



Freedom Foods Group Limited

ABN 41 002 814 235

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

28th June 2013

Time of Meeting

1:30pm

Place of Meeting

Gilbert + Tobin, Level 37, 2 Park Street Sydney

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Extraordinary General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Freedom Foods Group Limited

ABN 41 002 814 235

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of Freedom Foods Group Limited ABN 41 002 814 235 ("Company") will be held at 1:30pm on 28 June 2013 at offices of Gilbert + Tobin, Level 37, 2 Park Street Sydney for the purpose of transacting the following business referred to in this Notice of Extraordinary General Meeting.

AGENDA

ITEMS OF BUSINESS

1. Resolution 1 – Ratification and approval of previous allotment and issue of securities

To consider and, if thought fit, pass the following as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4, shareholders ratify and approve the previous issue of securities as detailed in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any person who participated in the issue of ordinary shares described in the Explanatory Memorandum and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The chairman intends to vote all available proxies in favour of this resolution. To authorise the chairman to vote as your proxy in accordance with his intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

2. Resolution 2 – Approval of the Employee Share Option Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the issue of securities in the Company under the Employee Share Option Plan be approved for the purposes of the ASX Listing Rule 7.2, exception 9."

Voting Exclusion

The Company will disregard any votes cast by P.R. Gunner, G.H. Babidge, M.Miles, R.J.F. Macleod and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The chairman intends to vote all available proxies in favour of this resolution. To authorise the chairman to vote as your proxy in accordance with his intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

3. Resolution 3 – Directors' remuneration pool

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That in accordance with ASX Listing Rule 10.17 and clause 94(1) of the Company's Constitution, the maximum aggregate remuneration payable out of funds of the Company to non-executive directors of the Company be increased from \$300,000 to \$500,000 (inclusive of statutory entitlements) with effect from 1 July 2013."

Voting Exclusion:

The Company will disregard any votes cast on this resolution by a director or by an associate of a director.

However, the Company will not disregard a vote if:

- it is cast by a director (including the Chairman of the meeting) or an associate of a director, as a proxy for a shareholder entitled to vote, in accordance with the directions on the proxy form, or
- it is cast by the Chairman of the meeting, as a proxy for a shareholder entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

For the purposes of Resolutions 1 – 3, the following definitions apply:

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rule means the listing rules of the ASX.

Board means the board of directors of the Company.

Company means Freedom Foods Group Limited ABN 41 002 814 235.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means *Corporations Act 2001* (Cth).

Employee Share Option Plan means the Company's Employee Share Option Plan established and approved on 30 November 2006.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Notice means this Notice of Extraordinary General Meeting.

Resolution means a resolution contained in this Notice.

By order of the Board



Rory Macleod
Company Secretary
29th May 2013

How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue of ordinary shares described in the Explanatory Memorandum and any of their associates. However, the Company need not disregard a vote that is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
- The Company will disregard any votes cast by P.R. Gunner, G.H. Babidge, M.Miles, R.J.F. Macleod and any of their associates. However, the Company need not disregard a vote that is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a

direction on the proxy form to vote as the proxy decides.

- The Company will disregard any votes cast on Resolution 3 by and on behalf of a director of the Company and an associate of that director. However, the Company need not disregard a vote that is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by the Company Secretary no later than 48 hours before the time for holding the meeting.
- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice to:
Company Secretary
80 Box Road,
Taren Point, NSW 2229; or
 - by faxing a completed proxy form to
(02) 9525 5406

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 6pm (Sydney time) on 26 June 2013. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Extraordinary General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 6pm on 26 June 2013.

PROXY FORM

Freedom Foods Group Limited ("Freedom")

ABN 41 002 814 235

Name Address 1

Name Address 2

Name Address 3

Name Address 4

Appointment of Proxy

If appointing a proxy to attend the Extraordinary General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse of the page.

I/We _____ of _____ being a shareholder/shareholders of Freedom pursuant to my/our right to appoint not more than two proxies, appoint:



The Chairman of the Meeting
(mark with an "X")

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting to be held at on **28 June 2012** at **1.30pm** in offices of Gilbert + Tobin, Level 37, 2 Park Street Sydney and at any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the ordinary shares I/we hold.



If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him other than as proxyholder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. If you wish to direct your proxy how to vote with respect to the proposed resolution, please indicate the manner in which your proxy is to vote by placing an "X" in the appropriate box below, otherwise your proxy will vote or abstain from voting as he/she thinks fit.

The Chair of the Meeting intends to vote undirected proxies in favour of Resolutions 1, 2 and 3.



I/We direct the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolutions **1, 2 and 3** (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the Board and even if the Chair has an interest in the outcome of these items and any votes cast by the Chair, other than as proxy holder, would be disregarded because of that interest.

Voting directions to your proxy – please mark ☒ to indicate your directions

RESOLUTION	For	Against	Abstain *
1. Ratification and approval of previous allotment and issue of securities	☐	☐	☐
2. Approval of the Employee Share Option Plan	☐	☐	☐
3. Directors' remuneration pool	☐	☐	☐

**If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director & Sole Company Secretary

Director

Director/ Company Secretary

Dated this _____ day of _____ 2013

Contact Name

Contact Business Telephone / Mobile

**Extraordinary General Meeting
Proxy Form**

**Freedom Foods Group Limited
ABN 41 002 814 235**

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Completion of a proxy form will not prevent individual shareholders from attending the Extraordinary General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Extraordinary General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Extraordinary General Meeting.
2. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
5. Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of evidence of appointment. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment to including any authority under which it is signed.
7. If a representative of a shareholder is appointed under a power of attorney is to attend the meeting, a properly executed original (or certified copy) of the power of attorney under which they have been authorised should be produced for admission to the Extraordinary General Meeting.

8. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual:** Where the holding is in one name, the holder must sign.
- Joint Holding:** Where the holding is in more than one name, all of the shareholders should sign.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary this form must be signed by that person.
- If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.
- Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. Lodgement of a Proxy

This Proxy Form (and any power of attorney under which it is signed) must be received at the address below not later than 6pm on 26 June 2013 (48 hours before the commencement of the Meeting). Any Proxy Form received after that time will not be valid for the scheduled Meeting.

- Postal address:** Company Secretary
80 Box Road,
Taren Point, NSW 2229
- Fax number:** (02) 9525 5406

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Extraordinary General Meeting of Freedom Foods Group Limited (the "**Company**").

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

RESOLUTION 1 – RATIFICATION AND APPROVAL OF PREVIOUS ALLOTMENT AND ISSUE OF SECURITIES

The purpose of resolution 1 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, the issue of securities which occurred on 18 April 2013.

ASX Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

The allotment and issue of securities detailed in this resolution 1 did not exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with approval for the purposes of ASX Listing Rule 7.1, thereby replenishing the entity's 15% capacity and enabling it to issue further securities up to that limit.

Resolution1 proposes the ratification and approval of the allotment and issue of securities for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

The information required to be given to shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

In compliance with the information requirements of ASX Listing Rule 7.5, shareholders are advised of the following particulars in relation to the allotment and issue:

Date of issue	Number of securities	Issue price per security	Terms of securities issued	Persons to whom securities were issued	Basis for determining allottees and use of funds raised by the issue
18 April 2013	14,150,825	\$1.04	Securities ranked equally with the existing securities on issue except they were not entitled to receive the dividend of \$0.01 announced in February and payable on 31 May 2013	Institutional and sophisticated investors	The securities were issued through a private placement. The funds were raised to fund the growth strategy of the Company.

The Directors recommend that you vote for this resolution.

The chairman intends to vote all available proxies in favour of this resolution. To authorise the chairman to vote as your proxy in accordance with his intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. The Company will disregard any votes cast on this Resolution by any person who participated in the issue of ordinary shares described in the Explanatory Memorandum and any of their associates.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 – APPROVAL OF THE EMPLOYEE SHARE OPTION PLAN

ASX Listing Rule 7.1 prohibits the Company from issuing equity securities which, in aggregate, exceed 15% of the fully paid ordinary share capital of the Company in any 12 month period.

ASX Listing Rule 7.2 exception 9 provides that ASX Listing Rule 7.1 does not apply in respect of securities issued by the Company under an employee incentive scheme, if the scheme has been approved by shareholders within the three years before the date of issue of the relevant securities. As a result, the Company seeks shareholder approval so that the future issue of securities under the employee share option plan (**ESOP**) will not be counted for the purposes of ASX Listing Rule 7.1.

Options are granted under the ESOP at the discretion of the directors. A summary of the terms of the ESOP is contained in schedule 1 of this Explanatory Memorandum. The terms of the plan may be updated or amended from time to time at the absolute discretion of the directors.

As at the date of this Notice of Meeting, 13,350,000 options have been granted in relation to the performance of employees since 30 November 2006. Of these 13,350,000 options, 300,000 options have been exercised and 4,600,000 options have lapsed leaving 8,450,000 options currently on issue.

The Company expects to grant further options to employees in respect of the year ending 30 June 2014.

The directors (other than P.R. Gunner, G.H. Babidge, M.Miles, R.J.F. Macleod) recommend you vote in favour of Resolution 2.

The chairman intends to vote all available proxies in favour of this resolution. To authorise the chairman to vote as your proxy in accordance with his intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

Voting

Note that a voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting. The Company will disregard any votes cast on this Resolution by P.R. Gunner, G.H. Babidge, M.Miles, R.J.F. Macleod and any of their associates.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The chairman intends to vote all available proxies in favour of this resolution. To authorise the chairman to vote as your proxy in accordance with his intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

RESOLUTION 3 – BOARD REMUNERATION POOL

Pursuant to Clause 94(1) of the Company's Constitution and ASX Listing Rule 10.17, the Company is seeking approval from shareholders to increase the maximum aggregate amount available for Non-executive Directors' fees from \$300,000 to \$500,000 per year, an increase of \$200,000 per year. The current maximum aggregate amount of \$300,000 was approved by shareholders at the 2006 Annual General Meeting. This amount

includes statutory superannuation contributions but does not include other payments that may be payable to the Non-executive Directors as provided for in the constitution.

Individual non-executive director's fees shall be established by the Remuneration and Nomination Committee within the aggregate fees established by shareholders having regard to the factors including internal factors such as Company's financial performance and external factors such fees paid by other Australian publicly listed companies.

It is not the Company's intention to use the whole of the new maximum aggregate immediately.

The proposed increase in the maximum aggregate amount will provide flexibility to:

- allow for payment of appropriate fees over time, and taking into account the increasing time and responsibilities required of Non-executive Directors generally and in particular with regard to:
 - increasing corporate governance complexity and other regulatory requirements; and
 - the growth in the size, scope and diversity of the Company's businesses as it continues to expand into new markets and new regions;
 - continue to attract and retain Directors of the highest calibre to oversee the strategic and operational challenges of the Company as it continues its growth strategy;
- allow for future adjustments in line with market conditions; and
- increase the number of future Board members and allow for transition periods, as part of an active Board renewal and succession planning process. This will ensure that the Company's interests are best served in its next period of growth and development. In this context, the Company has announced the appointment of a new independent non executive director. The current maximum aggregate cap for Directors fees does not provide sufficient funds for flexibility with regard to the above factors and for any payments to provide for an additional independent non executive director.

Shareholders should note that the proposed increase in Non-executive Directors' remuneration does not relate to salaries paid to the Managing Director in his capacity as an executive of the Company. The Managing Director does not receive remuneration in the form of Directors' fees in addition to their salaries.

With the Non-executive Directors noting their interest in the matter, the Board unanimously recommends that shareholders approve the increase in the maximum aggregate amount of Non-executive Director fees.

Voting

Note that a voting exclusion applies to Resolution 3 in the terms set out in the Notice of Meeting. The Company will disregard any votes cast on this Resolution by a director or an associate of a director.

However, the Company will not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The chairman intends to vote all available proxies in favour of this resolution. To authorise the chairman to vote as your proxy in accordance with his intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

GLOSSARY

Board means the board of Directors of the Company.

Company means Freedom Foods Group Limited ABN 41 002 814 235.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Employee Share Option Plan means the Company's Employee Share Option Plan established and approved on 30 November 2006.

Group means the related bodies corporate of the Company and the Company.

Group Companies includes related bodies corporate of the Company and a body corporate in which the Company has voting power of 20% or more.

Meeting means the Extraordinary General Meeting the subject of the Notice.

Notice means the notice of Extraordinary General Meeting which accompanies this Explanatory Memorandum.

Resolution means a resolution proposed pursuant to the Notice.

Schedule 1: Summary of Employee Share Option Plan

The Employee Share Option Plan allows the Company to grant options over shares to all directors (excluding Ron and Anthony Perich) and permanent full time or part time employees, or their respective nominees, of a company in the group (**Group Companies**), which includes related bodies corporate of the Company and a body corporate in which the Company has voting power of 20% or more, whom the Board determines to be eligible to participate.

The Employee Share Option Plan contains customary and usual provisions dealing with matters such as administration of the plan, variation of plan rules, and termination or suspension of the plan. A summary of the main provisions of the Employee Share Option Plan is provided below.

Eligibility: Under the plan, the Board may, in its absolute discretion, determine which eligible persons will be offered the opportunity to participate in the plan. Eligible persons for the purpose of the plan are employees of a Group Company and executive or non-executive directors of the Company, excluding Ron Perich and Anthony Perich. These eligible executive and non-executive directors of the Company are P.R. Gunner, G.H. Babidge, M.Miles and R.J.F. Macleod.

Exercise Price: Under the plan, the Board may, in its absolute discretion, determine the exercise price for an option.

Quotation: Quotation of options on ASX will not be sought. However, the Company will apply for quotation of shares issued on the exercise of options.

Lapse: Options lapse on the earliest of:

- a) an exercise of the option;
- b) the end of any period during which the Board stipulated that the option must be exercised, which cannot be more than 5 years from the date of grant of the option;
- c) apart from the circumstances listed directly below in (d), the participant ceasing to be an employee of the Freedom Group 12 months after the date of cessation of employment;
- d) if the participant ceases to be an employee by reason of resignation by the participant or summary dismissal or other dismissal for cause under the participant's employment contract with Group Company and the option was not exercisable when the employee ceased employment with a Group Company;
- e) apart from the circumstances listed directly below in (f), the participant ceasing to be director of the Company 12 months after the participant ceased to be a director of the Company (this does not apply if a director continues to be an employee of a Group Company);
- f) if the participant ceases to be a director of the Company by reason of resignation by the participant, and the options was not exercisable when the participant ceased to be a director of the Company (this does not apply if a director continues to be an employee of the Group Company);
- g) the Board becoming aware of circumstances in which the participant acted fraudulently, dishonestly or in a manner in material breach of their obligations to the Company; or
- h) the Company commences to be wound up.

A copy of the Employee Share Option Plan may be inspected during normal office hours at the offices of the Company at 80 Box Road Taren Point NSW 2229.