



27 October 2021

Market Announcements Office  
Australian Securities Exchange  
4<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

## **ELECTRONIC LODGEMENT**

Dear Sir or Madam

### **Vita Group Limited – 2021 AGM Notice of Annual General Meeting**

In accordance with the Listing Rules, please find attached a copy of Vita's 2021 Notice of Annual General Meeting for release to the market.

Authorised for lodgement by Vita Group's Board of Directors.

Yours sincerely

A handwritten signature in black ink, appearing to read "George Southgate", written over a light blue horizontal line.

**George Southgate**  
Chief Legal & Risk Officer | Group Company Secretary  
Vita Group Limited

# VITA GROUP LIMITED

**ACN 113 178 519**

Registered Office: Level 3, 77 Hudson Road, Albion, Queensland, 4010

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**AGM**) of the shareholders (**Shareholders**) of Vita Group Limited (**Company**) will be held on Friday, 26 November 2021 at 9.00am (Brisbane time) (**Meeting**).

Due to the restrictions related to the COVID-19 pandemic and the temporary modifications to the *Corporations Act 2001* (Cth) (**Corporations Act**) under the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth), the Meeting will be held virtually and there will not be a physical meeting where Shareholders can attend.

Shareholders can watch and participate in the Meeting via the online platform by entering the following URL on your computer, smartphone or tablet: <https://web.lumiagm.com>

The meeting ID for the Meeting is: **384-417-864**

Your **username** is your SRN/HIN

Your **password** is your postcode registered on your holding if you are an Australian Shareholder. Overseas Shareholders should refer to the Online Meeting User Guide referred to below.

If you nominate a third-party proxy, they should contact the Company's share registry on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the Meeting. For any enquiries relating to virtual participation, please call +61 3 9415 4024.

To participate online, you should register at least 15 minutes before the Meeting. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible. Further information on how to participate virtually is set out in this notice of meeting (**Notice**) and in the Online Meeting User Guide available online at [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide).

If it becomes necessary to make further alternative arrangements for holding the Meeting, the Company will ensure that Shareholders are given as much notice as possible. Further information will be made available on the Company's website at ([www.vitagroup.com.au](http://www.vitagroup.com.au)) or on the Australian Securities Exchange (**ASX**).

### **BUSINESS**

#### **1. Financial Statements and Reports**

To receive and consider the Financial Statements and the Reports of the directors of the Company (**Directors**) and the Auditor for the financial year ended 30 June 2021.

#### **2. Remuneration Report**

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

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

***“That the Remuneration Report contained in the Company’s 2021 Annual Financial Report in respect of the financial year ended 30 June 2021, be adopted.”***

*(This resolution is advisory only and does not bind the directors or the Company).*

*(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)*

### **3. Re-election and Election of Directors**

#### **Resolution 2 – Re-election of Mr Dick Simpson**

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

***“That Mr Dick Simpson, a non-executive Director retiring by rotation in accordance with Clause 59 of the Company’s Constitution, being eligible, be re-elected as a non-executive Director of the Company.”***

*(This resolution is subject to the status of the proposed transaction with Telstra Corporation Limited (Telstra). See the Explanatory Notes for further details).*

#### **Resolution 3 – Election of Ms Maxine Horne**

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

***“That Ms. Maxine Horne, a non-executive Director of the Company to be appointed by the Directors since the last AGM of the Company, and retiring in accordance with Clause 58 of the Company’s Constitution, being eligible, be elected as a non-executive Director of the Company.”***

*(This resolution is subject to the status of the proposed transaction with Telstra. See the Explanatory Notes for further details).*

### **4. Vita Group Loan Funded Share Plan**

#### **Resolution 4 – Approval of the Vita Group Loan Funded Share Plan**

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

***“That, for the purposes of ASX Listing Rule 7.2, Exception 13(b) and for all other purposes including under the Corporations Act 2001 (Cth), approval be given for the issue of shares under the Vita Group Loan Funded Share Plan, subject to the implementation of the transaction with Telstra, as described in the Explanatory Notes.”***

*(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)*

*(This resolution is subject to the implementation of the proposed transaction with Telstra. See the Explanatory Notes for further details).*

### **5. Grant of shares to Peter Connors under the Vita Group Loan Funded Share Plan**

#### **Resolution 5 - Approval of grant of shares to Peter Connors under the Vita Group Loan Funded Share Plan**

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

***“That, for the purposes of ASX Listing Rule 10.14, sections 200C and 200E of the Corporations Act, and for all other purposes, approval be given for the grant of 6,624,178 shares in the Company Peter Connors, to be appointed the Chief Executive Officer and Managing Director of the Company subject***

*to and following implementation of the sale of the ICT business, under the Vita Group Loan Funded Share Plan, on the terms described in the Explanatory Notes."*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)

*(This resolution is subject to the implementation of the proposed transaction with Telstra. See the Explanatory Notes for further details).*

## **6. Constitution**

### **Resolution 6 – Amendments to Constitution**

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

***"That the Company's Constitution be amended with effect from the conclusion of the Meeting, as set out in the Explanatory Notes, a copy of such amendments to be tabled and signed by the Chair at the Meeting for the purposes of identification."***

*(This special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution)*

### **Resolution 7 - Reinsertion of Proportional Takeover Approval Provisions**

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

***"That the Company's Constitution be amended by reinserting clause 25 and any related definitions in the form set out in the Explanatory Notes."***

*(This special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution)*

By order of the Board



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George Edward James Southgate  
Chief Legal & Risk Officer | Group Company Secretary  
27 October 2021

## **EXPLANATORY NOTES**

**The following Explanatory Notes (including any annexures) have been prepared to provide information to Shareholders about the items of business set out in the Notice of AGM and form part of that Notice.**

### **1. Financial Statements and Reports**

The Financial Statements and Reports are included in the Vita Group Limited Annual Report for 2021 which has been made available to Shareholders and can be found on the Company's website ([www.vitagroup.com.au](http://www.vitagroup.com.au)). Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations, financial position, management, and prospects of the Company. The Company's external auditor, Grant Thornton, will be in attendance to respond to questions in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

There is no requirement for the Financial Statements and these Reports to be formally approved by Shareholders.

### **2. Resolution 1 - Remuneration Report**

The Company's Remuneration Report for the financial year ended 30 June 2021 is set out on pages 8 to 20 of the Company's 2021 Annual Financial Report.

The Remuneration Report sets out the Board's remuneration policies, and the remuneration of Directors and Key Managers for the financial year.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the report.

Resolution 1 is advisory only and does not bind the Directors or the Company. However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 at the Meeting are against adoption of the report, then:

- if comments are made on the report at the Meeting, the Company's remuneration report for the financial year ending 30 June 2022 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2022 AGM, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are also against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of Directors of the Company (**Spill Resolution**). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any Managing Director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

### **Board Recommendation**

The Remuneration Report forms part of the Directors' Report, made in accordance with a unanimous resolution of the Directors.

Each of the Directors recommends the Remuneration Report to Shareholders for adoption.

### 3. Re-election and election of directors

#### **Proposed Transaction**

On 24 September 2021, the Company announced it had entered into a share sale agreement with Telstra for the sale of its retail information and communication technology (**ICT**) business, with the Company retaining ownership of the Artisan Aesthetics Clinics business (**Proposed Transaction**). The Proposed Transaction includes a condition that Shareholders approve the Proposed Transaction at an extraordinary general meeting of Shareholders scheduled to be held at 9am (Brisbane time) on Wednesday, 10 November 2021 (**EGM**). Further information about the Proposed Transaction is contained in the Notice of Meeting and Explanatory Memorandum that was released to ASX on Friday, 8 October 2021 (**Notice of EGM**).

As part of the Board and senior management changes disclosed in the Notice of EGM, it was announced that Mr Dick Simpson will not stand for re-election and that Ms Maxine Horne will be appointed as non-executive Director, if the Proposed Transaction was implemented. Given the proximity of the scheduled completion of the Proposed Transaction with the Meeting, a decision will be made closer to the Meeting as to whether Resolutions 2 and 3 will be put to the Meeting. If Resolution 2 is put to the Meeting and Mr Simpson is re-elected, it is likely that he will not see out a full term and only hold office until the short – medium term future of the Company is settled.

#### *Resolution 2 - Re-election of Mr Dick Simpson*

#### **Constitution**

Clause 59 of the Company's Constitution provides that at each AGM, a number of Directors must retire from office, being the number:

- (a) determined by the Directors; or
  - (b) required to comply with the ASX Listing Rules,
- whichever is greater.

The Directors to retire by rotation at an AGM are those Directors who have been longest in office since their last election, and a Director (other than a Managing Director) must not hold office past the third AGM following the Director's appointment. A retiring Director is eligible for re-election in accordance with ASX Listing Rules and the Company's Constitution.

Mr Dick Simpson was appointed in 2005 and was last elected at the 2018 AGM. He holds office until the end of the Meeting. The Board considers Mr Simpson to be independent.

His details are:

#### **Dick Simpson**

#### **Independent Non-Executive Director and Chairman**

Dick brings considerable experience to the Company's Board and has held Chief Executive Officer roles in both the Telecommunications and Computing industries. Dick started his career in the information technology sector, spending 20 years with IBM and then Unisys, in both Australia and the USA. He then joined Optus, was Chief Operating Officer at NRMA and subsequently Telstra, where he was Group Managing Director, Mobiles. He moved to Hong Kong as President, Telstra International where he was also Chairman of CSL (Hong Kong's biggest mobile carrier), Telstra Clear and REACH (Asia's largest international operator).

Dick became a Director of the Company's consolidated group (**Group**) in September 2005, and has served on the Remuneration and Nomination Committee, and the Audit, Compliance and Risk Committee. He is an advisor to the board of Tibra Capital (a private company), is a Director of Chevalier College in Bowral, NSW, Chairman of the Chevalier Foundation and an advisor to several private and public companies.

## **Board Recommendation**

Having received an acknowledgement from Dick that he has sufficient time available to carry out the duties of a Director of the Company and having reviewed the performance of Dick as a Director, and the required mix of skills and experience required by the Board, the Directors (excluding Mr Simpson who is seeking re-election) recommend that Shareholders vote in favour of Resolution 2 if it is put to the Meeting.

### *Resolution 3 - Election of Ms Maxine Horne*

Clause 58 of the Company's Constitution provides that a Director appointed since the last AGM, will hold office until the end of the next AGM of the Company, at which time the Director may be elected.

As part of the Board and senior management changes disclosed in the Notice of EGM, Ms Maxine Horne will be appointed by the Board as a non-executive Director subject to the implementation of the Proposed Transaction. If this occurs before the Meeting, she will hold office until the end of the Meeting and seek election at the Meeting. The Board does not consider Ms Horne to be independent as a result of her tenure as CEO and Managing Director and her substantial holding in the Company.

Ms Horne's details are:

#### **Maxine Horne Non-Executive Director**

Maxine has more than 35 years' experience in business, including strategy development and execution, leadership, operations, sales, customer service, marketing, and product development.

After founding Vita Group in 1995, Maxine guided the growth and evolution of the Group, expanding the business from a single store to a national publicly listed company. As at the date of this Notice, Maxine is the CEO and Managing Director of the Company, leading the leadership team and responsible for the strategic direction of the Group, including operational leadership of the company's skin-health and wellness channel.

Maxine has received several awards and honours throughout her career, including the Courier Mail Business Person of the Year in 2019, induction into the Businesswoman's Hall of Fame in 2016, the EY Entrepreneur of the Year Award (Northern Region) in 2014, QBR Business Woman of the Year in 2006 and the President's Award at the NSW Australian Retail Association Awards for Excellence in 2005.

## **Board Recommendation**

Having received an acknowledgement from Maxine that she has sufficient time available to carry out the duties of a Director of the Company and having reviewed the performance of Maxine as a Director, and the required mix of skills and experience required by the Board, the Directors (excluding Ms Horne who is seeking election) recommend that Shareholders vote in favour of Resolution 3 if it is put to the Meeting.

#### **4. Resolution 4 - Approval of the Vita Group Loan Funded Share Plan**

The approval of the proposed Vita Group Loan Funded Share Plan (**Plan**) is subject to the implementation of the Proposed Transaction. Given the proximity of scheduled completion of the Proposed Transaction with the Meeting, decision will be made closer to the Meeting whether Resolution 4 will be put to the Meeting.

The Company is proposing to introduce the Plan to reward and incentivise its executive team, conditional on implementation of the Proposed Transaction.

If the Proposed Transaction completes, the Company's primary focus will be on growing the Artisan business. Given the Company's shift in business strategy, the Board is looking to implement a new long term incentive plan that drives growth and performance while delivering value for Shareholders.

The proposed Plan seeks to reward and incentivise executives through an arrangement where employees are provided with a limited recourse loan for the sole purpose of acquiring fully paid ordinary shares in the Company (**Shares**). The Plan facilitates immediate share ownership and Shares under the Plan (**Loan Funded Shares**) are offered at market value such that the incentive is linked to the increase in value over and above the acquisition price and so aligns participating executives to the risks and rewards of a Shareholder. Grants of Loan Funded Shares under the Plan are intended to be made to individual executives on a one-off basis rather than annually, and vesting is subject to Company performance over a 5-year vesting period, so participants are focused on the Company's growth and performance over the long term.

### **Why is shareholder approval being sought?**

ASX Listing Rule 7.1 provides that a listed company must not, without the approval of its Shareholders, issue new securities of more than 15% of the securities already on issue in any 12-month period.

Exception 13(b) of ASX Listing Rule 7.2 provides that an issue of securities under an employee incentive scheme will be treated as an exception to ASX Listing 7.1 if, within 3 years before the date of issue of the securities, the Shareholders of the listed company have approved the issue of securities pursuant to the relevant employee incentive scheme as an exception to ASX Listing Rule 7.1.

Accordingly, Resolution 4 seeks the approval of Shareholders for any issue of Shares under the Plan for the purposes of ASX Listing Rule 7.2, Exception 13(b) so that, to the extent that Shares issued under the Plan in the 3-year period following shareholder approval, those Shares will not count towards the 15% limit under ASX Listing Rule 7.1.

### **What are the key terms of the Plan?**

A summary of the key terms of the Plan is set out in Schedule 1.

### **Maximum number of securities proposed to be issued**

The maximum number of Loan Funded Shares proposed to be issued under the Plan within the 3-year period following the passing of Resolution 4 is 13,248,356 Shares. The maximum number is not intended to be a prediction of the actual number of securities to be issued under the Plan, simply a ceiling for the purposes of ASX Listing Rule 7.2, Exception 13(b).

### **Securities previously issued under the Plan**

The Plan has not previously been approved by Shareholders for the purposes of ASX Listing Rule 7.2, Exception 13(b) and, as at the date of this Notice, no securities have been issued under the Plan.

### **What will happen if the resolution is, or is not, approved?**

If Shareholder approval in accordance with Listing Rule 7.2, Exception 13(b) is granted, it will exempt grants of Loan Funded Shares under the Plan from the calculation of the 15% limit on the grant of new securities without prior Shareholder approval, for a 3-year period following the passing of Resolution 4, subject to there being no material amendments to the terms of the Plan.

If Shareholder approval in accordance with Listing Rule 7.2, Exception 13(b) is not granted, grants of Loan Funded Shares under the Plan may still be made but must be counted towards the 15% limit on the Company's capacity to issue new securities without Shareholder approval under ASX Listing Rule 7.1 unless the Shares are acquired on-market.

### **Board Recommendation**



Each of the Directors (other than Mr Connors who declines to make a recommendation based on his interest in the outcome of Resolution 4) recommends that Shareholders vote in favour of Resolution 4 if it is put to the Meeting.

## **5. Resolution 5 - Approval of grant of shares to Peter Connors under Vita Group Loan Funded Share Plan**

The approval of the grant to Peter Connors is subject to the implementation of the Proposed Transaction. Given the proximity of scheduled completion of the Proposed Transaction with the Meeting, a decision will be made closer to the Meeting as to whether Resolution 5 will be put to the Meeting.

As disclosed in the Notice of EGM, subject to and following implementation of the Proposed Transaction, changes will be made to reflect the size and operations of the Company moving forward, including the appointment of Peter Connors (currently the Company's Chief Operating Officer) as Chief Executive Officer and Managing Director of the Company.

The Company proposes to grant 6,624,178 Loan Funded Shares to Mr Connors, subject to and following his appointment as Chief Executive Officer and Managing Director, as a long-term incentive under the new Vita Group Loan Funded Share Plan. The key terms of the Plan are summarised in Schedule 1.

### **Why is Shareholder approval being sought?**

The Board is seeking approval of Shareholders for the purposes of all applicable requirements under the Corporations Act and the ASX Listing Rules, including ASX Listing Rule 10.14.

ASX Listing Rule 10.14 requires Shareholder approval for a director of a listed company to be issued securities under an employee incentive scheme. Accordingly, Resolution 5 seeks approval from Shareholders under ASX Listing Rule 10.14 for the grant of Loan Funded Shares under the Plan to Mr Connors following his appointment as a director of the Company. This is the first time Shareholder approval has been sought for the grant of securities to Mr Connors since he has not previously been a director of the Company.

Approval is also being sought under section 200E of the Corporations Act in relation to the proposed treatment of Loan Funded Shares in the event of a change of control of the Company for the reasons outlined below.

### **What will happen if the resolution is, or is not, approved?**

The grant of Loan Funded Shares under the Plan the subject of Resolution 5 is conditional on receiving Shareholder approval and Mr Connors being appointed Chief Executive Officer and Managing Director. Where Shareholder approval is obtained, 6,624,178 Loan Funded Shares will be granted to Mr Connors under the Plan following his appointment, and in any case, no later than 12 months following the Meeting. Once Shareholder approval is obtained under ASX Listing Rule 10.14, the issue of Loan Funded Shares under the Plan to Mr Connors will not count towards the Company's capacity to issue equity securities under ASX Listing Rule 7.1.

If Shareholders do not approve the proposed grant of Loan Funded Shares to Mr Connors, the proposed grant of Loan Funded Shares will not proceed. In that circumstance, the Board would then need to consider alternative remuneration arrangements for Mr Connors following his appointment as Chief Executive Officer and Managing Director which are consistent with the Company's remuneration principles, including providing an equivalent cash payment subject to the risk of forfeiture, performance conditions and performance period.

### Details of the proposed grant

The Plan allows eligible employees to acquire Shares in the Company at market value at the date of grant. The acquisition price of the Shares is fully funded by a limited recourse loan provided by the Company. Details of the terms of the Plan including the terms of the loan can be found in Schedule 1.

6,624,178 Loan Funded Shares are proposed to be granted to Mr Connors as part of his long-term remuneration under the Plan following his appointment as Chief Executive Officer and Managing Director. Loan Funded Shares are fully paid ordinary shares in the Company. It is intended that the grant of Loan Funded Shares will be a one-off grant under the Plan following the implementation of the Proposed Transaction this year.

### Performance conditions and performance period

The Loan Funded Shares granted to Mr Connors will vest depending on whether an absolute total shareholder return (**aTSR**) metric is met over a 5 year performance period from the date of grant to the fifth anniversary of the date of grant, in addition to the requirement to remain employed with the Company during this period. Calculation of the achievement against the aTSR metric will be determined by the Board in its absolute discretion at the conclusion of the performance period, having regard to any matters that it considers relevant including, among other factors, Company performance from the perspective of Shareholders.

aTSR has been selected as the appropriate performance metric for the loan funded shares to ensure alignment between executive reward and shareholder returns. aTSR is calculated by measuring the change in the closing price at the start of the performance period to the closing price at the end of the performance period, accounting for the value of dividends re-invested during this period.

The number of Loan Funded Shares that vest will depend on the level of performance achieved. In order for any Loan Funded Shares to vest, a threshold level of performance must be achieved. The percentage of Loan Funded Shares that vest, if any, will be determined by the Board as follows:

aTSR	Portion of shares vesting
Less than 8%	Nil
8%	50%
Between 8% and 10%	Straight line pro-rate vesting between 50 and 100%
More than 10%	100%

Subject to the terms of the Plan, any Loan Funded Shares that do not vest at the end of the performance period will be forfeited and surrendered in repayment of the portion of the loan to which they relate.

### Cessation of employment

Unless the Board determines otherwise, if Mr Connors' employment with the Group is terminated during the performance period as a 'good leaver' (i.e. as a result of death, ill-health, total and permanent disablement, redundancy, retirement with agreement of the Board or any other reason as determined by the Board), his unvested Loan Funded Shares will remain on-foot to be performance tested as outlined above at the end of the performance period. Any unvested shares will be forfeited and surrendered in repayment of the portion of the loan to which they relate.

If Mr Connors' employment with the Group is terminated during the performance period in circumstances where he is not considered a good leaver, his unvested Loan Funded Shares will be

forfeited on termination and surrendered in full satisfaction of the loan, unless the Board determines otherwise.

Where employment ceases after the end of the performance period but before the loan is repaid, Mr Connors will be entitled to retain his vested Loan Funded Shares but will be required to repay the loan on or before the earlier of 30 days following the date of termination and the expiry date of the loan (being 9.5 years from the date of grant).

### Other terms of grant

In addition to the terms outlined above, the grant of Loan Funded Shares to Mr Connors will be subject to the terms of the Plan, the key terms of which are summarised in the Explanatory Notes to Resolution 4 and in Schedule 1.

### Additional information

The following additional information is provided for the purposes of ASX Listing Rule 10.15:

- Mr Connors proposed remuneration package following his appointment is:

Remuneration element	Quantum
Total fixed remuneration (exclusive of superannuation)	\$350,000 per annum
Short-term incentive (maximum opportunity)	\$175,000 per annum
Long-term incentive (maximum opportunity)	6,624,178 Shares acquired with a limited recourse loan provided by the Company (intended as a once off grant not annual)

- No Shares have previously been issued to Mr Connors under the Vita Group Loan Funded Share Plan.
- As noted above, the Company will provide an interest-free limited recourse loan to Mr Connors equal to the full market value of the Loan Funded Shares to be acquired under the grant in accordance with the terms of the Plan. The key terms of the loan are outlined in Schedule 1.
- Loan Funded Shares will be allocated at a price per share equal to the 10-day VWAP for the period immediately prior to the date of grant.
- Details of any shares issued under the Plan will be published in the Company's Remuneration Report (as part of the Annual Report) relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of shares under the Plan after Resolution 5 is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

### Section 200C of the Corporations Act

Section 200C of the Corporations Act states that a person must not give a benefit to a person who holds a managerial or executive office in a company in connection with the transfer of the whole or

any part of the undertaking or property of the Company, unless there is shareholder approval under section 200E for the giving of the benefit.

As outlined in Schedule 1, under the terms of the Plan, if in certain circumstances a change of control event occurs where the Company disposes of the whole (or a substantial part) of its business or property to another entity, Mr Connors may be entitled to have his Loan Funded Shares under the Plan vest earlier than would have been the case had the change of control not occurred.

Specifically, if a change of control event occurs with respect to the Company:

- within 2.5 years from the grant date, 50% of Mr Connors' Loan Funded Shares will vest immediately and the remaining 50% will be forfeited; and
- 2.5 years or more from the grant date, 100% of Mr Connors' Loan Funded Shares will vest immediately.

The Company is seeking Shareholder approval under section 200E for the benefit which might be conferred on Mr Connors under the terms of the grant in the event that a change in control of the Company occurs in the future because in that circumstance, vesting of some or all of Mr Connors' Loan Funded Shares may be accelerated.

The monetary value of the benefit that may be given to Mr Connors will be the monetary value of any vested Loan Funded Shares at the time of the change of control event, after repayment of any outstanding loan balance. The actual value of any potential benefit that Mr Connors may receive on a change of control in the future cannot be ascertained at this time. Key matters that will, or are likely to, affect the calculation of that value include the timing and circumstances of the change of control event, the price of Shares at the time of the change of control event and the outstanding loan balance at the time of the change of control event.

The Directors advise that there is no current intention to sell the Company. Accordingly, the potential for a benefit to arise is contingent on both a change of control event actually occurring and the date of any such event.

### **Recommendation**

Each of the Directors (other than Mr Connors who declines to make a recommendation based on his interest in the outcome of Resolution 5) recommends that Shareholders vote in favour of Resolution 5 if it is put to the Meeting.

## **6. Resolution 6 - Amendments to Constitution**

The Company's current Constitution was last amended at the 2013 AGM. It is proposed to amend the Constitution in light of a number of developments in law, corporate governance principles and corporate commercial practice for ASX listed companies since that time. A summary of amendments is outlined below. A copy of the Company's Constitution with the proposed amendments is available for review on the Company's website at ([www.vitagroup.com.au](http://www.vitagroup.com.au)).

### **Shareholder meetings**

The amendments are proposed to update the Constitution for the following matters:

- allow notice of postponement or cancellation of meeting to be given by ASX announcement only, unless the meeting is postponed by 30 days or more or the meeting is called or requisitioned by Shareholders (clause 34.3). This change enables cost-effective and efficient communications with Shareholders and is consistent with clause 39;

- expressly empower the chairperson to take any action the chairperson considers it necessary or desirable the proper and orderly conduct of a general meeting (clause 37.7). This provides additional certainty for the conduct of meetings and supports the significant powers of the chairperson to regulate the conduct of general meetings at common law;
- enable the Directors to determine to hold general meetings using any technology that gives Shareholders as a whole a reasonable opportunity to participate, in accordance with procedures determined by the Directors (clause 38). These new rules do not require Directors to hold meetings using technology; and
- enable the Company to clarify and correct errors in relation to proxy votes after the deadline for lodgement of proxies has passed (clauses 50.7-50.8).

The re-insertion of clause 25 containing proportional takeover provisions requires a separate approval which is contained in Resolution 7 and does not depend on Resolution 6 being passed. The Explanatory Notes associated with Resolution 7 are set out below.

### **Restricted securities**

The amendments to clauses 27.2, 27.5, 45.2 and 90 are proposed to update the Company's Constitution to reflect changes to the ASX Listing Rules that came into effect on 1 December 2019 which, among other things, introduced a two-tier escrow regime to facilitate escrow arrangements.

These changes allow certain escrow arrangements to be imposed without execution of a formal escrow agreement provided this is permitted by the company's constitution.

The Company does not currently have any restricted securities on issue and has no present intention to issue restricted securities. The amendments are being proposed to give the Company maximum flexibility if it wished to issue securities which would be restricted securities at some time in the future.

Resolution 6 is a special resolution and must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

### **Recommendation**

Each of the Directors recommends that Shareholders vote in favour of Resolution 6.

## **7. Resolution 7 – Reinsertion of Proportional Takeover Approval Provisions**

Clause 25 of the Company's Constitution contains provisions which deal with proportional takeover bids for shares in the Company.

A proportional takeover bid is an off-market takeover offer to buy only a specified proportion of each shareholder's shares in the bid class. The provisions in clause 25 are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company by prohibiting registration of transfers of shares acquired under the takeover bid unless shareholders pass a resolution approving the bid or a resolution is taken to have been passed.

Under section 648G of the Corporations Act (and clause 25 of the Constitution), the proportional takeover provisions must be renewed every 3 years or they will cease to have effect. The provisions were last renewed by shareholders at the 27 October 2010 AGM and expired on 27 October 2013. The Board considers that it is in the best interests of the Company's shareholders to include the proportional takeover provisions in the Constitution and shareholders are therefore asked to consider a resolution to reinsert the provisions in the Constitution. If reinserted, the provisions will be in identical terms to clause 25 as it existed until 27 October 2013 and the related definitions in clause 1.1 of the Constitution (as set out in Schedule 2 attached to this Notice).

### **Effect of reinserting proportional takeover provisions**

The effect of reinserting the provisions will be:

- if a proportional takeover offer is received, the Directors are required to convene a meeting of Shareholders to vote on a resolution to approve the offer. That meeting must be held at least 15 days before the offer closes;
- a simple majority of shares voted at the meeting i.e. at least 50% of the votes cast, excluding the shares of the offeror and its associates, is required for the resolution to be passed;
- if no resolution is voted on at least 15 days before the close of the offer, such a resolution is deemed to have been approved (Note: the Directors breach the Corporations Act if they fail to ensure the approving resolution is voted on);
- if the resolution is rejected, the registration of any transfer of shares resulting from the proportional offer will be prohibited and, under the Corporations Act, the offer will be ineffective; and
- if the resolution is approved, the relevant transfers of shares will be registered provided they comply with the other provisions of the Constitution.

The proportional takeover approval provisions do not apply to full takeover offers and, if reinserted, will expire after 3 years, unless renewed by shareholders by special resolution.

### **Reasons for reinserting the provisions**

The Board considers that Shareholders should have the opportunity to vote on a proposed proportional takeover bid.

A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority position and without Shareholders having the opportunity to dispose of all of their shares, so that Shareholders could be at risk of being left as part of a minority interest in the Company.

This could place Shareholders under pressure to accept the bid. If the Constitution includes these proportional takeover provisions, it will minimise this risk to Shareholders by permitting Shareholders in general meeting to decide whether a proportional takeover bid should be permitted to proceed.

### **Present acquisition proposals**

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

### **Review of the advantages and disadvantages of the proportional takeover provisions during the period**

The potential advantages and disadvantages of the proportional takeover provisions for the Directors and Shareholders are set out below. There has not been any proportional takeover bid during the period that the provisions were in effect previously.

### **Potential advantages and disadvantages for the Directors and Shareholders of the Company associated with proportional takeover provisions**

#### *Advantages*

- Enables the Board to formally ascertain the views of Shareholders in respect of a proportional takeover offer;
- Ensures that all Shareholders will have an opportunity to study a proportional takeover offer and then attend or be represented by proxy at a meeting of Shareholders called specially to vote on the offer;
- Enables Shareholders to prevent a proportional takeover bid from proceeding if they believe that control of the Company should not be permitted to pass under the bid; and
- Likely to encourage any proportional bid to be structured so as to be attractive to a majority of Shareholders.

### *Disadvantages*

- May discourage proportional takeover bids for the Company;
- May as a result reduce any 'takeover speculation' element in the Company's share price or deny Shareholders the opportunity of selling some of their shares at a premium; and
- May restrict the ability of individual Shareholders to deal freely with their shares in some circumstances.

### **Recommendation**

Each of the Directors recommends that Shareholders vote in favour of Resolution 7.

## **ENTITLEMENT TO VOTE**

For the purposes of the Meeting, shares will be taken to be held by the persons who are registered as Shareholders as at **6.00pm (Brisbane time) on Wednesday, 24 November 2021**.

## **VOTING EXCLUSIONS**

The Corporations Act and the ASX Listing Rules require that voting restrictions apply to the Company's key management personnel (**KMP**) and their closely related parties on several of the resolutions to be considered at the Meeting. These voting exclusions are described below:

### **Item 2 - Remuneration Report**

A vote must not be cast, and the Company will disregard any votes cast, on the resolution proposed in item 2 (Resolution 1) by or on behalf of a member of the KMP for the Group (and their closely related parties), including directors, in any capacity, including as a proxy if their appointment does not specify the way in which the proxy is to vote.

However, a vote can be cast, and the Company will not disregard a vote as a result of these restrictions if it is cast by the Chair of the meeting as undirected proxy for a person entitled to vote and the Chair has received express authority to exercise the proxy as the Chair sees fit even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP.

### **Item 4 – Approval of the Vita Group Loan Funded Share Plan**

The Company will disregard any votes cast on item 4 (Resolution 4):

- in favour of the resolution by or on behalf of a Director or employee of the Company who is eligible to participate in the Plan, or any of their associates; and
- as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties, unless the vote is cast on Resolution 4 by:
  - a person as proxy or attorney for a person entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
  - the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 4 relates to the remuneration of a member of the KMP); or
  - a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
    - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Item 5 – Grant of shares to Peter Connors under the Vita Group Loan Funded Share Plan**

The Company will disregard any votes cast on item 5 (Resolution 5):

- in favour of the resolution by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or any of their associates; and
- as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties,

unless the vote is cast on Resolution 5 by:

- a person as proxy or attorney for a person entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 5 relates to the remuneration of a member of the KMP); or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **PROXIES**

If you are a Shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a Shareholder of the company.

If you want to appoint one proxy, you can use the form provided. If you want to appoint two proxies, please follow the instructions on the front of the proxy form.

The Company's Constitution provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

Where a proxy and the Shareholder both attend the Meeting, the proxy's authority to speak and vote at the Meeting is suspended while the Shareholder is present at the Meeting.

You may lodge a proxy online at Computershare's internet address below by following the instructions set out on the website. Shareholders who elected to receive their notice of meeting and proxy electronically will have received an e-mail with a link to the Computershare site.

To be effective, the proxy form or electronic proxy appointment must be received by Computershare Investor Services Pty Limited at the address, facsimile number or internet address below, or by the Company at its registered office, Level 3 77 Hudson Road, Albion, Queensland, 4010 **not later than 9.00am (Brisbane time) on Wednesday, 24 November 2021 (being at least 48 hours before the Meeting).**

The Chair of the Meeting intends to vote any undirected proxy in favour of all resolutions (where the Chair has been appropriately authorised, as applicable).

## **WHERE TO LODGE A PROXY**

### **By Post:**

Computershare Investor Services Pty Limited



GPO Box 242 Melbourne  
Victoria 3001 Australia

**Online:**

You can lodge your proxy form electronically by visiting [www.investorvote.com.au](http://www.investorvote.com.au), logging in and quoting the Control Number found on the front of your proxy form. Alternatively, you can scan the QR code also found on the front of your proxy form. Intermediary Online subscribers (Custodians) may lodge their proxy by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com)

**Fax:**

1800 783 447 (Within Australia)  
+61 3 9473 2555 (Outside Australia)

You can elect to receive Shareholder information electronically, or obtain a replacement or second proxy form, by contacting Computershare on 1300 552 270 (within Australia) or +61 3 9415 4000 (outside Australia). You may also update your Shareholder communication elections by logging onto [www.investorcentre.com](http://www.investorcentre.com).

Shareholders are encouraged to submit their proxy forms online. If you wish to post a proxy form, please be aware of current postal timeframes, including the possibility of delays due to COVID-19 regulations and reduced frequency of deliveries.

## **PARTICIPATING AND VOTING ONLINE DURING THE MEETING**

Due to COVID-19 restrictions on public gatherings, the Meeting will be held as a virtual meeting which will be webcast live through the Lumi AGM software platform and there will not be a physical meeting where Shareholders can attend.

Participating in the Meeting online enables Shareholders to view the Meeting live, ask text-based and verbal questions and cast votes in the real time poll at the appropriate times during the Meeting, subject to connectivity of their device.

For further instructions on how to participate online, please refer to the front page of this notice and the Online Meeting User Guide at [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide).

The Online Meeting User Guide will also be provided in your notice of meeting email.

Shareholders are also strongly encouraged to lodge their proxy forms before the deadline listed above even if they are participating in the Meeting online. Shareholders who do not plan to attend the Meeting are encouraged to complete and return a proxy form or lodge a proxy online before the deadline listed above, for each of their holdings of Company's shares.

## **POLL**

Voting on all items will be determined by a poll at the Meeting. Shareholders not attending the Meeting may use the proxy form provided before the deadline listed above.

## **CORPORATE REPRESENTATIVES**

Any corporation which is a member of the Company may appoint a proxy, as set out above, or appoint a natural person to act as its representative at any general meeting under section 250D of the Corporations Act or appoint an attorney. Corporate representatives are requested to provide appropriate evidence of appointment as a representative in accordance with the Constitution. A form of notice of appointment can be obtained from Computershare. Attorneys are requested to provide the original or a certified copy of the power of attorney pursuant to which they were appointed in accordance with the

Constitution. Proof of identity will also be required for corporate representatives and attorneys. To be effective, evidence of the appointment as a representative or attorney must be returned in the same manner and by the same time as specified for proxy appointments above (unless previously provided).

### **SHAREHOLDER QUESTIONS**

The Company encourages Shareholders to submit written questions in advance of the Meeting by emailing [investors@vitagroup.com.au](mailto:investors@vitagroup.com.au).

The question must be received by the Company **no later than Friday, 19 November 2021 (five business days before the Meeting)**. Questions should relate to matters that are relevant to the business of the Meeting as outlined in the notice of meeting.

Shareholders can also submit an online question when lodging proxy vote online at [www.investorvote.com.au](http://www.investorvote.com.au).

Questions will be collated and, during the Meeting, the Chair of the Meeting will endeavour to address as many of the more frequently asked questions as possible and, where appropriate, will give the representative of the auditor, Grant Thornton, the opportunity to answer written questions submitted to the auditor.

### **RESULTS OF THE MEETING**

Voting results will be announced on the ASX as soon as practicable after the Meeting and will also be made available on the Company's website ([www.vitagroup.com.au](http://www.vitagroup.com.au)).

## Schedule 1 – Key terms of the Vita Group Loan Funded Share Plan

Set out below is a summary of the key terms of the Vita Group Loan Funded Share Plan, for which Shareholder approval is sought under Resolution 4.

Term	Description
Eligibility	The Board has the discretion to determine which employees are eligible to participate in the Plan, and the number of Loan Funded Shares that they will be offered. The definition of an employee under the Plan includes any full-time or part-time employee or executive or director of the Company or any of its subsidiaries.
Class of shares	Shares granted under the Plan will be fully paid ordinary shares in the Company and rank equally with existing shares.
Acquisition price	<p>Loan Funded Shares will be allocated at a price per share equal to the 10-day VWAP for the period immediately prior to the date of grant, unless otherwise determined by the Board (<b>Market Value</b>).</p> <p>A loan will be provided by the Company to the participant to fund the acquisition price of the Loan Funded Shares. The value of the loan will be equal to the aggregate Market Value of the Loan Funded Shares. The key terms of the loan are outlined below.</p>
Vesting conditions	<p>Loan Funded Shares granted under the Plan which have not been forfeited under the Plan will vest if and when any applicable vesting conditions have been satisfied or waived by the Board.</p> <p>Unless otherwise specified in an invitation, on vesting, Shares will cease to be subject to disposal restrictions. However, any proceeds of disposal will be required to be applied to repay the outstanding loan balance.</p>
Loan terms	<p>Loans provided to participants will be:</p> <ul style="list-style-type: none"> <li>• interest-free;</li> <li>• limited in recourse (i.e. a participant's outstanding loan balance will be limited to the value of their Loan Funded Shares);</li> <li>• repayable on the earlier of: <ul style="list-style-type: none"> <li>○ the date Loan Funded Shares are forfeited under the Plan;</li> <li>○ the date the shares are sold;</li> <li>○ the expiry of the loan; or</li> <li>○ any other date agreed between the Company and the participant.</li> </ul> </li> <li>• Where vesting conditions are not met, or a portion of Loan Funded Shares do not vest for any other reason, the Loan Funded Shares will be forfeited and surrendered in satisfaction of the corresponding portion of the loan.</li> </ul>
Expiry of loan	9.5 years from the grant date (i.e. 5 year performance period and an additional 4.5 years to repay loan).

Repayment of loan	<ul style="list-style-type: none"> <li>Any after-tax dividends received prior to full repayment of the loan will be applied to the outstanding loan balance.</li> <li>Any after-tax proceeds from the disposal of vested shares will be applied to the outstanding loan.</li> <li>Where the loan balance is not repaid at the expiry of the loan (i.e. 9.5 years), the Company will sell some or all of the participant's shares to satisfy the outstanding loan balance.</li> <li>Participants may also self-fund the repayment of the outstanding loan balance.</li> </ul>
Dividend and voting rights	Loan Funded Shares will rank equally in all respects with all entitlements for other Shares (including dividend and voting rights), subject to the requirement to apply after-tax dividends to repay the loan.
Quotation	The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.
Forfeiture	<p>Unless otherwise determined by the Board, Loan Funded Shares will be forfeited in certain circumstances, including:</p> <ul style="list-style-type: none"> <li>if the participant breaches any term of loan;</li> <li>if the participant purports to dispose of the Loan Funded Shares in breach of the Plan;</li> <li>in certain circumstances if the participant ceases employment;</li> <li>if the Board determines that the Loan Funded Shares are liable to clawback;</li> <li>if the Loan Funded Shares are forfeited on a change of control; or</li> <li>if the Board determines that any of the Vesting Conditions applicable to the Loan Funded Shares have not been or cannot be satisfied.</li> </ul>
Cessation of employment	<p>Unless the Board determines otherwise, if a participant's employment with the Group is terminated during the relevant performance period as a 'good leaver' (i.e. as a result of death, ill-health, total and permanent disablement, redundancy, retirement or any other reason as determined by the Board), his or her unvested Loan Funded Shares will remain on-foot to be performance tested at the end of the performance period. Any unvested shares will be forfeited and surrendered in repayment of the portion of the loan to which they relate.</p> <p>If employment with the Group is terminated during the performance period in circumstances where the participant is not considered a good leaver, the participant's unvested Loan Funded Shares will be forfeited on termination and surrendered in full satisfaction of the loan, unless the Board determines otherwise.</p> <p>The Board retains absolute discretion to determine a different treatment for unvested Loan Funded Shares on cessation of employment to that outlined above.</p> <p>Where employment ceases after the end of the performance period but before the loan is repaid, the participant will be entitled to retain his or her vested Loan Funded Shares but will be required to repay the loan on or before the earlier of 30 days following the date of termination and the expiry date of the loan.</p>

Change of Control	<p>Unless the Board determines otherwise in its absolute discretion, in the event of a change in control of the Company:</p> <ul style="list-style-type: none"> <li>• within 2.5 years from the grant date, 50% of Loan Funded Shares will vest immediately and the remaining 50% will be forfeited; and</li> <li>• 2.5 years or more from the grant date, 100% of Loan Funded Shares vest immediately.</li> </ul> <p>The loan is repayable within 30 days following vesting.</p>
Malus and clawback provisions	<p>If the Board becomes aware of a material misstatement in the Company's financial statements, that a participant has committed an act of fraud, negligence or gross misconduct or failed to comply with any restrictive covenant or that some other event has occurred which, as a result, means that a participant's Loan Funded Shares should be reduced or extinguished, or should not vest, then the Board may clawback or adjust any such award at its discretion to ensure no unfair benefit is derived by the participant.</p>
Trading restrictions	<p>A disposal restriction on the Loan Funded Shares applies until they vest at the end of the performance period. Following vesting, a participant will be able to dispose of his or her Shares (subject to compliance with the Company's securities trading policy and applicable law) but must apply any after-tax proceeds to repay any outstanding loan balance.</p>
Trust	<p>The Company may establish a share trust for the purposes of the Plan.</p>

## **Schedule 2 – Proportional Takeover Bid provisions**

### **Definitions in clause 1.1:**

**Approving Resolution** means a resolution passed in accordance with clause 25.

**Approving Resolution Deadline** in relation to a proportional takeover bid means the day that is the 14th day before the last day of the bid period.

### **25 Proportional Takeover Bid**

25.1 Registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid is prohibited unless and until an Approving Resolution approving the proportional takeover bid is passed.

25.2 A person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held bid class Shares is entitled to:

- (a) vote on a Approving Resolution; and
- (b) has one vote for each bid class Share held.

25.3 Where offers have been made under a proportional takeover bid, the Directors must ensure that an Approving Resolution is voted on at a meeting of the persons described in clause 25.2 before the Approving Resolution Deadline.

25.4 An Approving Resolution is passed if more than 50% of the votes cast on the resolution are cast in favour of the resolution, and otherwise is taken to have been rejected.

25.5 The provisions of this Constitution that apply to a general meeting of the Company apply, with such modifications as the circumstances require, to a meeting that is called under this clause as if the meeting was a general meeting of the Company.

25.6 If an Approving Resolution to approve the proportional takeover bid is voted on in accordance with this clause before the Approving Resolution Deadline, the Company must, on or before the Approving Resolution Deadline, give:

- (a) the bidder; and
- (b) each relevant financial market,

a written notice stating that an Approving Resolution to approve the proportional takeover bid has been voted on and whether it was passed or rejected.

25.7 If no resolution has been voted on in accordance with this clause as at the end of the day before the Approving Resolution Deadline, a resolution to approve the proportional takeover bid is taken, for the purposes of this clause, to have been passed in accordance with this clause.

25.8 Under the Corporations Act, this clause 25 automatically ceases to have effect on:

- (a) the date which is three years after the incorporation of the Company; or
- (b) if the clause is renewed by resolution of Shareholders in accordance with the Corporations Act before it ceases to have effect, the date which is three years after that renewal resolution is passed.







