

## ASX ANNOUNCEMENT



Vita Group Limited  
ACN 113 178 519  
77 Hudson Road  
Albion Qld 4010

12 November 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 – Market Update**

In accordance with the Listing Rules, please find attached for immediate release a market update announcement by Vita Group Limited (ASX: VTG).

This announcement has been authorised for lodgement by VTG's Board of Directors.

For enquiries relating to this announcement, contact:

Andrew Ryan  
Chief Financial Officer  
Mob: 0417 644 756

George Southgate  
Chief Legal and Risk Officer / Company Secretary  
Mob: 0412 514 030

Yours sincerely

A handwritten signature in black ink, appearing to read "George Southgate". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**George Southgate**  
Chief Legal and Risk Officer / Company Secretary  
Vita Group Limited

## Completion of the sale of Vita Group's Retail ICT and Sprout business to Telstra

12 November 2021

Vita Group (ASX: VTG) today announced the completion of the sale of its Retail Information and Communication Technology (ICT) business to Telstra Corporation Limited (ASX: TLS) for cash consideration of \$110 million (subject to a net working capital and net-debt adjustment mechanism) (referred to as the Transaction) with all sale conditions having been successfully met or waived.

Under the Transaction, the vast majority of Vita employees will transition to Telstra.

### Use of funds

The Board has determined to pay \$0.39 per share, equating to \$64.6 million, as the first tranche of the fully-franked Special Dividend. The first tranche of the Special Dividend is scheduled for payment on 26 November 2021 to shareholders on record as at 19 November 2021. The Board currently expects to pay the final tranche of approximately \$0.03 to \$0.06 per share, equating to \$5 to \$10 million, on a date to be determined once the Transaction, wind-up, and other transition costs are confirmed. As announced on 24 September 2021, Vita's Dividend Reinvestment Plan (DRP) continues to remain suspended in accordance with the DRP rules (available on Vita's website <https://vitagroup.com.au/shareholders/corporate-governance/>) and will not operate for both tranches of the Special Dividend.

The remaining \$35 million of proceeds, after both tranches of the Special Dividend are paid, will be used to fund the further growth of Artisan Aesthetic Clinics.

### Changes to Vita Group as a result of the Transaction

As a result of the completion of the Transaction, Vita advises that the following changes, many of which were outlined in the Notice of Meeting<sup>1</sup>, will take place to reflect Vita's smaller size:

1. Pete Connors has been appointed as Chief Executive Officer, effective 12 November 2021. Refer to Annexure A for Mr Connors' key employment terms;
2. Maxine Horne has stepped down as CEO and Managing Director, and has been appointed as a Non-Executive Director and Chair of the Remuneration and Nomination Committee, effective 12 November 2021;
3. Dick Simpson and Neil Osborne will retire, effective at the conclusion of Vita's Annual General Meeting (AGM) after 16 and 12 years (respectively) of service on the Vita Board;
4. Paul Mirabelle will take up the role of Chair, effective at the conclusion of Vita's AGM<sup>2</sup>;
5. Non-Executive Director, Paul Wilson, will remain on the board and will take up the role of Chair of the Audit & Risk Committee; and
6. The following Board remuneration changes will be implemented, effective from the date of the AGM on 26 November 2021:
  - (i) Non-Executive Director fees will be restructured from the current fee of \$94,500<sup>3</sup> to a base fee of \$80,000<sup>3</sup> plus \$10,000<sup>3</sup> for chairing a sub-committee of the Board;
  - (ii) The Chair fee will be restructured from the current fee of \$189,000 to a base fee of \$179,000<sup>3</sup>.

As a result of the above changes, all Resolutions (except for Resolution 2 regarding the re-election of Dick Simpson) will be put to a vote at the upcoming AGM<sup>2</sup>.

<sup>1</sup> Vita Group Notice of Meeting and Explanatory Memorandum, issued to the ASX on 8 October 2021.

<sup>2</sup> Vita Group Annual General Meeting (AGM), scheduled for 26 November 2021 at 9.00am (Australian Eastern Standard Time) / 10.00am (Australian Eastern Daylight Time).

<sup>3</sup> Excludes superannuation.

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Commenting on the Transaction, Vita Group Chief Executive Officer, Ms Maxine Horne, said:

“This is the beginning of another exciting venture for Vita, a journey that is reminiscent of Fone Zone’s. The skin health and wellness category has the same characteristics that the mobile phone industry had 25 years ago and we are experiencing the same changes and challenges that we did back then. Having laid the foundations and with a full strategy in place, Artisan is well poised to take advantage of this growth category and the opportunities it presents in executing our corporate model.”

“After 26 years of leading Vita Group I have many people to thank. Firstly, I’d like to recognise Dick and Neil for their leadership and support in their roles on the Board and wish them both every success for their next steps. I also thank every Vita peep who has contributed to Retail ICT over our many years of success. I wish you all the absolute best in your careers and will watch with enthusiasm as you put the skills you’ve obtained at Vita to good use. To those Vita peeps continuing with Vita in the Artisan business, I look forward to supporting you in my role as Non-Executive Director and Artisan ambassador. The business is in exceptional hands with the highly capable and experienced Pete Connors at the helm as CEO, and under his leadership I look forward to the Vita team doing it all over again in the skin-health and wellness category.”

This announcement has been authorised for release by VTG’s Board of Directors.

**Further enquiries:**

Andrew Ryan  
Chief Financial Officer  
Mob: 0417 644 756

George Southgate  
Chief Legal and Risk Officer / Company Secretary  
Mob: 0412 514 030

**Annexure A – Mr Connors' Material Employment Terms**

In accordance with ASX Listing Rule 3.16.4, Vita Group advises that the material terms of the Employment Agreement between Peter Connors and Vita Group for the role of Group Chief Executive Officer and Managing Director are as follows:

Total fixed annual remuneration	Base salary of \$350,000 (excluding superannuation)
Short term incentive	50% of base salary (\$175,000)
Long term incentive	Loan Funded Management Share Plan: 6,624,178 Shares to be acquired with a limited recourse loan provided by the Company (intended as a once-off grant, not an annual allocation)
Other benefits	Not applicable
Notice period / termination entitlements	26 weeks' notice period Termination due to redundancy: Provisions in line with the Fair Work Act.
Post-employment restraint	Market standard restraint covenants are included covering non-compete, non-solicit, confidentiality and intellectual property. These activities are restrained for a period of 6 months; Australia wide.

The employment agreement is otherwise considered to be on standard terms for an agreement of this nature.