

22 September 2017

Coventry Group Ltd (ASX code: CYG) announces the following Director and Senior Management changes:

RETIREMENT OF DIRECTOR

Mr Ken Perry has decided to retire as a Director of the Company effective at the conclusion of the 2017 Annual General Meeting of the Company.

Mr Perry has served as an independent non-executive Director since September 2009 and his measured and considered input and wise counsel over this time has been greatly valued.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The Board is pleased to announce the appointment of Mr Andrew Nisbet as a Non-Executive Director of the Company effective 1 October 2017.

Chairman Mr Neil Cathie said, "We welcome the appointment of Mr Nisbet who joins the Board after a long and successful executive career with ASX listed Reece Ltd, Australia's leading supplier of plumbing and bathroom products. During his career at Reece, Mr Nisbet has held a variety of senior leadership roles across Marketing, Merchandising, IT, Supply Chain Transformation and the operational management of a number of strategic business units including Reece Onsite and Reece New Zealand. He will also serve as a member of the Board's Audit and Risk Committee."

Mr Nisbet is a graduate of the Australian Institute of Company Directors.

APPOINTMENT OF CHIEF FINANCIAL OFFICER

The Board is also pleased to announce the appointment of Mr Rod Jackson to the role of Chief Financial Officer. Mr Jackson is an ACA qualified and experienced finance professional and, for the past four years, Finance Director at Bunzl Outsourcing Services Limited. For six years prior to that he was Chief Financial Officer and Group Financial Controller at Linfox. Mr Jackson will commence on 25 September 2017.

The Board would like to express its gratitude to Ms Joanna Walker who has been interim CFO since June 2017 and whose contribution and commitment, particularly through the end of year reporting period, was greatly valued.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Following feedback from shareholders, the Board has decided to reduce cash based director fees in the order of 30% with immediate effect. The Chairman's cash fee will be \$96,000 per annum inclusive of all committee work and superannuation and a Non-Executive Director's cash fee will be \$72,000 inclusive of all committee work and superannuation. Total ongoing annualised Non-Executive Directors' cash fees will be \$168,000, a 60% reduction on 2017.

The number of Non-Executive Directors will reduce from four (4) to two (2) but the smaller Board has the same statutory workload and greater responsibility and the current state of the business demands more active involvement. In order to align Directors more with shareholders, and further to the reduction in cash fees, the board believes it is appropriate that Directors be eligible to participate in the share-based Executive Incentive Plan which was approved by shareholders at the Annual General Meeting of the Company in 2015. Such a change to the Executive Incentive Plan requires shareholder approval and it is intended for this matter to be taken to shareholders at the 2017 Annual General Meeting. At this time approval for the immediate awarding of performance rights up to the value of 60% of the Chairman's base fee and up to 50% of a Non-Executive's base fee will also be sought.

During the 2018 financial year it is anticipated the Board will remain at its current size of three (3).

REMUNERATION OF EXECUTIVES

Fixed annual remuneration for executives is currently largely cash based (includes superannuation and benefits). Short term incentives of up to 60% of fixed annual remuneration are payable to executives upon the achievement of various annual performance targets as set by the Board. In addition, the Board has invited the CEO & Managing Director, GM Cooper Fluids, GM Trade Distribution Australia and GM Trade Distribution New Zealand to participate in the Executive Incentive Plan approved by shareholders at the 2015 Annual General meeting of the Company. This share-based Plan provides for the granting or issuing of performance rights in accordance with its terms and subject to the terms and performance hurdles set by the Board. The level of participation in the Plan will vary depending on the level of the executive – in the case of the CEO & MD that is 60% of his fixed annual remuneration and for each GM that is 40% of their fixed annual remuneration.

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