

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Australian Vintage Limited (the “Company”) will be held in the Grand Lodge Room, Sydney Masonic Centre, 66 Goulburn Street, Sydney, on Wednesday 20 November, 2013 at 3.00 pm Sydney time.

### Ordinary business

#### A. Accounts

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of the Company for the year ended 30 June 2013.

*Australian Vintage Limited 30 June 2013 Annual Report is now available at:  
[www.australianvintage.com.au/Investors/AnnualReports.aspx](http://www.australianvintage.com.au/Investors/AnnualReports.aspx)*

#### B. Re-election of a Director

##### Resolution 1

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

*“That Perry R Gunner is re-elected as a non executive Director of the Company.”*

#### C. Adoption of Remuneration Report

##### Resolution 2

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

*“That the Remuneration Report of the Company for the year ended 30 June 2013 be adopted.”*

##### Note:

The vote on this item is advisory only and does not bind the Directors or the Company. Shareholders should note that as a result of amendments to the Corporations Act 2001(as amended), the result of the vote on this item may affect how next year's Annual General Meeting is run.

##### Voting Exclusion Statement (Corporations Act 2001(as amended)):

The Company will not accept any votes cast on this item by or on behalf of a person who is disclosed in the Remuneration Report as one of the key management personnel of the Company (including the directors), or a closely related party of that person (as these persons are not entitled to vote on the resolution in their own capacity). However, such a person may cast a vote on this resolution if they do so as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form.

If you have appointed the Chairman of the meeting as your proxy and you do not mark either “For”, “Against” or “Abstain” on the proxy form, you expressly authorise the Chairman to exercise any proxies held by him. The Chairman intends to vote any undirected proxies in favour of Resolution 2 (Remuneration Report).

### Special Business

#### D. Grant of performance rights to the CEO and Executive Director, Neil McGuigan

##### Resolution 3

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

*“That approval is given as required by the Corporations Act and ASX Listing Rules for:*

- a) The grant of 257,003 performance rights under the AVG Performance Rights and Option Plan (“Plan”) (approved by shareholders at the 2012 Annual General Meeting) to Neil McGuigan on 22 July 2013; and*
- b) The acquisition of shares in the Company on the vesting of those performance rights in accordance with the rules of the Plan as described in the Explanatory Statement accompanying this Notice of Meeting.”*



# Notice of Annual General Meeting

## Notes

### 1. Entitlement to Attend and Vote

For the purposes of the meeting, those shareholders who are registered members as at the close of business (7pm Sydney time) on 18 November 2013 will be voting members for the meeting. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the meeting.

#### Voting Exclusion Statement

The Company will disregard any votes cast on **Resolution 3** by a Director of the Company entitled to participate in the Plan and, if under rule 10.14.3 of the ASX Rules the ASX requires approval for participating in the Plan by anyone else, that person and an associate of those persons.

The Company need not disregard a vote on **Resolution 3** if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

A vote must not be cast on **Resolution 3** by the Company's key management personnel, or a closely related party of any key management personnel, acting as a proxy, if their appointment does not specify the way the proxy is to vote on the resolutions. This voting exclusion does not apply if the key management personnel is the chair of the meeting acting as proxy and their appointment expressly authorises the chair to exercise the proxy even though the resolutions are connected with the remuneration of a member of the key management personnel for the Company's. The Chairman intends to vote any undirected proxies in favour of **Resolution 3**.

### 2. Appointment of Proxies

A member entitled to attend and vote at the above meeting is entitled to appoint a person as its proxy to attend and vote for the member at the meeting. An appointed proxy need not be a member of the Company and may be an individual or a body corporate.

A proxy appointed to attend and vote for a member has the same rights as the member to speak at the meeting and to join in a demand for a poll. An appointment may specify the number or proportion of the member's votes that the proxy is to exercise.

If you are entitled to cast two or more votes on a resolution at the meeting, you may appoint two separate proxies to vote on your behalf. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of your votes. Fractions of votes will be disregarded.

A proxy form has been included with this Notice of Meeting. Further instructions on proxy voting are located on the back of the proxy form. If you wish to appoint a second proxy, please contact the Company's Share Registry, Computershare Investor Services Pty Limited, to acquire a second form. Contact details are located on the proxy form accompanying this notice.

The Proxy Form must be sent and received in accordance with Note 4 below.

### 3. Power of Attorney

If a shareholder has appointed an attorney to attend and vote at the meeting (or if a proxy form is signed by an attorney), the power of attorney, or a certified copy of the power of attorney, must be sent and received in accordance with Note 4 below.

### 4. Proxy Form and Power of Attorney Delivery

To be effective either the original or a facsimile transmission of the proxy and any power of attorney, or a certified copy of the power of attorney, (if any) under which the proxy is signed must be received at the Company's Share Registry, Computershare Investor Services Pty Limited in the envelope provided (if mailing within Australia) or at GPO Box 242, Melbourne VIC 3000 (facsimile 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)), no later than 3.00pm Sydney time on 18 November 2013.

**Online voting** – You can submit your proxy appointment online by visiting [www.investorvote.com.au](http://www.investorvote.com.au). To use the online facility you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website.

**Custodian voting** - For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

### 5. Corporate Representatives

If a corporate representative is to attend the meeting on behalf of a corporate member, a formal notice of appointment must be brought to the meeting. A copy of a valid form of appointment can be obtained from the Company's Share Registry or at [www.computershare.com.au](http://www.computershare.com.au).

### 6. Questions and Comments by Members

#### Questions regarding Company management and the Remuneration Report

In accordance with the Corporations Act 2001 (as amended), the chairperson of the meeting will allow a reasonable opportunity for members – as a whole – at the meeting to ask questions about, or make comments on, the management of the Company and the Remuneration Report.

## Notes

### Questions regarding the Company's audit and accounting policies

The chairperson will allow a reasonable opportunity for members at the meeting to ask questions of a representative of the Company's Auditor, Deloitte Touche Tohmatsu, relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the Financial Statements and the independence of the Auditor in relation to the conduct of the audit.

Pursuant to the Corporations Act 2001 (as amended), members may submit written questions to the Company's Auditor relevant to the content of the Auditor's Report to be considered at the Annual General Meeting or the conduct of the audit of the Financial Report to be considered at the Annual General Meeting.

Questions to the Company's Auditor must be given to the Company no later than Wednesday 13 November 2013. The Company may examine the contents, and make a copy, of any question so submitted. A list of relevant written questions prepared for the Company's Auditor will be made available to members attending the Annual General Meeting before the start of the meeting.

The chairperson of the Annual General Meeting will allow a reasonable opportunity at the meeting for a representative of the Company's Auditor to answer any written questions submitted in accordance with the above procedure. If the Company's Auditor has prepared written answers to written questions, the chairperson may allow these to be tabled at the meeting and such written answers will be made available to members as soon as practicable after the meeting.

Please send any written questions for the Company's Auditor to the Company at its registered office at 275 Sir Donald Bradman Drive, Cowandilla SA 5033 or by facsimile on (08) 8172 8399 by no later than 5:00pm EST on Wednesday 13 November 2013.

Dated: 25th September 2013



**Michael Noack** Company Secretary  
By Order of the Board

## Explanatory Notes on Items of Business

### Ordinary Business

#### Resolution 1:

##### Re-election of Perry R Gunner

Perry R Gunner retires in accordance with the rotation procedure in Rule 89 of the Company's Constitution and, being eligible, offers himself for re-election.

Mr Gunner has been a Director of the Company since 2002.

#### Resolution 2:

##### Remuneration Report

The Remuneration Report for the year ended 30 June 2013 is contained within the Directors Report of the company for the financial year ended 30 June 2013.

Pursuant to section 250R(2) of the Corporations Act 2001 (as amended), a resolution that the Remuneration Report be adopted will be put to the vote at the Company's Annual General Meeting. The vote on the proposed resolution is advisory only and does not bind the directors or the Company.

The chairperson of the Annual General Meeting will allow a reasonable opportunity for members to ask questions about, or make comments on, the Remuneration Report.

### Special Business

#### Resolution 3:

##### Approval of the Long Term Incentive (LTI) Invitation grant of Performance Rights to Neil McGuigan ("the McGuigan Performance Rights") under the AVG Performance Rights and Option Plan ("Plan")

Approval is sought for the grant of 257,003 Performance Rights in the Plan to Neil McGuigan on 22 July 2013 subject to the terms and conditions of the LTI invitation. Neil McGuigan is the only director in the Company entitled to participate in the Plan.

Under the ASX Listing Rules, an issue of securities to a Director requires shareholder approval. This requirement does not apply in respect of securities purchased on-market.

# Notice of Annual General Meeting

## Explanatory Notes on Items of Business

The McGuigan Performance Rights were granted on a restricted basis: namely, subject to an on-market purchase of Company Shares to settle the exercise of McGuigan Performance Rights at vesting. Shareholder approval is sought to remove this restriction and allow the Company to settle the exercise of any vested McGuigan Performance Rights from a new issue of Company Shares.

ASX LR 10.15 requires this Notice of Meeting to include the following information in relation to the McGuigan Performance Rights.

### Terms & Conditions of July 2013 LTI Invitation grant of Performance Rights

**Maximum number of Shares:** Any vested McGuigan Performance Right will convert to one ordinary Share on exercise. The maximum number of Shares that may be acquired by Mr McGuigan, for which Shareholder approval is sought, is 257,003 Shares. Shareholders are reminded that 395,257 performance rights under the Plan were previously granted to Neil McGuigan on 13 August 2012 and that the grant of those performance rights were approved by Shareholders at the Company's Annual General Meeting held on 28 November 2012.

**Vesting Condition:** The number of McGuigan Performance Rights which will vest in accordance with the Plan Rules and the invitation is dependant on and subject to both a Performance and Service Vesting Condition.

**Performance Condition Earnings Per Share (EPS) Measure:** 25% of the McGuigan Performance Rights will vest if the EPS for the Company for the financial years 2014 to 2017 inclusive achieves a CAGR of at least 5% per annum. 100% of the McGuigan Performance Rights will vest if the EPS for the Company for the financial years 2014 to 2017 inclusive achieves a CAGR of at least 15% per annum. Calculation of CAGR shall be based on the cumulative EPS results for the four financial years 2014 to 2017 inclusive using the EPS results for the 2013 financial year as the base year. Interpolated vesting on a straight line basis between 25% and 100%.

For the July 2013 LTI Invitation, EPS is defined as:

- Annual reported Net Profit after Tax Profit (or equivalent)
- +/-: Valuation adjustments
- +/-: any adjustment deemed fair and appropriate by the Board, in the Board's absolute discretion.

Adjusted Net after Tax Profit (EPS for July 2013 LTI Invitation purposes).

**Service Condition:** Continuous employment with the Company from grant date to Vesting Date.

**Vesting of Performance Rights:** Performance Rights which fail to meet the Service Condition will lapse immediately. Performance Rights which fail to meet the Performance Condition on the Vesting Date will lapse immediately. There will be no retesting.

**Vesting Date:** 4 years from Grant Date or the date of release of the Company's financial results for the 2017 financial year-end.

**Consideration:** The grant of the McGuigan Performance Rights forms part of his LTI remuneration. They were granted at no cost and no amount is payable on vesting. Performance Rights do not carry any dividend or voting rights prior to vesting.

**Automatic Vesting:** If the vesting conditions are satisfied, the McGuigan Performance Rights will automatically vest and shares acquired either on-market or via a new issue.

**Value of the grant of Performance Rights:** The value of the grant of the McGuigan Performance Rights was assessed by an independent consultant to be \$98,766 applying a Binomial Approximation Option Pricing methodology based on variables determined at the date of grant in accordance with AIFRS-2.

**Other remuneration entitlements:** Refer Annual Report.

**Change of control:** On a takeover or change in control of the Company any unvested Performance Rights will vest on a pro-rata basis based on the most current financial reports available at the time the change of control occurs (unless otherwise determined by the Board). The pro-rata period will be calculated from the grant date to the change of control date. For employees who remain employed with the Company after a change of control has occurred, and assuming the Company remains listed, any unvested rights will remain available for vesting at the original vesting dates.

**Termination of employment:** If Mr McGuigan ceases employment before the vesting conditions are vested the Performance Rights will automatically lapse (unless the Board determines otherwise).

### Other Information

The Company will not apply to the ASX for official quotation of the Performance Rights granted under the Plan. Shares issued pursuant to the vesting of Performance Rights will rank equally with Shares then on issue.

There is no loan scheme in relation to the Performance Rights or the Plan.

Mr. McGuigan is prohibited from hedging the share price exposure in respect of the Performance Rights during the vesting period applicable to those Performance Rights.

Details of the Performance Rights granted to Mr McGuigan will be provided in the Remuneration Report for the years ended 30 June 2014, 2015, 2016, 2017 and 2018.

### Director's recommendation

The Board, other than Neil McGuigan, consider the grant of Performance Rights to Neil McGuigan to be appropriate in all circumstances and unanimously recommends that shareholders vote in favour of the July 2013 Invitation grant of Performance Rights to Neil McGuigan.