



**Tassal Group Limited**  
**GPO Box 1645**  
**Hobart**  
**Tasmania, 7001**

**ABN 15 106 067 270**  
26 September 2014

**FROM THE CHAIRMAN**

Dear Shareholder

I am pleased to invite you to attend the eleventh Annual General Meeting of Tassal Group Limited, to be held at the "Buckingham Room", Stamford Plaza, 111 Little Collins Street, Melbourne, Victoria on Wednesday 29 October 2014, commencing at 9.30am.

The Notice of Annual General Meeting detailing the items of business to be dealt with at the meeting is enclosed.

Our CEO and Managing Director, Mr. Mark Ryan, and I will update shareholders at the meeting on Tassal's progress and outlook. I encourage you to read Tassal's Annual Report for 2014 for information about Tassal's achievements and challenges during the past year, together with our outlook and priorities for FY2015.

This year's meeting will involve the usual business of receiving and considering the accounts, adopting the remuneration report in the Annual Report and the election of Directors.

In accordance with Tassal's Constitution, Mr. Trevor Gerber will be retiring and has submitted himself for re-election. (The Board fully supports Mr. Gerber's re-election).

In accordance with Tassal's Constitution Mr. Michael Carroll having been appointed as a Director of the Company during the year, will cease to hold office and has submitted himself for election at this, his first Annual General Meeting since his appointment this year. (The Board fully supports the election of Mr. Carroll).

We are also seeking your support to increase the maximum annual aggregate remuneration threshold for Non-Executive Directors which has been in place since 2007.

Finally, we are also asking shareholders to consider and approve a resolution regarding the issue of performance rights to our CEO and Managing Director, Mr. Mark Ryan, pursuant to Tassal's Long-term Incentive Plan.

Explanatory notes have been prepared to assist you in understanding each of the resolutions to be put to the meeting.

The meeting will commence at 9.30am but you will be able to register your attendance from 9.00am.

If you are unable to attend, I encourage you to participate by voting online or completing and returning the enclosed Appointment of Proxy Form in the enclosed reply-paid envelope.

Thank you for your continued investment and support. I look forward to seeing you at the AGM.

Yours sincerely

Allan McCallum

Chairman





**Tassal Group Limited**  
ABN 15 106 067 270

**Lodge your vote:**

**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

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(outside Australia) +61 3 9415 4000

**Proxy Form**



**Vote and view the annual report online**

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



**Your access information that you will need to vote:**

**Control Number:**

**SRN/HIN:            PIN:**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 9.30am (AEDT) Monday, 27 October 2014**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions for Postal Forms**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Tassal Group Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Tassal Group Limited to be held at "Buckingham Room", Stamford Plaza, 111 Little Collins Street, Melbourne, Victoria on Wednesday, 29 October 2014 at 9.30am (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 5 and 6 (except where I/we have indicated a different voting intention below) even though Items 2, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 5 and 6 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

	For	Against	Abstain
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Trevor Gerber as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Election of Michael Carroll as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Increase in the Maximum Aggregate Annual Remuneration of Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Long-term Incentive Plan Grant of 74,506 Performance Rights to Mr Mark Ryan pursuant to the 2014 Performance Rights Package	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_



TASSAL GROUP LIMITED  
ABN 15 106 067 270

## **Notice of Annual General Meeting 2014**

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**Wednesday, 29 October 2014  
"Buckingham Room"  
Stamford Plaza  
111 Little Collins Street  
Melbourne  
Victoria**

**Commencing at 9.30am (AEDT\*)**

**NOTE:  
REGISTRATIONS  
COMMENCE AT  
9.00am**

(\* AEDT: Australia Eastern Daylight Time)

**THIS IS AN IMPORTANT DOCUMENT. PLEASE READ IT CAREFULLY.**  
IF YOU ARE UNABLE TO ATTEND THE ANNUAL GENERAL MEETING, PLEASE COMPLETE THE APPOINTMENT OF PROXY  
FORM ENCLOSED AND RETURN IT IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT ON THAT FORM.

2014

# Notice of Annual General Meeting

## Tassal Group Limited



ABN 15 106 067 270

**Notice is hereby given that the eleventh Annual General Meeting of shareholders of Tassal Group Limited ("Tassal" or "the Company") will be held at the "Buckingham Room", Stamford Plaza, 111 Little Collins Street, Melbourne, Victoria on Wednesday, 29 October 2014 commencing at 9.30am (AEDT) for the purposes of transacting the following business.**

### **Items of Business:**

**1. Financial Statements and Reports**

To receive and consider the Annual Financial Report, the Directors' Report and the Independent Audit Report of Tassal and its controlled entities for the financial year ended 30 June 2014. Tassal's 2014 Annual Report is available online at <http://www.tassal.com.au/index.php?/annual-reports.html>

**2. Remuneration Report**

To consider, and if thought fit, to pass the following non-binding advisory resolution as an ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2014 (as set out in the Directors' Report) be adopted."

Please note that the vote on this resolution is advisory only, and does not bind the Directors of the Company or the Company. The Board, however, will take the outcome of the vote into consideration when reviewing the remuneration practices or policies of the Company.

**3. Re-election of Trevor Gerber as a Director**

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

"That Mr Trevor Gerber, being a Director of the Company, who retires in accordance with Clause 24.1 of the Company's Constitution and being eligible, is re-elected a Director."

**4. Election of Michael Carroll as a Director**

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

"That Mr Michael Carroll, being appointed a Director of the Company during the year, who ceases to hold office in accordance with clause 25.4 of the Company's Constitution and being eligible, is elected a Director."

**5. Increase in the Maximum Aggregate Annual Remuneration of Non-Executive Directors**

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

"That, for the purposes of the ASX Listing Rule 10.17 and in accordance with clause 22.7 of the constitution of the Company (Constitution) the maximum aggregate annual remuneration that may be payable by the Company to the Company's Non-Executive Directors as remuneration for the services of those Non-Executive Directors be increased by \$300,000 per annum from \$600,000 per annum to \$900,000 per annum."

**6. Long-term Incentive Plan Grant of 74,506 Performance Rights to Mr Mark Ryan pursuant to the 2014 Performance Rights Package**

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

"That, in connection with the Long-Term Incentive Plan and for the purposes of ASX Listing Rule 10.14, approval be given to the grant to Mr Mark Ryan, the Managing Director of the Company, of up to a maximum of 74,506 performance rights in accordance with the terms and conditions of the Long-Term Incentive Plan (each performance right being a right to be allocated one fully paid ordinary share in the capital of the Company subject to the terms and conditions of the Long-Term Incentive Plan), as more particularly specified in the Explanatory Notes accompanying the Notice of Annual General Meeting in which this resolution is set out."

**By order of the Board**

Monika Maedler  
Company Secretary  
26 September 2014

## **Explanatory Notes for Shareholders**

Additional information concerning the items of business is contained in the Explanatory Notes to the Notice of Annual General Meeting, which accompanies and forms part of the Notice of Annual General Meeting. The Notice of Annual General Meeting should be read in conjunction with the Explanatory Notes.

### **Eligibility to Vote**

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting. The Company's Directors have determined that all shares of the Company that are quoted on ASX at 7.00 pm (AEDT) on Monday, 27 October 2014 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time. This means that any person registered as the holder of an ordinary share in the capital of the Company at 7.00pm (AEDT) on Monday, 27 October 2014, is entitled to attend and vote at the Annual General Meeting in respect of that share. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Annual General Meeting.

### **Appointing a Proxy**

1. If you are entitled to attend and vote at the Annual General Meeting, you have a right to appoint a person to attend and vote for you at the Annual General Meeting as your proxy. To appoint a proxy please complete the enclosed Appointment of Proxy Form. A proxy need not be a shareholder of the Company and may be an individual or a body corporate. A body corporate-appointed proxy may appoint a representative to exercise the powers that the body corporate may exercise as the member's proxy.
2. A shareholder entitled to cast two or more votes is entitled to appoint up to two persons to attend the meeting and vote and may specify the proportion or number of votes each proxy is appointed to exercise. To appoint a second proxy you must write the names of both proxies and the percentage of votes or number of securities for each proxy in the specified area in "Step 1" of the proxy form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
3. You may appoint the Chairman of the Annual General Meeting as your proxy by nominating him in the proxy form. If you return your proxy form but do not nominate the identity of your proxy, the Chairman will automatically be your proxy. If you return your proxy form but your nominated proxy does not attend the meeting, then your proxy will revert to the Chairman. For resolutions determined on a poll, if your nominated proxy is either not recorded as attending the meeting or does not vote on the resolution, the Chairman is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution.
4. If the Chairman of the Annual General Meeting is or becomes your proxy to exercise your vote on Item 2 (the Remuneration Report), Item 5 (Increase in the Maximum Aggregate Annual Remuneration of Non-Executive Directors) or Item 6 (Managing Director Performance Rights Grant) and you have not directed the Chairman how to vote on the relevant item, you will be expressly authorising the Chairman to exercise your vote as he sees fit on that item even though it is connected with the remuneration of a member or members of the key management personnel. The Chairman intends to vote all available proxies in favour of Item 2 (the Remuneration Report) Item 5 (Increase in the Maximum Aggregate Annual Remuneration of Non-Executive Directors) and Item 6 (Managing Director Performance Rights Grant).

### **Lodging your Proxy Form**

Any duly executed Appointment of Proxy Form and the power of attorney (if the proxy form is signed by the appointor's attorney) or other authority under which it is signed or a copy of that power or authority certified as a true copy by statutory declaration **must be received at an address given below no later than 9.30am (AEDT) on Monday, 27 October 2014. Any Appointment of Proxy Form received after that time will not be valid for the scheduled Annual General Meeting.**

The Appointment of Proxy Form accompanying this Notice of Annual General Meeting may be lodged using the reply paid envelope or:

### **ONLINE VOTING**

*To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 9.30am (AEDT) on 27 October 2014*

*Vote online: [www.investorvote.com.au](http://www.investorvote.com.au)*

You may submit your proxy online by using your smartphone or by visiting [www.investorvote.com.au](http://www.investorvote.com.au). To use this option, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Control Number as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website. To use your smartphone voting service, scan the QR code which appears on the top of your proxy form and follow the instructions provided. To scan the code you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site. A proxy cannot be appointed electronically if they are appointed under a Power of Attorney or similar authority. The online proxy facility may not be suitable for shareholders who wish to appoint two proxies with different voting directions. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

<b><u>IN PERSON</u></b>	Registered Office – Share Registry –	2 Salamanca Square, Battery Point, Tasmania, Australia 7004 Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, Australia 3067
<b><u>BY MAIL</u></b>	Registered Office – Share Registry –	2 Salamanca Square, Battery Point, Tasmania, Australia 7004 Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, Australia, 3001
<b><u>BY FAX</u></b>	Registered Office – Share Registry –	61 3 6244 9002 1800 783 447 (within Australia) or 61 3 9473 2555 (outside Australia)

**Custodian Voting** - For intermediary Online subscribers only (Custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

If you appoint a proxy, you may still attend the Annual General Meeting. However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy if you register at the Annual General Meeting.

### **Attending the Annual General Meeting**

If you attend the Annual General Meeting, please bring your personalised proxy form with you. The barcode at the top of the form will help you to register. If you do not bring your form with you, you will still be able to attend the Annual General Meeting but representatives from Computershare Investor Services Pty Limited will need to verify your identity. You will be able to register from 9.00am (AEDT) on the day of the Annual General Meeting.

### **Explanatory Notes for Shareholders**

#### **Voting by Corporations**

In order to vote at the Annual General Meeting (other than by proxy), a corporation that is a shareholder must appoint a person to act as its corporate representative. The appointment must comply with the Corporations Act 2001 (Cth). A "Certificate of Appointment of Corporate Representative" must be either lodged with the Share Registry, prior to the commencement of the Annual General Meeting or the corporate representative must bring to the Annual General Meeting evidence of his or her appointment including any authority under which it is signed. The authorisation may be effective for this Annual General Meeting only or for all meetings of Tassal Group Limited. A copy of a certificate of appointment may be obtained from the Share Registry.

#### **Voting by key management personnel (KMP)**

The group's KMP (which includes each of the Directors) and their closely related parties will not be able to vote as your proxy on Items 2, 5 and 6 unless you direct them how to vote, or, if the Chairman of the Annual General Meeting is your proxy, you expressly authorise him to vote as he sees fit on Items 2, 5 and 6 even though the Items are connected with the remuneration of the Group's KMP. If you intend to appoint a KMP (other than the Chairman) as your proxy, you should direct them how to vote on Items 2, 5 and 6, otherwise they will not be able to cast a vote as your proxy on that item. If you appoint the Chairman as your proxy or the Chairman is appointed by default, the Chairman can vote on Items 2, 5 and 6 if you either direct him how to vote by marking the appropriate box on the proxy form for Items 2, 5 and 6, or you expressly authorise him to vote as he sees fit on those Items if the votes are undirected (open).

The Chairman intends to vote all available proxies in favour of Item 2 (the Remuneration Report), Item 5 (Increase in the Maximum Aggregate Annual Remuneration of Non-Executive Directors) and Item 6 (Managing Director Performance Rights Grant).

#### **Voting Exclusions**

##### **Resolution 2**

The Company will disregard any vote cast (in any capacity) in respect of Resolution 2 by a member of the group's KMP or their closely related parties (such as close family members and any companies the KMP controls). However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with an express authorisation in the proxy form to vote as the proxy decides.

##### **Resolution 5**

The Company will disregard any vote cast (in any capacity) in respect of Resolution 5 by any Director or any of their closely related parties (such as close family members and any companies the KMP controls). However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with an express authorisation in the proxy form to vote as the proxy decides.

**Resolution 6**

The Company will disregard any vote cast (in any capacity) in respect of Resolution 6 by Mr Mark Ryan, or any of his associates, or any vote cast as proxy by a member of the group's KMP or their closely related parties (such as close family members and any company the KMP controls). However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with an express authorisation in the proxy form to vote as the proxy decides.



**1. Consideration of Financial Statements and Other Reports**

In accordance with Section 317 of the Corporations Act 2001, the Financial Report, Directors' Report and Auditor's Report for Tassal for the financial year ended 30 June 2014 will be laid before the Annual General Meeting. There is no requirement for shareholders to approve these reports. However, following consideration of the Reports, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about these reports and the management of Tassal.

**2. Adoption of Remuneration Report**

The Remuneration Report of Tassal for the financial year ended 30 June 2014 is set out in Section 20 of the Directors' Report of Tassal's 2014 Annual Report.

The Remuneration Report:

- Explains the Board's policy for determining the nature and amount of remuneration of Non-Executive Directors and Senior Executives of the Company;
- Explains the relationship between the Board's remuneration policy and the Company's performance;
- Sets out remuneration details for each Director and the named Senior Executives of the Company; and
- Details and explains any performance conditions applicable to the remuneration of Senior Executives of the Company.

The Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the Remuneration Report at the meeting.

**Board Recommendation:**

The Directors recommend that shareholders vote in favour of this advisory resolution.

**3. Re-election of Trevor Gerber as a Director**

This Resolution refers to the re-election of Mr. Trevor Gerber as a Director.

Under Tassal's Constitution, if in any year there is no Director required to submit themselves for re-election but the ASX Listing Rules require that an election of Directors be held, the Director to retire by rotation at that annual general meeting will be the Director who has been longest in the office since their last election. A Director who retires in accordance with these requirements is eligible for re-election. Accordingly, Mr. Trevor Gerber retires at the end of the Annual General Meeting and offers himself for re-election.

A brief description, provided by Mr. Gerber, of his background and qualifications follows.

Trevor is a director of Sydney Airport Holdings Limited, CFS Retail Property Trust Group and Leighton Holdings Limited.

Trevor has been a professional director since 2000 and prior to that worked for Westfield Holdings Limited for 14 years as Group Treasurer and subsequently as Director of Funds Management responsible for Westfield Trust and Westfield America Trust.

He is a member of both the Audit and Risk Committee and Remuneration and Nominations Committee.

**Board Recommendation:**

The Directors (other than Mr Gerber) unanimously support the re-election of Mr Trevor Gerber and recommend shareholders vote in favour of this ordinary resolution.

#### **4. Election of Michael Carroll as a Director**

This resolution refers to the election of Mr Michael Carroll as a Director.

Under Tassal's Constitution, the Directors have the power at any time to appoint a Director in addition to the existing Directors. Any Director so appointed shall hold office until the next general meeting and shall then be eligible for re-election.

Accordingly, as this is Mr Carroll's first Annual General Meeting since his appointment this year, he retires and offers himself for election at this Annual General Meeting.

A brief description, provided by Mr Carroll, of his background and qualifications follows:

Michael Carroll has worked for a range of food and agricultural businesses in a board, advisory and executive capacity. He is chairman of Queensland Sugar Limited and Sunny Queen Pty Ltd; a director of Rural Funds Management Ltd, Select Harvests Limited, Rural Finance Corporation of Victoria and the Geoffrey Gardiner Dairy Foundation Ltd. Former board positions include Warrnambool Cheese & Butter, the Australian Farm Institute and Meat & Livestock Australia. Executive experience includes establishing and leading National Australia Bank's Agribusiness division, a senior role in NAB's Investments and Advisory unit and marketing roles with international animal health and crop care companies.

He is a member of the Audit and Risk Committee.

#### **Board Recommendation:**

The Directors (other than Mr. Carroll) unanimously support the election of Mr. Michael Carroll and recommend shareholders vote in favour of this ordinary resolution.

#### **5. Increase in the Maximum Aggregate Annual Remuneration of Non-Executive Directors**

At present, the aggregate sum of the fees payable to the Non-Executive Directors of the Company is a maximum of \$600,000 per annum. This amount was approved by shareholders at the Company's 2007 Annual General Meeting and has in place since that time. It is proposed to increase the maximum aggregate annual sum of the fees payable by the Company to its Non-Executive Directors by \$300,000 per annum, from \$600,000 per annum to \$900,000 per annum.

The proposed increase in the maximum aggregate annual remuneration of the Non-Executive Directors of the Company is made by the Directors in consideration of the following:

- The maximum aggregate annual remuneration of Non – Executive Directors has not been adjusted to reflect market changes that have occurred since 2007. Further, it has not been adjusted to take into account the considerable increase in either the amount of time which the Non-Executive Directors need to commit to their duties or the level of responsibilities of the Non- Executive Directors as a result of the expanded scope of corporate governance rules and regulations imposed in recent years under the Corporations Act and the ASX Listing Rules.
- The Company's operations have expanded considerably since 2007, which has further increased the amount of time which the Non-Executive Directors are each required to commit to the Company.
- An increase in the maximum aggregate annual remuneration of the Non – Executive Directors will provide the Company with the ability to continue to attract and retain individuals of the highest quality for Board positions.
- Increasing in the maximum aggregate annual remuneration of the Non – Executive Directors does not mean that the whole of the new maximum aggregate will be used immediately. However it will provide the Company with the ability over time to increase the remuneration of Non-Executive Directors' fees in line with market conditions and added responsibilities.

Shareholders are required to approve the increase in the aggregate annual sum of the fees payable by the Company to the Non-Executive Directors pursuant to ASX Listing Rule 10.17 and Clause 22.7 of the Constitution.

#### **Board Recommendation:**

Given the interests of the Non- Executive Directors in this Resolution, the Board as a whole makes no recommendation.

## **6. Long-term Incentive Plan Grant of 74,506 Performance Rights to Mr Mark Ryan pursuant to the 2014 Performance Rights Package**

Under the Long-Term Incentive Plan (*Plan*), Tassal may offer Performance Rights to Executives, including Mr Mark Ryan, the Managing Director of the Company. Tassal has invited Mr Mark Ryan to participate in the Plan by offering the 2014 Performance Rights Package to Mr Mark Ryan. The offer of the 2014 Performance Rights Package to Mr Mark Ryan is subject to shareholder approval at this Annual General Meeting.

As a listed public company may only issue equity securities to a related party (which includes a Director) if the approval of shareholders is obtained, shareholders are required to approve the offer of the 2014 Performance Rights Package and the grant of the Performance Rights to Mr Mark Ryan pursuant to ASX Listing Rule 10.14.

A summary of the terms and conditions of the Incentive Plan is set out within this section of these Explanatory Notes relating to Resolution 6.

In accordance with the requirements of ASX Listing Rule 10.15A, the information set out below is provided in relation to the offer of the 2014 Performance Rights Package and the proposed grant of Performance Rights to Mr Mark Ryan under the 2014 Performance Rights Package.

### ***Maximum Number of Performance Rights***

The maximum number of Performance Rights which may be granted to Mr Mark Ryan under the 2014 Performance Rights Package is 74,506. The number of Performance Rights which may be granted to Mr Mark Ryan under the 2014 Performance Rights Package has been determined by dividing the annual long-term incentive component of Mr Mark Ryan's remuneration (ie. 50.00% of Mr Mark Ryan's total fixed remuneration of \$598,430 being \$299,215) by the average volume weighted closing price of Shares over the 3 months prior to the Start Date of 1 July 2014 (i.e. \$4.016). There is no monetary consideration payable by Mr Mark Ryan in respect of the proposed grant of Performance Rights to Mr Mark Ryan under the 2014 Performance Rights Package.

### ***Names of persons who received Performance Rights under the Incentive Plan since the last approval***

Mr Mark Ryan is the only person referred to in ASX Listing Rule 10.14 who received Performance Rights under the Incentive Plan since the last approval at the Company's 2013 Annual General Meeting. Pursuant to that approval, Mr Mark Ryan was granted 136,963 Performance Rights under the 2013 Performance Rights Package. There was no monetary consideration payable by Mr Mark Ryan in respect of the grant of Performance Rights to Mr Mark Ryan under the 2013 Performance Rights Package.

### ***Mr Mark Ryan – The only person referred to in ASX Listing Rule 10.14***

Mr Mark Ryan is the only person referred to in ASX Listing Rule 10.14 who is entitled to participate in the Plan. All other Eligible Employees under the Incentive Plan are not Directors of the Company, or associates of Directors of the Company. No Director of the Company other than Mr Mark Ryan is entitled to participate in any employee incentive scheme in relation to the entity.

### ***Details of Performance Rights granted to be published in each Annual Report***

Details of any Performance Rights granted under the Plan will be published in each annual report of the Company relating to the relevant period in which the Performance Rights have been granted, and that approval for the grant of the Performance Rights was obtained under ASX Listing Rule 10.14.

### ***Additional persons referred to in ASX Listing Rule 10.14 becoming entitled to participate in the Incentive Plan***

Any additional persons referred to in ASX Listing Rule 10.14 who becomes entitled to participate in the Plan after Resolution 6 is approved and who were not named in the Notice of Annual General Meeting will not participate in the Incentive Plan until approval is obtained under ASX Listing Rule 10.14.

### ***The date by which Tassal will grant the Performance Rights***

The date by which Tassal will grant Performance Rights to Mr Mark Ryan pursuant to the 2014 Performance Rights Package must be no later than 3 years after the date of the Annual General Meeting at which Resolution 6 is passed. Tassal will comply with this requirement.

### ***Vesting***

In respect of the grant of Performance Rights pursuant to the 2014 Performance Rights Package, one Share will be allocated for each Performance Right granted for which the Performance Condition(s) are satisfied within the Performance Period.

### ***Performance Conditions***

The Board has resolved that, in respect of the 2014 Performance Rights Package, there will be two Performance Conditions which determine the vesting of a maximum of 50% of the Performance Rights respectively. These Performance Conditions relate to Return on Assets (**ROA**) and the Company's growth in earnings per share (**EPS**).

### **ROA Performance Condition**

"ROA" means Return on Assets for a financial year which is calculated as statutory earnings before interest and tax (EBIT) divided by total assets in respect of that financial year.

The ROA performance condition is determined by reference to a Board approved hurdle rate for the financial year ending 30 June 2017.

If the Company's ROA for the financial year ending 30 June 2017 is less than 15% no ROA performance rights will vest;

If the Company's ROA for the financial year ending is equal to 15% but less than 17%, the proportion of ROA performance rights vesting will be increased on a pro-rata basis between 50% and 100%; or

If the Company's ROA for the financial year ending 30 June 2017 is equal to or greater than 17% all of the ROA performance rights will vest.

The vesting scale for the Performance Rights subject to the ROA Performance Condition is summarised in the following table:

<b>Return on Assets (ROA) at the end of the Performance Period</b>	<b>Percentage of Performance Rights subject to the ROA Performance Condition that vest</b>
Less than 15%	No Performance Rights vest
Equal to 15% but less than 17%	50% of ROA Performance Rights vest (ie. 25% of the total number of Performance Rights granted to Mr Mark Ryan) plus an additional 2.5% of ROA Performance Rights which vest (ie. 1.25% of the total number of Performance Rights granted to Mr Mark Ryan) for each 0.1% increase in ROA up to 17%
Equal to or greater than 17%	100% of ROA Performance Rights vest (ie. 50% of the total number of Performance Rights granted to Mr Mark Ryan)

As an example, if Mr Mark Ryan is granted 74,506 Performance Rights under the 2014 Performance Rights Package, 37,253 of those Performance Rights will be subject to the ROA Performance Condition. If the Company ROA is 16% at the end of the Performance Period, 75% of Mr Mark Ryan's ROA Performance Rights will vest. In this example that equates to 27,940 Shares, with the remaining 9,313 Performance Rights subject to the ROA Performance Condition lapsing.

### **EPS Performance Condition**

"EPS" means earnings per share for a financial year which is calculated as statutory reported net profit after tax divided by the weighted average number of Shares on issue in the Company in respect of that financial year.

The EPS Performance Condition is dependent upon the compound average annual growth rate in the Company's EPS (expressed as a percentage) over the 3 year period commencing on the Start Date. This is calculated as a geometric average over the 3 year period.

Accordingly, in respect of the 2014 Performance Rights Package, EPS growth will be measured for the financial years ending 30 June 2017, compared with the EPS result for the Company for the financial year ended 30 June 2014, which was \$0.2803.

No EPS Performance Rights will vest if the compound average annual EPS growth rate of the Company over the Performance Period is less than 10%.

50% of the Performance Rights subject to the EPS Performance Condition (ie. 25% of the total number of Performance Rights to be granted to Mr Mark Ryan under the 2014 Performance Rights Package) will vest if the compound average annual EPS growth rate of the Company over the Performance Period is equal to or greater than 10%.

All of the Performance Rights subject to the EPS Performance Condition (ie. 50% of the total number of Performance Rights to be granted to Mr Mark Ryan under the 2014 Performance Rights Package) will vest if the compound average annual EPS growth rate of the Company over the Performance Period is equal to or greater than 20%.

The proportion of the Performance Rights subject to the EPS Performance Condition that vest will increase on a straight-line basis for a compound average annual EPS growth rate of between 10% and 20% so that the number of EPS Performance Rights that vest increases by an additional 5% for each additional 1% increase in the Company's compound average annual EPS growth rate.

The vesting scale for the Performance Rights subject to the EPS Performance Condition is summarised in the following table:

<b>Compound average annual growth rate in the Company's EPS over the Performance Period</b>	<b>Percentage of Performance Rights subject to the EPS Performance Condition that vest</b>
Less than 10%	No Performance Rights vest
10%	50%
11%	55%
12%	60%
13%	65%
14%	70%
15%	75%
16%	80%
17%	85%
18%	90%
19%	95%
Equal to or greater than 20%	100%

As an example, if Mr Mark Ryan is granted 74,506 Performance Rights under the 2014 Performance Rights Package, 37,253 of those Performance Rights will be subject to the EPS Performance Condition. If the compound average annual growth rate in the Company's EPS over the Performance Period is 14% at the end of the Performance Period, 70% of Mr Mark Ryan's EPS Performance Rights will vest. In this example that equates to 26,077 Shares, with the remaining 11,176 Performance Rights subject to the EPS Performance Condition lapsing.

#### **Voting Exclusion Statement – Resolution 6**

In accordance with the ASX Listing Rules, any vote cast in respect of Resolution 6 by Mr Mark Ryan, or any of his associates, will be disregarded.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Board Recommendation:**

The Directors, other than Mr Mark Ryan, unanimously support the issue of Performance Rights to Mr Mark Ryan pursuant to the Long-Term Incentive Plan, and recommend shareholders vote in favour of this ordinary resolution.