

24th October 2016

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting of Heritage Brands Ltd is to be held at 30 Bando Road, Springvale, Vic 3171 on Thursday, 24th November 2016 at 10am AEDT.

### 1. ANNUAL REPORT

To receive and consider the annual financial report and the reports of the directors and of the auditor for the financial year ended 31 July 2016.

### 2. REMUNERATION REPORT

To adopt the remuneration report for the year ended 31 July 2016.

**Note:** Pursuant to section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the directors or the company.

**Voting exclusion:** A voting exclusion applies to this item. Please see the voting exclusion statement in the Important Information below.

### 3. ELECTION OF DIRECTORS

- a) To re-elect by ordinary resolution as a director, Mr David Fairfull, who ceases to hold office in accordance with the Company's Constitution Rule 20.1(a) and, being eligible, offers himself for re-election
- b) To re-elect by ordinary resolution as a director, Mr Maxim Krok, who ceases to hold office in accordance with the Company's Constitution Rule 20.2 and, being eligible, offers himself for re-election

### 4. REMUNERATION POOL FOR NON-EXECUTIVE DIRECTORS

To consider and if thought fit, approve for the purposes of Rules 21.1 and 21.3(c) of the Company's constitution, an increase in the maximum aggregate amount of remuneration that may be paid to non-executive directors in any year, from \$138,000 to \$250,000.

**Voting exclusion:** A voting exclusion applies to this item. Please see the voting exclusion statement in the Important Information below.

## 5. OTHER MATTERS

To transact any other business brought forward in accordance with the Company's constitution.

### IMPORTANT INFORMATION

#### Entitlement to vote

Pursuant to Regulation 7.11.37 of the Corporations Regulations the Company has determined that for the purposes of the meeting, all Shares will be taken to be held by the persons who held them as registered shareholders at 7.00pm (AEDT) on Tuesday 22<sup>nd</sup> November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

#### Proxies

A member entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a member. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Details for completion and lodgement of proxies are on the reverse side of the Proxy form. A proxy must be received by the Company's share registry, Boardroom Pty Limited by 10.00am AEDT on Tuesday 22<sup>nd</sup> November 2016. Proxies may be mailed to Boardroom Pty Ltd GPO Box 3993 Sydney NSW 2001, hand delivered to Boardroom Pty Ltd Level 12, 225 George Street Sydney NSW 2000 or sent by facsimile to +61 2 9290 9655.

#### Voting Exclusion Statements

**Resolution 2 (Remuneration report):** The Company will disregard any votes cast on the proposed resolution in item 2 above:

- by or on behalf of a member of the Company's key management personnel (including the directors) named in the remuneration report for the year ended 31 July 2016 or their 'closely related parties' as defined in the Corporations Act 2001 (which includes spouses, dependants and companies they control), regardless of the capacity in which the vote is cast; or
- as a proxy by a member of the Company's key management personnel at the date of the meeting or their closely related parties, unless the vote is cast as a proxy on behalf of a person entitled to vote on item 2:
- in accordance with a voting direction specified on the proxy form; or
- where there is no specified voting direction, by the chairman of the meeting pursuant to an express authorisation to vote as the proxy decides, even though item 2 is connected with the remuneration of the key management personnel.

**Resolution 4 (Remuneration pool for non-executive directors):** The Company will disregard any votes cast on the proposed resolution in item 4 by a member of the Company's key management personnel (or their closely related parties) as a proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chairman of the meeting and has been expressly

authorised to vote even though item 4 is connected with the remuneration of the key management personnel.

## **BY ORDER OF THE BOARD**

Chris Mc Gibbon  
Company Secretary

Dated: 18<sup>th</sup> October 2016

## **EXPLANATORY NOTES**

### **Financial Statements and Reports**

The Corporations Act requires that the financial report (which includes the financial statements and directors' declaration), the Directors' Report and the Auditor's Report be laid before the Annual General Meeting. There is no requirement however for members to approve the reports.

### **Remuneration Report**

The Remuneration Report is set out on pages 8 to 11 of the 2016 Annual Report which is available on the website at [www.heritagebrands.com.au](http://www.heritagebrands.com.au). It sets out the policy for the remuneration of the directors and specified executives of the company.

The Corporations Act requires that the company put the remuneration report to a vote by Members at the Annual General Meeting. Prior to the vote the Chairman will give members the opportunity to ask questions about or make comments on the Remuneration Report.

The Corporations Act expressly provides that the vote is advisory only and does not bind the directors or the company.

**The Board recommends that the shareholders vote in favour of the resolution to adopt the Remuneration Report**

### **Election of Directors**

As required by the Company's constitution, two directors, Mr David Fairfull and Mr Maxim Krok, retire by rotation. Both offer themselves for re-election.

**The Board recommends the re-election of David Fairfull and Maxim Krok. Neither of these directors participated in the Board's deliberations with respect to their recommendation for re-election or election.**

The experience and qualifications of each of the candidates are briefly summarised below.

### **Heritage Brands Board Member Information**

#### **David Fairfull**

David Fairfull – Non-Executive Chairman – (B.com (accounts), CPA, FAICD, FSIA, AGIA)

With a business career spanning over 40 years, David Fairfull's experience lies in both the public and private sector as a Company Director and Merchant Banker in both Domestic and International markets in Corporate Finance and Investment Management.

David is a highly regarded Mergers and Acquisition and Investment professional with over 250 merchant banking transactions instigated and supervised during his career. Over this time, he has held a significant number of public company directorships and currently holds directorships in Heritage Brands Limited (Non-Executive Chairman), Hall Chadwick Chartered Accountants (Non-Executive Chairman) and Specialist Services Medical Group Limited (Non-Executive Director).

### **Maxim Krok**

Maxim Krok – Non-Executive Director, Chairman of the Remuneration Committee – B Proc. LLB

Over the past 30 years, Maxim Krok's positions have included Chairman, Executive and Non-Executive Director and Shareholder of numerous private and public companies.

His experience is in a remarkably diverse range of sectors including pharmaceuticals, cosmetics and toiletries, medical equipment and disposables, hygiene and sanitation, charcoal and salt production, property development, amusement parks, casinos, hotels and conferencing and retail supermarkets.

Over the last seven years Maxim has been a Non-Executive Director of Heritage Brands Limited.

### **Remuneration pool for Non-executive Directors**

The Board seeks shareholder approval to increase the maximum aggregate amount of remuneration that may be paid to the non-executive directors of the Company in any year from \$138,000 to \$250,000.

Board and committee fees must be accommodated within the aggregate fee pool, in addition to compulsory superannuation contributions required to be made on behalf of non-executive directors.

The Board believes that the proposed increase to the maximum aggregate amount of the non-executive director remuneration pool will provide the Company with the ability to manage any future appointments to the Board and retain and attract high calibre non-executive directors by allowing for adjustments to the annual fees payable to non-executive directors within the approved maximum aggregate amount.