



THE WORLD'S MOST LOVED SALMON

16 October 2015

Dear Shareholder,

I am pleased to invite you to the inaugural Annual General Meeting (AGM) of Huon Aquaculture Group Limited (Huon Aquaculture) to be held on **Wednesday, 25 November 2015** at 10.30am (AEST).

The AGM will be held at The Jones and Co Room in the Henry Jones Art Hotel, 25 Hunter Street, Hobart, Tasmania. Registration will take place prior to the start of the AGM, commencing from 10am. Light refreshments will be available at the conclusion of the meeting.

The Notice of Meeting which outlines the items of business and the Proxy Form accompany this letter.

If you are unable to attend the AGM, you are encouraged to vote on resolutions by submitting a proxy. A proxy form has been enclosed on this letter and you are invited to submit it either online or by mail. In order for your Proxy Form to be valid it must be lodged online or received by 10.30am (AEST) on Monday, 23 November 2015.

Corporate shareholders wishing to appoint a representative to attend on their behalf will need to complete a 'Certificate of Appointment of Representative'. This can be obtained from the Share Registry (whose contact details are contained in the Notice of Meeting).

All shareholders can submit questions to be addressed at the AGM, whether or not you are able to attend the AGM. Shareholders can submit questions in advance of the AGM by including them with the lodgment of the Proxy Form or online at www.linkmarketservices.com.au. We ask that all questions be submitted by close of business on Wednesday, 18 November 2015.

An electronic version of the Annual Report for the year end 30 June 2015 is available on the Company's website (www.huonaqua.com.au).

My fellow Directors and I look forward to seeing you at the inaugural AGM of Huon Aquaculture and welcome your participation.

Yours sincerely,

Peter Margin
Chairman

Huon Aquaculture Group Limited ABN 79 114 456 781

Level 13, 188 Collins Street, Hobart TAS 7000

Head Office: GPO Box 987 Hobart TAS 7001 | P: 03 6295 8111 | F: 03 6295 8161

huonaqua.com.au



shop.huonaqua.com.au



Huon Aquaculture Group Limited
 ABN 79 114 456 781

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
 Huon Aquaculture Group Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

BY FAX
 +61 2 9287 0309

BY HAND
 Link Market Services Limited
 1A Homebush Bay Drive, Rhodes NSW 2138; or
 Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
 Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Huon Aquaculture Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am on Wednesday, 25 November 2015 at The Jones and Co Room in the Henry Jones Art Hotel, 25 Hunter Street, Hobart (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 2 and 3: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2 and 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution (including Resolutions 2 and 3).

If you wish to appoint the Chairman of the Meeting as your proxy with a direction to vote against, or abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 1

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4B Re-election of Director – Neil Kearney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of the Grant of Performance Rights to Mr Peter Bender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4A Re-election of Director – Frances Bender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

HUO PRX501N



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Monday, 23 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Huon Aquaculture Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



Huon Aquaculture Group Limited

ABN 79 114 456 781

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the shareholders of the Company will be held at The Jones and Co Room in the Henry Jones Art Hotel, 25 Hunter Street, Hobart, at 10.30am on Wednesday 25 November 2015.

BUSINESS TO BE CONDUCTED

1. Financial Statements and Reports

To receive and consider the Financial Report for the Company for the year ended 30 June 2015 together with the Directors' Report and Independent Audit Report as set out in the Annual Report.

2. Adoption of Remuneration Report

To adopt the Remuneration Report for the financial year ended 30 June 2015.

Note: The vote on this Item of business is advisory only and does not bind the Directors or the Company.

3. Approval of the Grant of Performance Rights to Mr Peter Bender

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to the grant of 143,502 performance rights to Mr Peter Bender under the Company's Long Term Incentive and Bonus Sacrifice Plan on the terms set out in the Explanatory Notes."

4A. Re-election of Director

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

"That, Ms Frances Bender, being a Director of the Company who retires in accordance with Article 47 of the Company's Constitution and being eligible offers herself for re-election, be re-elected as a Director of the Company."

4B. Re-election of Director

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

"That, Mr Neil Kearney, being a Director of the Company, retires and offers himself for re-election, be re-elected as a Director of the Company."

These Items of business should be read in conjunction with the explanatory notes on pages 3 to 9.

OTHER BUSINESS

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

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

Dated this 16th day of October 2015.

By order of the Board

Thomas Haselgrove
Company Secretary

VOTING AT THE MEETING

Shareholders can vote on the Items of business by:

- attending the meeting, or
- appointing a proxy, representative or attorney to attend the meeting and vote on their behalf.

Voting Entitlements

The Board has determined that shareholders will be able to attend and vote at the meeting if they are recorded on the register of members of the Company at 7.00pm (AEDT) on Monday, 23 November 2015.

Proxies

1. A shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy (who need not be a shareholder of the Company and may be an individual or a body corporate) to vote on their behalf by completing the proxy form that accompanies this Notice of Meeting. A shareholder cannot appoint more than two proxies to attend and vote in his or her place.
2. A single proxy exercises all voting rights.
3. If a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and does not specify each proxy's proportion (or number) of voting rights, the rights are deemed to be 50% each. Fractions of votes will be disregarded. If more than one proxy is present at the Meeting, neither will be entitled to vote on a show of hands.
4. A shareholder which is a body corporate and entitled to attend and vote at the meeting, or a proxy which is a body corporate and is appointed by a shareholder entitled to attend and vote at the meeting, may appoint an individual to act as its representative at the meeting by providing that person with a letter or certificate, executed in accordance with the Corporations Act or the body corporate's constitution, authorising the person as the representative; or a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative. A copy of the letter, certificate or resolution, or other evidence satisfactory to the Chairman of the Meeting, must be produced prior to admission to the Meeting.
5. Huon encourages you to consider directing your proxy how to vote by marking the appropriate box on each of the proposed resolutions on the proxy form.

6. Chairman as proxy

Items 2 and 3 are connected with the remuneration of KMP. For this reason, the Chairman of the meeting can only vote undirected proxies on Items 2 and 3 if the proxy expressly authorises the Chairman to do so (as provided for on the proxy form).

The Chairman of the meeting intends to vote, as your proxy, in favour of each of the proposed resolutions (where permissible). If you do not want the Chairman of the meeting to vote as your proxy in favour of any resolution, you need to direct your proxy to vote against, or abstain from voting on the relevant resolution by marking the appropriate box on the proxy form.

7. Other KMP as proxy

If you appoint a Director (other than the Chairman of the meeting) or another KMP (or a Closely Related Party of any KMP) as your proxy, you should direct them how to vote on Items 2 and 3 by marking the appropriate box. If you do not do so, your proxy will not be able to vote on your behalf on Items 2 and 3.

The Proxy Form must be received by 10.30am on Monday 23 November 2015, and be lodged:

Online:	www.linkmarketservices.com.au		
By Fax:	Australia	+61 2 9287 0309	
	Overseas	+61 2 9287 0309	
In Person:	Registered Office:	Level 13, 188 Collins Street, Hobart, TAS, 7000	
	Share Registry:	Link Market Services Level 12, 680 George Street, Sydney, NSW, 2000 or 1A Homebush Bay Drive, Rhodes, NSW, 2138	
By Mail:	Registered Office:	The Company Secretary, PO Box 987, Hobart, TAS, 7001	
	Share Registry:	Link Market Services Locked Bag A14 Sydney South, NSW, 1235	
Intermediary Online:	Custodians who are subscribers to intermediary online may appoint their proxy by visiting www.linkmarketservices.com.au		

EXPLANATORY NOTES

Item 1 – Financial Statements and Reports

During this Item there will be an opportunity for consideration of the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2015.

Shareholders will be provided the opportunity to ask questions and comment on these reports or about the Company generally.

Shareholders 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 5 business days before the Annual General Meeting and the answers will be available at and after the meeting. There will be no formal resolution with respect to this Item.

Item 2 – Adoption of Remuneration Report

During this Item there will be an opportunity for shareholders to ask questions and comment on the Remuneration Report in the 2015 Annual Report.

The Remuneration Report appears on pages 47 to 56 of Huon's Annual Report 2015 and is available at www.huonaqua.com.au.

The vote on this resolution will be advisory only and will not bind the Directors of Huon. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration policy for Directors and Executives in future.

Under the Corporations Act, if 25% or more of the votes cast on the resolution at the meeting are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the meeting, Huon's 2016 Remuneration Report will include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reason for this; and
- if, at the 2016 AGM, at least 25% of the votes cast on the resolution for adoption of the 2016 Remuneration Report are against it, Huon will be required to put to shareholders a resolution proposing that an extraordinary general meeting (EGM) be called to consider the election of Directors (spill resolution). If the spill resolution is passed (i.e. more than 50% of the votes cast are in favour of it), all of the Directors (other than the Managing Director), will cease to hold office at the subsequent EGM, unless re-elected at that meeting.

BOARD RECOMMENDATION

The Board considers that the Company's remuneration policies are structured to provide rewards based on its performance and to be competitive with those in the markets in which they operate. On that basis, and with the executive Directors acknowledging their personal interest, the Board recommends that shareholders vote in favour of this resolution.

VOTING EXCLUSION STATEMENT

No votes can be cast on Item 2 by or on behalf of any KMP (details of whose remuneration are included in the Remuneration Report) or their Closely Related Parties (collectively referred to as a Prohibited Voter) and the Company will disregard any votes cast on this resolution (in any capacity, whether as proxy or as shareholders) by any such persons. However, a Prohibited Voter may vote directed proxies on this Item for someone other than a Prohibited Voter.

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

KMP includes Directors and certain senior Huon executives who have the authority and responsibility for planning, directing and controlling the activities of Huon, both directly and indirectly and whose remuneration details are disclosed in the Remuneration Report. It also includes people who have become a KMP since the Remuneration Report was issued on 27 August 2015.

A Closely Related Party means a spouse, child or dependant of the KMP (or a child or dependant of the KMP's spouse), anyone else in the KMP's family who may be expected to influence (or be influenced by) the KMP in the KMP's dealing with Huon, or any company the KMP controls.

Item 3 – Approval of the Grant of Performance Rights to Mr Peter Bender

By the resolution sought under Item 3, the Company is seeking the approval of shareholders for a proposed grant of up to 143,502 Performance Rights to the Chief Executive Officer and Managing Director, Mr Peter Bender under the Company's Long Term Incentive and Bonus Sacrifice Plan (**LTI Plan**).

BACKGROUND

Under ASX Listing Rule 10.14, shareholder approval is required for a Director of the Company to be issued securities under an employee incentive scheme. Accordingly, approval is sought for the grant of performance rights to Mr Bender.

The LTI Plan is a long term incentive plan established by the Board as part of the remuneration of the Company's executives to ensure Huon has the most effective reward mix in place, particularly in light of the changing legislative environment and economic conditions. The LTI Plan is designed to attract, motivate and retain qualified and experienced KMP by aligning KMP interests with those of shareholders and by providing reward through market competitive variable remuneration. The primary objective of the LTI Plan is to link the reward of selected individuals who have the capacity to influence the long term performance of the Company with the generation of shareholder wealth.

Under the LTI Plan, the Company may grant selected eligible executives and the Managing Director rights to subscribe for or, be transferred, performance rights (**Performance Rights**). Each Performance Right provides the entitlement on vesting to acquire one fully paid ordinary share in the Company for nil consideration payable.

The Board has resolved to:

- grant, subject to shareholder approval being obtained, up to (In aggregate) 143,502 Performance Rights in three equal tranches (of 47,834 Performance Rights) to Mr Bender on the terms of the LTI Plan and the terms and conditions described below; and
- issue, or procure the transfer of Shares, or alternatively pay the cash amount of equivalent value, to Mr Bender on the vesting of those Performance Rights.

Mr Bender is presently the only Director of the Company entitled to participate in the LTI Plan.

PERFORMANCE PERIOD

Under the LTI Plan, the Performance Rights will vest in three equal tranches. The Performance Rights allocated in each tranche will vest on the applicable Vesting Date to the extent that certain performance-based conditions are achieved in the relevant Performance Period. Mr Bender may exercise a Performance Right that has vested until the applicable expiry date. If any Shares are issued to Mr Bender following exercise of a vested Performance Right prior to the applicable expiry date, then they may not be sold or transferred before 1 July 2018. The number of Performance Rights to be issued and the Performance Periods applicable to each of the performance-based Performance Conditions are as follows:

Tranche	Number of Performance Rights	Performance Period
Tranche 1	47,834	1 July 2015 to 30 June 2016
Tranche 2	47,834	1 July 2015 to 30 June 2017
Tranche 3	47,834	1 July 2015 to 30 June 2018

PERFORMANCE CONDITIONS

The Performance Rights will be tested against the following performance conditions (**Performance Conditions**):

- Earnings per share (EPS) growth. The relationship between earnings and the number of shares issued is calculated as the net profit after income tax (NPAT) divided by the weighted average number of ordinary shares on issue. Compared to an absolute profit measure, EPS takes into account changes in the equity base. For this reason, this metric is preferred to other profit-based metrics.
- Return on Assets (ROA). Calculated as Total Assets excluding Cash and fair value adjustment on Biological Assets (Average) / Statutory EBIT excluding fair value adjustment on Biological Assets. ROA is an appropriate measure for asset intensive industries which reinforces the need to invest capital on projects with a superior return.

NUMBER OF SHARES TO BE ALLOCATED

The percentage of Performance Rights that vest, and number of Shares to be allocated or amount of cash to be paid, at the end of each applicable Performance Period will be determined by reference to the following schedule:

Target 1: EPS Growth

EPS - 50% of LTI rate

NPAT / Weighted average issued shares

EPS compound annual growth rate ('CAGR')	Vesting outcome
Less than 7.5% CAGR	Nil
7.5% CAGR	50%
Above 7.5% CAGR but below 10% CAGR	Pro-rata from 50-99%
10% CAGR or greater	100%

Target 2: ROA

ROA - 50% of LTI rate

Total Assets excluding Cash and fair value adjustment on Biological Assets (Average) / Statutory EBIT excluding fair value adjustment on Biological Assets

RoA (return for the reporting period)	Vesting outcome
Less than 10% return	Nil
10% return	50%
Above 10% return but below 15% return	Pro-rata from 50-99%
15% return or greater	100%

Any shares issued to Mr Bender upon vesting of Performance Rights granted under Tranche 1 or Tranche 2 may not be sold or transferred by Mr Bender before 30 June 2018.

Under the LTI Plan rules, in the event that a Performance Rights holder ceases to be an Employee prior to the completion of the Performance Period due to a qualifying reason (i.e. other than for dismissal for cause) and such cessation occurs within the first twelve months of the grant of the Performance Rights, then the Performance Rights will be forfeited in the same proportion as the remainder of the year bears to a full year, and all remaining unvested Performance Rights will be retained and tested for possible vesting at the end of the Performance Period.

A summary of the terms of the LTI Plan is set out in Schedule 1 to this Notice of Meeting. A description of the LTI Plan can also be found in the Remuneration Report on pages 50 and 51 of the Company's 2015 Annual Report. A copy of the Plan Rules of the LTI Plan will be made available free of charge if requested by a shareholder from the Company Secretary.

TERMS OF THE PROPOSED RIGHTS ISSUE

Timing of issue

If shareholder approval is obtained, the Performance Rights will be granted to Mr Bender shortly after the 2015 Annual General Meeting and within 12 months after the date of the 2015 Annual General Meeting.

Consideration for issue

The Performance Rights issued to Mr Bender will be issued for nil consideration payable, and each Performance Right will provide the entitlement on vesting to acquire one fully paid ordinary share in the Company for nil consideration.

Maximum number of Performance Rights

The maximum number of Performance Rights which may be acquired by Mr Bender under the shareholder approval being sought is 143,502. The number of performance rights to which Mr Bender is entitled is calculated by dividing the annual long-term incentive component of Mr Bender's remuneration (\$461,266, being 100% of Mr Bender's total fixed annual remuneration) by Huon's 10 day volume weighted average share price (**VWAP**) as at 1 July 2015, which was \$3.21.

Details of Performance Rights previously granted under the LTI Plan to Directors or their associates

Mr Bender is presently the only Director of the Company entitled to participate in the LTI Plan.

No Director of the Company, nor any associate of any such Director, has received any Performance Rights since the Company listed.

Other information

A voting prohibition and exclusion statement is set out below.

No loans have been or will be provided by the Company in relation to the issue of Performance Rights to, or the exercise of Performance Rights by, Mr Bender under the LTI Plan.

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

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

BOARD RECOMMENDATION

The non-executive Directors recommend that shareholders vote in favour of Resolution 3.

VOTING EXCLUSION STATEMENT

Pursuant to ASX Listing Rules 10.14 and 14.11.1, the Company will disregard any votes cast on this Item by Mr Bender or an associate of Mr Bender.

However, the Company is not required to disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman of 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, KMP 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 of the meeting can vote undirected proxies, provided the proxy expressly authorises the Chairman to do so.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

Item 4A – Re-election of Director - Ms Frances Bender

In accordance with Article 47 of the Company's Constitution, Ms Frances Bender retires from the Board and seeks re-election as a Director at that meeting. Frances was appointed to the Board in May 2005. Frances is an Executive Director of the Company.

FRANCES BENDER

Founder of Huon with over 29 years' experience in fish farming operations.

Frances has been instrumental in the design of the Huon brand and its marketing direction and continues to be responsible for these areas.

Frances' former directorships and committees include board member of Tasmanian Aquaculture and Fisheries Industry, member of the Huon Valley Economic Development Advisory Committee, member of Huon Valley Council Rural Health Advisory Committee, member of Tasmanian Food Industry Council and member of Tasmanian Regional Reference Group – South.

BOARD RECOMMENDATION

The Board, other than Ms Frances Bender, recommends that shareholders vote in favour of Ms Bender's re-election to the Board.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4A.

Item 4B – Re-election of Director - Mr Neil Kearney

Mr Neil Kearney retires from the Board and seeks re-election as a Director at that meeting. Neil was appointed to the Board in August 2014. Mr Kearney is a non-Executive Director of the Company.

NEIL KEARNEY B.EC.

Neil has significant leadership experience in major Australian and international food companies with senior roles at Goodman Fielder Limited and National Foods Limited.

Neil's most recent role was Chief Strategy Officer of ASX-listed company Goodman Fielder Limited from 2011 – 2014 and before that he was Chief Executive Officer and Managing Director of Warrnambool Cheese & Butter Factory Co. Holdings Limited from 2007 – 2009.

Neil has previously been a board member for Warrnambool Cheese & Butter Factory Co. Holdings Limited as well as being a Director of National Foods Holdings Ltd 2005 – 2007 and Vitasoy Australia Products Pty Ltd 1999 – 2007

BOARD RECOMMENDATION

The Board, other than Mr Neil Kearney, recommends that shareholders vote in favour of Mr Neil Kearney's re-election to the Board.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4B.

GLOSSARY

ASX Listing Rules means the Listing Rules of ASX Limited.

Closely Related Party of a member of the KMP 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)*.

KMP or Key Management Personnel has the same meaning as in the accounting standards and 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.

Schedule 1

Summary of the terms of the Huon Aquaculture Group Long Term Incentive Plan (LTI Plan)

A summary of the key terms and conditions of the LTI Plan is set out below. A copy of the LTI 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 LTI Plan Rules, unless otherwise indicated.

Performance rights

Under the LTI Plan, the Board of the Company may invite eligible employees to participate in a grant of Performance Rights, where a Performance Right means any right of a LTI Plan participant to acquire one fully paid ordinary share in the Company (**Shares**) (or a cash amount of equivalent value) in accordance with the LTI Plan Rules and subject to certain performance criteria. The Board may determine that an invitation to participate may involve a bonus sacrifice, where an employee elects to contractually forgo part of a future pre-tax cash bonus, subject to the terms and conditions of the invitation.

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

Entitlement to participate

The Board may in its absolute discretion make an offer of Performance 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, an employee of the Huon consolidated group (including a director employed in an executive capacity) who is invited by the Board to participate in the LTI Plan.

Vesting of Rights and allocation of Shares

The Performance Period for a grant of Performance Rights is the period of time during which the Performance Conditions, each as specified in the offer letter, must be satisfied.

The holder will be notified of the result of the testing of the Performance Conditions shortly after the end of the Performance Period once performance outcomes are confirmed.

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.

Cessation of employment

If a holder ceases to be an employee of the Huon Group due to resignation or dismissal for misconduct or poor performance, then unless the Board determines otherwise (prior to or within 60 days of the cessation of employment) any unvested Performance Rights lapse with effect from the date of cessation of employment.

If a holder ceases to be an employee of the Huon Group for any reason other than those set out in the paragraph above, then unless the Board determines otherwise (prior to or within 60 days of cessation of employment) then, any unvested Performance Rights do not vest or lapse as a result of cessation of employment and the LTI Plan Rules and all conditions of the offer continue to apply, except that:

- any continuous service provision requirement of the offer is deemed to be waived; and
- any Performance Rights which do not vest based on testing of the Performance Condition at the next testing date following cessation of your employment will lapse (i.e. there will be no further retesting).

In the event that the Board determines (prior to or within 60 days of cessation of employment) that some or all of the unvested Performance Rights will vest or lapse with effect from the date of cessation of employment, the holder will be notified in writing.

Lapse of Rights

A Performance Right will only vest where the Performance Conditions and any other relevant conditions advised to the holder have been satisfied. Any unvested Performance Rights which fail to meet the Performance Conditions within the specified period will automatically lapse.

Any unvested Performance Rights will also lapse if:

- the holder has dealt with a performance right other than as permitted by the LTI Plan Rules; 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 LTI Plan, the Board must not make an offer of Performance Rights if the total number of Shares that are the subject of Performance Rights (and any other entitlements to Shares, whether under this LTI Plan 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 Performance Rights and Shares

(a) Rights

A Performance Right is only transferable upon death, bankruptcy, or with the prior consent of the Board.

The Performance Rights are subject to Huon's Securities Trading Policy and if a holder purports to deal with their Performance Rights other than in the limited circumstances permitted by the LTI Plan Rules, the Performance Rights will immediately lapse.

(b) Shares

The Board may, in its discretion, impose a restriction on dealing with Shares allocated on vesting of a Performance Right, subject to provision of notice of such restrictions to the holder.

Consequences of a change of control event

In the event of:

- a takeover bid being made, a takeover bid being recommended by the Board or a takeover bid becoming unconditional; or
- a scheme of arrangement, reconstruction or winding up of the Company being put to members;

the Performance Rights may vest at the Board's discretion in accordance with the LTI Plan Rules.

In determining whether to exercise its discretion, the Board will have regard to all relevant circumstances, including the level of satisfaction of the performance conditions over the period from the grant date to the date of the relevant event.

If a company obtains control of the Company as a result of a takeover bid or another corporate action, the Company, the company acquiring control and the holder, may agree together that on the vesting of Performance Rights, the holder will receive shares in the company acquiring control in lieu of shares in the Company, on substantially the same terms as before.

Adjustments

If 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 number of Performance Rights, or the number of Shares to which each participant is entitled upon vesting of Performance Rights, or any amount payable on vesting of the Performance Rights, will be adjusted in a manner determined by the Board, having regard to the ASX Listing Rules and the terms of the LTI Plan Rules.

Amendments

The Board has power to amend at any time all or any of the provisions of the LTI Plan and the terms and conditions of Performance Rights granted under the LTI Plan. However, the Board cannot do so 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 LTI Plan.

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 the Board determines that the original Performance Condition is no longer appropriate or applicable, so long as the interests of the relevant participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

Termination

The Board can terminate or suspend the operation of the LTI Plan at any time, however, the termination or suspension will not prejudicially affect the existing rights of existing participants.