



**GWA**  
Group Limited

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11 September 2020

Dear Shareholder

## **CHAIRMAN'S LETTER ANNUAL GENERAL MEETING 2020**

The 2020 Annual General Meeting (**AGM**) of GWA Group Limited (**GWA** or **Company**) will be held via a virtual platform at <https://web.lumiagm.com/> on Friday 30 October 2020 commencing at 10:00am (AEST).

The health and wellbeing of our shareholders is of paramount importance to us. The Company is closely monitoring the impact of the unprecedented COVID-19 pandemic and observing guidance from the Federal and State Governments. Due to these extraordinary circumstances, the Company's AGM will be held virtually this year. There will not be a physical meeting. This is in the interests of the health and safety of anyone attending the AGM.

It is important that you have the opportunity to communicate your views to us. You are encouraged to participate in the meeting by watching our live webcast and asking questions and voting in the manner described in the Notice of Meeting. Shareholders are encouraged to submit questions ahead of the AGM by completing the Question Form enclosed.

At the meeting the Managing Director and I will provide an overview of the Company's performance during the year ended 30 June 2020 and you are also referred to the Company's 2020 Annual Report and Sustainability Report for further information.

The meeting will cover the ordinary business transacted annually and other business which may legally be brought before the meeting in accordance with the Company's Constitution.

We encourage you to lodge the enclosed proxy form. You are now able to cast your proxy vote electronically at [www.investorvote.com.au](http://www.investorvote.com.au) or by scanning the **QR Code** on the proxy form with your mobile device. Whilst shareholders will be able to vote on the resolutions online during the meeting in real time, shareholders are encouraged to lodge a proxy form ahead of the meeting, even if they are participating online.

If you plan to attend the meeting online, please visit <https://web.lumiagm.com/> and enter the meeting id 399-059-526.

We look forward to your participation at the meeting.

Yours faithfully

**Darryl D McDonough**  
Chairman

# Notice of Annual General Meeting

The Annual General Meeting of GWA Group Limited ABN 15 055 964 380 (**GWA** or **Company**) will be held via a virtual platform at <https://web.lumiagm.com/> on Friday 30 October 2020 commencing at 10:00am (AEST).

## ORDINARY BUSINESS

### ACCOUNTS

To receive and consider the Company's Financial Statements for the financial year ended 30 June 2020 together with the statement and report by the directors and the report by the auditor in relation thereto.

### RE-ELECTION OF DIRECTORS

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

1. That Ms Jane McKellar, who retires as a director of the Company in accordance with clause 10.3 of the Company's Constitution, be re-elected as a director of the Company.
2. That Mr Richard Thornton, who retires as a director of the Company in accordance with clause 10.3 of the Company's Constitution, be re-elected as a director of the Company.

### ADOPTION OF REMUNERATION REPORT

To consider the Remuneration Report as it appears in the Directors' Report for the year ended 30 June 2020 and, if thought fit, pass the following non-binding advisory resolution as an ordinary resolution in accordance with section 250R of the Corporations Act:

3. That the Remuneration Report for the year ended 30 June 2020 be adopted.

Note: The Company will disregard any votes cast on Resolution 3:

- by or on behalf of any member of key management personnel (including directors) whose remuneration is included in the Remuneration Report (together **KMP**) and each closely related party of such person. However, the Company need not disregard a vote if it is cast by such a person or by such a closely related party as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP; or
- as proxy by any of the key management personnel whose remuneration is not included in the Remuneration Report (together **KMP**) or any closely related party of such a KMP. However, the Company need not disregard a vote if it is cast by such a person or by such a closely related party as proxy in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

## SPECIAL BUSINESS

### APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN

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

4. That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of up to 455,000 Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director, Mr Tim Salt, on the terms set out in the accompanying Explanatory Memorandum and under the GWA Group Limited Long Term Incentive Plan (**LTIP**) which is constituted and administered in accordance with the Rules of the LTIP.

Note: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP (**Excluded Persons**). However, the Company need not disregard a vote if it is cast by:

- a person acting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the person who is chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - » the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
  - » the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast on Resolution 4 as proxy by any member of key management personnel (including directors) (together **KMP**) or any closely related party of such a KMP. However, the Company need not disregard a vote if it is cast by an Excluded Person, a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

## APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN

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

5. That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of up to 55,000 Performance Rights (incorporating the right to acquire shares in the Company) to the Executive Director, Mr Richard Thornton, on the terms set out in the accompanying Explanatory Memorandum and under the GWA Group Limited Long Term Incentive Plan (**LTIP**) which is constituted and administered in accordance with the Rules of the LTIP.

Note: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP (**Excluded Persons**). However, the Company need not disregard a vote if it is cast by:

- a person acting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the person who is chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - » the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
  - » the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast on Resolution 5 as proxy by any member of key management personnel (including directors) (together **KMP**) or any closely related party of such a KMP. However, the Company need not disregard a vote if it is cast by an Excluded Person, a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

## EXPLANATORY MEMORANDUM

Accompanying this notice is an Explanatory Memorandum that provides shareholders with background information and further details on the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for and the effect of the resolutions, if passed. Information is also presented in accordance with the requirements of the Corporations Act and the Listing Rules. Terms defined in the Explanatory Memorandum and used in this notice bear the same meaning as in the Explanatory Memorandum.

## VOTING NOTES

### VOTING ENTITLEMENTS

The Board has determined that the entitlement of any person to vote at the meeting will be that person's entitlement as set out in the Company's Register of Members as at 7:00pm (AEST) on Wednesday 28 October 2020.

### ALL RESOLUTIONS WILL BE BY POLL

As shareholders are asked to participate virtually in the meeting, each resolution considered at the meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the shareholders as a whole and ensures the views of as many shareholders as possible are represented at the meeting.

### VOTING BY PROXY

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. A proxy need not be a member of the Company. A shareholder may appoint an individual or body corporate to act as its proxy. If a body corporate is appointed as proxy, the body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the meeting. If two proxies are appointed, the appointment may specify the proportion or number of votes that the proxy may exercise. Otherwise, each proxy may exercise half the votes.

A personalised proxy form accompanies this notice of meeting.

Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the meeting online and to exercise your voting instructions. Appointed proxies will need to contact the Company's share registry, Computershare Investor Services to obtain a username and password to vote online. Further details can be found in the AGM Online Meeting Guide available on the Company's website at [www.gwagroup.com.au](http://www.gwagroup.com.au).

To be valid, the proxy form (together with the original or a certified copy of any power of attorney under which the proxy form is signed) must be received:

- at the Company's share registry – Computershare Investor Services Pty Limited, GPO Box 242 Melbourne Victoria 3001
- by Facsimile - (Within Australia) - 1800 783 447 (Outside Australia) - +61 3 9473 2555

Alternatively, you can submit your proxy online at [www.investorvote.com.au](http://www.investorvote.com.au) quoting the six digit control number on the proxy form, or by scanning the QR code located on the front of the proxy form using your mobile device. Please note that you will be taken to have signed your proxy form if you lodge your votes via the registry's website. Intermediary online subscribers (Custodians) can lodge a proxy online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

In order to take effect, your completed proxy form (and any necessary supporting documentation) must be received by 10:00am (AEST) on Wednesday 28 October 2020, being not less than 48 hours before the time for holding the meeting.

## UNDIRECTED AND DIRECTED PROXIES - ITEMS 3, 4 AND 5

The Corporations Act places certain restrictions on the ability of Key Management Personnel (including the Chairman of the meeting) and Closely Related Parties to vote as proxy for another shareholder on Item 3 (Adoption of Remuneration Report), Item 4 (Grant of Performance Rights to Managing Director) and Item 5 (Grant of Performance Rights to Executive Director).

To ensure that your votes are counted when appointing a proxy who is a member of Key Management Personnel or a Closely Related Party of such a member, you are encouraged to direct your proxy as to how to vote on Items 3, 4 and 5 by indicating your preference by completing any of the 'For', 'Against' or 'Abstain' boxes on the proxy form.

### **The Chairman intends to vote all undirected proxies in favour of Items 3, 4 and 5.**

If you appoint the Chairman of the meeting as your proxy but you do not direct the Chairman how to vote in respect of Items 3, 4 and 5, you will be authorising and directing the Chairman to **vote in favour of Items 3, 4 and 5** and the Chairman will vote in this way, even though Items 3, 4 and 5 are connected with the remuneration of Key Management Personnel.

## PARTICIPATING IN THE MEETING ONLINE

The directors encourage shareholders to participate in the meeting via the Lumi online meeting platform.

Whilst shareholders will be able to vote on the resolutions online during the meeting in real time, shareholders are encouraged to lodge a proxy ahead of the meeting, even if they are participating online. If you are unable to attend, please lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au).

Shareholders participating in the meeting using the Lumi online platform will be able to vote between the commencement of the meeting and the closure of voting as announced by the Chairman during the meeting.

If you participate in the meeting using the Lumi online platform, you will be able to listen to the proceedings, view the presentations, ask questions of the Board and vote in real time.

Instructions on how to log on to ask questions during the meeting are outlined below and available on the Company's website at [www.gwagroup.com.au](http://www.gwagroup.com.au). Please note, only shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the meeting. Shareholders are therefore encouraged to lodge questions prior to the meeting, as outlined below under the heading "Questions for the meeting".

If you choose to participate in the meeting online, registration will open at 9:00am (AEST) on Friday, 30 October 2020.

Shareholders can participate in the Annual General Meeting and watch online using one of the following methods:

- a. via a computer or mobile device at <https://web.lumiagm.com/399059526>
- b. by using the LUMI AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

Once you have selected one of the options above, shareholders will need the following information to participate in the AGM in real time:

1. The meeting ID for the GWA Group Limited AGM, which is 399-059-526;
2. Your username, which is your SRN/HIN; and
3. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Meeting Guide (link below) for their password details.

Further information regarding participating in the meeting online, including browser requirements, is detailed in the AGM Online Meeting Guide available on the Company's website at [www.gwagroup.com.au](http://www.gwagroup.com.au).

## QUESTIONS FOR THE MEETING

Written questions to the Chairman of the Meeting about the management of GWA, or to GWA's External Auditor about the content of the Auditor's Report and the conduct of the audit, may be submitted by completing the Question Form enclosed.

To be considered in advance of the meeting, the completed Question Form must be received not later than five business days prior to the meeting (no later than 5:00pm (AEST) on Friday, 23 October 2020).

## TECHNICAL DIFFICULTIES

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected.

Where the Chairman considers it appropriate, the Chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 10:00am (AEST) on Wednesday 28 October 2020, even if they plan to attend online.

By Order of the Board



**Richard J Thornton**  
**Executive Director and Company Secretary**

11 September 2020

## EXPLANATORY MEMORANDUM

In this Explanatory Memorandum, the following terms have the following meanings:

“Company” means GWA Group Limited ABN 15 055 964 380;  
“Constitution” means the Constitution of the Company;  
“Corporations Act” means the Corporations Act 2001 (Cth);  
“director” means a director of the Company; and  
“Listing Rules” means the Listing Rules of ASX Limited.

### ACCOUNTS

As required by section 317 of the Corporations Act, the Financial Statements for the financial year ended 30 June 2020 together with the statement and report by the directors and the report by the external auditor will be laid before the meeting. Members will be provided with the opportunity to ask questions about the reports. However, there will be no formal resolution put to the meeting about the reports.

### ORDINARY RESOLUTIONS

Resolutions 1 to 5 (inclusive) are ordinary resolutions and will require the support of more than 50% of the votes cast at the meeting by members entitled to vote in order that they be passed.

### RESOLUTIONS 1 AND 2 – RE-ELECTION OF DIRECTORS

The Company’s Constitution provides for the retirement of one-third of the directors from office at each Annual General Meeting. The directors who are to retire is determined according to the length of time each director has spent in office, with the director having spent the longest time in office retiring. By virtue of the Company’s Constitution, Ms Jane McKellar and Mr Richard Thornton are retiring by rotation at this Annual General Meeting and, being eligible, offer themselves for re-election as directors.

Profiles of Ms McKellar and Mr Thornton are outlined below:

#### **JANE MCKELLAR BA, MA (HONS), GAICD** **Independent Non-Executive Director**

- Special Responsibilities: Member of Nomination and Remuneration Committee

Ms McKellar was appointed a Non-Executive Director of GWA Group Limited on 28 October 2016. She is an experienced Non-Executive Director in both public and private companies in Australia and the USA, with key contributions in customer-focused business transformation, harnessing digital technology, and brand and marketing strategies to enhance business performance. Her executive experience includes senior roles with Unilever, NineMSN, Microsoft, Elizabeth Arden and Stila Corp. She is presently a Non-Executive Director at ASX listed Freedom Foods Group Limited and McPherson’s Limited and is also on the Board of the NRMA.

During the past 3 years, listed companies of which Ms McKellar has served as a director are McPherson’s Limited (since 2015), Freedom Foods Group Limited (since 2020) and Automotive Holdings Group Limited (2015 to 2019).

The Board considers Ms McKellar to be independent.

#### **RICHARD THORNTON CA, BCOM (ACC), LLB (HONS), LLM** **Executive Director and Company Secretary**

- Expertise: Chartered Accountant, taxation and finance

Mr Thornton was appointed an Executive Director of GWA Group Limited in 2009. He joined GWA Group Limited in 2002 as Group Taxation Manager and Treasurer and was appointed Company Secretary in 2003. He is a Chartered Accountant and is experienced in accounting, taxation and finance through positions at Coopers & Lybrand, Citibank and Ernst & Young in Australia and overseas. Mr Thornton continued in his role as Company Secretary following his appointment as an Executive Director in 2009. He is a Non-Executive Director of Great Western Corporation Pty Ltd.

### Recommendation

***The Board (other than Ms McKellar and Mr Thornton who are seeking re-election) recommends that you support the resolutions re-electing Ms McKellar and Mr Thornton as directors of the Company.***

### RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

This resolution is a requirement of section 250R of the Corporations Act.

#### **SHAREHOLDERS NON-BINDING VOTE ON THE REMUNERATION REPORT**

Section 250R of the Corporations Act requires that the Company’s members vote on whether or not the Remuneration Report should be adopted. This vote is advisory only and the outcome will not be binding on the Board.

Prior to holding this vote, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about the Remuneration Report.

### WHAT IS INCLUDED IN THE REMUNERATION REPORT?

The Remuneration Report includes information on how Company directors and certain executives are remunerated. More specifically, the report includes disclosure of all elements of the remuneration received by the Company’s directors and other key management personnel.

The report also includes a discussion of the Board’s policy for determining executive remuneration and the relationship between the Board’s policy for determining remuneration and the Company’s performance.

In respect of executives whose remuneration is linked to performance conditions, the report contains:

1. a summary of the performance conditions that attach to each element of their remuneration; and
2. an explanation of the relative proportions of those elements of their remuneration that are linked to performance conditions and those elements of their remuneration that are not.

In respect of executives who are employed under a contract, the report sets out the length of the contract, the notice period for terminating the contract and the amount of any termination payments payable under the contract.

### Recommendation

***The Remuneration Report forms part of the Directors’ Report, adopted in accordance with a unanimous resolution of the directors. Each of the directors recommends the Remuneration Report to shareholders for adoption.***

#### RESOLUTION 4 - APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN

The Long Term Incentive Plan (**LTIP**) was approved by shareholders at the Annual General Meeting on 30 October 2008.

The Board has approved a change to the LTIP which will apply to any grant of Performance Rights to the Managing Director and Executive Director for this year. The changes relate to the Return on Funds Employed (**ROFE**) measure, which is the second performance measure under the LTIP.

The Board has considered the setting of performance targets for the FY21 LTIP in the context of the ongoing impacts of the COVID-19 pandemic. There are significant challenges with predicting the impact on the construction market and the level of activity, and therefore accurately forecasting ROFE for the next three year period.

As a result, the Board has decided that ROFE is not a suitable measure for the FY21 LTIP. After considering various alternatives and incorporating independent expert advice, the Board decided to retain the relative TSR measure with the existing comparator group as a single performance measure.

This decision is specific to the FY21 LTIP and is in response to the current uncertain economic environment and does not necessarily represent ongoing performance measures for future LTIP grants.

For the FY22 LTIP, the Board will take into account the prevailing conditions at that time but its current preference is to revert to ROFE, or an alternative measure such as Return on Capital Employed (ROCE), as the second measure for the Company's LTIP. Shareholders will be kept informed on this issue.

The Board is seeking shareholder approval by ordinary resolution to the grant of up to 455,000 Performance Rights under the LTIP to the Managing Director, Mr Tim Salt, in accordance with the requirements of Listing Rule 10.14 and for all other purposes.

Listing Rule 10.14 provides that the Company must not issue securities to a Director under an employee incentive scheme without shareholder approval. Pursuant to Listing Rules 10.11 and 10.12 (Exception 7), further shareholder approval is not required for the subsequent exercise and conversion of the Performance Rights into shares in the Company. If shareholder approval is given under Listing Rule 10.14, shareholder approval is also not required for the grant of those Performance Rights under Listing Rule 7.1 and the Performance Rights granted will not count towards the 15% limit on the number of equity securities that the Company may issue or agree to issue in any 12 month period without shareholder approval or an exception under Listing Rule 7.1.

A Performance Right is the right to receive one share in the Company, at no exercise price, subject to the satisfaction of all applicable vesting conditions.

Mr Salt is eligible to receive Performance Rights under the LTIP, potentially vesting and becoming exercisable after the performance period from 1 July 2020 to 30 June 2023. Performance Rights which do not vest will lapse and will not be re-tested. Once vested, Performance Rights may be exercised before their expiry seven years after the date of grant.

The actual number of Performance Rights to be granted to Mr Salt (to a maximum of 455,000 Performance Rights) will be determined based on 100% of his fixed remuneration for FY21 divided by the volume weighted average price of shares in the Company calculated over the 20 trading days after the Company's Annual General Meeting on 30 October 2020.

For example, based on a closing share price of \$2.51 as at 26 August 2020, Mr Salt would be eligible to be granted 398,406 Performance Rights. He will receive the Performance Rights at no cost to him.

It is noted that Mr Salt is a director of the Company and therefore a related party under Listing Rule 10.11.1, and the granting of Performance Rights is intended to remunerate or incentivise Mr Salt. Accordingly, for the purposes of Listing Rule 10.13.8, Mr Salt's current total maximum remuneration package for FY21 is \$2,750,000, comprising \$1,000,000 as total fixed remuneration (inclusive of superannuation) and \$1,750,000 as the maximum amount that Mr Salt can earn as variable remuneration. Shareholders are referred to the Remuneration Report for further details of Mr Salt's remuneration arrangements.

Performance Rights will vest depending upon the Company meeting or exceeding its performance hurdle during the three year performance period from 1 July 2020 to 30 June 2023.

As outlined above, the basis of the grant to Mr Salt for the FY21 LTIP is 100% of the Performance Rights are subject to a relative Total Shareholder Return (**TSR**) hurdle. TSR is a key measure on which the Company's strategic plan is focused. Ensuring LTI rewards are contingent on this measure is consistent with the Board approved strategy.

The performance hurdle and vesting proportions for the TSR measure that will apply to the grant of Performance Rights during FY21 is as follows:

| <b>TSR of GWA Group Limited relative to TSRs of Comparator Companies</b> | <b>Proportion of Performance Rights to Vest if TSR hurdle is met</b> |
|--------------------------------------------------------------------------|----------------------------------------------------------------------|
| Less than the 50th percentile                                            | 0%                                                                   |
| 50th percentile                                                          | 25%                                                                  |
| Between the 50th percentile and 75th percentile                          | Straight line vesting between 25% and 100%                           |
| 75th percentile or higher                                                | 100% (i.e. 100% of total grant)                                      |

The group of comparator companies for the TSR hurdle includes a bespoke group of 20 domestic ASX listed companies exposed to similar economic, market, and/or financial factors.

GWA and the comparator companies operate in a number of different sectors (e.g. Industrial, Material, Consumer Discretionary) and the choosing of one sector or industry will not provide a comprehensive list of related companies. To ensure an adequate number of comparator companies is included for the TSR hurdle, the Board has selected companies outside the building supplies and construction materials industry, but subject to similar external influences.

The group of comparator companies that will apply to the grant of Performance Rights during FY21 are as follows:

**James Hardie Industries PLC, Fletcher Building Ltd, Boral Ltd, Adelaide Brighton Ltd, Brickworks Ltd, Super Retail Group Ltd, CSR Ltd, ARB Corp Ltd, Bapcor Ltd, Breville Group Ltd, Asaleo Care Ltd, GUD Holdings Ltd, Cedar Woods Properties Ltd, Decmil Group Ltd, Simonds Group Ltd, Hills Ltd, Fleetwood Corp Ltd, Reece Ltd, Accent Group Ltd, Pact Group Holdings Ltd**

The Board has discretion to adjust the comparator group to take into account events including, but not limited to, takeovers, mergers, de-mergers and similar transactions that might occur over the performance period. The Board reviews the comparator group on an annual basis to ensure they remain relevant and to ensure potential new peers are considered for inclusion.

Since the last approval under Listing Rule 10.14, 329,000 Performance Rights were granted to Mr Salt on 17 February 2020 valued at \$3.04 per Performance Right, relating to the three-year performance period 1 July 2019 to 30 June 2022. That grant was approved by shareholders at the Annual General Meeting on 25 October 2019. On the same date as the grant of Performance Rights to Mr Salt, 40,500 Performance Rights were granted to Mr Richard Thornton valued at \$3.04 per Performance Right. No amount was or is payable by Mr Salt or Mr Thornton for these Performance Rights or for shares issued on exercise of these Performance Rights. Mr Salt and Mr Thornton are currently the only directors eligible under the LTIP rules to be granted Performance Rights. No person who requires approval to participate in the LTIP under Listing Rule 10.14 will be granted Performance Rights unless and until a separate shareholder approval is obtained for the purposes of Listing Rule 10.14.

No loans will be granted to Mr Salt in relation to his participation in the LTIP.

In accordance with the LTIP rules, Mr Salt is prohibited from entering into hedging transactions or arrangements which reduce or limit the economic risk of holding unvested Performance Rights.

Mr Salt will also be subject to the clawback provisions under the LTIP rules, which were strengthened following an independent external review conducted in 2019. Any shares allocated on exercise of the Performance Rights will not be subject to any further trading restrictions, subject to complying with the Company's Share Trading Policy.

Details of any Performance Rights granted under the LTIP (and shares issued upon their exercise) will be published in the Company's Annual Report relating to the period in which they have been granted, together with a note that approval of the grant was obtained under Listing Rule 10.14.

The grant of Performance Rights to Mr Salt will be made no later than 3 years after the date of this meeting.

#### Recommendation

***The Board (other than Messrs Salt and Thornton who are not entitled to vote) recommends that you support the resolution approving the grant of up to 455,000 Performance Rights to the Managing Director, Mr Tim Salt, under the terms of the Long Term Incentive Plan. None of the directors (other than Mr Salt) has an interest in the outcome of Resolution 4.***

#### RESOLUTION 5 - APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN

The Board is seeking shareholder approval by ordinary resolution to the grant of up to 55,000 Performance Rights under the LTIP to the Executive Director, Mr Richard Thornton, in accordance with the requirements of Listing Rule 10.14 and for all other purposes.

Mr Thornton is eligible to receive Performance Rights under the LTIP, potentially vesting after the performance period from 1 July 2020 to 30 June 2023. Performance Rights which do not vest will lapse and will not be re-tested.

The actual number of Performance Rights to be granted to Mr Thornton (to a maximum of 55,000 Performance Rights) will be determined based on 30% of his fixed remuneration for FY21 divided by the volume weighted average price of shares in the Company calculated over the 20 trading days after the Company's Annual General Meeting on 30 October 2020.

For example, based on a closing share price of \$2.51 as at 26 August 2020, Mr Thornton would be eligible to be granted 48,949 Performance Rights. He will receive the Performance Rights at no cost to him.

It is noted that Mr Thornton is a director of the Company and therefore a related party under Listing Rule 10.11.1, and the granting of Performance Rights is intended to remunerate or incentivise Mr Thornton. Accordingly, for the purposes of Listing Rule 10.13.8, Mr Thornton's current total maximum remuneration package for FY21 is \$737,172, comprising \$409,540 as total fixed remuneration (inclusive of superannuation) and \$327,632 as the maximum amount that Mr Thornton can earn as variable remuneration. Shareholders are referred to the Remuneration Report for further details of Mr Thornton's remuneration arrangements.

Performance Rights will vest depending upon the Company meeting or exceeding its performance hurdle during the specified three-year performance period of 1 July 2020 to 30 June 2023.

The basis of the grant to Mr Thornton and the performance hurdle and vesting proportions for the TSR measure are the same as outlined above for the grant of Performance Rights to Mr Salt.

Since the last approval under Listing Rule 10.14, 40,500 Performance Rights were granted to Mr Thornton on 17 February 2020 valued at \$3.04 per Performance Right, relating to the three year performance period 1 July 2019 to 30 June 2022. The grant was approved by shareholders at the Annual General Meeting on 25 October 2019. On the same date as the grant of Performance Rights to Mr Thornton, 329,000 Performance Rights were granted to Mr Tim Salt valued at \$3.04 per Performance Right. No amount was or is payable by Mr Thornton or Mr Salt for these Performance Rights or for shares issued on exercise of these Performance Rights.

Mr Thornton and Mr Salt are currently the only directors eligible under the LTIP rules to be granted Performance Rights. No person who requires approval to participate in the LTIP under Listing Rule 10.14 will be granted Performance Rights unless and until a separate shareholder approval is obtained for the purposes of Listing Rule 10.14.

No loans will be granted to Mr Thornton in relation to his participation in the LTIP.

Mr Thornton will be subject to the same restrictions on entering into hedging transactions or arrangements, and the same clawback provisions and Share Trading Policy, as are described above in relation to Mr Salt and Resolution 4.

Details of any Performance Rights granted under the LTIP (and shares issued upon their exercise) will be published in the Company's Annual Report relating to the period in which they have been granted, together with a note that approval of the grant was obtained under Listing Rule 10.14.

The grant of Performance Rights to Mr Thornton will be made no later than 3 years after the date of this meeting.

#### Recommendation

***The Board (other than Messrs Thornton and Salt who are not entitled to vote) recommends that you support the resolution approving the grant of up to 55,000 Performance Rights to the Executive Director, Mr Richard Thornton, under the terms of the Long Term Incentive Plan. None of the directors (other than Mr Thornton) has an interest in the outcome of Resolution 5.***



## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

GWA

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST)**  
**Wednesday 28 October 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## ATTENDING THE MEETING

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

### Corporate Representative

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

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

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



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

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of GWA Group Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of GWA Group Limited to be held via a virtual platform at <https://web.lumiagm.com/399059526> on Friday, 30 October 2020 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3, 4 and 5 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** 1. The Chairman of the Meeting intends to call a poll on each of the items set out below. 2. If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority.

#### Ordinary Business

|                                                 | For                      | Against                  | Abstain                  |
|-------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 1 Re-election of Director - Ms Jane McKellar    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-election of Director - Mr Richard Thornton | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Adoption of the Remuneration Report           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### Special Business

|                                                                                                    |                          |                          |                          |
|----------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 4 Approval of grant of Performance Rights to Managing Director under the Long Term Incentive Plan  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Approval of grant of Performance Rights to Executive Director under the Long Term Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Before completing your vote and returning by post, please consider using the preferred electronic voting option outlined on the front page of this form.**

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

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

GWA

2 6 5 8 3 1 A



Computershare



# Shareholder Questions

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GWA Group Limited aims to provide relevant and timely information to shareholders at the Annual General Meeting. **If you would like to submit a question, please use this form and send it to Computershare together with your completed proxy form.**

Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Statement.

**Questions must be received by no later than 5:00pm Brisbane time on Friday 23 October 2020.**

Questions will be collated, and during the course of the Annual General Meeting, the Chairman or the Chief Executive Officer will seek to address as many of the more frequently raised topics as possible. Where a question relates to the audit, the accounting policies adopted by the Company in relation to the preparation of the financial statements, or the independence of the auditor in relation to the conduct of the audit, the Chairman will request a representative of GWA Group Limited's auditor, KPMG, to respond to such questions. Please note that there may not be sufficient time available at the meeting to address all topics raised.

Name: \_\_\_\_\_ SRN/HIN: \_\_\_\_\_

Address: \_\_\_\_\_

## Question(s)

1. Question is for the ☐ Chairman ☐ Auditor

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2. Question is for the ☐ Chairman ☐ Auditor

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3. Question is for the ☐ Chairman ☐ Auditor

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