its business or property except in the ordinary course or as disclosed in the Prospectus.

9.1.5 Indemnity

The Company and SaleCo agree to keep the Underwriter and certain of the Underwriter's affiliated parties indemnified from losses suffered in connection with the Offer, subject to customary exclusions (including gross negligence, wilful misconduct, negligent misrepresentation, fraud or breach of the agreement by the indemnified parties).

9.2 IPO Implementation Deeds

Prior to the Lodgement Date, NTAW, ST Corso, the Vendors, the Optionholders and Terry Smith entered into IPO implementation and sale deeds in connection with the exercise of the Management Options, completion of the sale of the shares in Dynamic and MPC not already owned by NTAW, completion of the sale of 16% of the shares in Top Draw to NTAW, the making of payments to ST Corso and the Vendors, the transfer of Shares to SaleCo and certain other matters described below (IPO Implementation Deeds).

In summary, the IPO Implementation Deeds provide for:

- On the day before Settlement of the Offer:
  - NTAW issues the following Shares to the following Vendors:

Name of Vendor	Number of Shares
Cotton Vendor	2,487,440
Dynamic Vendors	4,195,714
MPC Vendor	7,858,500
Total	**14,541,654**

  - NTAW acquires the shares in Dynamic and MPC not already owned by NTAW and 16% of the shares in Top Draw so that it holds 50% of the issued capital of Top Draw;
  - The amount of R11,500,000 (subject to adjustments for non trading debt and net working capital) due to the Top Draw Vendors under the Top Draw SPA (see Section 9.9);
  - The Optionholders exercise the Management Options; and
  - NTAW issues 7,582,964 Shares to the Optionholders;
- Immediately before Settlement of the Offer:
  - The Selling Shareholders transfer 34,077,233 Shares to SaleCo as follows:

Name of Vendor	Number of Shares
ST Corso	27,032,371
MPC Vendor	3,929,250
Optionholders	3,115,612
Total	**34,077,233**

  - Settlement under the Underwriting Agreement commences;
- On Settlement of the Offer:
  - NTAW must issue Shares to Applicants under the Offer;
  - SaleCo must transfer Shares to Applicants under the Offer;
  - Thereafter, NTAW must pay or procure the payment of:
    - The dividend of $15 million due from NTAW to ST Corso;
    - The dividend of $506,000 due from Dynamic to the Dynamic Vendors;
    - The dividend of $150,000 due from MPC to the MPC Vendor;
    - The amount of $1,750,000 due to the MPC Vendor under the MPC SPA (see Section 9.8);
    - The amount of R11,080,000 (subject to adjustments for non trading debt and net working capital) due to the Top Draw Vendors under the Top Draw Shareholders Agreement (see Section 9.10); and
    - The amount of $722,284 due to the Cotton Vendor under the Cotton Sale Deed (see Section 9.11);
- Certain acknowledgements, covenants and waivers by the parties to facilitate the Offer and the above transactions; and
- Covenants to enter into the restriction agreements described in Section 10.9;
- A requirement to seek to unwind any of the above steps in the event the Offer does not take place and any of the above steps are completed.

9.3 Cooper Tire Distributor Agreement

ETD has entered into a distributor agreement with Cooper Tire & Rubber Company dated 14 September 2017 (**Cooper Tire Distributor Agreement**), under which Cooper Tire has granted ETD the exclusive right to distribute and sell Cooper products (summarised below) in Australia, Papua New Guinea and New Zealand (**Territory**).

The Cooper Tire products (**Products**) include Cooper, Mastercraft and Starfire branded passenger, SUV and light truck tyres manufactured and/or sold by Cooper Tire and products replacing those brands.

ETD is required to use its best efforts to actively and vigorously sell the Products and to promote and fully develop the potential for the sale of Products within the Territory. ETD is required to purchase from Cooper Tire minimum quantities of Products as determined in accordance with the Cooper Tire Distributor Agreement.

The prices for the Products are as contained in Cooper Tire's current price list in effect on the date of an order. The prices are subject to review and change upon 60 days' notice by Cooper Tire provided the change does not exceed the announced change in price applicable to other Cooper Tire dealers in the US for like products. Payment for all Products will be sold in US dollars via dated draft/documents against acceptance payable within an agreed period from ocean bill of lading date.

Unless terminated earlier in accordance with the Cooper Tire Distributor Agreement, the term of the Cooper Tire Distributor Agreement is five years from 14 September 2017. Thereafter the Cooper Tire Distributor Agreement will be automatically renewed for an additional five year period unless, at least 30 days prior to its expiration, the parties mutually agree to its termination. If the parties are unable to agree on minimum purchase quantities for the renewal period, the minimum purchase quantity for the first year of the renewal period will be the target volume for the current year plus 3.5%. In the last year of the additional five year period the parties will negotiate with each other in good faith to extend the tenure of a supplier distributor relationship without being under any obligation to reach an agreement to extend the tenure.

Either party may terminate the Cooper Tire Distributor Agreement immediately for 'just cause', which includes various insolvency events and failure to perform a material obligation which is not cured within 21 days following written notice from the other party. Cooper Tire may terminate the Cooper Tire Distributor Agreement immediately if:

(a) ETD fails to make a payment on the due date and such failure continues for 30 calendar days;

(b) ETD fails to obtain permits or licenses from proper governmental authorities, preventing or limiting its rights to sell the Products;

(c) There is a sale of any substantial interest in the direct or indirect ownership of ETD by owners, without Cooper Tire's prior written consent – see Section 5.2.1 for details on the circumstances in which this clause may be triggered;

(d) ETD breaches any provision of the agreement and (if the breach is not failure to pay) ETD fails to cure the breach within 60 days of written notice from Cooper Tire and Cooper Tire then terminates the agreement by written notice; or

(e) ETD fails to meet the minimum purchase requirement, and in this regard the Cooper Distributor Agreement provides that if ETD despite best efforts during any year fails to purchase the minimum number of units of the Products but maintains its market share of the Products, then Cooper Tire shall not exercise its contractual right to terminate the agreement unless ETD fails to purchase the minimum amounts during two consecutive years.

If ETD fails to meet the minimum purchase requirement for a specific brand of Product for two consecutive years, Cooper Tire at its option can terminate ETD's exclusive right to distribute and sell that brand of Product in the Territory (that is, ETD may continue to distribute and sell the brand of Products in the Territory on a non-exclusive basis).

If the Cooper Tire Distributor Agreement expires or is terminated by ETD, Cooper Tire has the option but not the obligation to repurchase from ETD all unsold Products and advertising materials in saleable condition at a price to be agreed upon by both parties acting reasonably and in good faith. If the Cooper Tire Distributor Agreement is terminated by Cooper Tire, Cooper Tire must repurchase all unsold Products and advertising materials in saleable condition at a price to be agreed upon both parties acting reasonably and in good faith. Following such expiration or termination by either party, ETD is permitted to use Cooper Tire's trademarks and trade names solely in connection with the sale of Products in inventory for a period of one year following termination or expiration.

The Cooper Tire Distributor Agreement is governed by the laws of the State of Ohio, USA and any claim or controversy arising out of or relating to the Cooper Distributor Agreement will be settled exclusively by arbitration in Los Angeles, California, USA.

The Cooper Tire Distributor Agreement contains other terms and conditions that are typical for agreements of this nature

9.4 Mickey Thompson Distributor Agreement

ETD has entered into a distributor agreement with Max Trac Tire Co., Inc doing business as Mickey Thompson Tires and Wheels (**Mickey Thompson**) dated 18 October 2017 (**Mickey Thompson Distributor Agreement**), under which Mickey Thompson has granted ETD the exclusive right to distribute and sell Mickey Thompson products (summarised below) in Australia, Papua New Guinea and New Zealand (**Territory**).

The Mickey Thompson products (**Products**) include Mickey Thompson and Dick Cepek branded passenger, SUV and light truck tyres manufactured and/or sold by Mickey Thompson and products replacing those brands. The Products do not include Mickey Thompson Drag Tires.

ETD is required to use its best efforts to actively and vigorously sell the Products and to promote and fully develop the potential for the sale of Products within the Territory. ETD is required to purchase from Mickey Thompson minimum quantities of Products as determined in accordance with the Mickey Thompson Distributor Agreement.

The prices for the Products are as contained in Mickey Thompson's current price list in effect on the date of an order. The prices are subject to review and change upon 60 days' notice by Mickey Thompson provided the change does not exceed the announced change in price applicable to other Mickey Thompson dealers in the US for like product. Payment for all Products will be sold in US dollars via dated draft/documents against acceptance payable within an agreed period from ocean bill of lading date.

Unless terminated earlier in accordance with the Mickey Thompson Distributor Agreement, the term of the Mickey Thompson Distributor Agreement is five years from 18 October 2017. Thereafter the Distributor Agreement will be automatically renewed for an additional five year period unless, at least 30 days prior to its expiration, the parties mutually agree to its termination. If the parties are unable to agree on minimum purchase quantities for the renewal period, the minimum purchase quantity for the first year of the renewal period will be the target volume for the current year plus 3.5%. In the last year of the additional five year period the parties will negotiate with each other in good faith to extend the tenure of a supplier distributor relationship without being under any obligation to reach an agreement to extend the tenure.

Either party may terminate the Mickey Thompson Distributor Agreement immediately for 'just cause', which includes various insolvency events and failure to perform a material obligation which is not cured within 21 days following written notice from the other party. Mickey Thompson may terminate the Mickey Thompson Distributor Agreement immediately if:

(a) ETD fails to make a payment on the due date and such failure continues for 30 calendar days;

(b) ETD fails to obtain permits or licenses from proper governmental authorities, preventing or limiting its rights to sell the Products;

(c) there is a sale of any substantial interest in the direct or indirect ownership of ETD by owners, without Mickey Thompson's prior written consent – see Section 5.2.1 for details on the circumstances in which this clause may be triggered;

(d) ETD breaches any provision of the agreement and (if the breach is not failure to pay) ETD fails to cure the breach within 60 days of written notice from Mickey Thompson and Mickey Thompson then terminates the agreement by written notice;

(e) ETD fails to meet the minimum purchase requirement, and in this regard the Mickey Thompson Distributor Agreement provides that if ETD despite best efforts during any year fails to purchase the minimum number of units of the Products but maintains its market share of the Products, then Mickey Thompson shall not exercise its contractual right to terminate the agreement unless ETD fails to purchase the minimum amounts during two consecutive years.

If ETD fails to meet the minimum purchase requirement for a specific brand of Product for two consecutive years, Mickey Thompson at its option can terminate ETD's exclusive right to distribute and sell that brand of Product in the Territory (that is, ETD may continue to distribute and sell the brand of Products in the Territory on a non-exclusive basis).

If the Mickey Thompson Distributor Agreement expires or is terminated by ETD, Mickey Thompson has the option but not the obligation to repurchase from ETD all unsold Products and advertising materials in saleable condition at a price to be agreed upon by both parties acting reasonably and in good faith. If the Mickey Thompson Distributor Agreement is terminated by Mickey Thompson, Mickey Thompson must repurchase all unsold Products and advertising materials in saleable condition at a price to be agreed upon both parties acting reasonably and in good faith. Following such expiration or termination by either party, ETD is permitted to use Mickey Thompson's trademarks and trade names solely in connection with the sale of Products in inventory for a period of one year following termination or expiration.

The Mickey Thompson Distributor Agreement is governed by the laws of the State of Ohio, USA and any claim or controversy arising out of or relating to the Mickey Thompson Distributor Agreement will be settled exclusively by arbitration in Los Angeles, California, USA.

The Mickey Thompson Distributor Agreement contains other terms and conditions that are typical for agreements of this nature.

9.5 Cooper Tires Distributorship Agreement (SA)

Top Draw has entered into a distributorship agreement with Cooper Tire & Rubber Company Europe Limited (Cooper Tires Europe) dated 1 November 2017 (Cooper Tires Distributorship Agreement (SA)) , under which Cooper Tires (SA) has granted Top Draw the exclusive right to distribute and sell Cooper Tire products (summarised below) in South Africa, Namibia, Botswana, Zambia, Lesotho, Swaziland, Mozambique and Zimbabwe (Territory).

The Cooper products (Products) are passenger car, light truck and van tyres manufactured by Cooper Tires or its affiliates under the Cooper trademark. The Products do not include lorry and bus tyres (TBR Tyres) or any other commercial products beyond the passenger car, light truck and van tyres manufactured by Cooper Tires Europe or its affiliates under the Cooper trademark. If Cooper Tires Europe determines that it will appoint a distributor for its Cooper branded TBR Tyres or any other Cooper branded commercial product beyond the Products within the Territory the parties intend to meet and confer regarding the terms and conditions under which Top Draw might also be appointed exclusive distributor of Cooper Tires Europe in the Territory.

The appointment continues to 31 October 2022. Top Draw is the sole and exclusive distributor for the Products during the contractual period. However, this does not limit Cooper Tires Europe's ability to sell Products to its original equipment customers (OE Customers) who use the Products as original equipment in the manufacture or sale of motor vehicles within the Territory or otherwise.

Top Draw undertakes to inform Cooper Tires Europe immediately about any transactions which may lead to a material change of the shareholder structure or in the management of Top Draw. Cooper Tires Europe acknowledges consents and agrees to the transfer during or about December 2017 by the Top Draw Vendors of 16% of the capital of Top Draw to NTAW.

Cooper Tires Europe will sell the Products to Top Draw at Cooper Tires Europe's prevailing list prices on the basis of an agreed period from the end of the month in which invoiced so long as the total amount outstanding under this period does not exceed the applicable credit limit and there is no material deterioration in the financial condition of Top Draw. Cooper Tires Europe will be entitled to change its prices of the Products from time to time upon sixty (60) days' notice to take into account costs of production or delivery or market movements. The changes in prices shall take effect in respect of all orders that are placed after the notification date.

Top Draw shall be required to maintain annual minimum levels of Product purchases at specified sourcing mixes. Top Draw's progress toward the Annual Minimum Levels will be evaluated semi-annually. If, upon the completion of any calendar year, Top Draw has failed to meet one or more of the Annual Minimum Levels then, with respect to each country for which Top Draw has failed to meet the Annual Minimum Level, Top Draw's exclusive distribution rights shall cease if it fails in any subsequent semi-annual evaluation period to meet the expected percentage for that calendar half year. Cooper Tires Europe shall also be entitled, by giving Top Draw not less than six (6) months' written notice, to terminate this Agreement with respect to the same area at issue (ie to remove the country from the Territory).

If the parties desire to prolong the duration of the Agreement after expiration of its validity on 31 October 2022, the parties will meet in good faith to discuss such an extension without being under any obligation to do so.

Each party is entitled to terminate the Agreement on sixty (60) days written notice if:

(a) The other party fails to pay any undisputed amount due under the Agreement on the due date for payment and remains in default not less than thirty (30) days after being notified in writing to make such payment; or

(b) The other party commits a material breach of any material term of the Agreement other than failure to pay any amounts due under this Agreement and such breach is incapable of remedy; or

(c) The other party commits a material breach of any material term of the Agreement other than failure to pay any amounts due under the Agreement and if such breach is remediable fails to remedy that breach within a period of (30) days of being notified in writing to do so; or

(d) The other party repeatedly breaches any of the terms of the Agreement in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of the Agreement;

(e) The other party is subject to various insolvency events or ceases to trade; or

(f) The other party purports to assign its rights or obligations under the Agreement except in accordance with the Agreement.

Cooper Tires Europe shall be entitled to terminate the Agreement on ninety (90) days written notice if at any time there is a "material change" in the shareholder structure or management of Distributor which has not been approved in advance by Cooper Tires Europe.

Upon termination of the Agreement, Cooper Tires Europe shall have the option to retrieve stock not paid for and, if that option is exercised, Cooper Tires Europe will be responsible for all costs in returning this stock to its premises including reimbursing Top Draw for supply chain costs and duties outlaid on importation. Cooper Tires Europe will also have the option to buy back from Top Draw any other stock of the Product at the same price Top Draw paid for them, including supply chain costs and import duties, or such other price Cooper Tires Europe reasonably considers (because of their condition) to be the current market value, but such option shall be exercised in a reasonable manner taking into account the contractual commitments that Top Draw may have incurred prior to termination.

The Agreement is governed by South Africa Law.

The Agreement contains other terms and conditions that are typical for agreements of this nature.

9.6 Federal Distribution Arrangement

By letter of 9 December 2016, Federal Corporation, the manufacturer of Federal Brand Tyres, authorised ETD to be the official distributor in Western Australia for Federal tyre products. The authorisation is to be reviewed annually and may be amended at any time by written notification from Federal Corporation.

The letter also attached general terms and conditions under which ETD acknowledges Federal Corporation's ownership of its brands and agrees to adhere to Federal Corporation's Corporate Identity standard and other requirements. Federal Corporation can terminate the right to use the brands if ETD infringes the obligations in the terms and conditions, either party has terminated the supply and purchase relationship, there is damage to Federal Corporation's reputation, ETD has not met minimum order quantities as set by Federal Corporation and agreed by both parties, or EDT conducts unfair competition. All disputes will be settled through amicable negotiations or arbitration in Singapore.

The exclusive distribution was confirmed by email from Federal Corporation dated 15 December 2017. By letter from ETD to Federal Corporation dated 16 December 2016, ETD clarified that:

(a) ETD would use its best efforts to sell Federal products without setting any particular volume target for 2017;

(b) The terms of trade will be payment in USD within an agreed period from bill of lading;

(c) ETD and Federal Corporation will jointly review progress after one year with either party having the right to end the WA distribution arrangements if they fail to meet expectation,

and confirms its acceptance of the offer to distribute Federal branded products in Western Australia.

9.7 Tyrepower Agreement

On 1 December 2016, Tyrepower Limited and ETD entered into a National Tyrepower Program Agreement ("Tyrepower Agreement"). The Agreement is effective from 1 January 2017 until 31 December 2017 and relates to all brands offered for sale by ETD to individual Tyrepower members who own and operate Tyrepower stores. Under the Tyrepower Agreement, ETD has certain obligations to supply Cooper branded tyres to Tyrepower members. ETD supplies each Tyrepower member under a separate agreement with each of them.

Under the Tyrepower Agreement, pricing is based on ETD's regional price list. Any changes to the price lists require prior written notice to Tyrepower. ETD must pay a monthly Centralised Accounting Function amount to Tyrepower Regional entities, being an agreed percentage of revenue. ETD agrees to support Tyrepower members in relation to promotion, sponsorship and field day support. The Tyrepower Agreement is normally renegotiated annually. Either party may terminate the Tyrepower Agreement by giving 60 days written notice in advance to the other party.

9.8 MPC SPA

Under a Share Sale and Purchase Deed entered into on 3 April 2017 between the MPC Vendor, NTAW and MPC (MPC SPA), NTAW agreed to purchase 6 shares of MPC, representing 50% of the issued capital of MPC from the MPC Vendor. The purchase price for the shares was:

(a) a completion payment of $3,750,000 less debt at completion (which was nil);

(b) an additional amount of up to $300,000 based on stock turns and stock levels in the period from completion to 30 September 2017;

(c) an additional amount of up to $200,000 to the extent that there is sufficient cash flow from the business to repay a loan of $200,000 advanced by the Company to MPC at completion; and

(d) an additional $1,750,000 provided NTAW earns an internal rate of return on the net purchase price paid until the occurrence of an exit event of at least 22.5% per annum.

On the Settlement Date, NTAW is obliged to pay the MPC Vendor $1,750,000 pursuant to the MPC SPA in accordance with the IPO Implementation Deeds described in Section 9.2.

The MPC SPA contains non-compete provisions and warranties and indemnities from the MPC Vendor and other provisions which are customary for agreements of this kind.

9.9 Top Draw SPA

Under a Share Sale and Purchase Agreement dated on or around 28 September 2017 between NTAW and the Top Draw Vendors (**Top Draw SPA**), NTAW agreed to purchase 34% of the issued shares in Top Draw.

Completion of the purchase took place on 13 November 2017, with effect from 1 October 2017. On completion, the Company paid a purchase price of R20,000,000.

Within 7 days after listing on the ASX, an adjustment to the purchase price called the 'Uplift Payment' will be payable by NTAW to the Top Draw Vendors. The Uplift Payment is (in summary) equal to Top Draw's FY17 EBITDA multiplied by an earnings multiple equal to the Company's pre-IPO enterprise value divided by its prospectus forecast FY18 EBITDA (subject to some other adjustments for non trading debt and net working capital), multiplied by 34%, less the purchase price paid on completion. The Company estimates that the Uplift Payment will be approximately R11,500,000 (subject to adjustments for non trading debt and net working capital) and will be paid in accordance with the IPO Implementation Deeds described in Section 9.2.

The Top Draw SPA is governed by the laws of the Republic of South Africa.

The Top Draw SPA contains warranties from the Top Draw Vendors and other provisions which are customary for agreements of this kind.

9.10 Top Draw Shareholders Agreement

Top Draw, NTAW and the Top Draw Vendors are party to a shareholders agreement in relation to Top Draw dated on or around 28 September 2017 (**Top Draw Shareholders Agreement**).

Pursuant to provisions in the Top Draw Shareholders Agreement and the IPO Implementation Deeds (summarised in Section 9.2), the Company has agreed to acquire an additional 16% of the issued shares in Top Draw prior to the Listing

Date, taking its total interest to 50% as at the Listing Date. The purchase price for the additional 16% of the issued shares calculated under the Top Draw Shareholders Agreement is payable in 2 tranches. The first tranche is R11,080,000 (subject to adjustments for non trading debt and net working capital) and is payable within 7 days of the Listing Date in accordance with the IPO Implementation Deeds described in Section 9.2. The second tranche is payable once the actual EBITDA for FY18 for Top Draw has been determined by Top Draw's auditor. The second tranche will top up the payment for the 16% of shares acquired based on the actual EBITDA of Top Draw for FY18 rather than the EBITDA of Top Draw forecast in the Prospectus. The second tranche payment is capped at R8,234,000 and is payable within 7 days of the date Top Draw's auditor publishes the actual EBITDA for FY18 for Top Draw.

NTAW is entitled to appoint up to three directors to the board of Top Draw, and the Top Draw Vendors are also entitled to appoint up to three directors. The voting entitlements of directors at board meetings are determined based on the percentage shareholding of the shareholders that appointed them. The quorum for board meetings is one director appointed by the Company and one director appointed by the Top Draw Vendors.

The quorum for shareholders meetings is two shareholders which must include NTAW and a Top Draw Vendor.

NTAW's prior written approval is required for a number of matters relating to Top Draw's business, including:

(e) incurring non-trading debts, increasing any debt facilities or granting any security over Top Draw's assets; a significant change to Top Draw's business;
(f) certain material acquisitions, disposals and other transactions;
(g) the termination of material customer or supplier agreements;
(h) the amendment, variation or breach by Top Draw of the Cooper Tire Distributorship Agreement;
(i) any agreements or arrangements with directors or other related parties; and
(j) any new issue of shares or other securities or rights over shares.

A shareholder wishing to sell their shares must give a transfer notice to the other shareholders giving them a pre-emptive right to acquire the sale shares. Georg Schramm cannot give a transfer notice for two years following the commencement date of the Top Draw Shareholders Agreement. If the pre-emptive rights are not exercised in relation to all the sale shares, and sale shares are intended to be sold to a third party, the other shareholders have customary 'tag along rights' to sell their shares to the third party on the same terms.

The Top Draw Shareholders Agreement is governed by the laws of the Republic of South Africa.

The Top Draw Shareholders Agreement contains other provisions which are customary for agreements of this kind.

9.11 Cotton Sale Deed

Under a Sale of Business Deed dated 31 October 2017 between ETD, the Cotton Vendor, Craig Roderick Felton, Alison Gaye Felton, Graham Stanley Neighbour, Peggy Diane Neighbour and NTAW (**Cotton Sale Deed**), ETD agreed to purchase all of the business and assets of the Cotton Tyre Service business. NTAW guaranteed the performance of ETD.

The Purchase Price was an amount equal to an agreed forecast of EBITDA for the Cotton Tyre Service for FY18 multiplied by the EBITDA multiple implied by the Offer with a net asset adjustment. The Purchase Price is payable 60% in cash and 40% in Shares.

Completion of the purchase took place on 31 October 2017. On completion, the Company paid a cash completion payment (following a net asset adjustment) of $3.0 million.

Within 2 Business Days of the Listing Date, ETD is obliged to pay an amount equal to the cash component of the Purchase Price less the amount paid at Completion, being an amount of $722,284. Immediately prior to Settlement, NTAW will issue 2,487,440 Shares in satisfaction of its obligation to pay the balance of the Purchase Price.

The Cotton Sale Deed contains non-compete provisions and warranties and indemnities from the Cotton Vendor and the guarantors and other provisions which are customary for agreements of this kind.

9.12 CBA Letter of Offer - NTAW

NTAW has accepted a letter of offer from CBA dated 22 March 2017 for a market rate loan with a limit of $8,080,000. The purpose of the loan was to refinance of existing CBA facilities and additional funds to acquire 50% of MPC. The term of the loan is 3 years from the funding date. NTAW pays interest at a margin above BBSY together with line fees and other fees and charges.

The loan is secured by a guarantee from ETD, first ranking General Security Agreement from ETD for all present and after acquired property, first ranking registered mortgage of lease over ETD's leases of Moorooka and Dandenong properties; first ranking General Security Agreement from NTAW for all present and after acquired property and first ranking charge over shares being 60 million shares in ETD held by NTAW.

9. Material Contracts (cont)

The facility is subject to a number of covenants including Total Accounts Receivable plus Inventory on a consolidated basis (excluding ETD (NZ)) to be not less than 1.5 times Total Interest Bearing Debt, no contravention of any terms and conditions under the Cooper Distribution Agreement and no material change to the supply arrangements with Cooper, Total Interest Bearing Debt to EBITDA Ratio of more than 1.5 times on a rolling 12 months basis, no M&A or corporate reconstructions without CBA consent, NTAW to maintain a foreign exchange risk management strategy acceptable to CBA, and NTAW to maintain all transactional banking with CBA.

There are a number of review events including contravention of any conditions of the agreement with Cooper, a material change to the agreement with Cooper and a decline in the credit rating of Cooper (then BB-).A review event allows CBA to review its commitment and CBA may cancel all or part of a Limit, increase fees or rates or introduce new fees and rates.

In addition to standard events of default, it will also be a default if the Cooper Distribution Agreement is terminated.

9.13 CBA Letter of Offer - ETD

ETD has accepted a letter of offer from CBA dated 1 December 2014 for a bank guarantee facilities with limits totalling $4,157,087 and a corporate charge card with a facility limit of $200,000. The purpose of the bank guarantee facilities are for security deposits for leased premises and standby letters of credit for importing tyres. The purpose of the charge card facility is working capital. The term of the charge card facility is indefinite. NTAW pays interest on the charge card at 17.99% per annum. The bank guarantee facilities incur a guarantee fee of 2% per annum calculated as a percentage of the value of the guarantee, payable half yearly in advance. The facilities are subject to annual review.

The loan is secured by a guarantee from NTAW, first ranking General Security Agreement from ETD for all present and after acquired property, first ranking registered mortgage of lease over ETD's leases of Moorooka and Dandenong properties; first ranking General Security Agreement from NTAW for all present and after acquired property and first ranking charge over shares being 60 million shares in ETD held by NTAW.

The facility is subject to a number of covenants including Total Accounts Receivable plus Inventory on a consolidated basis (excluding ETD (NZ)) to be not less than 1.5 times Total Interest Bearing Debt, no contravention of any terms and conditions under the Cooper Distribution Agreement and no material change to the supply arrangements with Cooper, Total Interest Bearing Debt to EBITDA Ratio of more than 1.5 times on a rolling 12 months basis, no M&A or corporate reconstructions without CBA consent, ETD to maintain a foreign exchange risk management strategy acceptable to CBA, and ETD to maintain all transactional banking with CBA.

There are a number of review events including contravention of any conditions of the agreement with Cooper, a material change to the agreement with Cooper and a decline in the credit rating of Cooper (then BB-).A review event allows CBA to review its commitment and CBA may cancel all or part of a Limit, increase fees or rates or introduce new fees and rates.

In addition to standard events of default, it will also be a default if the Cooper Distribution Agreement is terminated.

10

Additional Information

10. Additional Information

10.1 Incorporation

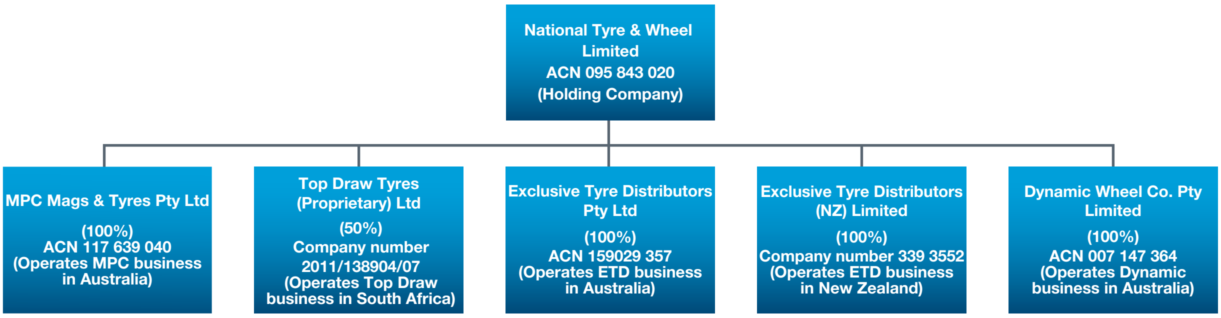
The Company was incorporated as a proprietary limited company in Queensland on 8 February 2001. The Company converted to a public company on 19 October 2017.

10.2 Company tax status

The Company will be taxed in Australia as a public company.

10.3 Corporate structure

The following diagram represents the corporate structure of the Group at the Listing Date:



10.4 Constitution and Rights Attaching to Shares

10.4.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of the ASX.

10.4.2 Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

10.4.3 Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

10.4.4 Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and the timing and method of payment.

10.4.5 Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Share, Shares may be transferred in accordance with the ASX Settlement Operating Rules, Corporations Regulations and ASX Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

10.4.6 Issue of further Shares

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

10.4.7 Winding up

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of the Company’s property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

10.4.8 Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. An unmarketable parcel of shares is defined in the ASX Listing Rules and is generally, a holding of shares with a market value of less than $500.

10.4.9 Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those rules were adopted or the date those rules were last renewed.

10.4.10 Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under that section, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of Shares may be varied:

- With the consent in writing of the holders of 75% of the issued shares included in that class; or
- By a special resolution passed at a separate meeting of the holders of those shares.

10.4.11 Directors – appointment and removal

Under the Constitution, the Board is comprised of a minimum of three Directors and a maximum fixed by the Directors from time to time. Directors are elected or re-elected at annual general meetings of the Company.

No Director (excluding the managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director either to fill a casual vacancy on the Board or as an addition to the existing Directors, who will then hold office until the conclusion of the next annual general meeting of the Company following their appointment.

10.4.12 Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting does not have a casting vote.

10.4.13 Directors – remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director but the remuneration may not in aggregate exceed in aggregate in any year $750,000 or such other amount fixed by the Company in general meeting for that purpose. The remuneration of a Director must not include a commission on, or a percentage of, operating revenue.

Directors may be paid for all travelling and other expenses properly incurred by them in connection with the Company’s affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. If a Director performs extra services in connection with the affairs of the Company, the Directors may arrange for a special remuneration to be paid.

10.4.14 Powers and duties of Directors

The Directors are responsible for managing the business of the Company and may exercise to the exclusion of the Company in general meeting all the powers of the Company which are not required by the Corporations Act, the Constitution or the ASX Listing Rules, to be exercised by the Company in general meeting.

10.4.15 Indemnities

The Company, to the extent permitted by law, indemnifies each Director and executive officer of NTAW on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of the Company or of a related body corporate.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for a contract insuring each Director and executive officer of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including for negligence or for reasonable costs and expenses incurred by that person in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

10.4.16 Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

10.5 Sale of Shares by SaleCo

NTAW SaleCo Limited was incorporated on 9 November 2017 as an Australian company limited by shares.

SaleCo is a special purpose vehicle established to enable the Selling Shareholders to sell part of their Shares under the Offer.

The Company has entered into the IPO Implementation Deeds with all Selling Shareholders and with SaleCo. Each Selling Shareholder agreed to sell to SaleCo some of their Existing Shares which will be sold by SaleCo into the Offer, free from encumbrances and third party rights and conditional on (amongst other things) the Underwriting Agreement not having been terminated as at the date of settlement of the Offer.

The Existing Shares which SaleCo acquires from the Selling Shareholders will be transferred to successful Applicants at the Offer Price. The price payable by SaleCo for these Existing Shares is the Offer Price. The Company will also issue New Shares to successful Applicants under the Offer.

SaleCo has no material assets, liabilities or operations other than its interests and obligations under the Underwriting Agreement and the IPO Implementation Deeds described above.

10.6 Substantial holders

It is expected that the ST Corso will be the only Shareholder with a substantial holding following Completion of the Offer. ST Corso will hold 27,032,371 representing 26.7% of the issued capital.

10.7 Interests of advisers

Other than as set out in this Prospectus, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- Has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of NTAW, or in any property acquired or proposed to be acquired by NTAW, or the Offer; or
- Has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of NTAW or the Offer.

Pitcher Partners Corporate Finance Limited has acted as the Investigating Accountant on the financial information in relation to the Offer, and has performed work in relation to its Investigating Accountant's Report in Section 7. The Company has paid, or agreed to pay, approximately $250,000 (excluding disbursements and GST) to Pitcher Partners Corporate Finance Limited for these services up to the date of this Prospectus. Further amounts may be paid to Pitcher Partners Corporate Finance Limited under time-based charges.

DibbsBarker has acted as solicitor to the Company and performed work in relation to due diligence enquiries on legal matters. The Company has paid or agreed to pay an amount of approximately $245,000 (excluding GST and disbursements) in respect of these services up to the date of this Prospectus. Further amounts may be paid to DibbsBarker in accordance with time-based charges.

Morgans Corporate Limited has acted as Underwriter and will receive a management fee and reimbursement of its costs and expenses as detailed in the summary of the Underwriting Agreement set out in Section 9.1.

Pitcher Partners are the auditors to the Company. They received approximately $85,000 with respect to the year ending 30 June 2017.

10.8 Costs of the Offer

The costs of the Offer payable by the Company are estimated at $3.7 million.

10.9 Voluntary Escrow Arrangements

All Existing Shareholders have agreed to enter into voluntary escrow arrangements in relation to all of the balance of their Shares under which they will be restricted from dealing with those Shares for a particular escrow period following completion of the Offer as follows:

Shareholder	Shares	Percentage of Issued Capital after close of the Offer	Escrow Period
ST Corso	27,032,371	26.7%	CY18 Restriction Period
Zambo Pty Ltd ACN 132 060 309 ATF William Cook Superannuation Fund[1]	203,132	0.2%	CY18 Restriction Period
Senior Management[2]	3,263,014	3.2%	CY18 Restriction Period
Other management	940,266	0.9%	CY18 Restriction Period
MPC Vendor	1,964,625	1.9%	CY18 Restriction Period
	1,964,625	1.9%	FY19 Restriction Period
Dynamic Vendors	1,048,929	1.0%	CY18 Restriction Period
	1,048,929	1.0%	FY19 Restriction Period
Cotton Vendor	1,243,720	1.2%	CY18 Restriction Period
	1,243,720	1.2%	FY19 Restriction Period
Total	**39,953,331**	**39.5%**	

1. Associated with Bill Cook.
2. Senior management holding these shares consist of Peter Ludemann, Jason Lamb and one other.

Each of these Shareholders will enter into an escrow deed in respect of their escrowed Shares, which will prevent them from disposing of their escrowed Shares during the escrow period, subject to any exceptions.

The restriction on dealing is broadly defined and includes, among other things, selling, transferring or otherwise disposing of any interest in the Shares, encumbering or granting a security interest over the Shares, doing, or omitting to do, any act where the act or omission would have the effect of transferring effective ownership or control of any the Shares or agreeing to do any of those things.

Any of the escrowed Shareholders may be released early from these escrow obligations to enable:

(a) The escrowed Shareholder to accept an offer under a takeover bid in relation to its Shares if holders of at least half of the Shares the subject of the bid that are not escrowed have accepted the takeover bid; and

(b) The Shares held by the escrowed Shareholder to be transferred or cancelled as part of a merger by a scheme of arrangement under Part 5.1 of the Corporations Act.

10. Additional Information (cont)

10.10 Free float

The table below sets out details of the expected free float of the Company on Completion of the Offer:

Description	No. of Shares	Percentage of Shares on Issue after Completion of the Offer
Shares on issue on Completion of the Offer	101,112,127	100.0%
Shares that are subject to voluntary restrictions	39,953,331	39.5%
Shares that are held by security holders[1] who are not “non-affiliated” security holders[2] (excluding shares subject to voluntary restrictions)[2]	Nil	N/A
Free Float	**61,158,796**	**60.5%**

Notes:

1. As defined in the ASX Listing Rules.
2. Assumes that security holders who are not “non-affiliated” holders do not apply for any Shares under the Offer.

10.11 Dividend reinvestment plan

The Board has approved the terms of a dividend reinvestment plan, which will not be implemented on the Listing Date, but which may be utilised at a future date. The key terms of the plan are set out below:

Eligible Shareholders

Shareholders with registered addresses in Australia or New Zealand are eligible to participate in the dividend reinvestment plan (**DRP**). Any Shareholder having a registered address in a country other than Australia and New Zealand may not be eligible to participate in the DRP because of the legal requirements applying in such country. The Board has the discretion to determine whether any such Shareholder is excluded from the DRP.

Application

Eligible Shareholders may elect to participate in the DRP in respect of all or part of their Shares. The Board may in its absolute discretion accept or reject any application to participate.

Allocation Price

Shares will be allocated under the DRP at an allocation price per Share equal to the volume weighted average market price of Shares sold on the ASX over a ten trading day period commencing on the second trading day (or third trading day if any Shares are to be transferred to participants) after the record date for the relevant dividend, less any discount determined by the Board.

Investment of dividends

Each dividend which is payable to a participant in respect of Shares subject to the DRP and which is available for payment to the participant will be applied by the Company on the participant’s behalf in acquiring or subscribing for additional Shares. The Company will on behalf of and in the name of the participant allot or cause the transfer of those additional Shares to the participant and debit the participant’s DRP account with the total Allocation Price for those additional Shares.

Ranking of Shares

All Shares issued under the DRP will rank equally in all respects with existing Shares.

ASX listing

The Company will apply for new Shares issued under the DRP to be listed for quotation on the ASX and on any other stock exchange as may have accepted Shares for listing.

Variation or termination of participation

A participant may apply to increase or decrease the number of Shares participating in the DRP, or terminate participation in the DRP, by notice in writing to the Company.

10.12 Control implications of the Offer

The Directors do not expect any Shareholder to control NTAW on Completion of the Offer (as defined in Section 50AA of the Corporations Act).

10.13 ASIC relief

NTAW has applied for and received relief from ASIC so that the takeovers provisions of the Corporations Act will not apply to certain relevant interests that NTAW would otherwise acquire in escrowed Shares by reason of the voluntary escrow arrangements in relation to those Shares described in Section 10.9.

10.14 ASX confirmations

The Company has received the following confirmations from ASX:

- confirmation that NTAW has a track record of profitability acceptable to ASX for the purposes of ASX Listing Rule 9.1.3; and
- confirmation that the acquisitions of MPC, Cotton and Top Draw are not significant in the context of NTAW for the purposes of ASX Listing Rule 1.3.5(b).

10.15 Australian taxation implications

The following comments are intended to provide a general summary of the Australian taxation implications that may arise for Australian resident shareholders who acquire and hold the shares under the Offer contained in this Prospectus. As taxation laws are complex, the following comments are intended as a general guide to the Australian tax implications only. Shareholders should not rely on these comments as advice in relation to their own affairs but should consult their own tax adviser about their own needs and circumstances. The comments are based on the law and understanding of the practice of the tax authorities in Australia at the date of this document.

The taxation treatment on the disposal of Shares for Shareholders will depend upon whether the shares are held on revenue or capital account. Shareholders who trade in Shares as part of the ordinary course of their business would hold their shares on revenue account. These Shareholders will be required to include the profit arising from the disposal of their Shares in their assessable income. Conversely, a loss arising from the disposal of Shares on revenue account would be allowed as a deduction from assessable income. Generally, all other Shareholders will hold their Shares on capital account. These Shareholders must consider the impact of Australian capital gains tax rules on the disposal of their Shares.

Shareholders will derive a capital gain where the proceeds received on disposal exceed the cost base of the Share for capital gains tax purposes. Any net capital gain (after recoupment of capital losses) is included in the Shareholder's assessable income. Similarly, a Shareholder will make a capital loss on the disposal of a Share where the disposal proceeds received are less than the reduced cost base of the Share for capital gains tax purposes. Capital losses can only be used to offset current year capital gains or carried forward to offset future capital gains. A capital gains discount may apply to reduce the amount of net capital gains that might otherwise be included in a Shareholder's assessable income.

For Shareholders that are individuals and trustees (other than trustees of complying superannuation funds) a 50% capital gains tax discount is available if the shares are held for at least 12 months. This concession will result in only 50% of the capital gain (after recoupment of capital losses) being assessable. For complying superannuation funds a $33^1/_3$% capital gains discount is available if the Shares are held for at least 12 months. This concession will result in only $66^2/_3$% of the capital gain (after recoupment of capital losses) being assessable.

Broadly, dividends paid on Shares may be "franked" or "unfranked". Franked dividends have franking credits attached. These credits represent underlying Australian corporate tax that has been paid on the profits distributed. To the extent a dividend is "unfranked" no franking credits are attached. A dividend will have a different treatment depending on the residency status of the Shareholder and whether a dividend is franked or unfranked. Australian resident Shareholders will include dividends together with any attached franking credits in their assessable income. A tax offset will be allowed equal to the amount of franking credits attached to the dividend. Generally, to be eligible for the franking credit and tax offset, Shareholders must have held the shares at risk for 45 days. Individual Shareholders and complying superannuation funds may receive a tax refund if the franking credits attached to the dividend exceed their tax liability for the income year.

Where the Shareholder is a corporate entity, the Shareholder will not be entitled to a refund for any franking credits that exceed their tax liability for the income year but may be entitled to a tax loss based upon the excess franking credits. The receipt of a franked dividend will also generally give rise to a credit in the corporate entity's franking account to the extent the dividend is franked.

10.16 Litigation

So far as the Directors are aware, there are no current or threatened legal proceedings or disputes which are likely to have a material adverse impact on the business or financial position of the Company.

10.17 Consents

Each of the parties identified below:

- Have given, and have not, before the issue of this Prospectus, withdrawn their written consent to being named in the Prospectus and to the inclusion of the following information in the form an context in which it is included;
- Has not made any statement in the Prospectus or any statement on which a statement in the Prospectus is based, other than as specified below; and
- To the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name in the form an context in which it is included and any statement or report included in this Prospectus with the consent of that party as described below:
  - DibbsBarker as legal advisers to the Company.
  - Pitcher Partners Corporate Finance Limited as Investigating Accountants, and to the inclusion of its Investigating Accountant's Report on Historical Financial Information and Directors' Forecasts in Sections 7 of the Prospectus, and the financial information summary set out in the Prospectus.
  - Partners in Performance International Pty Ltd for statements attributed to them in Sections 2 and 3 of the Prospectus.
  - Pitcher Partners as auditors of the Company, and to the references in this Prospectus to audited accounts.
  - Tselentis & Collett Chartered Accountants (SA) and Registered Auditors as auditors of Top Draw and to the references in this Prospectus to Top Draw's audited accounts.
  - Morgans Corporate Limited as Lead Manager and Underwriter.
  - Computershare Investor Services Pty Ltd as the Share Registry.

10.18 Foreign selling restrictions

10.18.1 General

The Offer is being made in Australia, and New Zealand, Hong Kong and Singapore only. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by NTAW to constitute a representation and warranty made by you to NTAW that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

This document does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

10.18.2 Beneficial holders

The foreign selling restrictions under the Offer apply to the underlying beneficial holder. Applicants applying on behalf of persons whose registered address is not in Australia are responsible for ensuring that applying for Shares does not breach securities laws in the relevant overseas jurisdictions. Applicants who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

The Company is not required to determine whether or not any Applicant is acting as a nominee or the identity or residence of any beneficial interest holder applying for Shares. If any nominee or custodian is acting on behalf of a foreign person, that nominee or custodian, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

10.18.3 Hong Kong Special Administrative Region securities law requirements

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the offer of Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares or transferred Existing Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of receipt of such securities.

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

By accepting receipt of this document, each Hong Kong recipient is deemed to confirm, represent and warrant to the Company that it is a "professional investor" within the meaning of section 1 of Part 1 of Schedule 1 to the SFO.

10.18.4 Singapore securities law requirement

This document and any other materials relating to the offer of Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares or Existing Shares, may not be issued, circulated or distributed, nor may the New Shares or Existing Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are (i) an existing holder of the Company's Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA).

In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to Shares being subsequently offered for sale to any other party.

There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore, or to consult their professional advisers as to such on-sale restrictions, and comply accordingly.

10.18.5 New Zealand securities law requirements

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) Is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) Meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) Is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(d) Is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) Is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

10.18.6 United States of America – securities law requirement

The Shares (including the New Shares) have not been, and will not be, registered under the U.S. Securities Act 1933 (**U.S. Securities Act**) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "U.S. Persons" (as defined in Rule 902 under the U.S. Securities Act) except under an available exemption from registration under the U.S. Securities Act. The Shares (including the New Shares) may only be resold or transferred in the United States of America, or to, or for the account or benefit of, U.S. Persons if registered under the U.S. Securities Act or pursuant to an exemption from registration under the U.S. Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register any of the Shares (including the New Shares) in the United States of America.

10.19 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in New South Wales and each applicant and bidder submits to the exclusive jurisdiction of the courts of New South Wales.

10.20 Authorisation

Each Director of the Company and SaleCo has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This prospectus is signed by a Director of the Company in accordance with section 351 of the Corporations Act.

Murray Boyte

Chairman

National Tyre & Wheel Limited

Appendix A Significant Accounting Policies

Appendix A. Significant Accounting Policies

The Historical Financial Information set out in Section 6 covers NTAW (Group). The entities forming the Group are listed in Section 6.2.2. The Historical Financial Information has been prepared in accordance with the basis of accounting and disclosure requirements specified by all Australian Accounting Standards applicable to Tier 1 entities.

Basis of preparation

The Accounts on which the Historical Financial Information is based have been prepared under the historical cost convention, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the group are presented as non-controlling interests. Non-controlling interests in the result of subsidiaries are shown separately in the consolidated income statement and other comprehensive income and consolidated statement of financial position respectively.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group with the exception of business combinations under common control (refer business combinations policy).

The Group was formed as part of a reconstruction of the Smith Trading Trust pursuant to which the shareholders of the company remained the underlying beneficial owners of the assets of the Smith Trading Trust. The restructure of the Group on 1 July 2012 was determined to be a business combination under common control. The pooling of interest method has been adopted. The assets and liabilities for all the entities have been maintained at their book values. The income statement reflects the income of the combined entities as if they have always been combined.

Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method with the exception of business combinations involving entities or businesses under common control (refer Principles of consolidation).

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issues or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. At each reporting date subsequent to eh acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in the income statement unless the contingent consideration is classified as equity, in which case the contingent consideration is carried at its acquisition date fair value.

Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the identifiable net asset value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed.

If the net fair value of the acquirer's interest in the identifiable assets acquitted and liabilities assumed is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in the income statement.

Acquisition related costs are expensed as incurred.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Refer to business combinations for a description of how goodwill arising from a business combination is initially measured.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangibles

Brand names

Brand names are recorded at cost less accumulated amortisation and impairment losses. When acquired in a business combination, cost represents the fair value at date of acquisition. Brand names are assessed as having an indefinite useful life on the basis of brand strength, ongoing expected profitability and continuing support. Brand names are not amortised, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Importation rights

Importation rights are initially recorded at cost less accumulated amortisation and impairment losses. Importation rights are amortised on a straight line basis over the term of the distribution agreement. Importation rights are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Customer relationships

Customer relationship assets are recorded at cost less accumulated amortisation and impairment losses. When acquired in a business combination, cost represents the fair value at date of acquisition. Fair value is based on an assessment of future cash flows from this customer base. Amortisation is calculated using the straight line method over the estimated useful lives of the respective assets. Customer relationship assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Patents, trademarks and other intangibles

Other intangibles acquired in a business combination are initially recognised at fair value at the acquisition date. Such intangibles are amortised over their estimated useful lives and are carried at cost less accumulated amortisation and any impairment losses.

Foreign currency translations and balances

Functional and presentation currency

The financial statements of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is measured net of the amount of goods and services tax (GST).

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Subsidiaries that have a functional currency different from the presentation currency of the group are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation

The parent entity and its subsidiary Exclusive Tyre Distributors Pty Ltd have implemented the tax consolidation legislation and have formed a tax consolidated group from 1 July 2012. This means that:

- Each entity recognises their own current and deferred tax amounts in respect of the transactions, events and balances of the entity; and
- The parent entity assumes the current tax liability and any deferred tax assets relating to tax losses, arising in the subsidiary, and recognises a contribution to (or distribution from) the subsidiaries.

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the group are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the fair value or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the income statement. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the group will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or is part of the expense item as applicable;

- Receivables and payables are stated with the amount of GST included; and
- The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement no more than 60 days from the date of recognition. In respect of trade receivables, collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance for doubtful debts is raised where some doubt as to collectability exists. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Plant and equipment

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management and if applicable, cost includes an estimate of any expenditure expected to be incurred at the end of the asset's useful life.

The following useful lives are used in the calculation of depreciation

• Plant and equipment	2 – 20 years
• Motor Vehicles	4 – 8 years
• Leasehold improvements	Lease period

The carrying amount of plant and equipment is reviewed annually by directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets are recognised in the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line or diminishing value basis over their useful lives (commencing from the time the asset is ready for use). Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred back to the income statement as part of the profit or loss on disposal.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at the fair value of what is expected to be paid, and subsequently at amortised cost, using the effective interest rate method.

Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee benefits

Short term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables in the consolidated statement of financial position.

Long term employee benefit obligations

The provision for other long term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long term employee benefits are recognised in the income statement in the periods in which the change occurs.

Other long term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long term employee benefit obligations are presented as non current liabilities in the consolidated statement of financial position.

Share based payments

The group operates share based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is based on a Director valuation of the group undertaken at the date of grant of the options. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate taking into account the risks and uncertainties surrounding the obligation.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

Financial instruments

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the nature of the item and the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Held to maturity investments

Held to maturity investments are non derivative financial assets that have fixed maturities and fixed or determinable payments, and the group intends to hold the investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

Available for sale

Available for sale financial assets include any financial assets not included in the above categories or are designated as such on initial recognition. Available for sale financial assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. The cumulative gain or loss is held in equity until the financial asset is de recognised, at which time the cumulative gain or loss held in equity is recognised in the income statement.

Non listed investments for which the fair value cannot be reliably measured, are carried at cost and tested for impairment.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter company balances and loans from or other amounts due to director related entities.

Non derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Derivative financial instruments

The group holds derivative financial instruments to mitigate its risk exposures from foreign currency and interest rate movements.

Derivatives that are not designated in a qualifying hedge relationship are subsequently measured at fair value through profit or loss. Derivatives designated as hedging instruments are accounted for as described below.

Some financial instruments have embedded derivatives within them. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Appendix A. Significant Accounting Policies (cont)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Earnings per share

Basic earnings per share is computed as profit attributable to owners of the company, adjusted to exclude costs of servicing equity (other than ordinary shares), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Critical accounting estimates and judgements

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of 5 years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future.

(b) Recognition of a warranty provision

The warranty provision at the year end is based on Management's best estimate of future expenditure required to settle the groups' warranty liability. Possible changes in assumptions used and estimates based on historical evidence may result in revisions to the warranty provision.

(c) Share based payments

Share based payments expense under the employee share option plan are recognised over the expected vesting period of the options. The share based payment expense incurred is equal to the value of the options. Management assess the fair value of the options using an appropriate option pricing model with the following key criteria: pre-determined exercise price, share price at grant date, risk free rate, volatility of the share price and vesting period from grant date.

Appendix B
Glossary

Appendix B. Glossary

Term	Definition
4WD	A 4 wheel drive vehicle
AEST	Australian Eastern Standard Time
$	The lawful currency of Australia
Allotment Date	The date Shares are allotted under the Offer
Applicant(s)	A person(s) who submits a valid Application
Application	An application for Shares under this Prospectus
Application Form	An application form attached to or accompanying this Prospectus
Application Money	The aggregate amount of money payable by an Applicant for Shares applied for under the Offer
ASIC	The Australian Securities and Investments Commission
ASPL	ASX Settlement Pty Ltd ACN 008 504 532
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires
ASX Recommendations	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
ASX Listing Rules	The official listing rules of the ASX, as amended from time to time
ASX Settlement Rules	The operating rules of the settlement facility provided by ASPL
Board or Board of Directors	The board of Directors of NTAW
Broker	Any ASX participating organisation selected by the Underwriter to participate in the Broker Firm Offer
Broker Firm Offer	The invitation to apply for Shares made under this Prospectus to Australian resident clients of Brokers who have received an invitation to participate from their Broker
CEO	The chief executive officer of NTAW
CFO	The chief financial officer of NTAW
Chairman	The chairman of the Board
CHESS	Clearing House Electronic Sub-register System
Closing Date	The date by which Applications must be lodged for the Offer, expected to be 12 December 2017
Completion	Completion of the issue and transfer of Shares under this Prospectus
Constitution	The constitution of the Company
Cooper	The brand of tyre and wheel products manufactured by Cooper Tire
Cooper Tire	Cooper Tire & Rubber Co, a Delaware (USA) corporation based in Ohio, and includes its subsidiaries, as relevant
Cotton	The business previously owned and operated by the Cotton Vendor and trading as Cotton Tyre Service
Cotton Vendor	SN Tyre Wholesalers Pty Ltd ACN 067 405 743 as trustee for the Neighbour and Stuart Unit Trust
Corporations Act	*Corporations Act 2001* (Cth)
CY18 Restriction Period	The period commencing on Completion and ending on the earlier of the date 5 Business Days after the date that NTAW releases to the ASX its interim results for the 6 months ending 31 December 2018 and 22 April 2019.
Director	A director of NTAW
Dynamic	Dynamic Wheel Co Pty Limited ACN 007 147 364, to become a wholly owned subsidiary of NTAW prior to the Listing Date
Dynamic Vendors	Christopher and Christine Hummer
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation

Appendix B. Glossary (cont)

Term	Definition
ETD	Exclusive Tyres Distributors Pty Ltd ACN 159 029 357, a wholly owned subsidiary of NTAW
ETD New Zealand	Exclusive Tyre Distributors (NZ) Limited, a company incorporated in New Zealand with Company number 3393552, a wholly owned subsidiary of NTAW
Existing Shareholders	The holders of the Existing Shares as at the Allotment Date
Existing Shares	76,189,360 Shares on issue immediately prior to the Allotment Date
Federal	Federal Corporation, a Taiwanese company manufacturing the Federal brand.
Financial Information	Together the: • Historical Financial Information; and • Forecast Financial Information
Forecast Financial Information	The meaning given in Section 6.1
Forecast Period	The reporting period in which NTAW is providing Forecast Financial Information in this Prospectus
FY19 Restriction Period	The period commencing on Completion and ending on the earlier of the date 5 Business Days after the date that NTAW releases to the ASX its final results for the 12 months ending 30 June 2019 and 7 November 2019.
FY2015	The financial year ending 30 June 2015
FY2016	The financial year ending 30 June 2016
FY2017	The financial year ending 30 June 2017
FY2018	The financial year ending 30 June 2018
FY2019	The financial year ending 30 June 2019
Group	NTAW and its Subsidiaries
GST	Goods and services tax
Historical Financial Information	The meaning given in Section 6.1
Institutional Offer	The offer of Shares to institutional investors described in Section 8.14.3
IPO	Initial public offering
IPO Implementation Deeds	The IPO implementation and sale deeds described in Section 9.2
k	Australian dollars in thousands
Lead Manager	Morgans Corporate Limited AFSL 235407
Listing	The admission of NTAW to the Official List
Listing Date	The date of Listing
Management Options	The options issued by NTAW to management of NTAW to be exercised by the Optionholders prior to the Allotment Date pursuant to the IPO Implementation Deeds
Mickey Thompson	Max Trac Tire Co, Inc , a subsidiary of Cooper Tire
MPC	M.P.C. Mags & Tyres Pty Ltd ACN 117 639 040, to become a wholly owned subsidiary of NTAW prior to the Listing Date
MPC Vendor	Roshan Charles Chelvaratnam
Net Debt	The total drawn debt of the Company after adding back cash
New Shares	24,922,767 Shares to be issued by NTAW under the Offer
Non-executive Director	A Director who is not a member of management
NPAT	Net profit after tax
NPATA	NPATA refers to net profit after tax, adjusted to exclude the non-cash tax effected amortisation of intangibles
NPBT	Net profit before tax

Appendix B. Glossary (cont)

Term	Definition
NSW/ACT	The business operated by D&G Canberra Pty Ltd ACN 133 426 561 (formerly known as National Tyre Wholesalers (Canberra) Pty Ltd) and D&G Holdings Group Pty Ltd ACN 105 306 018 (formerly known as National Tyre Wholesalers Pty Ltd)
NTAW or Company	National Tyre & Wheel Limited (ACN 095 843 020), a company incorporated in Australia and, where applicable, includes the Subsidiaries
NZD	The lawful currency of New Zealand
Offer	The offer of 59,000,000 Shares at the Offer Price on the terms set out in this Prospectus
Offer Period	The period during which the Offer is open for acceptance, commencing when the Offer opens and ending on the Closing Date
Offer Price	$1.00 per Share, being the price Successful Applicants will pay for Shares
Official List	The official list of entities that ASX has admitted and not removed from listing
Optionholders	The holders of the Management Options
pcp	Previous corresponding period
ppt	Percentage % point
Privacy Act	*Privacy Act 1988* (Cth)
Prospectus	This document for the Offer, including both hard copy and electronic versions, and any supplementary or replacement document
R or Rand	The lawful currency of the Republic of South Africa
Retailers	Retail tyre sale outlets including tyre retailers, car dealers, mechanical repair businesses and automotive accessories retailers
SaleCo	NTAW SaleCo Limited (ACN 622 748 841)
Selling Shareholders	Those Existing Shareholders who have agreed to sell Existing Shares to SaleCo under the IPO Implementation Deeds
Share	A fully paid ordinary share in the capital of NTAW
Share Registry	Computershare Investor Services Pty Ltd ACN 078 279 277 or any other share registry that NTAW appoints to maintain the register of Shares
Shareholder	A holder of Shares
Southern Africa	The territories of South Africa, Namibia, Botswana, Zambia, Lesotho, Swaziland, Mozambique, Zimbabwe, being the territories covered in the Distributorship Agreement between Top Draw and Cooper Tire & Rubber Company Europe Limited
ST Corso	ST Corso Pty Ltd ACN 062 547 666 as trustee for the Smith Trading Trust
Subsidiaries	ETD, ETD New Zealand, Dynamic, MPC and, where applicable, Top Draw
Successful Applicant	An applicant who is (or will be) allotted Shares under the Offer
SUV	A sports utility vehicle
Top Draw	Top Draw Tyres (Proprietary) Limited, a South African entity with registration number 2011/138904/07, controlled by NTAW via a 50% shareholding at the Listing Date
Top Draw Vendors	Georg Thaart Schramm, Jennifer Carol Soons and Carl Frederick Wiehe
Underwriter	Morgans Corporate Limited AFSL 235407
Underwriting Agreement	The agreement between the Lead Manager and NTAW under which the Lead Manager has agreed to underwrite the Offer described in Section 9.1
US or United States	The United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
US Securities Act	The *United States Securities Act of 1933*, as amended
USD	The lawful currency of the US
Vendors	The Cotton Vendor, the Dynamic Vendors, the MPC Vendor and the Top Draw Vendors

National Tyre & Wheel Limited

ACN 095 843 020

Broker Code

Adviser Code

Broker Firm Offer Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor without delay.
You should read the National Tyre & Wheel Limited Prospectus dated 24 November 2017 and any relevant Supplementary Prospectus (if applicable), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A **I/we apply for**

Number of Shares in National Tyre & Wheel Limited at A$1.00 per Share or such lesser number of Shares which may be allocated to me/us.

B **I/we lodge full Application Money**

A$.

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter the postal address - include State and Postcode**

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E **Enter your contact details**

Contact Name

Telephone Number - Business Hours

( )

F **CHESS Participant**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Shares issued as a result of the Offer will be held on the Issuer Sponsored subregister.

G **Payment details - Please note that funds are unable to be directly debited from your bank account**

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

Cheques should be drawn up according to the instructions provided by your Broker.

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of National Tyre & Wheel Limited.

See overleaf for completion guidelines ➔

How to complete this Broker Firm Offer Application Form

A **Number of Shares applied for**
Enter the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares ($2,000). Applications for greater than 2,000 Shares must be in multiples of 100 Shares (A$100).

B **Application Monies**
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the Issue Price of A$1.00.

C **Applicant Name(s)**
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applications may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F **CHESS**
National Tyre & Wheel Limited participates in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by National Tyre & Wheel Limited and allocated a Securityholder Reference Number (SRN).

G **Payment**
If you have been contacted by your Broker regarding the Broker Firm Offer, you should ask your Broker for information about how and when to lodge this Application Form, and who to make your cheque payable to. Generally, you will lodge this Application Form and cheque payment with your Broker in accordance with their instructions.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in National Tyre & Wheel Limited is upon and subject to the terms of the Prospectus and the Constitution of National Tyre & Wheel Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

The Broker Firm Offer opens on 4 December 2017 and is expected to close on 12 December 2017. National Tyre & Wheel Limited and the Lead Manager reserve the right to vary the timetable without prior notice, including by closing the Offer before the scheduled Closing Date or by extending the Closing Date.

If you have been contacted by your Broker regarding the Broker Firm Offer, you should ask your Broker for information about how and when to lodge this Application Form, and who to make your cheque payable to. Generally, you will lodge this Application Form and cheque payment with your Broker in accordance with their instructions. Do NOT lodge this Application form with the Share Registry.

Your Broker must receive your completed Application Form and Application Monies (if applicable) in time to arrange settlement on your behalf by the relevant Closing Date for the Broker Firm Offer.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to National Tyre & Wheel Limited. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

National Tyre & Wheel Limited

ACN 095 843 020

Broker Code

Adviser Code

Broker Firm Offer Application Form

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Joint Applicant 3 or Account Designation

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City/Suburb/Town State Postcode

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( )

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Holder Identification Number (HIN)

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See overleaf for completion guidelines ➔

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Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
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Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Corporate Directory

Directors

Murray Boyte, Independent, Non Executive Chairman
Peter Ludemann, CEO and Managing Director
Terry Smith, Executive Director
Bill Cook, Independent, Non Executive Director
Robert Kent, Independent, Non Executive Director

Company Secretaries

Jason Lamb
Terry Smith

Registered Office

30 Gow Street
Moorooka QLD 4105

Lead Manager

Morgans Corporate Limited
Level 29
Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Company website

www.ntaw.com.au

Auditor

Pitcher Partners
Level 38
345 Queen St
Brisbane QLD 4000

Investigating Accountant

Pitcher Partners Corporate Finance Limited
Level 38
345 Queen St
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Ltd
Level 1
200 Mary Street
Brisbane QLD 4000

Legal Adviser

DibbsBarker
Level 8
Angel Place
123 Pitt Street
Sydney NSW 2000

Designed and produced by Donnelley Financial Solutions

National
Tyre & Wheel