

**1.30pm (QLD TIME) FRIDAY
29 NOVEMBER 2013
Cypress Rooms 1 & 2
RACV Royal Pines Resort
Ross Street
Benowa Qld 4217**



2013 NOTICE OF ANNUAL GENERAL MEETING

**RETAIL FOOD GROUP LIMITED
ACN 106 840 082**

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DATE: 29 NOVEMBER 2013

TIME: 1.30pm (Qld Time)

PLACE: Cypress Rooms 1 & 2
RACV Royal Pines Resort
Ross Street
Benowa Qld 4217

NOTICE is given that the annual general meeting ('AGM') of Retail Food Group Limited ('the Company') will be held at 1.30pm (Queensland time) on Friday the 29th of November 2013 in the Cypress Rooms 1 & 2, RACV Royal Pines Resort, Ross Street, Benowa, Queensland.

Agenda Items:

1. Financial statements and reports:

To receive and consider the financial statements of the Company, together with the directors' and auditors' reports, for the financial year ended 30 June 2013.

2. Remuneration report (Resolution 1):

To consider and, if in favour, to pass the following resolution under section 250R(2) of the Corporations Act 2001 (Cth) ('Corporations Act'):

'That the remuneration report for the financial year ended 30 June 2013 be adopted by the Company'.

This resolution will be decided as if it were an ordinary resolution. However, under section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the directors or the Company.

The Company will disregard any votes cast on Resolution 1 by or on behalf of any member of the Company's key management personnel (at the date of the meeting or whose remuneration is included in the recommendation report) (**KMP**) and any of their closely related parties (such as close family members and any controlled companies) unless the vote is cast:

- (a) as a proxy for a person entitled to vote in accordance with a direction on the proxy appointment; or
- (b) by the Chairman of the meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the meeting to cast the vote in accordance with the stated voting intention even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

3. Re-election of Directors (Resolutions 2 & 3):

To consider and, if in favour, to pass the following resolutions as ordinary resolutions:

‘That, Mr Colin Archer, who retires by rotation in accordance with the Company’s constitution and, being eligible, offers himself for re-election, is re-elected as a director of the Company’.

‘That, Ms Jessica Buchanan, who retires by rotation in accordance with the Company’s Constitution and, being eligible, offers herself for re-election, is re-elected as a director of the Company’.

4. Election of Director (Resolution 4):

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

‘That, Mr Stephen Lonie, having been appointed a non-executive director on 24 June 2013 and, being eligible, offers himself for election, is elected as a director of the Company’.

5. Non-Executive Directors’ Remuneration (Resolution 5):

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

‘That, in accordance with ASX Listing Rule 10.17 and the Company’s constitution, the aggregate maximum remuneration payable to the non-executive Directors be increased by \$200,000 from \$400,000 to \$600,000 (inclusive of superannuation contributions) per annum to be split between the non-executive directors as they determine’.

The company will disregard any votes cast on Resolution 5 by the Directors and any associate of those persons and a member of the KMP (and their closely related parties) acting as a proxy, unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy appointment, or by the Chairman of the meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the meeting to exercise proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

6. Approval of Share Issue (Resolution 6):

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, the issue and allotment of 104,408 ordinary shares in the Company on or before 29 December 2013 to Mr Anthony James Alford, being a director of the Company, or his nominee, is approved’

The company will disregard any votes cast on Resolution 6 by Anthony James Alford and any of his associates and a member of the KMP (and their closely related parties) acting as a proxy, unless the

vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy appointment, or by the Chairman of the meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the meeting to exercise proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

7. Approval of CEO FY14 Incentive (Resolution 7):

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 10.11 , Chapter 2E and sections 200B and 200E of the Corporations Act and for all other purposes, the grant to Mr Anthony James Alford, being a director of the Company, or his nominee, of 69,606 performance rights (to acquire one ordinary share in the Company for each performance right which vests and is exercised) as director incentive remuneration on the terms and conditions set out in the explanatory memorandum accompanying this notice of meeting, is approved’

The company will disregard any votes cast on Resolution 7 by Anthony James Alford and any of his associates and a member of the KMP (and their closely related parties) acting as a proxy, unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy appointment, or by the Chairman of the meeting as proxy for a person entitled to vote and the proxy appointment expressly authorises the Chairman of the meeting to exercise proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

8. Renewal of Proportional Takeover Approval Provisions (Resolution 8):

To consider and, if in favour, to pass the following resolution as a special resolution:

‘That the Company’s constitution be amended by adopting rule 27, in the form of the Schedule to the explanatory notes, accompanying this notice of meeting, and that the proportional takeover approval provisions contained in rule 27 be effective for a further three years from the day on which this resolution is passed’.

Dated 28 October 2013.

By order of the Board



Anthony Mark Connors

Company Secretary

Retail Food Group Limited

NOTES:

1. Pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that, for the purpose of the AGM, all shares in the Company shall be taken to be held by the persons who were registered as shareholders at 7.00pm (Sydney time) on the 27th of November 2013. Accordingly, those persons are entitled to attend and vote at the AGM.
2. Eligible members are encouraged to attend the AGM. If unable to attend, members may appoint a proxy to attend and vote for them. A proxy need not be a member of the Company.

If members are entitled to cast two or more votes, they may nominate two persons to vote on their behalf at the AGM.

If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of the member's votes. Fractions of votes will be disregarded. If no number or proportion is specified, each proxy may exercise half the member's votes.

A proxy form and reply paid envelope have been included for members with this notice of AGM. Proxy voting instructions are provided on the proxy form.

Members who wish to direct a proxy how to vote on a resolution must place a mark (ie a cross 'X') in the appropriate box on the proxy form.
3. Proxy forms must be completed and respectively returned online, by post, facsimile or delivery to the Company's share registry, Computershare Investor Services Pty Limited:
 - a) via GPO Box 242, Melbourne Vic 3001;
 - b) via 1800 783 447 or + 61 3 9473 2555 (outside Australia) ;
 - c) online at www.investorvote.com.au and quoting the 6 digit control number found on the front of the shareholder's proxy form. Shareholder may also scan the QR code on the front of the accompanying proxy form with their mobile device and insert their post code; or
 - d) Intermediary Online Subscribers (Custodians/Nominees) may lodge their vote electronically by visiting www.intermediaryonline.comon or before 1.30pm (Qld time) on the 27th of November 2013.
4. Any revocations of proxies must be received (at the addresses or in the manner noted at Note 3 above) before commencement of the AGM, or at the registration desk at Cypress Rooms 1 & 2, RACV Royal Pines Resort, Ross Street, Benowa, Qld from 12.30pm to 1.30pm (Qld time) on the 29th of November 2013.
5. Any proxy form, or revocation thereof, received after the deadlines indicated above will be treated as invalid.
6. If a member 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 it) must be received by the Company or its share registry (at the addresses or in the manner noted at Note 3 above) by 1.30pm (Qld time) on the 27th of November 2013.
7. If a corporate shareholder wishes to appoint a person to act as its representative at the meeting, that person must be provided with a letter or certificate authorising him or her as the company's representative (executed in accordance with the law and the company's constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company.
8. A proxy may decide whether to vote on any motion except where required by law or the Company's constitution to abstain in their capacity as proxy. If a proxy is directed to vote on an agenda item, he or she may vote only in accordance with the direction. If a proxy is not directed how to vote on an agenda item, he or she may vote as the proxy thinks fit.
9. If a member appoints the chairman of the meeting as the member's proxy and does not specify how the chairman is to vote on an item of business, the member expressly authorises the chairman to and the chairman will vote, as proxy for that member, in favour of that item (including Resolution 1). If the member wishes to appoint the chairman as proxy with a direction to vote against, or abstain from voting on an item (including Resolution 1), they should specify this on the proxy form.

Notice of Annual General Meeting

10. Members entitled to vote at the AGM may submit written questions to the Company's auditor provided such questions are relevant to the content of the auditor's report or the conduct of the audit of the Company's annual financial report to be laid before the AGM. Written questions for the auditor must be submitted no later than the fifth (5th) business day before the 29th of November 2013.

EXPLANATORY NOTES REGARDING AGENDA ITEMS:

These explanatory notes have been prepared to assist shareholders with their consideration of the resolutions to be put to the AGM to be held on 29 November 2013 at 1.30pm (Qld time). These explanatory notes should be read with, and form part of, the accompanying notice of AGM:

1. FINANCIAL STATEMENTS & REPORTS:

Section 317 of the Corporations Act requires that the Company's annual financial report, the Directors' report and auditors' report be laid before the AGM. Whilst shareholders may ask questions about the reports, there will be no formal resolution put to the meeting concerning these matters.

An electronic copy of the Company's annual report (incorporating the Company's financial reports together with the directors' and the auditors' reports) may be accessed via the following website address: www.rfg.com.au. Alternatively, shareholders can contact the Company Secretary on 07 5591 3242 and request a copy be forwarded to them by mail.

2. REMUNERATION REPORT (Resolution 1):

The Corporations Act requires that the Company's remuneration report (forming part of the directors' report and contained in the Company's annual report) be put to vote by shareholders at the AGM.

The vote on the proposed resolution is advisory only and will not bind the directors or the Company.

Pursuant to the Corporations Act, the Company must disregard any votes cast on Resolution 1 by or on behalf of a member of the Company's key management personnel or directors, details of whose remuneration are included in the remuneration report, or a closely related party of such members ('prohibited persons'). The Company encourages all other shareholders to cast their votes in relation to Resolution 1. The Company need not disregard a vote if the person casting it does so as a proxy appointed in writing that specifies how the proxy is to vote on the resolution or if the proxy expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intention, and the vote is not cast on behalf of a member who is a prohibited person.

Under the Corporations Act, if 25% or more of the votes cast are opposed to adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which time the entire board of directors, other than the managing director, must stand for re-election.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic objectives and in relation to current and emerging market practices.

The Chairman intends to vote all undirected proxies in favour of Resolution 1.

3. RE-ELECTION OF DIRECTORS (Resolutions 2 & 3):

Rule 16.1 of the Company's constitution requires that one third (or the nearest number thereto but not less than one third) of the directors, other than the managing director, must retire from office. Pursuant to Rule 16.2 of the Company's constitution, the director/s who must retire are those director/s who have been in office longest since last being elected.

Directors retiring by rotation are eligible for re-election under Rule 16.2 of the Company's constitution.

Colin Archer:

Mr Archer is required by rotation to retire, however, offers himself for re-election.

Mr Archer was appointed an independent director by the Board on the 12th of April 2006. That appointment was subsequently ratified at the Company's 2006 AGM. He was subsequently re-elected following retirement by rotation at the Company's 2008, 2010 and 2012 AGMs.

Mr Archer is the founding partner of Archer Gowland Chartered Accountants which has operated for over 25 years. He advises in the corporate services division, specialising in management and letting rights, property trusts, mergers and acquisitions and corporate governance.

Mr Archer holds a Bachelor of Economics, is a Chartered Accountant and a registered auditor and tax agent. He is a member of the Australian Institute of Company Directors and a life member of Strata Community Australia Limited.

Mr Archer served as Chairman of the Company's Audit & Risk Management Committee and a member of RFG's Remuneration and Nomination Committees since his appointment until 30 April 2013. Since that time, Mr Archer has served as Chairman of the Board and Remuneration and Nomination Committees and remains a member of the Company's Audit & Risk Management Committee.

The Board (with Mr Archer abstaining) recommends that shareholders vote to re-elect Mr Archer as a director at the Company's Annual General Meeting.

Jessica Buchanan:

Ms Buchanan is required by rotation to retire, however, offers herself for re-election.

Ms Buchanan was appointed an independent director by the Board on the 29th of May 2012. Ms Buchanan is also a member of the Company's Remuneration, Nomination and Audit & Risk Management Committees. Her appointment to the Board was ratified by shareholders at the Company's 2012 AGM.

Ms Buchanan has over 14 years' experience in branding, marketing and advertising. Having commenced her career in the advertising industry working with multi-national agencies such as Wunderman, Young & Rubicam Mattingly and EHC Brann (UK), she managed campaigns for various blue chip companies including Ericsson, Tabcorp, Du Pont, Cadbury Schweppes, the Australian Defence Force, British Gas and BMW.

Having been recruited to the role of National Brand Director of the then fledgling Boost Juice Bars franchise system in 2003, Ms Buchanan successfully designed and executed programs which resulted in a dramatic increase in brand awareness, network revenue and outlet proliferation.

Since leaving Boost Juice Bars in late 2004, she founded successful strategic brand consultancy firm "Brands R People 2" which has advised over 20 retail franchise groups including Hairhouse Warehouse, Healthy Habits, Mr Rental, Education Works, Matchbox, Oriental Tea House and Banjo's Bakehouse Cafes where she also served as a non-executive director from 2009 to 2011.

In 2008 she was a winner of Anthill Magazine's "Under 30 Entrepreneur of the Year" and has been a past finalist of the Franchise Council of Australia's "Franchise Woman of the Year" award.

The Board (with Ms Buchanan abstaining) recommends that shareholders vote to re-elect Ms Buchanan as a director at the Company's Annual General Meeting.

4. ELECTION OF DIRECTOR (Resolution 4):

Rule 13.2 of the Company's constitution states that a director appointed by the Board may hold office until the next AGM of the Company at which time he or she is then eligible for election but is not to be taken into account in determining the number of directors who are to retire by rotation at the meeting.

Stephen Lonie:

Mr Lonie was appointed an independent director by the Board on the 24th of June 2013. He is also the Chairman of the Company's Audit & Risk Management Committee and a member of the Company's Remuneration and Nomination Committees.

Mr Lonie is a Chartered Accountant by profession and enjoyed an extensive career with professional services firm KPMG, where he was Managing Partner of the firm's Queensland operations and a member of KPMG Australia's National Board from 1995 to 2001.

He is currently a Director of listed corporations, MyState Limited, an approved deposit taking institution, and Corporate Travel Management Ltd, a specialist corporate travel services provider. He is also the Chairman of Jellinbah Resources Pty Ltd, a major privately owned Queensland metallurgical coal producer, holds Directorships with additional unlisted public and private corporations and not for profit enterprises, and is a former Chairman of ASX listed Australian Agricultural Company Ltd, Queensland Government power generation utility, CS Energy Limited, and of the Advisory Board of Brisbane Transport.

The Board (with Mr Lonie abstaining) recommends that shareholders vote to elect Mr Lonie at the Company's Annual General Meeting.

5. Non-Executive Director Remuneration (Resolution 5):

The Constitution provides that the non-executive Directors are entitled to such remuneration as the Directors determine, but the remuneration of non-executive Directors must not exceed in aggregate a maximum amount fixed by the Company in a general meeting for that purpose.

The maximum aggregate amount which has been approved by the Company's shareholders for payment to the Directors is \$400,000 per annum. An annualised amount equivalent to approximately \$280,000 per annum (inclusive of superannuation) is to be paid to the Directors in respect of FY2014.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retail Food Group Limited is a growing company with increasing complexity of operations. As the Company grows, the demands placed on the Board of Directors and its Committees grow more complex and extensive, necessitating enhanced commitment and investment of time by the Directors.

The rationale for increasing the maximum aggregate amount for payment to non-executive Directors is to afford the Company scope to pay non-executive Directors reasonable remuneration consistent with market practice whilst also allowing scope for enhancement of the Board of Directors via potential recruitment of additional non-executive Directors. These Directors would need to be paid for their services and the balance maximum aggregate amount available to pay non-executive Directors presently limits the Company's recruitment capacity.

The Board recommends that shareholders vote in favour of Resolution 5 at the Company's Annual General Meeting.

The Chairman intends to vote all undirected proxies in favour of Resolution 5.

6. PROPOSED ISSUE OF ORDINARY SHARES (Resolution 6):

Mr Anthony James Alford is a current Director of Retail Food Group Limited to whom it is proposed to issue 104,408 ordinary shares in the Company in connection with FY13 performance (the 'FY13 Performance Shares').

Approval for the issue of the aforesaid shares is sought in accordance with the provisions of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Corporations Act (Cth) 2001:

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless:

- a) the benefit has been approved by shareholders in the manner provided for in the Corporations Act, and the benefit is given within 15 months of approval; or
- b) the benefit falls within one of various exceptions to the general prohibition.

A 'related party' for the purposes of the Act is defined widely and includes a director of the public company.

A 'financial benefit' for the purposes of the Act has a wide meaning. It includes the public company issuing securities or granting an option to the related party. In determining whether or not a financial benefit is being given, the economic and commercial substance of conduct is to prevail over its legal form and any consideration given for the benefit must be disregarded even if adequate.

Resolution 6, if passed, will confer financial benefits upon Mr Alford and the Company seeks to obtain member approval in accordance with the requirements of the Corporations Act. For this reason and for all other purposes the following information is provided to shareholders:

- a) the related parties to whom the proposed resolution would permit financial benefits to be given is Mr Anthony James Alford (or his nominee).

- b) the nature of the proposed financial benefit to be given is the grant, for no cash consideration of the FY13 Performance Shares;
- c) each of the directors of the Company (other than Mr Alford) recommend that shareholders vote in favour of the resolution. The reasons for their recommendation are:
 - i) the issue of the FY13 Performance Shares as proposed to Mr Alford (or his respective nominees) will provide him with reward and incentive for future services he will provide to the Company;
 - ii) the issue of the FY13 Performance Shares as proposed to Mr Alford (or his nominee) constitute a reward for past performance and service to the Company, and specifically, Mr Alford's integral involvement in bringing to fruition a number of significant Earnings Per Share (EPS) accretive acquisitions together with implementation of fundamental change to RFG's organisational framework to incorporate the existing Brand System structure and oversight regime;
 - iii) in the Company's circumstances as at the date of this explanatory memorandum, the directors considered that the proposed issue of the FY13 Performance Shares to Mr Alford (or his nominees) provides a cost-effective and efficient reward as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it is recognised that there will be an opportunity cost to the Company in issuing the FY13 Performance Shares for nil consideration being the amount which might otherwise have been subscribed for the issue of the FY13 Performance Shares to a third party;
 - iv) the quantum and structure of the grant of the FY13 Performance Shares reflect the fact that no performance payment was made to Mr Alford in respect of the financial year ending 30 June 2012.

As Mr Alford is interested in the outcome of resolution 6, he accordingly makes no recommendation to shareholders in respect of this resolution.

- d) None of the directors of the Company (other than Mr Alford) has an interest in the outcome of the proposed resolution.

Mr Alford holds an interest in the outcome of resolution 6 given that this resolution approves the grant to him (or his nominee) of the FY13 Performance Shares.

ASX Listing Rule 10.11

The required information under ASX Listing Rule 10.13, so far as it relates to Resolution 6, is as follows:

- a) the FY13 Performance Shares will be issued to Mr Anthony James Alford, the Company's Managing Director, or his nominee;
- b) the maximum number of securities to be issued will be 104,408 ordinary shares in the Company;
- c) if resolution 6 is approved, the FY13 Performance Shares will be issued no later than one month after the date of the AGM and it is anticipated that the FY13 Performance Shares will be issued on one date;
- d) the issue of the FY13 Performance Shares as proposed constitutes a reward for past performance and service to the Company by Mr Alford. As such, the FY13 Performance Shares will be issued for nil cash consideration and Mr Alford will not be required to pay any consideration on the issue and allotment of those shares.
- e) there will be no funds raised from the issue of the FY13 Performance Shares.

Other information that is reasonably required by members in order to decide whether or not it is in the Company's interest to pass the proposed resolution and that is known to the Company or its directors:

Potential benefits to the Company:

If the FY13 Performance Shares are issued as proposed pursuant to resolution 6, the Company considers the following benefits arise:

- i) Mr Alford, who is an executive director and Chief Executive Officer of the Company, will have an increased interest in the affairs of the Company as the holder of the FY13 Performance Shares. The Company has determined the number of FY13 Performance Shares to be issued to Mr Alford on the basis that it will provide a meaningful incentive to him in the context of his total remuneration package; and

- ii) the issue of the FY13 Performance Shares to Mr Alford is a non-cash form of remuneration, thus conserving the Company's cash reserves. The issue enables the Company to provide Mr Alford with reward for services provided and an incentive for future services he will provide to the Company in a cost-effective manner as opposed to other forms of remuneration.

Potential costs to the Company:

The issue of the FY13 Performance Shares to Mr Alford will result in a dilution of the issued share capital of the Company.

The dilutionary effect on the current issued capital of the Company and the effect on control of issuing all of the FY13 Performance Shares to Mr Alford (or his nominee), will be as set out in the table below:

Shareholders	Ordinary shares on issue (undiluted)	Ordinary shares on issue (fully diluted Options)	Ordinary shares on issue on grant of FY13 Performance Shares (undiluted)	Ordinary shares on issue on grant of FY13 Performance Shares (fully diluted)
Current shareholders other than Mr Alford	107,836,642	107,846,642	107,836,642	107,846,642
Mr Alford*	22,544,548	22,544,548	22,648,956	22,648,956
Total:	130,381,190	130,391,190	130,485,598	130,495,598

* Includes shares in which Mr Alford holds a notifiable interest pursuant to the ASX Listing Rules

The directors (other than Mr Alford) consider that the dilutionary impact of the FY13 Performance Shares and the effect on control of the Company is more than offset by the advantages accruing from the Company securing the services of Mr Alford on appropriate incentive terms.

In the twelve months to 10 October 2013, based on trading day closing prices, the Company's ordinary shares have traded on ASX at prices of between \$2.85 (on 4 December 2012 and 10 December 2012) and \$4.63 (on 10 September 2013). The closing price on 10 October 2013 was \$4.30.

Calculation of FY13 Performance Shares:

The FY13 Performance Shares will be quoted on the ASX, and will rank equally in all respects with, and have identical terms to, the other existing ordinary shares on issue.

The total number of securities forming part of the FY13 Performance Shares (being 104,408 ordinary shares) has been calculated in accordance with the following formula:

$$A = (B \div C)$$

Where:

"A" is the total number of securities forming part of the FY13 Performance Shares rounded to the nearest whole amount;

"B" is the sum of \$450,000; and

"C" means the Volume Weighted Average Price of RFG ordinary shares traded on the ASX for the thirty (30) days ending (and including) 25 September 2013, being \$4.31.

The aforesaid VWAP ends on the date immediately preceding the date upon which the Board resolved to issue the FY13 Performance Shares to Mr Alford, subject to shareholder consent (being 26 September 2013). The Board (excluding Mr Alford) therefore considers the value for ordinary RFG shares used in the above calculation to be reasonable and consistent with market price and to reflect the Board's intention that the issue of the FY13 Performance Shares reflect an equity value of circa \$450,000.

Taxation consequences:

No stamp duty will be payable in respect of the grant of the FY13 Performance Shares. No GST will be payable by the Company in respect of the grant of the FY13 Performance Shares (or if it is then it will be recoverable as an input tax credit). The Company will be liable to the Queensland State Government (Office of State Revenue) for payroll tax on the taxable value of the FY13 Performance Shares computed for payroll tax purposes. The Company elects to be taxed for Payroll Tax purposes on the date shares are issued.

Related parties existing interest:

Excluding the FY13 Performance Shares the subject of resolution 6, the voting power of Mr Alford (and entities associated with him) in the Company's securities as at close of trade on 21 October 2013 are as follows:

Director	Shares	FY13 Performance Shares
Mr A J Alford*	22,544,548	104,408

* Includes shares in which Mr Alford holds a notifiable interest pursuant to the ASX Listing Rules

Director's remuneration:

Excluding the FY13 Performance Shares, total remuneration paid to Mr Alford in the financial years ended 30 June 2011, 2012 and 2013 was as follows:

Director	Position	Year	Short term employment benefits	Post employment benefits	Share based payments	Total
Mr A J Alford	Chief Executive Officer & Managing Director	FY2011	524,789	16,200	1,448	542,437
		FY2012	567,310	16,200	95	583,605
		FY2013	699,800	16,200	-	716,000

* including cash bonuses paid

In relation to FY14 and beyond, the contract of employment entered into between Mr Alford and RFGA Management Pty Ltd (a subsidiary of the Company) requires the employee to give a minimum of three (3) months' notice of termination to the employer. RFGA Management Pty Ltd could terminate the employee by giving a minimum of six (6) months' notice or payment of the equivalent salary in lieu. Mr Alford's salary (inclusive of superannuation) effective from 1 July 2012 is \$716,000 per annum. Short and long term remuneration and incentive arrangements are considered by the Company's remuneration committee and board on a regular basis and are dependent upon, among other things, the executive's performance, the achievement of applicable performance hurdles (where set) and the circumstances of the Company at the applicable time.

Other than the information above and otherwise set out in this explanatory memorandum, the directors do not believe that there is any other information known to the Company or its directors that shareholders reasonably require to make a decision in relation to the benefits contemplated by resolution 6.

The Board (with Mr Alford abstaining) recommends that shareholders vote in favour of Resolution 6 at the Company's Annual General Meeting.

The Chairman intends to vote all undirected proxies in favour of Resolution 6.

7. PROPOSED ISSUE OF PERFORMANCE RIGHTS (Resolution 7):

Mr Anthony James Alford is a current Director of Retail Food Group Limited to whom it is proposed to grant 69,606 performance rights to acquire ordinary shares in the Company (the 'Performance Rights' or 'Rights').

Approval for the issue of the aforesaid Rights is sought in accordance with the provisions of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and sections 200B and 200E of the Corporations Act. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Chapter 2E of the Corporations Act:

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless:

- a) the benefit has been approved by shareholders in the manner provided for in the Corporations Act, and the benefit is given within 15 months of approval; or
- b) the benefit falls within one of various exceptions to the general prohibition.

A 'related party' for the purposes of the Act is defined widely and includes a director of the public company.

A 'financial benefit' for the purposes of the Act has a wide meaning. It includes the public company issuing securities or granting an option to the related party. In determining whether or not a financial benefit is being given, the economic and commercial substance of conduct is to prevail over its legal form and any consideration given for the benefit must be disregarded even if adequate.

Resolution 7, if passed, will confer financial benefits upon Mr Alford and the Company seeks to obtain member approval in accordance with the requirements of the Corporations Act. For this reason and for all other purposes the following information is provided to shareholders:

- a) the related parties to whom the proposed resolution would permit financial benefits to be given is Mr Anthony James Alford (or his nominee).
- b) the nature of the proposed financial benefit to be given is the grant, for no cash consideration of the Performance Rights. The terms of the Performance Rights are detailed below.
- c) each of the directors of the Company (other than Mr Alford) recommend that shareholders vote in favour of the resolution. The reasons for their recommendation are:
 - i) the grant of the Performance Rights as proposed to Mr Alford (or his respective nominees) will provide him with reward and incentive for future services he will provide to the Company;
 - ii) in the Company's circumstances as at the date of this explanatory memorandum, the directors considered that the proposed grant of the Performance Rights to Mr Alford (or his nominees) provides a cost-effective and efficient reward as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it is recognised that there will be an opportunity cost to the Company in granting the Performance Rights for nil consideration being the value of the Performance Rights to a third party;

As Mr Alford is interested in the outcome of resolution 7, he accordingly makes no recommendation to shareholders in respect of this resolution.

- d) None of the directors of the Company (other than Mr Alford) has an interest in the outcome of the proposed resolution.

ASX Listing Rule 10.11

The required information under ASX Listing Rule 10.13, so far as it relates to Resolution 7, is as follows:

- a) the Performance Rights will be issued to Mr Anthony James Alford, the Company's Managing Director, or his nominee.
- b) the maximum number of Performance Rights to be issued is 69,606 (to acquire one ordinary share for each Performance Right which vests and is exercised).

- c) if resolution 7 is approved, the Performance Rights will be issued no later than one month after the date of the AGM and it is anticipated that the Performance Rights will be issued on one date.
- d) the Performance Rights are being issued as part of an incentive component of Mr Alford's remuneration package as Managing Director of the Company. As such, the Performance Rights will be granted to Mr Alford for nil consideration and Mr Alford will not be required to pay any consideration on the grant of the Performance Rights or the issue of ordinary shares on vesting and exercise of those Performance Rights.
- e) key terms of the Performance Rights are set out in these explanatory notes.
- f) there will be no funds raised from the grant of the Performance Rights.

Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the Company or its related bodies corporate if it is approved by shareholders or an exemption applies (for example, where the benefit together with other benefits does not exceed the payment limit set out in the Corporations Act including where the aggregate benefits do not exceed one year's aggregate based salary).

The term benefit is open to a wide operation and may include the accelerated vesting of the Performance Rights. As outlined in the summary of the terms of the Performance Rights in these explanatory notes, the Board has the discretion to determine that some or all of those rights that are not exercisable at the time Mr Alford ceases employment with the Company become exercisable. The Board also has the discretion to accelerate the vesting of the rights in a change of control event. If Mr Alford ceases employment with the Company or a change of control of event occurs, he may be entitled to exercise the Performance Rights granted to him.

Early exercise of Mr Alford's Performance Rights may amount to the giving of a termination benefit requiring shareholder approval in accordance with the Corporations Act. Accordingly, shareholder approval is also sought for such benefit which Mr Alford may receive on cessation of his employment with the Company.

Mr Alford's remuneration including termination benefits are set out in the company's 2013 Remuneration Report.

The value of any consequent termination benefit that may be received as a result of early exercise of the Performance Rights upon cessation of employment or a change of control of event cannot be ascertained at the present time. Apart from the future share price being unknown, the following matters which will or are likely to affect the value of the benefit are:

- the number of unvested Performance Rights held by Mr Alford prior to the cessation of employment;
- the reasons for cessation of employment; and
- the exercise of the Board's discretion at the relevant time.

Mr Alford holds an interest in the outcome of resolution 7 given that this resolution approves the grant to him (or his nominee) of the Performance Rights.

Other information that is reasonably required by members in order to decide whether or not it is in the Company's interest to pass the proposed resolution and that is known to the Company or its directors:

Potential benefits to the Company:

If the Performance Rights are issued as proposed pursuant to resolution 7, the Company considers the following benefits arise:

- i) Mr Alford, who is an executive director and Chief Executive Officer of the Company, will have an increased interest in the affairs of the Company as the holder of the Performance Rights. The Company has determined the number of Performance Rights to be issued to Mr Alford on the basis that it will provide a meaningful incentive to him in the context of his total remuneration package;
- ii) the issue of the Performance Rights to Mr Alford is a non-cash form of remuneration, thus conserving the Company's cash reserves. The issue enables the Company to provide Mr Alford with reward for services

provided and an incentive for future services he will provide to the Company in a cost-effective manner as opposed to other forms of remuneration.

Potential costs to the Company:

If the Performance Rights convert to ordinary shares, this will result in a dilution of the issued share capital of the Company.

If all of the Performance Rights granted to Mr Alford (or his nominee) were to convert to ordinary shares, the dilutionary effect on the current issued capital of the Company and the effect on control will be as set out in the table below:

Shareholders	Ordinary shares on issue (undiluted)	Ordinary shares on issue (fully diluted Options)	Ordinary shares on issue on grant of Performance Rights (undiluted)	Ordinary shares on issue on grant of Performance Rights (fully diluted)
Current shareholders other than Mr Alford	107,836,64	107,846,642	107,836,642	107,846,642
Mr Alford*	22,544,548	22,544,548	22,614,154	22,614,154**
Total:	130,381,190	130,391,190	130,450,796	130,460,796**

* Includes shares in which Mr Alford holds a notifiable interest pursuant to the ASX Listing Rules

** If the ordinary shares proposed to be issued under Resolution 6 are issued to Mr Alford, his interest relates to 22,718,562 ordinary shares (including the shares subject to the Performance Rights) with a total of 130,565,204 ordinary shares (fully diluted)

The directors (other than Mr Alford) consider that the dilutionary impact of the Performance Rights and the effect on control of the Company is more than offset by the advantages accruing from the Company securing the services of Mr Alford on appropriate incentive terms.

In the twelve months to 10 October 2013, based on trading day closing prices, the Company's ordinary shares have traded on ASX at prices of between \$2.85 (on 04.12.12 & 10.12.12) and \$4.63 (on 10.09.13). The closing price on 10 October 2013 was \$4.30.

The board considers that the issue of the Performance Rights provides an appropriate incentive as part of Mr Alford's overall remuneration package.

AASB 2 "Share Based Payments" requires that these payments shall be measured at the fair value of the equity instrument with such amount being expensed in the Company's income statement.

Calculation of Performance Rights:

The Performance Rights will not be quoted on the ASX and are not transferrable or tradeable. The Rights do however convey a right to acquire shares in the Company subject to the achievement of performance based vesting conditions.

The total number of Performance Rights forming part of the Rights (being 69,606 Performance Rights) has been calculated in accordance with the following formula:

$$A = (B \div C)$$

Where:

"A" is the total number of rights forming part of the Performance Rights rounded to the nearest whole amount;

"B" is the sum of \$300,000; and

"C" means the Volume Weighted Average Price of RFG ordinary shares traded on the ASX for the thirty (30) days ending (and including) 25 September 2013, being \$4.31.

The aforesaid VWAP ends on the date immediately preceding the date upon which the Board resolved to issue the Performance Rights to Mr Alford, subject to shareholder consent (being 26 September 2013). The Board (excluding Mr Alford) therefore considers the value for ordinary RFG shares used in the above calculation to be reasonable and consistent with market price and to reflect the Board's intention to grant Performance Rights which provided for a valuation of circa \$300,000 (if the Performance Rights were to convert to ordinary shares immediately).

Taxation consequences:

No stamp duty will be payable in respect of the grant of the Performance Rights. No GST will be payable by the Company in respect of the grant of the Performance Rights (or if it is then it will be recoverable as an input tax credit). The Company will be liable to the Queensland State Government (Office of State Revenue) for payroll tax on the taxable value of the Performance Rights computed for payroll tax purposes. The Company elects to be taxed for Payroll Tax purposes on the date shares are issued.

Related parties existing interest:

Excluding the Performance Rights the subject of resolution 7, the voting power of Mr Alford (and entities associated with him) in the Company's securities as at close of trade on 21 October 2013 are as follows:

Director	Shares	FY13 Performance Shares
Mr A J Alford*	22,544,548	69,606

* Includes shares in which Mr Alford holds a notifiable interest pursuant to the ASX Listing Rules

Director's remuneration:

Excluding the FY13 Performance Shares (refer above), total remuneration paid to Mr Alford in the financial years ended 30 June 2011, 2012 and 2013 was as follows:

Director	Position	Year	Short term employment benefits	Post employment benefits	Share based payments	Total
Mr A J Alford	Chief Executive Officer & Managing Director	FY2011	524,789	16,200	1,448	542,437
		FY2012	567,310	16,200	95	583,605
		FY2013	699,800	16,200	-	716,000

* including cash bonuses paid

In relation to FY14 and beyond, the contract of employment entered into between Mr Alford and RFGA Management Pty Ltd (a subsidiary of the Company) requires the employee to give a minimum of three (3) months' notice of termination to the employer. RFGA Management Pty Ltd could terminate the employee by giving a minimum of six (6) months' notice or payment of the equivalent salary in lieu. Mr Alford's salary (inclusive of superannuation) effective from 1 July 2012 is \$716,000 per annum. Short and long term remuneration and incentive arrangements are considered by the Company's remuneration committee and board on a regular basis and are dependent upon, among other things, the executive's performance, the achievement of applicable performance hurdles (where set) and the circumstances of the Company at the applicable time.

Performance Rights – Key Terms:

The key terms of the Rights proposed to be granted to Mr Alford are as follows:

1. Share Entitlement:

Absent any restructure of the Company's share capital, each Right confers the right on vesting, to one fully paid ordinary share in the Company.

2. Consideration for the Rights:

The Rights will be granted for nil consideration.

3. Tranches:

The Rights consist of a single tranche which will vest on the first anniversary of the grant date and will be based on a Performance Period of 1 July 2013 to 30 June 2014.

4. Performance Hurdles:

Vesting of the Rights is dependent upon the following discrete performance measures:

- Earnings Per Share (EPS) representing 37.5% of the total grant;
- Total Shareholder Return (TSR) representing 37.5% of the total grant;
- Board discretion representing 25% of total grant.

5. Vesting Schedule:

A) EPS (basic earnings per share) performance of the Company will be measured on annual growth in EPS of the Company between FY13 to FY14 stated as a percentage (the EPS Growth Percentage). If the EPS Growth Percentage is:

- i) Less than 3.5%, no Rights subject to the EPS performance measure (EPS Rights) will vest;
- ii) 3.5% but less than 5%, 50% of the EPS Rights will vest
- iii) 5% or more, 100% of the EPS Rights will vest.

The Board may in its discretion adjust the required EPS Growth Percentage to take into account events including, without limitation, acquisitions or disposals of businesses or capital assets by the Company during the Performance Period.

B) TSR of the Company will be measured against selected companies within the Consumer Staples Sector GICS Sector – Food Products Sub-Industry Sector with a market capitalisation of 10% to 800% of the Company's market capitalisation at the grant date. The Board may in its discretion adjust the comparator group to take into account events including without limitation takeovers, mergers, delistings or demergers that occur during the Performance Period. If relative TSR performance of the Company against the comparator group is:

- i) Below median performance, no Rights subject to the TSR performance measure (TSR Rights) will vest;
- ii) At median performance, 50% of the TSR Rights subject to TSR will vest;
- iii) Above median performance but below the 75th percentile, an additional 2% (or part thereof), of the TSR Rights will vest for each 1 percentile increase (or part thereof) above the 50th percentile; or
- iv) At or above the 75th percentile, 100% of the TSR Rights will vest.

C) 25% of the Rights vest at the discretion of the Board which may be exercised having regard to esoteric measures developed by the Board from time to time to measure the executive's performance.

D) If ordinary RFG shares are issued on the exercise of the Performance Rights, the Company will apply to the ASX as required by the ASX Listing Rules for those RFG shares to be quoted.

- E) The Performance Rights will lapse and be incapable of exercise if they are not exercised by the earlier of:
- i) 30 June 2015; and
 - ii) the date Mr Alford ceases employment with the Company.
- F) Unless the Board determines otherwise (in its absolute discretion and to the extent permitted by law), if Mr Alford ceases to be employed by the Company (whether by reason of death, resignation or termination of employment by the Company), the Performance Rights which are not exercised at the time Mr Alford ceases employment, will lapse. In the event of Mr Alford's death, the time for exercise of Performance Rights may be deferred to enable the estate to take appropriate action.
- G) If:
- i) a takeover bid for RFG shares is made and a statement is lodged with the ASX to the effect that a person has become entitled to a relevant interest in not less than 50% of the shares; or
 - ii) pursuant to an application to the Court, the Court orders a meeting to be held in relation to a proposed arrangement for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with, or acquisition by, any other companies and the scheme is approved by the requisite majority of shareholders,
- the applicable Vesting Date for the Performance Rights which have not become exercisable will be:
- iii) the date of the announcement referred to in sub-paragraph (i) above; or
 - iv) the date of the shareholder approval referred to in sub-paragraph (ii) above,
- with the effect that those Performance Rights may be exercised.
- H) Mr Alford (or his nominee) may not sell, assign, transfer or otherwise deal with, or grant a security interest over, a Performance Right. The Performance Right will immediately lapse on purported sale, assignment, transfer, dealing or grant of a security interest, unless the Board in its absolute discretion approves (subject to such conditions as the Board sees fit) the dealing or transfer or transmission is effected by force of law on death or legal incapacity to Mr Alford's legal personal representative.
- I) Mr Alford (or his nominee) may only participate in new issues of securities to holders of RFG shares in respect of the Performance Rights if he (or his nominee) has exercised the Performance Rights before the record date for determining entitlements to the issue.
- J) All shares issued on the exercise of the Performance Rights will rank *pari passu* in all respects with the RFG shares on issue except for any rights attaching to RFG shares by reference to a record date prior to the date of the allotment.

Other than the information above and otherwise set out in this explanatory memorandum, the directors do not believe that there is any other information known to the Company or its directors that shareholders reasonably require to make a decision in relation to the benefits contemplated by resolution 7.

The Board (with Mr Alford abstaining) recommends that shareholders vote in favour of Resolution 7 at the Company's Annual General Meeting.

The Chairman intends to vote all undirected proxies in favour of Resolution 7.

8. PROPOSED RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS (RESOLUTION 8):

The Company's Constitution includes proportional takeover approval provisions (rule 27) which enables the Company to refuse to register securities acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer. Under the Corporations Act, proportional takeover provisions expire after three

years from adoption or renewal. The provisions contained in the Company's Constitution were adopted by shareholders on 24 January 2006 and therefore ceased to apply on 24 January 2009.

The Company is seeking shareholder approval to renew these provisions under the Corporations Act. The proposed proportional takeover provisions are identical to those approved by shareholders on 24 January 2006. The Corporations Act requires the Company to provide shareholders with an explanation of the proportional takeover approval provisions as set out below.

The proposed rule 27 of the Company's Constitution is set out in the Schedule.

What is a proportional takeover bid:

A proportional takeover bid is a takeover offer sent to all shareholders but only in respect of a specified portion of each shareholder's securities. Accordingly, if a shareholder accepts in full the offer under a proportional takeover bid, it will dispose of the specified portion of its securities in the Company and retain the balance of the securities.

Effect of renewal:

If renewed, under existing rule 27, in the event that a proportional takeover offer is made to shareholders of the Company, the board of the Company will be required to convene a meeting of shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held at least 14 days before the offer under the proportional takeover bid closes.

The resolution is taken to have been passed if a majority of securities voted at the meeting, excluding the securities of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on at least 14 days before the close of the offer, the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of securities resulting from accepting the offer will be registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASIC Operating Rules and the Company's Constitution. If the resolution is rejected, then in accordance with the Corporations Act, the offer will be deemed to be withdrawn.

Reasons for proposing the resolution:

The directors consider that shareholders should have the opportunity to renew rule 27 in the Constitution. Without rule 27, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without shareholders having the opportunity to dispose of all of their securities to the bidder. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their securities whilst leaving themselves as part of a minority interest in the Company.

Without rule 27, if there was a proportional takeover bid and shareholders considered that control of the Company was likely to pass, shareholders would be placed under pressure to accept the offer even if they did not want control of the Company to pass to the bidder. Renewing rule 27 will make this situation less likely by permitting shareholders to decide whether a proportional takeover bid should be permitted to proceed.

No knowledge of present acquisition proposals:

As at the date of this notice, no director is aware of a proposal by any person to acquire or increase the extent of a substantial interest in the Company.

Potential advantages and disadvantages:

The renewal of rule 27 will enable the directors to formally ascertain the views of shareholders in respect of a proportional takeover bid. Without these provisions, the directors are dependent upon their perception of the interests and views of shareholders. Other than this advantage, the directors of the Company consider that renewal of rule 27 has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

The directors consider that renewing rule 27 will benefit all shareholders in that they will have an opportunity to consider a proportional takeover bid and then attend or be represented by proxy at a meeting of shareholders called specifically to vote on the proposal. Accordingly, shareholders will be able to prevent a proportional takeover bid proceeding if there is insufficient support for the proposition that control of the Company should not be permitted to pass under the

proportional takeover bid. Furthermore, knowing the view of shareholders assists each individual shareholder assessing the likely outcome of the proportional takeover bid and whether to accept or reject that bid.

As to the possible disadvantages to shareholders renewing rule 27, it may be argued that the proposal makes a proportional takeover bid more difficult and that proportional takeover bids will therefore be discouraged. This may reduce the opportunities which shareholders may have to sell all or some of their securities at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price. Rule 27 may also be considered an additional restriction on the ability of individual shareholders to deal freely on their securities.

The directors consider that there are no other advantages or disadvantages for directors and shareholders which arose during the period during which the proportional takeover approval provisions have been in effect, other than those discussed in this section.

On balance, the directors consider that the possible advantages outweigh the possible disadvantages such that the renewal of rule 27 is in the interests of shareholders.

The Board recommends that shareholders vote in favour of Resolution 8 at the Company's Annual General Meeting.

SCHEDULE

Proposed rule 27

27. PARTIAL TAKEOVERS

27.1 Interpretation

For the purposes of this rule:

‘Proportional Takeover Bid’ has the same meaning as given to that term by section 9 of the Law;

‘Relevant Day’ in relation to a Proportional Takeover Bid, means the day that is 14 days before the end of the period during which the offers under the Proportional Takeover Bid remain open.

A reference to a **‘person associated with’** another person has the meaning given to that expression by Division 2 of Part 1.2 of the Law.

27.2 Approval of Partial Takeover Bids:

- (a) Subject to the Listing Rules, where offers have been made under a Proportional Takeover Bid in respect of shares in a class of shares in the Company, the registration of a transfer giving effect to a takeover contract for the bid is prohibited unless and until a resolution (in this rule referred to as an **‘Approving Resolution’**) to approve the Proportional Takeover Bid is passed in accordance with the provisions of this rule.
- (b) A person (other than the bidder or an associate of the bidder) who, as at the end of the day of which the first offer under the Proportional Takeover Bid was made, held shares in that class is entitled to vote on an Approving Resolution and, for the purpose of so voting, is entitled to one vote for each of the shares held in that class.
- (c) An Approving Resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution.
- (d) The provisions of these rules that apply in relation to a general meeting of the Company, with modifications as the circumstances require, apply in relation to a meeting that is convened to vote on an Approving Resolution as if such a meeting was a general meeting of the Company.
- (e) An Approving Resolution that has been voted on in accordance with this rule, is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is taken to have been rejected.
- (f) Where offers have been made under a Proportional Takeover Bid then the Board must ensure that a resolution to approve the Proportional Takeover Bid is voted on in accordance with this rule before the Relevant Day.
- (g) Where a resolution to approve a Proportional Takeover Bid is voted on, in accordance with this rule, before the Relevant Day, the Company must, on or before the Relevant Day:
 - (i) give to the bidder; and
 - (ii) serve on each notifiable securities exchange in relation to the Company,
 a notice in writing stating that a resolution to approve the Proportional Takeover Bid has been voted on and whether the resolution has been passed, or has been rejected, as the case requires.
- (h) Where, at the end of the day before the Relevant Day no resolution to approve the Proportional Takeover Bid has been voted on in accordance with this rule, a resolution to approve the Proportional Takeover Bid is to be, for the purpose of this rule, deemed to have been passed in accordance with this rule.
- (i) Where a resolution under this rule is rejected, then:
 - (i) despite section 652A of the Law, all offers under the Proportional Takeover Bid that have not, as at the end of the Relevant Day, been accepted, and all offers (in this paragraph referred to

as the 'accepted offers') under the Proportional Takeover Bid that have been accepted and from whose acceptance binding contracts have not resulted, at the end of the Relevant Day, are deemed to be withdrawn at the end of the Relevant Day;

- (ii) the bidder is, forthwith after the end of the Relevant Day, to return to each person who has accepted any of the accepted offers any documents that were sent by the person to the bidder with the acceptance of the offer;
 - (iii) the bidder is entitled to rescind, and is required, forthwith after the end of the Relevant Day, to rescind, each binding contract resulting from the acceptance of an offer made under the Proportional Takeover Bid; and
 - (iv) a person who has accepted an offer made under the Proportional Takeover Bid is entitled to rescind the contract (if any) resulting from that acceptance.
- (j) This rule ceases to have effect on the third anniversary of the later of the date of adoption or last renewal of this rule.



Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
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(outside Australia) +61 3 9473 2555

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000001 000 RFG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 1.30pm (Queensland time) Wednesday, 27 November 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Retail Food Group Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Retail Food Group Limited to be held in the Cypress Rooms 1 & 2, RACV, Royal Pines Resort, Ross Street, Benowa, QLD 4217 on Friday, 29 November 2013 at 1.30pm (Queensland time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Resolutions 1, 5, 6 & 7** (except where I/we have indicated a different voting intention below) even though **Resolutions 1, 5, 6 & 7** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For **Resolution 5** also subject to ASX vote exclusion, this express authority is also subject to you marking the box in the section below. If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Resolution 5** by marking the appropriate box in step 2 below.

Important for Resolution 5: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on **Resolution 5** below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on **Resolution 5**, the Chairman of the Meeting will not cast your votes on **Resolution 5** and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of **Resolution 5** of business.

☐

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of **Resolution 5** and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business



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

	For	Against	Abstain		For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Renewal of Proportional Takeover Approval Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr Colin Archer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Re-election of Director - Ms Jessica Buchanan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Election of Director - Mr Stephen Lonie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Non-Executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of CEO FY14 Incentive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / /
Date