

16 April 2021



Dear Shareholders

### **2021 Annual General Meeting**

It is my pleasure to invite you to attend the **2021 Annual General Meeting** of TasFoods Limited. The formal Notice of Meeting and Explanatory Memorandum (Notice Material), accompany this letter.

The Meeting will be held at **Hotel Grand Chancellor Launceston, 29 Cameron St, Launceston, Tasmania** on Thursday, 20 May 2021, commencing at 11.00am (AEST). Registration will be available from 10.30am (AEST).

The Meeting is an opportunity for shareholders to share their views directly with the Board and Executive team, and to hear from Board members about this years' performance, as well as plans for the future.

The Notice of Meeting commences on page 3, listing the items to be considered at the Meeting. Background information on those items is contained in the Explanatory Memorandum which commences on page 11.

I would like to address specifically Resolution 1 – Remuneration Report.

At our AGM last year, regrettably more than 25% of voting shareholders voted against the Remuneration Report for 2019.

The Board considers the Company's remuneration structure on an annual basis, and makes regular changes to ensure it is fit for purpose. At the beginning of 2020 it carefully set Short Term Incentives with a weighting towards financial performance and an EBITDA performance hurdle and discussed granting an LTI that rewarded strong share price performance.

However, with the arrival of the COVID-19 pandemic, circumstances significantly altered. As outlined in the Remuneration Report, in the COVID-19 budget review completed in April 2020, Management elected to forfeit any LTI or STI which may become payable with respect to the 2020 financial year.

As a result, during 2020 no Long Term Incentives were granted and no Short Term Incentives were paid and only fixed remuneration was received.

The Board remains confident given the Company's strategic objectives that the remuneration framework is appropriate.

Your Directors recommend voting **FOR the Remuneration Report - Resolution 1.**

If we receive a second No vote on the Remuneration Report, the conditional Board spill resolution (**Resolution 6**) will be put to the Annual General Meeting and the Directors recommend voting **AGAINST this resolution**.

As you are aware, the Board undertook significant change in 2020, with two Board members departing and Ben Swain and I commencing with the Company. Since then the whole Board engaged in reviewing and adopting the new strategic plan and is now overseeing its roll out in 2021. Passing a resolution to call another shareholder meeting and spilling the Board would be counter-productive and disruptive for the Company.

The Board recognise the importance of ensuring that all shareholders are provided with an opportunity to vote on resolutions, and are given a voice proportionate to their ownership. Voting will be conducted by way of a poll for all resolutions, to reflect the wishes of shareholders who attend the Meeting as well as those voting by proxy. Further details of the polling procedure will be explained at the Meeting.

A voting/proxy form is included in the Notice Material. The voting/proxy form contains a barcode to assist with the registration process at the Meeting. If you attend the Meeting, please bring this barcoded voting/proxy form with you. **If you are not attending the Meeting, the voting/proxy form allows you to either lodge your vote directly or appoint a proxy to vote on your behalf.** Please refer to the Notice Material for more information.

If you are unable to attend the Meeting, you can view a **webcast** live on-line or a recording after the conclusion of the Meeting on our website at [www.tasfoods.com.au](http://www.tasfoods.com.au).

If you cannot attend the Meeting, but would like to submit questions to the Company or the auditor, on any shareholder matters that may be relevant to the Meeting, you can do so by email to [co.sec@tasfoods.com.au](mailto:co.sec@tasfoods.com.au)

While time may not permit me to address all the questions submitted, I will try, during the course of the Meeting, to address the more frequently raised shareholder matters.

The Board and Executive team invite shareholders to join them in enjoying some of TasFoods' premium products which will be served at the conclusion of the Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Craig Treasure', written in a cursive style.

**Craig Treasure**

Chairman

# **TasFoods Limited**

## **Notice of Annual General Meeting**

**Notice is hereby given that the Annual General Meeting of the shareholders of TasFoods Limited (ACN 084 800 902) (Company) will be held at:**

**Time:** 11.00am AEST

**Date:** Thursday, 20 May 2021

**Place:** 29 Cameron St, Launceston, Tasmania (Hotel Grand Chancellor Launceston)

### **IMPORTANT NOTES**

1. Registration will commence at 10.30am AEST.
2. Discussion will take place on all items of business set out below.
3. The Explanatory Memorandum provides further information relating to the items of business.
4. As explained in the 'voting exclusion statement' on pages 10 and 11, certain shareholders are excluded from voting in relation to particular resolutions and TasFoods must disregard any votes cast by those shareholders. Please do not vote if your vote must be disregarded.

### **AGENDA**

#### **Financial Reports**

To receive and consider the accounts of the Company, the Financial Report, the Directors' Report and the Auditor's Report prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**) for the year ended 31 December 2020.

### **ORDINARY BUSINESS**

#### **Resolution 1: Adoption of Remuneration Report**

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

"That the Remuneration Report for the Company and its controlled entities for the year ended 31 December 2020 be approved and adopted."

A voting exclusion statement applies to this Resolution as set out in this Notice of Meeting.

Please Note - 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 on this resolution are against the resolution, the conditional spill resolution below (Resolution 6) will be put to shareholders for their consideration and vote.

#### **Resolution 2: Re-election of Director – Mr Roger McBain**

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

"That Mr Roger McBain, who was last elected by shareholders on 23 May 2019, and retires in accordance with Clause 7.1(g)(3) of the Company's Constitution, and being eligible, be re-

elected as a Director of the Company."

Details of Mr McBain are set out in the Explanatory Memorandum to this Notice of Meeting.

**Resolution 3: Approval of the TasFoods Limited Rights Plan (TFLRP)**

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

"That, for the purposes of Listing Rule 7.2 Exception 13, the Corporations Act section 260C(4) and for all other purposes, the TasFoods Limited Rights Plan (TFLRP) and any grants of Rights (as defined in the TFLRP) and Shares (ordinary shares in the Company) or Restricted Shares (Shares subject to disposal restrictions) that result from the exercising of Rights under the TFLRP, as well as any potential financial assistance resulting from the operation of the TFLRP, as described in the Explanatory Memorandum to this Notice of Meeting, be approved."

A voting exclusion statement applies to this Resolution as set out in this Notice of Meeting.

**Resolution 4: Approval for the Granting of Performance Rights to a Director - Ms Jane Bennett, Managing Director and Chief Executive Officer**

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

"That approval is given for the grant of 854,634 Performance Rights to the Managing Director, Ms Jane Bennett, under the TasFoods Limited Rights Plan (**TFLRP**) on the terms and conditions described in the Explanatory Memorandum to this Notice of Meeting, and for the purpose of ASX Listing Rule 10.14 and all other purposes."

A voting exclusion statement applies to this Resolution as set out in this Notice of Meeting.

**SPECIAL BUSINESS**

**Resolution 5: Approval to renew the proportional takeover provisions of the Company's Constitution**

To consider and if thought fit, pass the following as a **special resolution**:

"That the proportional takeover provisions in Section 5.7 of the Company's Constitution are renewed for a period of three years from the date of this meeting."

**CONTINGENT BUSINESS – ONLY TO BE CONSIDERED IF RESOLUTION 1 OUTCOME REQUIRES IT**

**Resolution 6: Conditional Spill Resolution**

If required: to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That subject to and conditional upon at least 25% of the votes cast on Resolution 1, being cast against the adoption of the Remuneration Report:

a) An extraordinary general meeting of the Company (the Spill Meeting) be held within 90 days of the passing of this Resolution;

b) All of the Directors (other than the Managing Director) who were in office when the Resolution to approve the Directors' Report for the financial year ended 31 December 2020 was passed (being Mr Craig Treasure, Mr Roger McBain and Mr Ben Swain) and who remain in office at the commencement of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and

c) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to vote at the Spill Meeting."

A voting exclusion applies to this resolution as set out in this Notice of Meeting.

By order of the Board

A handwritten signature in dark ink, reading "Marta Button". The signature is written in a cursive, flowing style. The letters are connected, and the overall appearance is that of a personal or official signature.

Marta Button  
Company Secretary

16 April 2021

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## **Direct Voting & Appointing Proxies**

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***If you are unable to attend the Meeting to vote in person, you are encouraged to direct vote or appoint a proxy by completing the AGM Voting Form attached to the Notice.***

### **Direct Voting**

You may vote by direct voting using the Annual General Meeting Voting Form.

Direct voting enables you to exercise your voting rights without needing to attend the meeting or appoint a proxy. To be effective it must be completed by 11.00 am AEST on 18 May 2021.

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

If you cast a direct vote you may still attend the meeting, and your attendance will not cancel your direct vote unless you advise the share registry of this upon your entry.

### **Voting by Proxy**

#### **Appointment of Proxies**

Each shareholder is entitled to appoint a proxy. The proxy does not need to be a shareholder. A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion of votes each proxy is entitled to exercise. If a shareholder appoints two proxies, each proxy may exercise half of the shareholder's votes if no proportion or number of votes is specified.

If a proxy holder votes, they must cast all directed proxies as directed. Any directed proxies which are not voted will automatically default to the Chair who must vote the proxies as directed.

To be effective, the Annual General Meeting Voting Form appointing proxies (and, if the appointment is signed by your attorney, the authority under which the appointment was signed or a certified copy of the authority) must be sent to the Company and received not later than 11:00am AEST on 18 May 2021 (unless the Directors determine to extend this deadline).

The completed proxy/voting Form may be submitted to the Company's Share Registry or the Company as follows:

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

- it is cast by the person chairing the meeting pursuant to an express authorisation to exercise the proxy even though this item is connected with the remuneration of the Company's Key Management Personnel, for a person who is entitled to vote on this item.

**Resolution 3: Approval of the TasFoods Limited Rights Plan (TFLRP)**

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a person who is eligible to participate in the TFLRP; or
- an associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person which is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if:

- the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- the appointment does not specify the way the proxy is to vote on resolution 3.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though resolution 3 is connected directly or indirectly with remuneration of the Key Management Personnel.

**Resolution 4: Approval for the Granting of Performance Rights to a Director - Ms Jane Bennett, Managing Director and Chief Executive Officer**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the TFLRP;
- or an associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person which is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- the appointment does not specify the way the proxy is to vote on resolution 4.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though resolution 4 is connected directly or indirectly with remuneration of the Key Management Personnel.

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### **Questions for the Auditor**

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Pursuant to section 250PA of the Corporations Act, in addition to raising questions at the Annual General Meeting itself, shareholders may submit to the auditor written questions pertaining to:

- the content of the auditor's report to be considered at the Annual General Meeting;
- the conduct of the audit of the annual financial report to be considered at the Annual General Meeting.

Shareholders must submit any such written questions for the auditor to the Company by no later than 6:00 pm AEST on 18 May 2021. The auditor will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be discussed at the meeting and made available to shareholders as soon as practicable after the meeting.

The questions to the auditor may be sent to the Company Secretary as follows:

By email: [Co.sec@tasfoods.com.au](mailto:Co.sec@tasfoods.com.au)

By Mail to: Company Secretary  
TasFoods Limited  
PO Box 425,  
Launceston, Tasmania, 7250  
Australia

By Hand to: Company Secretary  
TasFoods Limited  
52-54 Tamar Street,  
Launceston, Tasmania,  
Australia

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# Explanatory Memorandum

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This Explanatory Memorandum has been prepared for the information of shareholders of TasFoods Limited (**the Company**) in connection with the business to be conducted at the Annual General Meeting of the shareholders to be held on Thursday 20 May 2021 at 11:00 am at 29 Cameron St, Launceston, Tasmania.

This Explanatory Memorandum and the attachments are important documents, which form part of the Notice of Meeting. The purpose of this Explanatory Memorandum is to provide information to shareholders deciding whether or not to pass the Resolutions, and should be read carefully and in their entirety. If you have any questions regarding the matters set out in this Explanatory Memorandum or the Notice, please contact the Company or your financial or legal adviser.

## **Accounts and Reports**

The first item of the Notice of Meeting deals with the presentation of the consolidated financial report of the Company for the year ended 31 December 2020 together with the Directors' declaration and report in relation to that financial period and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

Shareholders will be provided with reasonable opportunity at the Annual General Meeting to ask questions about or make comments on the above reports.

Shareholders will also have the opportunity at the meeting to ask questions of the Company's external Auditor, PricewaterhouseCoopers, relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company can be submitted no later than 6:00 pm AEST on 18 May 2021 to [Co.sec@tasfoods.com.au](mailto:Co.sec@tasfoods.com.au).

There is no requirement for shareholders to approve the financial report, Director's report or auditor's report.

## **Resolution 1: Adoption of the Remuneration Report**

The Financial Report of the Company for the year ended 31 December 2020 contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors and specified executives of the Company. This Remuneration Report can be found on pages 34 - 48 in the Company's 2020 Annual Report. It sets out a range of matters relating to the remuneration of Directors and Key Management Personnel of the Company. A copy of the Company's 2020 Annual Report can be found on its website at [www.tasfoods.com.au](http://www.tasfoods.com.au)

The Corporations Act provides that if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike".

At last year's Annual General Meeting 36.29% of the votes cast on the resolution to

adopt the 2019 Remuneration Report were cast against the resolution. Accordingly, the Company received a “first strike”.

The Board considers the Company's remuneration structure on an annual basis, and makes regular changes to ensure it is fit for purpose. At the beginning of 2020 it carefully set Short Term Incentives with a weighting towards financial performance and an EBITDA performance hurdle and discussed granting an LTI that rewarded strong share price performance.

However, with the arrival of the COVID-19 pandemic, circumstances significantly altered. As outlined in sections 4.6 and 4.7 of the Remuneration Report, in the COVID-19 budget review completed in April 2020, Management elected to forfeit any LTI or STI which may become payable with respect to the 2020 financial year. Management's decision was approved by the Board in April 2020.

As a result, during 2020 no Long Term Incentives were granted and no Short Term Incentives were paid and only fixed remuneration was received.

The Board remains confident given the Company's strategic objectives that the remuneration framework is appropriate.

As mentioned above, a vote on this Resolution 1 is advisory only. However, if more than 25% of the votes cast on this resolution are against adopting the 2020 Remuneration Report, the Contingent Spill Resolution in Resolution 6 will be put to the meeting. The operation and consequences of a spill resolution are detailed in Resolution 6.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the KMP (including the Directors) whose remuneration details are disclosed in the Remuneration Report or their closely related parties are excluded from voting and may not cast a vote as proxy, unless the appointment expressly gives a direction on how to vote.

If using a proxy, shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

### **Directors' Recommendation**

The Board unanimously recommend that shareholders vote **FOR** Resolution 1.

The Chair of the meeting intends to vote undirected proxies **FOR** Resolution 1.

### **Resolution 2: Re-election of Director – Mr Roger McBain**

Clause 7.1(g)(3) of the Company's Constitution provides that if the ASX Listing Rules require the Company to hold an election of directors at each annual general meeting, and there is no director required to retire under the Company's Constitution, then the director who has been longest in office since his or her last election must retire.

Mr McBain was appointed to the board as an Executive Director on 3 September 2015 and transitioned to Non-Executive Director on 1 July 2016 after being elected by shareholders on 23 May 2016. Having held office for 3 years, Mr McBain retired in accordance with Clause 7.1(g)(1) of the Company's Constitution, and being eligible, was re-elected as a Director of the Company on 23 May 2019.

Mr McBain is Chair of the Audit & Risk Committee and a member of the Nomination and Remuneration Committee. Mr McBain offers himself for re-election.

Mr McBain led a Tasmanian based Chartered Accounting firm as a partner for 25 years ultimately leading the successful merging of the practice into Deloitte in 2010.

Continuing as a partner at Deloitte for a further 5 years, Mr McBain delivered strong results to the Tasmanian practice, through his extensive experience in a broad range of businesses with particular expertise in FMCG, agribusiness and mining services.

Mr McBain currently pursues a number of private business interests including a technology company, property development, tourism, hospitality and retail investments.

### **Directors' Recommendation**

The Board (other than Mr McBain), unanimously recommend that shareholders vote **FOR** Resolution 2.

The Chair of the meeting intends to vote undirected proxies **FOR** Resolution 2.

### **Resolution 3: Approval of the TasFoods Limited Rights Plan (TFLRP)**

Resolution 3 seeks Shareholder approval for the TasFoods Limited Rights Plan (**TFLRP**) in order to preserve the 15% limit on new Share (ordinary shares in TasFoods Limited) issues that may be made in each year without Shareholder approval. If passed the approval will exclude from the calculation of the limit any Shares or Restricted Shares that are issued as the result of Rights (as defined in the TFLRP) that have been issued under the TFLRP being exercised, during the subsequent three (3) years (Listing Rule 7.2 exception 13).

Section 260A of the Corporations Act restricts the circumstances in which financial assistance may be provided to a person for the purposes of acquiring Shares in the Company. Section 260C (exemption 4) exempts assistance that arises under a Shareholder approved employee share scheme. Therefore, the Company seeks that approval from Shareholders.

Executive remuneration is determined by the members of the Board (other than the Managing Director), having consideration of relevant market practices and the circumstances of the Company on an annual basis. It is the view of members of the Board (other than the Managing Director) that it is in the interests of Shareholders for selected Senior Executives (the Participants) to receive part of their total remuneration package (TRP) in the form of at-risk equity that will vest based on performance against indicators that are linked to Shareholder benefit (Vesting Conditions) during a defined Measurement Period. This is also considered best practice with regards to evident market practices. It should therefore be considered appropriate to provide some equity based remuneration to Executives of the Company instead of cash only.

The TFLRP is therefore designed to form a significant component of at-risk remuneration and to create alignment between Shareholder value creation and the remuneration of selected Senior Executives. If approved, grants under the TFLRP will facilitate the Company providing appropriate, competitive and performance-linked remuneration to its Senior Executives. The members of the Board (other than the Managing Director) seek to ensure that grants to Senior Executives are made at a level that will appropriately position their TRPs in the market, in accordance with the Company's remuneration policies. The Board regularly reviews market positioning, the elements and mix of remuneration for Senior Executives, to ensure remuneration remains reasonable, within the range of market practices, and is appropriate to the circumstances of the Company.

Non-executive directors are not eligible to participate in the TFLRP.

The TFLRP was introduced in 2017 following approval by shareholders at the 2017 Annual General Meeting. As at 31 December 2020, 6,479,168 Performance Rights have been issued to participants under the TFLRP, of these 4,825,597 performance rights had been forfeited/lapsed as at 31 December 2020.

## Overriding limits

The Board's ability to grant Performance Rights under the TFLRP will be subject to the following overriding limit. The grant of Performance Rights under the TFLRP must not cause TasFoods to exceed the limit that applies under ASIC amended Class Order [CO 14/1000] ("Class order 14/1000") (or any replacement order) in respect of new issues of securities under employee share schemes. In broad terms, and subject to various exclusions prescribed by ASIC and set out in Class Order 14/1000, Class Order 14/1000 currently limits the aggregate number of securities issued to employees under any employee share scheme (including the TFLRP) over a three-year period to 5% of the total number of securities in the issued capital of TasFoods at the time of the proposed offer or grant, which at the date of this Notice of Meeting is 17,595,133.

A summary of the main features of the TFLRP is set out in the table below:

| Aspect             | Details   |
|--------------------|---|
| Instrument         | <p>The TFLRP uses Rights which are an entitlement to the value of a Share which may be settled either in the form of cash or a Share/Restricted Share (a Share which is subject to disposal restrictions). Generally it is expected that vested Rights will be satisfied in Restricted Shares. The price to exercise the Rights is nil, however vesting is performance tested. The value that will be realised is then a function of performance against performance indicators (see Vesting Conditions below) and the Share Price at the time of vesting.</p> <p>The TFLRP allows for three kinds of Rights to be granted, which may be appropriate forms of remuneration under various circumstances, being;</p> <ul style="list-style-type: none"><li>• Performance Rights which vest when performance conditions have been satisfied,</li><li>• Service Rights which vest after the completion of a period of service, and</li><li>• Deferred Rights which relate to amounts of deferred payments already earned and which are not subject to vesting conditions.</li></ul> <p>It is not currently anticipated that Deferred Rights or Service Rights would be used, and presently all Rights intended to be issued under the TFLRP are Performance Rights.</p> |
| Eligibility        | <p>Selected Executives and other key employees as nominated by the Board are eligible to participate. Participants would need to be employees, however, it is possible to include contractors. Non-executive directors are not eligible so as to ensure their independence with regards to the oversight of the TFLRP.</p>  |
| Terms & Conditions | <p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the TFLRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Performance and Service Rights offered will be subject to Vesting Conditions and in the case of Performance Rights the conditions are intended to be challenging and linked to the creation of Shareholder value. The terms and conditions of the TFLRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a Change of Control, a major return of capital to Shareholders and the treatment of Rights in the circumstances of various forms of termination.</p>   |

|                         |   |
|-------------------------|---|
| Number of Rights        | The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's Base Package, relevant market practices, the relevant policies of the Company regarding their remuneration and any vesting conditions attached to the Rights.  |
| Vesting                 | Performance Rights will be the main form of Right that will be used and they will vest based on Company performance. Service Rights and Deferred Rights may also be used from time to time to retain key talent, or defer short-term incentives, at the Board's discretion. Upon the satisfaction of the Vesting Conditions, the value of Rights that vest will be evaluated and will either be paid in cash, converted into Shares/Restricted Shares, or a combination of cash and Shares. Generally it is expected that vested Rights will be converted into Restricted Shares. The exercising of Rights is automatic following vesting.      |
| Measurement Period      | The Measurement Period may be determined by the Board as part of each offer, but is intended to be three years (starting from the beginning of the financial year in which a grant is made) with no vesting prior to performance being tested at the end of the three years between the start of the financial year in which the grant is made, and the end of the third financial year. Different Measurement Periods may be applied when warranted. The life of the Rights may differ from the Measurement Period and be shorter when Shareholder approval for grants cannot be obtained until after the beginning of the Measurement Period. |
| Vesting Conditions      | Vesting Conditions are to be determined by the Board as part of each Invitation (an invitation to apply for a grant of Rights), however the conditions selected are intended to create alignment with the experiences and expectations of Shareholders over the Measurement Period. Initially Vesting Conditions will be performance relative to a scale of outcomes related to the price of the Company's shares (based on a 10 day volume weighted average price ( <b>VWAP</b> ) ending on the last day of the Measurement Period).   |
| Retesting               | The TFLRP Rules allow for a single retest to apply 12 months following the first test, only if the executive is still employed, and nil vesting occurred at the first test. The start of the Measurement Period would not be affected by retesting, and retests would only apply to vesting scales that are expressed on an annualised basis, which ensures the retest does not make vesting easier. The purpose of retesting is to address short-term anomalies that arise at the relevant calculation points, and to motivate management to strive for improvement if the LTI fails to vest at the first instance.                            |
| Exercise Price          | Nil.  |
| Cessation of Employment | <p>Unless the Board determines otherwise, if a TFLRP Participant ceases employment and is classified as a "Bad Leaver" (dismissal for cause, termination for poor performance or otherwise as determined by the Board), all unvested Performance Rights held by the Participant will lapse.</p> <p>Unless the Board determines otherwise, if a Participant ceases employment for any other reason, including by reason of death, disability, redundancy or retirement ("Good Leaver"), Performance Rights that were granted to the Participant during the financial year in which the termination occurred will be</p>                          |

|                                  |   |
|----------------------------------|---|
|                                  | <p>forfeited in the same proportion as the remainder of the financial year bears to the full year. All remaining Performance Rights for which Vesting Conditions have not been satisfied as at the date of cessation of employment will then remain "on foot", subject to the original Vesting Conditions.</p> <p>In the circumstances of any termination, any Restricted Shares that flow from the exercising of the Rights would cease to be subject to disposal restrictions unless otherwise specified in the Invitation.</p>                                     |
| Change of Control of the Company | <p>In the event of a Change of Control, unvested Performance Rights would vest in the same proportion as the Share Price has increased since the beginning of the Measurement Period. Remaining Performance Rights would either lapse or some or all may vest at the Board's discretion. In relation to Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted, though the Company's trading policy and legal restrictions with regards to insider trading would continue to apply.</p> |
| Major Return of Capital          | <p>The TFLRP contains provisions that provide for vesting in the proportion of capital returned to Shareholders, or in the proportion that the Share Price increased over the Measurement Period, with Board discretion regarding the remainder.</p>  |
| Voting and Dividend Rights       | <p>Rights do not carry voting or dividend entitlements. Shares/Restricted Shares issued when Rights vest carry all entitlements of Shares, including voting and dividend rights.</p>  |
| No Transfer of Rights            | <p>Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p>   |
| Quotation                        | <p>Performance Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares (including Restricted Shares) issued as a result of the operation of the TFLRP, in accordance with the ASX Listing Rules.</p>  |
| Variation of Term and Conditions | <p>To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the TFLRP. This includes varying the number of Performance Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.</p>   |
| Issue or Acquisition of Shares   | <p>Shares (including Restricted Shares) allocated to a Participant when Performance Rights vest under the TFLRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.</p>   |
| Cost and Administration          | <p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying vested Performance Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the TFLRP.</p>   |
| Other Terms of the TFLRP         | <p>The TFLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the TFLRP.</p>   |
| Hedging                          | <p>The Company prohibits the hedging of Rights, Shares or Restricted Shares subject to dealing restrictions by Participants.</p>  |
| Lapse and Forfeiture of Rights   | <p>Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period, subject to retesting.</p>   |

## Directors' Recommendation

The Board (other than Ms Jane Bennett) unanimously recommend that Shareholders vote **FOR** Resolution 3.

The Chair of the meeting intends to vote undirected proxies **FOR** Resolution 3.

### **Resolution 4: Approval for the Granting of Performance Rights to a Director – Ms Jane Bennett, Managing Director & CEO**

ASX Listing Rule 10.14 requires the Company to obtain Shareholder approval for the issue of securities to a director under an employee incentive scheme. The Company is seeking Shareholder approval for the proposed grant of Performance Rights to the Managing Director, Ms Jane Bennett, as set out below. No other Directors are entitled to participate in this grant.

The TasFoods Limited Rights Plan (**TFLRP**) has been designed to facilitate the Company moving towards best practice remuneration structures for Senior Executives. A key component of effective remuneration for Senior Executives is a long-term incentive to support retention, drive shared performance objectives and link remuneration to company performance.

The features of the proposed 2021 financial year grant of Performance Rights to the Managing Director are summarised below:

| Aspect                               | Details   |
|--------------------------------------|---|
| Instrument                           | The Company is seeking Shareholder approval for a grant of Performance Rights to the Managing Director, Ms Jane Bennett. Performance Rights may vest if performance conditions are satisfied. Performance Rights are indeterminate Rights, which when validly exercised entitle the holder to the value of a Share, and which may be settled in the form of cash, Restricted Shares or Shares at the Board's discretion.  |
| Terms & Conditions                   | The Board has the discretion to set the terms and conditions on which it will offer Rights under the TFLRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Rights offered in relation to this resolution will be subject to Vesting Conditions that are intended to be challenging and linked to growth in Shareholder value, as outlined below. The terms and conditions of the TFLRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a Change of Control, a major return of capital to Shareholders, consolidation of securities on issue, and the treatment of Rights in the circumstances of various forms of termination.   |
| Maximum number of Performance Rights | It is proposed that the Managing Director be invited to apply for a total of 854,634 Performance Rights in respect of the 2021 financial year. The maximum number of Performance Rights has been calculated by multiplying the total fixed remuneration (TFR) of the incumbent by the maximum LTI % and then dividing that figure by a 10-day volume weighted average price ( <b>VWAP</b> ) related to the time of calculation. The VWAP used to calculate the maximum number of performance rights was 12.3 cents based on the share price over the 10 days between 2 February 2021 and 15 February 2021. The maximum LTI % is 40% of TFR and the target LTI % is 20% of TFR. It should be noted that at target performance, only 50% of these would be expected to vest, and that 100% vesting would be considered exceptional and is associated with significantly outperforming expectations. |

| Amount payable for Performance Rights | No amount will be payable by the Managing Director for the grant of the Performance Rights or on the vesting of the Performance Rights as they are part of the intended total remuneration package for the 2021 financial year. No loan has been made in relation to the grant.  |   |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
|---------------------------------------|--|---|-----------------|---|----------|---------|------|---------|--------|------|----------------------------|----------------------|----------|--------|--------|-----|
| Vesting of Performance Rights         | Upon the satisfaction of the Vesting Conditions, the value of Rights that vest will be evaluated and will be paid in Shares, Restricted Shares, cash or a combination of cash and Shares/Restricted Shares based on the then Share Price. Each Performance Right that vests will be equivalent to the value of one share. Restricted Shares are subject to disposal restrictions related to the time that the Participant may deal with the Shares under the Company's share trading policy, any conditions specified in the Invitation, and legal restrictions with regards to insider trading.   |   |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Date of grant                         | If Shareholder approval is obtained, the Performance Rights will be granted to Ms Bennett shortly after the AGM and, in any event, no later than 12 months after the AGM.  |   |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Measurement Period                    | The Measurement Period will be the three financial years from 1 January 2021 to 31 December 2023.  |   |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Vesting Conditions                    | <p>In order for Performance Rights to vest, Ms Bennett must remain employed by the Company during the Measurement Period (except in the case of a "Good Leaver", see below) and the performance conditions must be satisfied. The performance condition in relation to this proposed grant of Performance Rights is Share Price growth, with the vesting percentages (of the grant/stretch/maximum level of LTI) to be determined by the following scale:</p> <table><tr><th>Performance Level</th><th>TFL Share Price</th><th>% of the Grant/Stretch /Maximum Vesting</th></tr><tr><td>&gt;Stretch</td><td>&gt;\$0.32</td><td>100%</td></tr><tr><td>Stretch</td><td>\$0.32</td><td>100%</td></tr><tr><td>Between Target and Stretch</td><td>&gt;\$0.27 and &lt; \$0.32</td><td>Pro-rata</td></tr><tr><td>Target</td><td>\$0.27</td><td>50%</td></tr></table> <p>The targets for share price are based on a starting share price of \$0.20 (being the weighted average share issue price of capital raisings undertaken since 2016 through to December 2020). A Compound Annual Growth Rate (<b>CAGR</b>) of 10.5% is required to achieve 'target' share price and a CAGR of 17.0% is required to achieve 'stretch' share price; noting however as the share price at the beginning of 2021 was lower than the starting share price, using the VWAP of 12.3 cents as a base, a CAGR of 30.1% over the years 2021-2023 is required to achieve 'target' share price and a CAGR of 38.7% is required to achieve 'stretch' share price.</p> <p>Share Price will be determined by a 10 trading day VWAP ending on the date that is the end of the Measurement Period (see above).</p> | Performance Level                       | TFL Share Price | % of the Grant/Stretch /Maximum Vesting | >Stretch | >\$0.32 | 100% | Stretch | \$0.32 | 100% | Between Target and Stretch | >\$0.27 and < \$0.32 | Pro-rata | Target | \$0.27 | 50% |
| Performance Level                     | TFL Share Price  | % of the Grant/Stretch /Maximum Vesting |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| >Stretch                              | >\$0.32  | 100%                                    |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Stretch                               | \$0.32   | 100%                                    |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Between Target and Stretch            | >\$0.27 and < \$0.32   | Pro-rata                                |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Target                                | \$0.27   | 50%                                     |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Retesting                             | Retesting is not permitted under the proposed terms of the FY21 Invitations.   |   |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Exercise Price                        | No amount will be payable by the Managing Director to exercise a Performance Right that has vested.  |   |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |
| Cessation of Employment               | Unless the Board determines otherwise, if a TFLRP Participant ceases employment and is classified as a "Bad Leaver" (dismissal for cause,  |   |                 |   |          |         |      |         |        |      |                            |                      |          |        |        |     |

|  |  |
|--|--|
|  | <p>termination for poor performance or otherwise as determined by the Board), all unvested Performance Rights held by the Participant will lapse. Unless the Board determines otherwise, if a Participant ceases employment for any other reason, including by reason of death, disability, redundancy or retirement ("Good Leaver"), Performance Rights that were granted to the Participant during the financial year in which the termination occurred will be forfeited in the same proportion as the remainder of the financial year bears to the full year. All remaining Performance Rights for which Vesting Conditions have not been satisfied as at the date of cessation of employment will then remain "on foot", subject to the original Vesting Conditions.</p> <p>In the circumstances of any termination, any Restricted Shares that flow from the exercising of the Rights would cease to be subject to disposal restrictions unless otherwise specified in the Invitation.</p> |
| Change of Control of the Company           | <p>In the event of a Change of Control, unvested Performance Rights would vest in the same proportion as the Share Price has increased since the beginning of the Measurement Period. Remaining Performance Rights would either lapse or some or all may vest at the Board's discretion. In relation to Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted, though the Company's trading policy and insider trading restrictions would continue to apply.</p>  |
| Voting and Dividend Rights                 | <p>Performance Rights do not carry voting or dividend entitlements. Shares (including Restricted Shares) issued when Performance Rights vest carry all entitlements of Shares, including voting and dividend entitlements.</p>   |
| Lapse and Forfeiture of Performance Rights | <p>Performance Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period.</p>  |
| No Transfer of Performance Rights          | <p>Performance Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p>  |
| Quotation                                  | <p>Performance Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares (including Restricted Shares) issued as a result of the operation of the TFLRP, in accordance with the ASX Listing Rules.</p>   |
| Variation of Terms and Conditions          | <p>To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the TFLRP. This includes varying the number of Performance Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.</p>  |
| Issue or Acquisition of Shares             | <p>Shares (including Restricted Shares) allocated to a Participant when Performance Rights vest under the TFLRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.</p>  |
| Cost and Administration                    | <p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying vested Performance Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the TFLRP.</p>  |
| Other Terms of the TFLRP                   | <p>The TFLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the TFLRP.</p>  |
| Hedging                                    | <p>The Company prohibits the hedging of Performance Rights, Restricted Shares and Shares by Participants.</p>  |

As outlined elsewhere in this Notice of Meeting, Senior Executive remuneration is determined by the members of the Board (other than the Managing Director), having consideration of relevant market practices and the circumstances of the Company on an annual basis. It is the view of members of the Board (other than the Managing Director) that it is in the interests of Shareholders for selected Senior Executives (the Participants) to receive part of their total remuneration package (TRP) in the form of at-risk equity that will vest based on performance against indicators that are linked to Shareholder benefit (Vesting Conditions) during a defined Measurement Period. This is also considered best practice with regards to evident market practices. It should therefore be considered appropriate to provide some equity based remuneration to executive Directors of the Company instead of cash only.

For the purposes of Listing Rule 10.15.4, Ms Jane Bennett's current total remuneration is as follows:

- Total Fixed Remuneration (TFR) of \$262,800;
- Target variable Short-Term Incentive opportunity of 30% of TFR; and
- Target variable Long-Term Incentive opportunity of 20% of TFR

Further information on Ms Bennett's remuneration is set out in the Remuneration Report on pages 34 to 47 of the TasFoods 2020 Annual Report.

Below is a summary of performance rights granted to Ms Jane Bennett (at no cost) under the TFLRP.

| Grant Date      | Performance Period |          | Balance at start of year | Granted during year | Forfeited   | Vested | Balance at end of year | Fair Value per share |
|-----------------|--------------------|----------|--------------------------|---------------------|-------------|--------|------------------------|----------------------|
|                 | From               | To       |                          |                     |             |        |                        |                      |
| <b>17/07/17</b> | 01/01/17           | 31/12/19 | 1,384,619                |                     | (1,384,619) |        | 0                      | \$0.068              |
| <b>26/07/18</b> | 01/01/18           | 31/12/20 | 618,353                  |                     | (618,353)   |        | 0                      | \$0.044              |
| <b>24/10/19</b> | 01/01/19           | 31/12/21 | 772,941                  |                     |             |        | 772,941                | \$0.042              |

The value of the Performance Rights is determined by an independent expert using a Monte-Carlo simulation.

Details of any Performance Rights issued under the TFLRP will be published in the Tasfoods Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.

Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of Performance Rights under the TFLRP after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

#### **Directors' Recommendation**

The Board (other than Ms Jane Bennett) unanimously recommend that Shareholders vote **FOR** Resolution 4.

The Chair of the meeting intends to vote undirected proxies **FOR** Resolution 4.

## SPECIAL BUSINESS

### **Resolution 5: Approval to renew the proportional takeover provisions of the Company's Constitution**

Under the Constitution, and section 648G of the Corporations Act, the proportional takeover provisions in rule 5.7 of the Constitution (Proportional takeover approval), renewed by the Company in May 2018, automatically lapse after three years.

A proportional takeover offer is a takeover offer where the offer made to each shareholder is only for a proportion of that shareholder's shares, and not for the shareholder's entire shareholding.

Rule 5.7 was designed to assist shareholders to receive the proper value for their shares if a proportional takeover bid is made for the Company. Accordingly, the Directors consider that it is in the best interests of shareholders to renew these provisions in the Constitution.

The Directors propose to renew the following partial takeover provision in the Company's Constitution, which was last approved at the May 2018 Annual General Meeting and will otherwise expire on 21 May 2021.

This provision is identical to the existing provision adopted by shareholders in 2018:

#### **5.7 Proportional takeover approval**

- (a) If offers are made under a proportional takeover bid for 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 (approving resolution) to approve the bid is passed in accordance with the provisions of this rule 5.7.
- (b) A person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer was made, held bid class securities is entitled to vote on an approving resolution.
- (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 resolution.
- (d) An approving resolution that has been voted on 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 50%, and otherwise is taken to have been rejected.
- (e) The provisions of this constitution that apply to a general meeting of the company apply, with such modifications as the circumstances require, to a meeting convened under this rule 5.7 as if it were a general meeting of the company.
- (f) This rule 5.7 will cease to have effect on the third anniversary of the date of insertion or last renewal of the rule.

#### **Effect of the provision**

If a takeover offer is made under a proportional takeover bid for a class of the Company's securities, the Directors must ensure that a resolution to approve the takeover bid (**approving resolution**) is voted by the shareholders of the class of shares being bid, not less than 14 days before the last day of the bid period (**Deadline**).

The only persons entitled to vote on the approving resolution are those persons who, as at the end of the day on which the first offer under the takeover bid was made, held shares included in the bid class in respect of which the offer was made.

The bidder under the takeover bid and its associates are not entitled to vote on the approving resolution. Each person entitled to vote has one vote for each share in the relevant class held by the person at that time. The vote on the approving resolution is decided on a simple majority. The approving resolution will be taken to have been passed if more than 50% of votes are cast in favour of the approving resolution, otherwise it is taken to have been rejected.

The Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if the approving resolution is not voted on as at the end of the day before the Deadline, the approving resolution is taken to have been passed. If the approving resolution is passed (or taken to have been passed) by shareholders, the transfers resulting from the bid must be registered if they comply with other provisions of the Corporations Act and the Constitution.

If the approving resolution is rejected, binding acceptances must be rescinded as soon as practicable after the Deadline, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn at the end of the Deadline.

The proportional takeover provisions do not apply to full takeover bids.

The renewed rule 5.7 will expire three years after its reinsertion into the Constitution, unless renewed by a further special resolution of shareholders.

### **Knowledge of any Acquisition Proposals**

As at the date this Notice of Meeting was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### **Reasons for proposing this special resolution**

A proportional takeover bid involves an offer for only a proportion of each shareholder's securities. This may allow control of the Company to pass without shareholders having the chance to sell all their securities to the bidder and assist a bidder to take control of the Company without payment of an adequate control premium. Shareholders, other than the bidder and its associates, may be exposed to the risk of being left as a minority in the Company as well as the loss of potential to receive an adequate control premium for their remaining shares.

The proportional takeover provisions lessen these risks because they allow shareholders to decide whether a proportional takeover bid is acceptable in principle, is appropriately priced and should be permitted to proceed.

### **Potential advantages and disadvantages**

While the proportional takeover provisions have previously been in force under the Constitution, there have been no full or proportional takeover bids for the Company at any time. Therefore, there is no example against which to review the advantages or disadvantages of the provisions for the Directors and the shareholders respectively.

The Directors consider that the proposed renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages of the proposed renewal of the proportional takeover provisions for shareholders are:

- a) shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- b) the provisions may assist shareholders to avoid being locked in as minority;
- c) the bargaining power of shareholders is increased, and may assist in ensuring that any proportional takeover bid is adequately priced; and
- d) knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and to decide whether to approve or reject that offer.

The potential disadvantages of the proposed renewal of the proportional takeover provisions for shareholders are:

- a) it may discourage offers of proportional takeover bids for shares in the Company and may depress the share price;
- b) shareholders may lose an opportunity of selling some of their shares at a premium;
- c) the likelihood of a proportional takeover bid being successful may be reduced.

The Directors consider that the potential advantages of the proportional takeover provisions for shareholders outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid should be permitted to proceed.

### **Directors Recommendation**

The Board unanimously recommend that shareholders vote **FOR** Resolution 5.

The Chair of the meeting intends to vote undirected proxies **FOR** Resolution 5.

## **CONTINGENT BUSINESS – ONLY TO BE CONSIDERED IF RESOLUTION 1 OUTCOME REQUIRES IT**

### **Resolution 6: Conditional Spill Resolution**

This resolution is a conditional resolution. It is conditional on 25% or more of the votes cast on Resolution 1 being cast against the adoption of the 2020 Remuneration Report.

If less than 25% of the votes cast on Resolution 1 are cast against the adoption of the 2020 Remuneration Report, then this Resolution 6 will not be required to be voted upon and at that stage will be deemed withdrawn from voting at this Annual General Meeting.

This Resolution 6 will be considered as an **ordinary resolution**, which means that for the resolution to be passed it requires approval of a simple majority of the votes cast by or on behalf of shareholders entitled to vote on the matter.

If 25% or more of the votes cast on Resolution 1 are cast against the adoption of the 2020 Remuneration Report, and if this Resolution 6 is passed as an ordinary resolution, then the Company must hold a general meeting (Spill Meeting) within 90 days of this Annual General Meeting to consider the composition of the Board.

Shareholders will be notified of the date of the meeting in the event a Spill Meeting is required.

If a Spill Meeting is held, the following Directors will automatically cease to hold office as Directors of the Company at the conclusion of the Spill Meeting unless they are willing to stand for re-election and are re-elected at that Spill Meeting:

- Mr Craig Treasure;
- Mr Roger McBain; and
- Mr Ben Swain.

Even though Mr Roger McBain is seeking re-election at this year's AGM, if re-elected at the Annual General Meeting he will still need to be re-elected at the Spill Meeting to remain in office after the Spill Meeting.

A voting exclusion applies to Resolution 6 in the terms set out in the Notice of Meeting. In particular, the KMP (including the Directors) whose remuneration details are disclosed in the Remuneration Report or their closely related parties are excluded from voting and may not cast a vote as proxy, unless the appointment expressly gives a direction on how to vote.

### **Board Recommendation**

The Directors unanimously recommend that shareholders vote **AGAINST** this Resolution 6 if it is put to this Annual General Meeting.

The Chairman intends to exercise all undirected proxies **AGAINST** Resolution 6.

### **FURTHER INFORMATION**

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed Resolutions set out in the Notice of Meeting.

The Directors recommend members read this Explanatory Memorandum in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed Resolutions before making any decision in relation to the proposed Resolutions.