

SHRIRO HOLDINGS LIMITED TIM HARGREAVES APPOINTED DIRECTOR

14 February 2018

Shriro Holdings Limited (Shriro) (ASX:SHM) wishes to welcome Tim Hargreaves to his position of Director of Shriro Holdings Limited effective 14 February 2018.

The key components of Tim's service agreement are as follows:

EXECUTIVE REMUNERATION

The remuneration of the Chief Executive Officer (CEO) comprises base pay, at-risk short term bonus (STI) and participation in the Company's Long Term Incentive Plan (LTIP).

The CEO is remunerated on a salary package basis which is a component of a formal employment contract. The salary package is considered to be appropriate for the experience and expertise needed for the position and is comparable to other similar sized companies and business units of larger companies. The salary package contains a fixed component and a short term incentive (STI) component. The STI is determined by the Board annually, based on performance against a range of targets. The CEO also participates in the Company's long term incentive plan (LTIP).

Short Term Incentive

A short term incentive (STI) forms a component of the remuneration of executive Directors and key management personnel in addition to their base remuneration. The STI for 2018 was structured on the following basis:

In 2018 Tim Hargreaves is entitled to an STI award of up to \$360,000 for target performance or \$720,000 for stretch performance, measured against the CY2018 financial year's budgeted profit before tax.

STI targets have been set by the Board for the 2018 year for the newly appointed CEO Tim Hargreaves. STI awards are expected to be paid in cash following the Board's approval of the Company's financial statements for the relevant year.

+ See chapter 19 for defined terms.

Long Term Incentive

A Long Term Incentive Plan (LTIP) has been implemented in accordance with the outline included in the Prospectus dated 27 May 2015. The LTIP allows participants to be issued with Performance Rights (Rights) which have associated performance hurdles that are tested at the end of three years from the date of issue to determine vesting. Subsequent to vesting, each Right can be exercised and converted to an equivalent number of shares of the Company.

Tim Hargreaves has been issued with 44,427 Rights in respect of the 2017 year (2016: 66,022). Testing for achievement of the performance hurdle will occur following Board approval of the Company's financial statements three years after the Rights effective issue date. It is expected that Tim Hargreaves will be invited, at the Director's discretion, to apply for Rights in respect of the 2018 financial year.

The performance hurdle relating to the Rights issued to Tim Hargreaves is for the compound annual growth rate (CAGR) of the Company's earnings per share (EPS) to be no less than 5% for the three years for 50% of the Rights to vest (threshold performance) and 10% or higher for 100% of Rights to vest (target performance). EPS performance between 5% and 10% will result in a straight line proportion of Rights to vest between 50% and 100%.

As at the date of this report, the CEO also owns 278,312 shares in the Company. The breadth and depth of share ownership fosters an alignment of objectives between shareholders, Directors and management of the Company.

Key Terms of Employment Contract

The Company entered into a new executive service agreement with Tim Hargreaves as Managing Director and CEO effective 1 January 2018. The remuneration component of the new agreement is considered to be appropriate and in line with relevant industry comparables. The short term variable component (STI) can range between 0% and 120% of the fixed component, based on performance measured against a profit before tax target, set annually by the Directors. The long term variable component (LTIP) can range between 0% and 40% of the fixed component based on performance measured against an EPS target, set by the Directors over a three year period.

Term:	No fixed term
Annual Salary:	Total fixed remuneration of \$600,000, subject to annual adjustment
Notice Period:	12 months' notice by either party at any time

+ See chapter 19 for defined terms.

For more information, contact:

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ABOUT SHRIRO

The Group is a leading kitchen appliances and consumer products marketing and distribution group operating in Australia and New Zealand.

The Group markets and distributes an extensive range of company-owned brands (including Omega, Robinhood, Everdure and Omega Altise) and third party owned brands (such as Casio, Blanco and Pioneer). Products include calculators, watches, cash registers, musical instruments, audio products, kitchen appliances, sinks & taps, laundry products, consumer electronics, car audio, amplifiers, professional DJ, Hi-Fi/speakers, fashion, lighting, gas heaters, gas barbeques, charcoal barbeques, electric heaters and cooling products.

+ See chapter 19 for defined terms.

Appendix 3X

Initial Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	Shriro Holdings Limited
ABN	29 605 279 329

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Tim Hargreaves
Date of appointment	14 th of February 2018

Part 1 - Director's relevant interests in securities of which the director is the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<p>Number & class of securities</p> <p>278,312 ordinary shares</p> <p>110,449 performance rights</p>

+ See chapter 19 for defined terms.

Part 2 – Director’s relevant interests in securities of which the director is not the registered holder

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Name of holder & nature of interest	Number & class of Securities
<p>Note: Provide details of the circumstances giving rise to the relevant interest.</p> <p>N/A</p>	

Part 3 – Director’s interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of “notifiable interest of a director” should be disclosed in this part.

Detail of contract	N/A
Nature of interest	
Name of registered holder (if issued securities)	
No. and class of securities to which interest relates	

+ See chapter 19 for defined terms.