



High Performance Animal Nutrition Solutions

Notice of Annual General Meeting
2014

Ridley Corporation Limited
ABN 33 006 708 765

Notice is hereby given that the 27th Annual General Meeting (Meeting) of Ridley Corporation Limited (Company) will be held in the ICAA offices on Level 3, 600 Bourke Street, Melbourne, 3000 on Friday, 21 November 2014 at 10.00 a.m. Registration will commence at 9.00 a.m.

Notice of Meeting

1. Financial statements and reports

To consider the Financial Statements, the Directors' Report and the Independent Auditor's Report for the Company for the year ended 30 June 2014.

2. Remuneration report

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

'That the Remuneration Report for the year ended 30 June 2014 be adopted.'

The Remuneration Report is set out on pages 43 to 52 of the 2014 Annual Report. Please note that the vote on this item is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

No votes can be cast on this resolution by or on behalf of a member of Key Management Personnel (details of whose remuneration are disclosed in the Remuneration Report) or their Closely Related Parties (collectively referred to as a **'Prohibited Voter'**). However, a Prohibited Voter may vote directed proxies on this resolution for someone other than a **Prohibited Voter**.

Further, a member of Key Management Personnel (regardless of whether or not their remuneration details are disclosed in the Remuneration Report) and their Closely Related Parties may not vote as proxy on this resolution, unless it is a directed proxy and the vote is not cast on behalf of a **Prohibited Voter**. However, the Chairman can vote undirected proxies provided that the proxy expressly authorises the Chairman to do so.

3. Re-election of Directors

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

'That John Spark, a Director retiring from office by rotation in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company.'

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

'That Patria Mann, a Director retiring from office by rotation in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company.'

4. Issue of performance rights to Managing Director

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

'That the Company approves, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 600,000 performance rights under the Ridley Corporation Limited Long Term Incentive Plan to the Company's Managing Director, Mr Tim Hart, on the terms set out in the Explanatory Memorandum.'

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this resolution by:

- a director who may participate in the Long Term Incentive Plan of the Company; and
- an associate of that person.

However the Company need not disregard a vote 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.

Further, a member of Key Management Personnel and their Closely Related Parties may not vote as a proxy on this resolution if the appointment does not specify how the proxy is to vote. However, the Chairman can vote undirected proxies provided that the proxy expressly authorises the Chairman to do so.

A detailed explanation of the background and reasons for the Items of business is set out in the attached Explanatory Memorandum.

Chairman's voting intention

The Chairman of the Meeting intends to vote all available proxies in favour of all Items.

By order of the Board



Alan M Boyd
Company Secretary

23 September 2014

Voting entitlements

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the shareholding of each member for the purposes of ascertaining voting entitlements for the Meeting will be as it appears on the share register at 7.00p.m. on Wednesday, 19 November 2014. This means that if you are not the registered holder of a relevant share at that time, you will not be entitled to vote in respect of that share.

Proxies

1. If you cannot attend the Meeting, you may appoint a proxy to attend and vote for you. A proxy may be a person or a company, and need not be a shareholder of the Company. If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion or number is specified, each proxy may exercise half of your votes. Your personalised proxy form is enclosed. Proxy voting instructions are provided on the back of the proxy form.

2. Proxies must be received not less than 48 hours before the meeting, and be lodged:

By fax

Australia 1800 783 447
Overseas +61 3 9473 2555

In person

Registered office

Level 4, 565 Bourke Street
Melbourne Victoria 3000

Share registry

Computershare Investor Services Pty Ltd
Yarra Falls 452 Johnston Street
Abbotsford Victoria 3067

By mail

Registered office

Level 4, 565 Bourke Street
Melbourne Victoria 3000

Share registry

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001

Online

www.investorvote.com.au

Please submit your votes electronically by entering the control number on the front page of the proxy form and follow the prompts. For custodians who are subscribers of Intermediary Online, please submit your votes via www.intermediaryonline.com

Explanatory Memorandum

This Explanatory Memorandum is an important document and should be read carefully.

Item 1. Financial statements and reports

As required by section 317 of the Corporations Act, the Financial Statements, Directors' Report and Auditor's Report of the Company for the financial year ended 30 June 2014 will be laid before the meeting.

During this item, there will be a reasonable opportunity for shareholders to ask questions and comment on the above mentioned financial statements and reports. Shareholders will also be provided the opportunity to ask questions about the Company generally.

Shareholders will also have the right to question the auditors in connection with such matters as the Auditor's Report or the conduct of the audit. Written questions must be submitted no later than five business days before the Meeting and the written questions and answers will be available at and after the Meeting.

There will be no formal resolution in respect of this item.

Item 2. Remuneration Report

A copy of the Remuneration Report is set out on pages 43 to 52 of the 2014 Annual Report and can also be found on the Company's website at www.ridley.com.au

The Remuneration Report forms part of the Directors' Report for the financial year ended 30 June 2014, and contains information required by section 300A of the Corporations Act and accounting standard AASB124: *Related Party Disclosures*.

The Remuneration Report includes:

- a discussion of the Board's policy in relation to the nature and level of remuneration paid to Directors and senior executives of the Company and its controlled entities;
- a discussion of the relationship between the Board's remuneration policy and the Company's performance, including information about performance conditions; and
- details of the remuneration paid to each Director of the Company (including the Chief Executive Officer) and Key Management Personnel, which include the five highest paid Group Executives for the financial year ended 30 June 2014.

The vote on this resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more of the votes cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, shareholders will be required to vote at the second of those Annual General Meetings on an ordinary resolution (a 'spill resolution') that another meeting be held within 90 days at which meeting those of the Company's Directors (other than the Managing Director) who held office when the resolution was passed to cause the Directors' report to be considered at the second Annual General Meeting, must stand for re-election.

During this item of business, the members as a whole at the meeting will be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report.

Recommendation

The Board of Directors recommends that shareholders vote in favour of Resolution 2.

Item 3. Re-election of Directors

3.1 Mr John M Spark BComm FCA Chair and Independent Non-Executive Director

Appointed a Director in January 2008 and Ridley Chair on 22 November 2010, John is a Director of Newcrest Mining Limited. John was the Managing Partner of Ferrier Hodgson Melbourne and a global partner of Arthur Andersen Melbourne. John was a Director and Chair of the Audit Committee of ANL Limited and Baxter Group Limited and has an extensive background in accounting, company reconstruction and financial analysis.

Other current listed company directorships

Newcrest Mining Limited from 2007.

Former listed company directorships in the last three years

None.

Recommendation

The Directors of the Company, other than Mr John Spark, recommend that shareholders vote in favour of this Resolution 3.1 and the Chair of the Meeting for this resolution, for which Mr Spark will hand the Chair to Professor Vizard, will be voting any open proxies in favour of it.

3.2 Mrs Patria M Mann BEC CA FAICD Independent Non-Executive Director

Appointed in March 2008, Patria is currently a Non-Executive Director of Amalgamated Holdings Limited, Allianz Australia Limited, First State Superannuation Trustee Corporation and Perpetual Superannuation Limited. Formerly a partner at KPMG and an experienced Director, Patria brings strong audit, investigation, risk management and governance experience to the Board. Patria is a member of the Institute of Chartered Accountants and a Fellow of the Institute of Company Directors.

Other current listed company directorships

Amalgamated Holdings Limited from 2013.

Former listed company directorships in the last three years

None.

Recommendation

The Directors of the Company, other than Mrs Patria Mann, recommend that shareholders vote in favour of this Resolution 3.2 and the Chair of the Meeting will be voting any open proxies in favour of it.

Special items of business

Item 4. Issue of rights to Managing Director

Resolution 4 seeks approval, for the purposes of ASX Listing Rule 10.14 and for all other purposes, for the issue of 600,000 performance rights under the Company's Long Term Incentive Plan (LTIP) to the Company's Managing Director, Mr Tim Hart, and for the issue of ordinary shares in the Company upon exercise of those performance rights.

4.1 Background

The LTIP was introduced in October 2006 and Mr Hart is presently the only Director of the Company entitled to participate in the LTIP.

The participation of Mr Hart (and potentially other selected executives of the Company) in the LTIP is a result of the Company's decision to provide long term rewards that are linked to shareholder returns. Under the LTIP, selected executives and the Managing Director may be offered a number of Performance Rights (**Rights**). Each Right provides the entitlement on exercise to acquire one fully paid ordinary share in the Company at nil cost to the holder.

Explanatory Memorandum continued

In prior years and for the purposes of this proposed offer, the Board has engaged the Godfrey Remuneration Group to market benchmark the competitiveness of the total remuneration packages for the Company's senior management, including the Managing Director. Benchmarked against an Australian listed industrial group of comparator companies, the reports have consistently concluded that the base remuneration and short term incentive remuneration levels remain appropriate and that the long term incentive remuneration levels be satisfied with an annual issue of a number of Rights, with such Rights having appropriate vesting profiles and performance hurdles. The number of Rights for the Managing Director approved by the Board and hereby tabled for shareholder approval in 2014 reflects the latest recommendation.

Under the LTIP, Rights vest three years after the date on which they are issued, the three years being the performance period, provided that the following performance criteria are satisfied:

- that the employee is employed by the Company or another company within the Ridley Consolidated Group on the date of vesting (subject to certain exceptions including where employment ceases due to death, disability or redundancy more than 12 months into the performance period); and
- that over the performance period the Company achieves a target performance level, as measured by reference to the Company's Total Shareholder Return (TSR), as compared against a comparator group of companies. The TSR indicates the Company's performance as compared to a comparator group of companies, comprising those companies ranked 100 to 300 in the ASX/S&P 300 Index on the date of the Rights being issued. The TSR is calculated having regard to, broadly, the movement in share price over the performance period on the assumption that all dividends are reinvested. The proportion of Rights which vest depends on the Company's TSR ranking.

Under the LTIP rules, in the event that the employee Rights holder ceases to be an Employee prior to the completion of the three year performance period due to a qualifying reason (i.e other than for dismissal for cause) and such cessation occurs within the first 12 months, the Rights are forfeited in the same proportion as the remainder of the year bears to a full year, and all remaining unvested Rights are retained and tested for possible vesting at the end of the performance period.

A summary of the terms of the LTIP are set out in Schedule 1 to this Notice of Meeting. A description of the LTIP can also be found in the Remuneration Report on pages 45 to 47 of the Company's 2014 Annual Report. A copy of the Plan Rules of the LTIP will be made available free of charge if requested by a shareholder from the Company Secretary.

4.2 Terms of the proposed issue of Rights

Timing of issue

If approved by shareholders, the Rights will be issued before 31 December 2014, and in any case not later than 12 months after the Meeting.

Consideration for issue and exercise

The Rights issued to Mr Hart will be issued for nil consideration payable, and each Right will provide the entitlement on exercise to acquire one fully paid ordinary share in the Company for nil consideration. The Rights do not entitle Mr Hart to participate in new issues of ordinary shares in the Company until the Rights are exercised.

Maximum number of Rights

The maximum number of Rights which may be acquired by Mr Hart under the shareholder approval being sought is 600,000.

Details of Rights previously granted under the LTIP to Directors or their associates

Mr Hart is presently the only Director of the Company entitled to participate in the LTIP.

No Director of the Company, nor any associate of any such Director, has received any Rights since the date of the last approval of 600,000 Rights to Managing Director Tim Hart at the 2013 AGM. Following this 2013 AGM approval, Mr Hart has received 600,000 Rights for nil consideration.

4.3 Other information

A voting prohibition and exclusion statement is set out immediately beneath the relevant resolution.

No loans have been or will be provided by the Company in relation to the issue of Rights to, or the exercise of Rights by, Mr Hart under the LTIP.

Details of any Rights issued to a Director or their associates under the LTIP are published in the Company's Annual Report relating to the period in which the Rights have been issued. The Annual Report will also contain a statement that shareholder approval for the issue of the Rights was obtained under ASX Listing Rule 10.14.

Any person other than Mr Hart who becomes entitled to participate in the LTIP, and who requires approval to participate in the LTIP under ASX Listing Rule 10.14, will not be issued Rights until that approval is obtained under ASX Listing Rule 10.14.

If approval is granted under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

Recommendation

The Board of Directors recommends that shareholders vote in favour of Resolution 4.

Schedule 1

Summary of the terms of the Ridley Corporation Limited Long Term Incentive Plan (LTIP)

A summary of the key terms and conditions of the LTIP is set out below. A copy of the LTIP Plan Rules will be made available free of charge by the Company if requested by a shareholder. All requests should be addressed to the Company Secretary.

Capitalised terms used in this summary have the meaning in the LTIP Plan Rules, unless otherwise indicated.

Performance rights

Under the LTIP, the Board of the Company may issue Rights to eligible employees, where a Right means any right of an LTIP participant to be allocated a fixed cash payment of \$1,000 plus an indeterminate number of fully paid ordinary shares in the Company (**Shares**) subject to certain performance criteria.

The number of Rights that are granted to a holder represents the maximum number of Shares that the holder may acquire under the LTIP on exercise of the Rights. The actual number of Shares that could be acquired by the holder on exercise of the Rights depends on satisfaction of certain performance criteria (explained below). On this basis, the number of Shares allocated to the holder on exercise of Rights under the LTIP may be lower, but cannot be higher, than the number of Rights held.

Entitlement to participate

The Board may in its absolute discretion make an offer of Rights to an Eligible Employee selected by the Board, on the terms and conditions determined by the Board. An Eligible Employee means, in relation to such an offer, any employee of the Ridley consolidated group (excluding a non-executive director of the Company but including a full or part time executive director, employee, consultant, officer or contractor of the Company or any other company within the Ridley Consolidated Group) who is invited by the Board to participate in the LTIP.

Vesting of Rights and allocation of shares

The Performance Period for a grant of Rights is the period of time during which the Performance Criteria, each as specified in the offer letter, must be satisfied. The date upon which the Performance Period ends is referred to as the Test Date.

The Company's performance as at the Test Date will be independently tested in accordance with the Performance Criteria (set out below). Having regard to such performance, the Company will determine the number of Shares to be allocated to a holder (if any).

Once the Company has determined the number of Shares that it is required to allocate, it will make that allocation as soon as reasonably practicable.

Performance criteria

In order for the Rights to vest and Shares to be allocated to a holder, the following criteria will need to be satisfied:

(a) Employment Condition

Either the holder must still be employed by the Company at the Test Date, or his or her employment with the Company will need to have ceased prior to that date for a 'Qualifying Reason'.

Where a Participant ceases to be an Employee (and is not immediately employed by another company within the Group) prior to completion of a Performance Period due to a Qualifying Reason but such cessation occurs after the first 12 months of the Performance Period, all Rights are retained and tested for possible vesting at the end of the Performance Period.

Where a Participant ceases to be an Employee (and is not immediately employed by another company within the Group) prior to the completion of a Performance Period due to a Qualifying Reason and such cessation occurs within the first 12 months of a Performance Period, any Rights of the Participant in relation to that Performance Period are forfeited in the same proportion as the remainder of the year bears to a full year, with all remaining unvested Rights retained and tested for possible vesting at the end of the Performance Period.

Schedule 1 continued

(b) Company Performance Condition
In addition, the Company must have achieved a certain target performance level, measured over the Performance Period by reference to the Company's Total Shareholder Return (TSR), as compared against a Comparator Group.

(i) What is TSR and how is it measured?

TSR indicates the Company's performance as compared to companies in the Comparator Group (which is discussed below). The measure is calculated having regard to, broadly, the movement in share price over the Performance Period, on the assumption that all dividends are reinvested.

(ii) Comparator Group

The Board has determined that the Comparator Group for the Company for the purposes of the Performance Criteria is that group of companies comprising the ASX 100 – 300 on the Date of Offer.

(c) Number of shares to be allocated to a holder

The number of Rights that vest and Shares to be allocated to a holder at the end of the Performance Period is to be determined by reference to the schedule below:

Ridley's TSR percentile ranking measured from Date of Offer to Test Date against the Comparator Group (%)	Proportion of the maximum number of Shares available that will be allocated (%)
0 – 50	0
51	50
51 – 75	Pro-rata between 50 and 100
75 or greater	100

On this basis, in order for the holder to receive his or her full entitlement to Shares with respect to the Performance Period, the holder must be employed by the Company at the Test Date (subject to the exceptions described above) and the Company's TSR must be ranked at the 75th percentile or higher against the Comparator Group. If the Company's TSR was ranked lower than the 75th percentile at that time, the holder will receive a correspondingly lower number of Shares in accordance with the schedule above. If the Company's TSR is ranked at the 50th percentile or lower against the Comparator Group, the holder will receive no Shares.

Valuation of Rights

The valuation of Rights occurs at the date of grant and is conducted independently by a professional valuer, using appropriate and widely accepted valuation methodologies which take into account the Date of Offer, the Company's Share price at that date, the nil exercise price of the Rights, and the Company's share price volatility. Under Australian accounting standards this value will be expensed progressively over the Performance Period.

Lapse of Rights

Regardless of the number of Shares allocated after the Test Date, all Rights that vest on the Test Date will then lapse and the holder will have no other rights with respect to them.

Rights will also lapse if:

- a forfeiture event occurs (as determined by the Board);
- the holder ceases to be an employee (subject to the exceptions explained above); or
- the holder has (in the reasonable opinion of the Board) acted fraudulently, dishonestly or in material breach of his or her obligations to the Company.

Limitations on the number of Shares that may be issued

Under the LTIP, the Board must not make an Offer of Rights if the total number of Shares that are the subject of Rights (and any other entitlements to Shares, whether under this LTIP or other employee incentive schemes) at the time of the Offer exceeds (or would exceed) 5% of the Company's total number of Shares on issue at that time.

Restrictions on dealing with Rights and shares

(a) Rights

The holder cannot transfer, assign or novate Rights without the approval of the Board, and Rights will not be listed for quotation on any stock exchange.

(b) Shares

One of the purposes of the LTIP is to encourage employees to share in the ownership of the Company. As a result, the LTIP imposes certain restrictions on when a holder can dispose of Shares that they are allocated under the LTIP.

In particular, a holder will only be able to dispose of, or transfer, Shares issued under the LTIP if:

- the 10th anniversary of the date of grant of the Rights has occurred;
- the holder has ceased to be an employee (and was not immediately employed by another company within the Ridley consolidated group);
- there was a successful takeover or scheme of arrangement in respect of the Company; or
- the holder received written consent from the Board in extenuating circumstances.

In addition, if Shares are allocated to a holder under the LTIP and remain subject to disposal restrictions, they are subject to forfeiture at the discretion of the Board if the holder's employment is terminated for cause or he or she has acted fraudulently, dishonestly or in material breach of his or her obligations to the Company.

Consequences of a change of control event

If a Change of Control Event (as explained below) occurs during the Performance Period, the Test Date for the Performance Period will be brought forward and the date of the Change of Control Event will be deemed to be the Test Date. The Company's performance will be tested as at that deemed Test Date in accordance with the Performance Criteria explained above, and the holder will be entitled to be allocated such number of Shares as is determined by reference to the TSR ranking achieved by the Company (as explained above).

For the purposes of the LTIP, a Change of Control Event occurs if a third party obtains a relevant interest in greater than 50% of the Company's Shares, the Company's Board recommends a takeover bid for the Company, or if the Board determines, in its absolute discretion, that a change of control has occurred prior to the acquirer exceeding 50% ownership due to a takeover bid or scheme of arrangement or similar event. However, if the new controller has shares listed on the ASX, the holder may agree with the Company to forgo this right and to require the Board to take all reasonable steps to enable the holder to be issued new rights relating to securities in the new controller, so as to provide an incentive on substantially similar terms.

Adjustments

If (before the Test Date) the Company makes any new issue of securities, or other alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital, or reconstruction of capital:

- the Board will reconstruct the number of Rights granted to the holder to the extent, if any, required to comply with the ASX Listing Rules; and
- the Board may make adjustments to the number of Rights granted to the holder on any other basis it sees fit in its absolute discretion.

If the Company declares and pays a special dividend to holders of all issued Shares, the Board may in its absolute discretion, with effect from the time of declaration of the special dividend, make adjustments to the number of the holder's Rights to take into account the effect of that special dividend.

Amendments

The Board has power to amend at any time all or any of the provisions of the LTIP and the terms and conditions of an Offer. However, the Board cannot do so without the consent of a Participant if the amendment would prejudicially affect the existing rights of a Participant, with the exception that (even in those circumstances) the Board may make an amendment if it is primarily for the purpose of complying with present or future law, to correct any manifest error or mistake, or to take into consideration possible adverse tax implications in respect of the LTIP.

In addition, the Board has power (subject to the ASX Listing Rules) to waive in whole or in part any of the Performance Criteria or other terms or conditions applicable to a Participant's Rights if:

- a Change of Control Event occurs or is likely to occur; or
- the Participant ceases to be an Employee.

Termination

The Board can terminate the operation of the LTIP at any time, so long as doing so does not prejudicially affect the existing rights of existing participants.

Glossary

ASX Listing Rules means the Listing Rules of ASX Limited.

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or of the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- a company that the member controls; or
- a person prescribed by the Corporations Regulations.

Constitution means the constitution of the Company.

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

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

Key Management Personnel has the same meaning as in the accounting standards, so the term broadly includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any director of the Company.

Questions from Shareholders

Please use this form to submit any questions concerning the Company that you would like us to respond to at the Meeting. Your questions should relate to matters that are relevant to the business of the Meeting, as outlined in the accompanying Notice of Meeting and Explanatory Notes.

We will respond to as many of the more frequently asked questions as possible at the Meeting. Please note we will not be able to reply individually.

Please return this form to the Company's Share Registry, Computershare by fax to (03) 9473 2555.

Shareholder's name

Address

Question(s): Please tick box if it is a question directed to the auditor

