TREASURY
WINE ESTATES

ASX Announcement 3 March 2016

CEO Remuneration Review and Appendix 3Y

The Board of Treasury Wine Estates Ltd (ASX:TWE) has undertaken a review of the remuneration of its Managing Director and Chief Executive Officer (CEO), Michael Clarke.

Mr Clarke's remuneration has not been reviewed since his appointment on 1 March 2014, and was contractually due to be reviewed on 1 September 2016.

Recognising the significant turnaround of the business over the past two years under his leadership and strategic initiatives put in place for future growth, Mr Clarke's fixed remuneration has been increased from $1.7 million to $2.2 million per annum, effective 1 March 2016.

TWE Chairman, Paul Rayner, commented: "Michael's global vision and leadership has been critical to TWE achieving outstanding results for our shareholders and the Board believes it is entirely appropriate to recognise this through an increase in his fixed remuneration."

Mr Clarke's fixed remuneration will next be reviewed in September 2017.

In addition to the Chief Executive Officer's remuneration review, TWE also issued today an Appendix 3Y in respect of a make-whole equity grant of 44,455 performance rights to Mr Clarke.

As announced to the market on 14 October 2015, as part of the process to acquire Diageo Plc's US and UK wine operations, TWE raised capital through a Pro-rata Accelerated Renounceable Entitlement Offer (Entitlement Offer) to fund the acquisition. This capital raising had a dilutive impact on the value of unvested performance rights allocated to the Chief Executive Officer under the Company's fiscal 2015 and 2016 Long Term Incentive Plans (LTIP).

TWE's Board of Directors has determined it appropriate to grant additional performance rights to address the dilutive impact of the Entitlement Offer with the objective of putting the CEO in the same economic position as he was in prior to the Entitlement Offer. The Board has also determined the same treatment for the unvested equity held by other relevant employees impacted by the dilutive effect of the Entitlement Offer.

The additional number of performance rights, and other equity under the make-whole equity grants, have been determined in accordance with methodology provided to TWE by independent advisory firm, Orient Capital.

Any vesting of the make whole equity grants will be on the same terms and conditions (including having to satisfy the same performance conditions) applied to the respective existing equity plans currently on-foot outlined in TWE's 2015 Annual Report.

Any shares required to satisfy the performance rights to be delivered to the CEO under the make-whole equity grant will be acquired on-market.

Further details will be disclosed in TWE's 2016 Annual Report.

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