



TREASURY WINE ESTATES

12 February 2020

ASX ANNOUNCEMENT

CEO transition and remuneration arrangements

Further to the Company's announcement to the market on 21 October 2019 regarding the Company's CEO succession plans, Treasury Wine Estates Ltd (ASX:TWE) today announced that the Company's current CEO, Michael Clarke, will retire effective from 1 July 2020, and that Tim Ford will be appointed to the role of Chief Executive Officer from that date, thereby allowing Mr Ford to be CEO for the full financial year.

A summary of the key terms for Mr Clarke and the employment agreement between TWE and Mr Ford is set out below.

For the purposes of ASX Listing Rule 15.5, TWE confirms that this document has been authorised for release to the market by the Board.



Summary of the key terms of separation between Treasury Wine Estates Limited and Mr Michael Clarke

In line with the agreements with Mr Clarke, the Company will provide repatriation support to Mr Clarke up to a maximum value of \$50,000 and he will be treated as a good leaver. This means he qualifies for Long Term Incentive Plan (LTIP) and Short Term Incentive Plan (STIP), based on delivery of performance metrics, prorated for time served where appropriate.

The remainder of Mr Clarke's terms are customary, including a 12 month non-compete and non-solicitation clause.

The Company will separately agree the terms of any consulting arrangement with Mr Clarke as and when required.

Summary of the key terms of employment between Treasury Wine Estates Limited and Mr Tim Ford

Term of contract

Mr Ford's employment with Treasury Wine Estates Limited as Chief Executive Officer will commence on 1 July 2020, following the retirement of Michael Clarke. Mr Ford's contract is open ended and either party must give 6 months' notice of termination. The Company can pay out the notice period. The Company will also make a severance payment of an amount equivalent to 6 months fixed remuneration, should it terminate the contract for convenience. Mr Ford's employment may also be terminated immediately without notice for defined causes.

Fixed Remuneration

Mr Ford's total fixed annual remuneration is AUD \$1.5 million per annum. This will next be reviewed in September 2021.

Incentives

Mr Ford is eligible to participate in the Company's Short Term Incentive Plan (STIP).

For F21, his 'at target' incentive opportunity is equal in value to 83.3% of his fixed remuneration. His maximum incentive opportunity is capped at the equivalent of 150% of his fixed remuneration. One-third of any STIP award will be deferred into Restricted Equity, of which one-half (ie one-sixth of overall STIP award) will vest after approximately one year, and one-half (ie one-sixth of overall STIP award) will vest after two years.

Mr Ford will also participate in the company's Long Term Incentive Plan (LTIP).

Mr Ford's F21 LTIP grant, which will be presented to shareholders for approval at the Company's 2020 Annual General Meeting, will provide for a grant of performance rights to a maximum opportunity value of 175% of his total fixed annual remuneration. These rights will only vest following a three year performance period, where the performance conditions as determined by the Board are met. Full details will be provided in the relevant notice of meeting.



Other terms

The remainder of Mr Ford's employment terms are customary, including a 12 month non-compete and non-solicitation clause.

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