



**Pure Foods Tasmania Limited  
(ACN 112 682 130)**

**NOTICE OF ANNUAL GENERAL MEETING  
and  
EXPLANATORY STATEMENT**

Date: 27 November 2020  
Time: 2pm (AEDT)  
Place: Royal Yacht Club of Tasmania, on Marieville Esplanade  
Sandy Bay, Hobart in Tasmania

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

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Corporate Directory

**Directors**                    Mr Malcolm McAully (Chairman)  
                                      Mr Michael Cooper (Managing Director)  
                                      Mr Ken Fleming (Non Executive Director)  
                                      Mr Alexander (Sandy) Beard (Non Executive Director)

**Secretary**                    Mr Justin Hill

**Registered Office**        Level 2, 179 Murray Street  
                                      HOBART TAS 7000  
                                      Telephone:            (03) 6231 4233  
                                      Website:                [www.purefoodstas.com](http://www.purefoodstas.com)

**Auditor**                        Wise Lord & Ferguson  
                                      1 / 160 Collins Street  
                                      Hobart TAS 7000

**Legal Adviser**                Page Seager Lawyers  
                                      Level 2, 179 Murray Street  
                                      Hobart TAS 7000

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# PURE FOODS TASMANIA LIMITED

ACN 112 682 158

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## Notice of Annual General Meeting

Notice is given that an Annual General Meeting (**AGM**) of the shareholders of Pure Foods Tasmania Limited (ACN 112 682 130) (**Company**) will be held at the Royal Yacht Club of Tasmania, on Marieville Esplanade, Sandy Bay, Hobart, Tasmania at 2pm (AEDT) on 27 November 2020.

Further details in respect of each of the resolutions proposed in this Notice of General Meeting (**Notice of Meeting**) are set out in the Explanatory Memorandum accompanying this Notice of Meeting. Details of the resolutions contained in the Explanatory Memorandum should be read together with, and form part of, this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on 25 November 2020 at 2pm (AEDT).

Terms and abbreviations used in the Notice are defined in Schedule 1.

## AGENDA

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### Financial Report, Directors Report and Auditors Report

To receive and consider the financial report of the Company and the reports of the Directors and auditors prepared in accordance with the Corporations Act 2001 for the year ending 30 June 2020, which includes the Financial Reports, the Directors' Reports and the Auditor's Reports.

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### Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

*"That the Remuneration Report for the Company and its controlled entities be adopted by Shareholders for the year ended 30 Jun 2020 be approved and adopted on the terms and conditions in the Explanatory Memorandum."*

**Please Note - The vote on this resolution is advisory only and does not bind the Directors or the Company.**

Pure Foods Tasmania values shareholder feedback and the Board and the Board Nomination and Remuneration Committee will take the outcome of the vote into account when considering future remuneration policies.

### **Voting Prohibition**

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **Resolution 2 – Re-election of Malcolm McAully as a Director**

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

*“That, Malcolm McAully who retires at this AGM as a Director by rotation in accordance with rule 7.2(b)(iv) of the Constitution, and who is eligible for re-election, be re-elected as a Director of the Company”*

Details of Malcolm McAully are set out in the Explanatory Memorandum to this Notice of Meeting.

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## **Resolution 3 - Approval of 10% Placement Facility**

To consider and, if thought fit, to pass with or without amendment, as a **special resolution** the following:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, an issue under the 10% Placement Facility (except a benefit solely by reason of being a holder of Shares) or any associate of those persons.

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

- (a) a person as a proxy or attorney for a person who 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## **Resolution 4 - Approval to issue Performance Rights to the Managing Director, Michael Cooper**

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

*“That pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 1,000,000 Performance Rights to the Managing Director, Michael Cooper (or his nominee), under the Pure Foods Tasmania Limited Employee Securities Incentive Plan (ESIP) on the terms and conditions summarised in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution 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 employee incentive scheme in question, or any of their respective associates.

However, the Company need not disregard a vote if it is cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Voting Prohibition

In accordance with sections 250BD of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

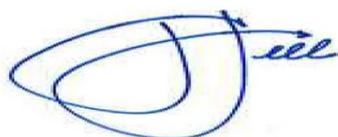
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## Resolution 5 – Appointment of Auditor

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*“That, for the purposes of section 327B(1) of the Corporations Act 2001 (Cth) and for all other purposes, Wise Lord & Ferguson, having consented in writing to act as auditors of the Company, be re-appointed as auditors of the Company”.*

By Order of the Board



Justin Hill  
Company Secretary  
Pure Foods Tasmania Limited

29 October 2020

# PURE FOODS TASMANIA LIMITED

ACN 112 682 158

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Statement has been prepared for the information of the shareholders of Pure Foods Tasmania Limited (ACN 112 682 130) (**Company**) in connection with the resolutions to be considered at the General Meeting to be held at Royal Yacht Club of Tasmania, on Marieville Esplanade, Sandy Bay, Hobart, Tasmania on Friday 27 November 2020 commencing at 2pm (AEDT).

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Notice and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting. The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 - Re-election of Director
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4 – Approval to issue Performance Rights to the Managing Director, Michael Cooper
Section 8	Resolution 5 – Appointment of Auditor
Schedule 1	Definitions
Schedule 2	Material terms and conditions of Performance Rights
Annexure A	Summary of Pure Foods Tasmania Limited Employee Securities Incentive Plan
Annexure B	Nomination of Auditor

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## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

### 2.2 Proxies

#### (a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

#### (b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (ii) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

## 2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolution 1.

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## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve the Annual Reports.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at the Company's ASX announcements portal;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (d) the preparation and content of the Auditor's Report;
- (e) the conduct of the audit;
- (f) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (g) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the subsequent annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1. If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 5. **Resolution 2 - Re-election of Malcolm McAully as a Director**

Clause 7.2(b) of the Company's Constitution provides there must be an election of Directors at each annual general meeting of the Company. No Directors is currently required to resign. Therefore, Clause 7.2(b)(iv) provides that if no person or Director is standing for election or re-election in accordance with the Constitution, any Director may retire and stand for re-election. Accordingly, Malcolm McAully has offered to retire and stand for re-election.

Mr McAully was appointed to the Board as the Non-Executive Chair on 28 April 2020.

Set out below is background information in relation to the skills and experience of Mr McAully.

Mr McAully is an experienced Company Director having held roles over a diverse range of industry backgrounds such as financial services, energy generation, waste management, agribusiness, technology manufacturing, human resource management and food manufacturing. Malcolm was the Chairman of ASX listed Pinnacle VRB Ltd (ASX:PCE) from 2004 to 2005, and remained Chairman when the company (following an acquisition) changed its name to Cougar Energy Limited (ASX:CXY) until 2013 when he resigned. Malcolm is also the Chairman of Chaucer Energy Limited which is seeking to list on ASX in late 2020.

Malcolm has held various executive management positions including National Manager for MLC Life when owned by the Lend Lease Group. He holds a Master of Business and qualifications in accounting, business management, mediation, turn around management and GAICD. Malcolm's primary focus is on strategic development, financial performance, corporate governance and investor relations.

### **Directors' Recommendation**

The Board (other than Mr McAully), unanimously recommend that Shareholders vote FOR Resolution 2.

The Chair of the meeting (presiding at the timing of the vote on the resolution) intends to vote undirected proxies FOR Resolution 2.

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## 6. Resolution 3 – Approval of 10% Placement Facility

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.3(f)below).

The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 as set out below:

$$(A \times D) - E$$

Where:

**A** is the number of Shares on issue 12 months before the date of agreement or issue:

- (A) *plus* the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2 (other than under exception 9, 16, or 17 of Listing Rule 7.2);
- (B) *plus* the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
- the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- (C) *plus* the number of fully paid Shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
- the agreement was entered into before the commencement of the relevant period; or

- the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4
- (D) *plus* the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rules 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and
- (E) *plus* the number of partly paid shares that became fully paid in the 12 months;
- (F) *less* the number of fully paid Shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue where the issue or agreement has not been subsequently approved by the holders of Shares under Listing Rule 7.4.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

#### **Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 3.

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

## 6.3 Listing Rule 7.1A

### **(b) Is the Company an eligible entity?**

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of less than \$300 million.

### **(c) What Equity Securities can be issued?**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities.

**(d) How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the formula set out in Listing Rule 7.1A.2.

**(e) What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

**(f) What is the effect of Resolution 3?**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

## 6.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

**(a) Period for which the 10% Placement Period is valid**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will commence on the date of the Meeting and expire on the first to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting or
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**(b) Minimum issue price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

**(Minimum Issue Price).**

(c) **Purpose of issues under 10% Placement Facility**

The Company intends to use funds raised from issues of Equity Securities under the 10% Placement Facility as cash consideration for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any Equity Securities.

(c) **Risk of economic and voting dilution**

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company will be diluted.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 28 October 2020 of \$1.37.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A.2)		Dilution			
		Shares issued – 10% voting dilution	\$0.68	\$1.37	\$2.06
			50% decrease	Issue price	50% increase
			Funds raised		
Current Variable A	51,305,516	5,130,551	\$3,488,775	\$7,028,854	\$10,568,935
50% increase (in current Variable A)	76,958,274	7,695,827	\$5,233,162	\$10,542,543	\$15,853,403
100% increase (in current Variable A)	102,611,032	10,261,103	\$6,977,550	\$14,057,711	\$21,137,872

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**Notes: the table has been prepared on the following assumptions:**

- (a) There are currently 51,305,516 Shares on issue as at 28 October 2020.
- (b) The issue price set out above is the closing price of Shares on the ASX on 28 October 2020 being \$1.37.
- (c) The Company issues the maximum possible number of 10% Placement Facility Securities.
- (d) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (e) The issue of Equity Securities under the 10% Placement Facility Securities consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (f) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (g) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- (h) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (i) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of approval under Listing Rule 7.1A; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date

(d) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;

- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

(e) **Issues in the past 12 months**

The Company has not previously issued Equity Securities under Listing Rule 7.1A in the past 12 months.

(f) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## 7. **Resolution 4 - Approval to issue Performance Rights to the Managing Director, Michael Cooper**

The Company is proposing, subject to obtaining Shareholder approval, to issue 1,000,000 Performance Rights to Michael Cooper (or his nominee) as part of his remuneration as Managing Director of the Company. Each Performance Right that ultimately vests and is exercised in accordance with the terms and conditions of issue will entitle the holder to acquire one Share for nil consideration.

The Board considers that the issue of Performance Rights is an effective way to align the efforts of the Managing Director with the objective of seeking to create value for Shareholders. The Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves, while allowing the Company to continue to attract and retain highly experienced and qualified directors and executives.

The Performance Rights are to be issued under the Company's Employee Securities Incentive Plan (**ESIP**) which was summarised in the Prospectus and a summary of which is also attached as Annexure A to this Notice.

The Performance Rights are proposed to be issued on the terms and conditions in Schedule 2.

### **Listing Rule 10.14**

Listing Rule 10.14 requires Shareholder approval where an entity issues, or agrees to issue, securities under an employee incentive scheme to:

- (a) a director of the entity;
- (b) an associate of the director; or
- (c) a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is being sought under Listing Rule 10.14, approval under Rules 7.1 or 10.11 is not required. Accordingly, the issue of the Performance Rights will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Performance Rights to Michael Cooper (or his nominee). If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Michael Cooper (or his nominee) and the Company will consider other forms of performance-based long term incentives for Mr Cooper, which may include the payment of cash.

### **Specific information required by Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) The Performance Rights will be issued to Michael Cooper (or his nominee).
- (b) Michael Cooper is the Managing Director of the Company and falls into the category stipulated by Listing Rule 10.14.1. In the event that the Performance Rights are issued to a nominee of Mr Cooper, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) 1,000,000 Performance Rights are proposed to be issued to Michael Cooper (or his nominee).
- (d) Michael Cooper's current total remuneration package (inclusive of superannuation) is \$270,465 (excluding the value of existing incentive securities previously issued to Michael Cooper (as detailed in the Prospectus)).
- (e) No Performance Rights or other Securities have previously been issued to Michael Cooper (or his nominee) under the ESIP.
- (f) The Performance Rights will be issued on the terms and conditions in Schedule 2 and the ESIP terms and conditions (a summary of which is attached as Annexure A to the Notice).

- (g) The Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive because they reward Michael Cooper for achieving shareholder value objectives over a sustained period.
- (h) The number of Shares that the holder of the Performance Rights ultimately becomes entitled to will depend on the extent to which the vesting conditions attaching to the Performance Rights are satisfied over a three year period. Any unvested Performance Rights will lapse and be of no effect. The maximum number of Shares Mr Cooper (or his nominee) will become entitled to is 1,000,000. This assumes that all the vesting conditions, including the stretch targets, are satisfied for each tranche of the Performance Rights and this would be considered an exceptional result. The value attributed by the Company to the Performance Rights in that scenario is \$2,000,000.
- (i) The Performance Rights are intended to be issued as soon as practicable following receipt of approval at the Meeting and in any event within 12 months after the date of the Meeting if the required approval is received.
- (j) The Performance Rights will be issued for nil consideration as they will be issued as part of Michael Cooper's remuneration package.
- (k) A summary of the ESIP is attached as Annexure A to the Notice and the full terms of the ESIP are located at <https://purefoodstas.com/investors/corporate-governance/>.
- (l) No loan will be issued to Michael Cooper (or his nominee) in relation to the issue of the Performance Rights.
- (m) Details of any securities issued under the ESIP will be set out in the annual report of the Company 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.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the ESIP after this Resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule.
- (o) A voting exclusion statement is included in the Notice.

#### **Directors' Recommendation**

The Board (other than Mr Cooper), unanimously recommend that Shareholders vote FOR Resolution 4.

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

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## **8. Resolution 5 – Appointment of auditor**

On 18 August 2020 the Company received ASIC's consent to the resignation of BDO Audit (WA) Pty Ltd (BDO) as the Company's auditor. BDO provided its written resignation on 19 August 2020 and the resignation became effective on 28 August 2020.

Section 327(C)(1) of the Corporations Act provides that if:

- (a) a vacancy occurs in the office of auditor of a public company; and
- (b) the vacancy is not caused by the removal of an auditor from office; and
- (c) there is no surviving or continuing auditor of the company,

the directors of the company must, within 1 month after the vacancy occurs, appoint an auditor to fill the vacancy unless the company at a general meeting has appointed an auditor to fill the vacancy.

Pursuant to section 327C(1) of the Corporations Act, the Directors appointed Wise Lord & Ferguson to fill the vacancy in the office of auditor. Wise Lord & Ferguson has audited the subsidiary companies of the Company for the financial years ending 30 June 2017, 30 June 2018 and 30 June 2019 and also undertaken a review of PFT's half year financial report for the year ending 31 December 2019 (see ASX announcement for the Company on 29 April 2020) and has completed the audit of the Company for the financial year ending 30 June 2020.

The Company has received:

- (a) a nomination under section 328B of the Corporations Act from a shareholder for Wise Lord & Ferguson to be re-appointed as the Company's auditor, a copy of which is annexed as Annexure B to this Explanatory Statement; and
- (b) a consent to act as auditor of the Company under section 328A of the Corporations Act, duly executed by Wise Lord & Ferguson and Mr Nic Carter, a registered company auditor.

The Company, pursuant to this Resolution 5, requests shareholder approval pursuant to section 327B(1) of the Corporations Act 2001 (Cth) to re-appoint Wise Lord & Ferguson as the Company's auditor.

### **Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 5.

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

# Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditor's Reports** means the auditor's reports on the Financial Report.

**Board** means the board of Directors of the Company.

**Business Day** means a day that is not a Saturday, Sunday or public holiday in Tasmania.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Pure Foods Tasmania Limited (ACN 112 682 158).

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

**Director** means a director of the Company.

**Equity Security** has the same meaning as in the Listing Rules.

**ESIP** means the Company's Employee Securities Incentive Plan, a summary of which is set out in Annexure A to the Notice and the full plan rules are located at <https://purefoodstas.com/investors/corporate-governance/>.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Listing Rules** means the listing rules of ASX.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of general meeting.

**Performance Right** means a right to acquire a Share, subject to terms and conditions.

**Prospectus** means the Company's prospectus dated 31 January 2020.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Reports** means the remuneration reports of the Company contained in the Directors' Reports.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Securities** means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**VWAP** means volume weighted average market price.

## Schedule 2 – Material terms and conditions of Performance Rights

Item	Details		
<b>Instrument</b>	The Company is seeking Shareholder approval for a grant of Performance Rights to Michael Cooper (or his nominee) ( <b>Participant</b> ) under the ESIP. Performance Rights may vest if performance conditions are satisfied.		
<b>Vesting Conditions</b>	<b>Tranche</b>	<b>Vesting Condition</b>	<b>Number of Rights</b>
	1	30 consecutive day VWAP ( <b>30 Day VWAP</b> ) of at least \$1.50 at any time during the 2021 calendar year	333,333
	2	30 Day VWAP of at least \$1.50 at any time during the 2022 calendar year	333,333
	3	30 Day VWAP of at least \$1.50 at any time during the 2023 calendar year	333,334
	<b>TOTAL</b>		<b>1,000,000</b>
	<p>The achievement of the Vesting Conditions will be measured during each calendar year of period from 1 January 2021 to 31 December 2023 (subject to the terms of the ESIP) (<b>Measurement Period</b>).</p> <p>Continued service by Michael Cooper with the Company (or a related body corporate) at all times until 31 December 2023 is also a requirement for the Performance Rights to vest, subject to the terms of the ESIP (such as in the event of a change of control event occurring).</p>		
<b>Measurement of vesting</b>	The vesting of the Performance Rights will be measured by the Board in accordance with the ESIP and the scale described below:		
	<b>Tranche 1: 2021 calendar year</b>		
	<b>% vesting</b>	<b>Performance</b>	
	100%	<b>Stretch:</b> 30 Day VWAP of at least \$2.00 at any time during the calendar year	
	Pro rata basis between 50% and 100%	<b>Between Target and Stretch:</b> 30 Day VWAP of at least \$1.50 but not reaching \$2.00 at any time during the calendar year	

	50%	<b>Target:</b> 30 Day VWAP of at least \$1.50 at any time during the calendar year
	0%	<b>Below Target:</b> The maximum 30 Day VWAP at any time during the calendar year is below \$1.50
<b>Tranche 2: 2022 calendar year</b>		
	<b>% vesting</b>	<b>Performance</b>
	100%	<b>Stretch:</b> 30 Day VWAP of at least \$2.00 at any time during the calendar year
	Pro rata basis between 50% and 100%	<b>Between Target and Stretch:</b> 30 Day VWAP of at least \$1.50 but not reaching \$2.00 at any time during the calendar year
	50%	<b>Target:</b> 30 Day VWAP of at least \$1.50 at any time during the calendar year
	0%	<b>Below Target:</b> The maximum 30 Day VWAP at any time during the calendar year is below \$1.50
<b>Tranche 3: 2023 calendar year</b>		
	<b>% vesting</b>	<b>Performance</b>
	100%	<b>Stretch:</b> 30 Day VWAP of at least \$2.00 at any time during the calendar year
	Pro rata basis between 50% and 100%	<b>Between Target and Stretch:</b> 30 Day VWAP of at least \$1.50 but not reaching \$2.00 at any time during the calendar year
	50%	<b>Target:</b> 30 Day VWAP of at least \$1.50 at any time during the calendar year
	0%	<b>Below Target:</b> The maximum 30 Day VWAP at any time during the calendar year is below \$1.50
	In accordance with the ESIP Rules, the Board retains discretion to modify vesting in the case that the circumstances that prevailed over the Measurement Period materially differed from those expected at the time the vesting scale was determined, which is intended to be used when the application of the vesting scale would lead to an outcome that may be viewed as inappropriate.	
<b>Other terms</b>	The Rights are otherwise issued pursuant to and on the terms and conditions of the ESIP.	

# Annexure A – Summary of Pure Foods Tasmania Limited Employee Securities Incentive Plan

A summary of the terms of the ESIP is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
  - (a) is an "eligible participant" (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
  - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
  - (a) assist in the reward, retention and motivation of Eligible Participants;
  - (b) link the reward of Eligible Participants to Shareholder value creation; and
  - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are

satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**)

will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

18. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

# ANNEXURE B

29 October 2020

Mr Justin Hill  
Company Secretary  
Pure Foods Tasmania Limited  
Level 2, 179 Murray Street  
HOBART TAS 7000

Dear Sir

## **Nomination of Auditor – Pure Foods Tasmania Limited**

I, Michael William Cooper, being a shareholder of Pure Foods Tasmania Limited (**Company**), nominate Wise Lord & Ferguson for appointment as auditor of the Company.

Yours faithfully



Michael Cooper