



ASX Announcement
3 August 2018

EXECUTIVE CHANGE AND UPDATE

Wellard Limited (Wellard, ASX:WLD) advises that current Chairman and Non-Executive Director Mr John Klepec has been appointed Interim Executive Chairman of Wellard, and will take over the management of the company's day to day operations.

The company is undergoing a strategic refocus in respect of its livestock and charter divisions.

Wellard's strategic themes remain the same, with a principal goal being to continue to rebuild the company's balance sheet. The company will remain both a cattle trader and a charterer. In the immediate short term, Wellard will concentrate its charter division primarily on the South American live cattle export market to Europe, whilst its live cattle export division will narrow its focus to trading Australian-sourced cattle to the South East Asia market, where Wellard has been the dominant supplier.

In refocusing the strategy, the Board and Wellard Executive Director – Operations, Mr Fred Troncone concluded that this should be implemented by a new senior manager. Consequently, Fred Troncone will leave Wellard and Mr Klepec was requested by the board to manage the Operations role until a permanent replacement is identified.

Mr Troncone will also resign as a Director of Wellard Limited effective 3 August 2018.

Mr Klepec thanked Mr Troncone and recognised the significant contribution he has made to Wellard at both a board level and subsequently as Executive Director - Operations, particularly in helping stabilise the business during difficult market conditions, and in relation to a very successful costs out program.

Mr Klepec possesses considerable expertise in both agriculture and listed companies. His qualifications have been previously announced to the market.

Mr Klepec will work with Wellard CEO Mauro Balzarini, who continues to focus on strategic planning and the development of growth initiatives. Key terms of Mr Klepec's interim arrangements with Wellard are included at the end of this announcement.

Chief Business Development Officer Scot Braithwaite has tendered his resignation from the business to pursue other opportunities, and will leave Wellard at 31 October 2018.

Mr Klepec said Wellard planned to release its financial results in the second half of August.

“When we released our financial results for the first half of FY2018 Wellard provided a detailed outlook for the remaining six months of the financial year. There have been no material changes between the outlook and the trading conditions that occurred in that time,” Mr Klepec said.

Wellard vessels enjoy strong bookings to the end of calendar 2018. With cattle prices in Australia stabilising at lower, more attractive levels, the Company is receiving increased interest from South East Asian markets and is looking at regaining market dominance in this core trade.

SUCCESSFUL CHINA SHIPMENT

Wellard has exported and transported its first ever shipment of cattle from Uruguay to China, the largest recent consignment shipped between the two countries, and achieved an outstanding voyage result in the process.

Wellard successfully procured and shipped 9,265 Angus heifers from Uruguay recording a voyage success rate of 99.9 per cent for the 30-day voyage from Montevideo, Uruguay, to Lianyungang, China.

“The success rate achieved on this voyage is further evidence that with modern ships and expert on-board management livestock can be safely and successfully transported across large distances,” said Mr. Klepec.

MV OCEAN DROVER

Wellard notes media reporting regarding its livestock vessel, the MV Ocean Drover.

Emerging demand for large, modern livestock vessels created by tighter shipping regulations in Australia has prompted Wellard to consider offers for the potential sale of the MV Ocean Drover.

Wellard will consider selling the vessel if any offer provides a superior return on equity for shareholders on a long-term basis compared to operating the vessel itself.

The company will make the requisite announcement to the market if a transaction is agreed.

Investors

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Key Terms of Interim Executive Chairman arrangements:

- Mr Klepec’s existing Chairman’s and associated Director’s fees are currently \$235,000 p.a.
- An additional monthly fee of \$31,000 will be payable until 31 December 2018 in respect of the additional interim duties which will be provided on a consultancy basis.
- The interim executive contract is terminable before 31 December 2018 by providing 2 weeks’ notice, and the contract is extendable by mutual agreement after 31 December 2018.
- Mr Klepec will revert to the role of Chairman following this interim engagement.