

Notice of general meeting

Notice is given that a general meeting of TasFoods Limited (**Company**) will be held at Hotel Grand Chancellor Launceston, 29 Cameron Street, Launceston, Tasmania, 7250 on 15 February 2018 at 11.30 am (Launceston time).

Resolution 1 — issue of shares under first tranche of placement

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

That the issue of 16,616,076 fully paid ordinary shares in the Company on 29 December 2017 at an issue price of \$0.18 each (being the first tranche of the placement offer announced on 21 December 2017) and otherwise on the terms summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of rule 7.4 of the ASX Listing Rules and for all other purposes.

Resolution 2 — issue of shares under second tranche of placement

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

That the proposed issue of up to 11,111,111 fully paid ordinary shares in the Company at an issue price of \$0.18 each (being the second tranche of the placement offer announced on 21 December 2017) and otherwise on the terms summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of rule 7.1 of the ASX Listing Rules and for all other purposes.

Resolution 3 — issue of shares under share purchase plan shortfall

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

That the issue of up to 11,764,704 fully paid ordinary shares in the Company (being shortfall shares resulting from the Company's share purchase plan i.e. offered shares not taken up by eligible shareholders) within 3 months from the date of this meeting to any person or persons identified or selected by or on behalf of the Company at the same issue price of \$0.17 each offered under the share purchase plan offer, be approved for the purpose of rule 7.1 of the ASX Listing Rules and for all other purposes.

Resolution 4 — issue of shares and options to new chair

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

That the issue of:

- (a) 3 million fully paid ordinary shares in the Company at an issue price of \$0.17 each; and
- (b) 5 million options for no cash consideration, each to acquire 1 fully paid ordinary share in the Company at an exercise price of \$0.20 until 30 November 2021;

to Shane Noble on 30 November 2017 and otherwise on the terms summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of rule 7.4 of the ASX Listing Rules and for all other purposes.

Dated: 15 January 2018

By order of the board

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Janelle O'Reilly

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint one proxy or, if the member is entitled to cast two or more votes at the meeting, two proxies to attend and vote on behalf and instead of the member.
 2. Where two proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
 3. A proxy need not be a member.
 4. A proxy form accompanies this notice. To be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting, namely by 11.30 am (Launceston time) on 13 February 2018:
 - (a) at the Company's share registrar, Advanced Share Registry Limited, by:
 - (1) hand delivery to 110 Stirling Highway, Nedlands, Western Australia, 6009;
 - (2) post to PO Box 1156, Nedlands, Western Australia, 6909; or
 - (3) facsimile on 08 9262 3723 (within Australia) or +61 8 9262 3723 (outside Australia); or
 - (b) at the registered office of the Company by:
 - (1) hand delivery or post to 52-54 Tamar Street, Launceston, Tasmania, 7250; or
 - (2) facsimile on 03 6256 9251 (within Australia) or +61 3 6256 9251 (outside Australia).
 5. Regulation 7.11.37 determination: A determination has been made by the board of directors of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that those persons who are registered as the holders of shares in the Company as at 7:00 pm (Launceston time) on 13 February 2018 will be taken to be the holders of shares for the purposes of determining voting entitlements at the meeting.
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Voting exclusion statement:

The Company will disregard any votes cast in favour of:

1. resolution 1 (issue of shares under first tranche of placement) by a person who participated in the issue of shares, or an associate of any such person;
2. resolution 2 (issue of shares under second tranche of placement) by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company), or an associate of any such person;
3. resolution 3 (issue of shares under share purchase plan shortfall) by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary shares in the Company), or an associate of any such person; or
4. resolution 4 (issue of shares and options to new chairman) by Shane Noble or an associate of Shane Noble.

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

1. a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
2. 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.

To the extent he is permitted to vote, the chair intends to vote undirected proxies held by him in favour of each resolution. Please refer to the proxy form accompanying this notice of meeting for more information.

Explanatory statement

1. Important notices

This explanatory statement is dated 15 January 2018. It is an important document and should be read carefully. It comprises part of, and should be read in conjunction with, the notice of general meeting of TasFoods Limited (**Company**) to be held on 15 February 2018.

This explanatory statement does not take into account the individual investment objectives, financial situation or particular needs of each shareholder of the Company. If you do not understand its contents or are not sure what to do, you should consult your stockbroker or other professional adviser immediately.

If you have any questions regarding the matters set out in this explanatory statement (or elsewhere in the notice of general meeting), you may contact the company secretary, Ms Janelle O'Reilly, by email (co.sec@tasfoods.com.au) or telephone (+61 (0)3 6331 6983).

2. Resolution 1 — issue of shares under first tranche of placement

2.1 Background

On 21 December 2017, the Company announced to the Australian Securities Exchange (**ASX**) that following a placement offer of ordinary shares in the Company at \$0.18 each, the Company had received commitments to subscribe for approximately 27.7 million ordinary shares to raise approximately \$5 million. The offer was made to sophisticated investors, professional investors and others such that disclosure was not required under part 6D.2 of the *Corporations Act 2001* (Cth) (**Corporations Act**), and were selected by or on behalf of the Company from clients of Bell Potter (which the Company engaged to assist it with the capital raising). The Company also announced that it intended to issue approximately 16.6 million of those shares without shareholder approval (as they could be issued within the 15% annual equity capital limit under rule 7.1 of the ASX Listing Rules), with the issue of the balance of the placement shares being subject to shareholder approval (see section 3 below).

On 29 December 2017, the Company issued the first tranche of 16,616,076 new fully paid ordinary shares in the Company under the placement offer to the investors who had agreed to take up the offer. The shares were issued as fully paid ordinary shares, ranking equally with all other fully paid ordinary shares in the Company then on issue. All of the shares were issued for \$0.18 each, raising \$2,990,893.68 (before costs). The funds raised are intended to be used to pay for the costs of the capital raising and for the continuing development of the Company's businesses, in particular to expand production capacity, and for general working capital purposes.

2.2 Rule 7.4 of the ASX Listing Rules

Rule 7.1 of the ASX Listing Rules restricts the number of shares and other equity securities the Company may issue or agree to issue without shareholder approval in a 12 month period to a maximum of 15% of the Company's issued fully paid ordinary shares, subject to a number of exceptions set out in rule 7.2. The 15% limit is calculated on the total number of fully paid ordinary shares on issue at the start of the 12 month period, plus the number of shares issued during the period under an exception in rule 7.2 or with shareholder approval under rule 7.1 or 7.4.

Rule 7.4 of the ASX Listing Rules provides that an issue of securities made without shareholder approval under rule 7.1, such as the issue of the first tranche of shares under the placement offer, is treated as having been made with approval for the purpose of rule 7.1 if the issue of shares did not breach rule 7.1 and shareholders subsequently approve it.

The shares issued under the first tranche of the placement offer did not breach rule 7.1 as the shares, together with all shares and other equity securities issued or agreed to be issued in the previous 12 months (see section 6 below) did not represent more than 15% of the Company's fully paid ordinary shares on issue 12 months before the date of issue.

If resolution 1 is passed, the approval of shareholders to the issue of the first tranche of the shares pursuant to the placement will be obtained for the purpose of rule 7.4. The Company's capacity to issue or agree to issue additional equity securities without shareholder approval in the next 12 months will increase to include 15% of the total number of fully paid ordinary shares in the Company that were issued under the first tranche of the placement offer.

2.3 Directors' recommendation

The directors recommend that shareholders vote in favour of resolution 1.

3. Resolution 2 — issue of shares under second tranche of placement

3.1 Background

As noted in section 2.1 above, the issue of shares under the second tranche of the placement is subject to shareholder approval. Subject to that approval being obtained, it is proposed to issue the second tranche of 11,111,111 ordinary shares in the Company under the placement offer to the investors who agreed to take up the offer. The shares will be issued as fully paid ordinary shares, ranking equally with all other fully paid ordinary shares in the Company then on issue. All of the shares will be issued for \$0.18 each, raising \$1,999,999.98 (before costs). The funds to be raised are intended to be used to pay for the costs of the capital raising and for the continuing development of the Company's businesses, in particular to expand production capacity, and for general working capital purposes.

Assuming shareholder approval is obtained, the second tranche of shares under the placement offer is expected to be issued shortly after the general meeting (and in any event within 3 months of that approval being obtained).

3.2 Rule 7.1 of the ASX Listing Rules

As noted in section 2.2 above, rule 7.1 of the ASX Listing Rules requires the Company to obtain shareholder approval if it wishes to issue equity securities in a 12 month period in excess of 15% of the ordinary shares in the Company on issue at the start of the period, subject to a number of exceptions set out in rule 7.2.

The number of shares proposed to be issued under the second tranche of the placement offer exceeds the Company's remaining 15% annual capacity to issue shares without shareholder approval under rule 7.1.

If resolution 2 is passed, the approval of shareholders to the issue of shares pursuant to the second tranche will be obtained for the purpose of rule 7.1. This will allow the Company to issue the remaining shares for which commitments have been received under the placement offer.

3.3 Directors' recommendation

The directors recommend that shareholders vote in favour of resolution 2.

4. Resolution 3 — issues of shares under share purchase plan shortfall

4.1 Background

On 21 December 2017, the Company announced to ASX that it intended to make offers of ordinary shares in the Company under a share purchase plan (**SPP**) to eligible shareholders at \$0.17 each to raise up to approximately \$2 million. The Company also announced that it intended to offer any shortfall shares (due to the total issue price of the shares applied for under the SPP offer being less than \$2 million) to other investors at the same price.

Offers under the SPP were despatched on 5 January 2018 to eligible shareholders. A person was eligible to receive an SPP offer if the person was registered as a shareholder of the Company on 20 December 2017 at 7:00 pm (Melbourne time) and the person's address on the Company's register of members was in Australia or New Zealand. The SPP offer closes on 25 January 2018.

Under the SPP, each eligible shareholder is entitled to apply for fully paid ordinary shares in the Company with an aggregate issue price of \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000. Depending on the number of eligible shareholders who choose to participate in the SPP offer and the number of shares for which they subscribe, there may be a shortfall, i.e. the total issue price of the shares applied for under the SPP offer may be less than \$2 million.

If that occurs, the Company intends to offer the shortfall shares to other investors at the same price offered under the SPP offer (i.e. \$0.17 each). The maximum number of shares which the Company could issue under such a shortfall is 11,764,706. If that maximum number of shares were issued, that would mean that no eligible shareholder had applied for any shares under the SPP offer.

The shortfall offer will be made to sophisticated investors, professional investors and other people without, and in circumstances and/or on terms that do not require, disclosure under part 6D.2 of the Corporations Act.

The investors will be selected by or on behalf of the Company from clients of Bell Potter, and any shares applied for in consequence of the shortfall offer will be issued as soon as practicable after shareholders have approved the issue of shares under the shortfall offer (and in any event within 3 months of that approval being obtained). The issue of shares may occur progressively during that period.

All shares issued under the shortfall offer will be issued as fully paid ordinary shares and will rank from the date of issue equally with the other fully paid ordinary shares in the Company then on issue. All of the shares will be issued for \$0.17 each, and if the maximum number of shortfall shares are issued (being 11,764,706), the Company will raise \$2,000,000.02 (before costs). Any funds raised under the shortfall offer are intended to be used for the continuing development of the Company's businesses, in particular to expand production capacity, and for general working capital purposes.

4.2 Rule 7.1 of the ASX Listing Rules

As noted in section 2.2 above, rule 7.1 of the ASX Listing Rules restricts the number of shares and other equity securities the Company may issue or agree to issue without shareholder approval in a 12 month period to a maximum of 15% of the Company's issued fully paid ordinary shares, subject to a number of exceptions set out in rule 7.2. The 15% limit is calculated on the total number of fully paid ordinary shares on issue at the start of the 12 month period, plus the number of shares issued during the period under an exception in rule 7.2 or with shareholder approval under rule 7.1 or 7.4.

Rule 7.1 does not apply to the issue of shares under the SPP offer to eligible shareholders by virtue of exception 15 of rule 7.2. However, the issue of shortfall shares is not exempted under rule 7.2 and could exceed the 15% annual limit under rule 7.1 depending on whether the other resolutions set out in this notice of meeting are passed. Further, while the issue of the maximum number of shortfall shares would not itself exceed the 15% limit if resolutions 1 and 2 are passed, the Company is also seeking shareholder approval so that the issue of any shortfall shares does not deplete the Company's 15% annual capacity to issue shares without shareholder approval under rule 7.1.

If resolution 3 is passed, the approval of shareholders to the issue of any shares under the shortfall offer will be obtained for the purpose of rule 7.1. The Company's capacity to issue or agree to issue additional equity securities without shareholder approval in the next 12 months will then increase to include 15% of the total number of fully paid ordinary shares in the Company that are issued under the shortfall offer.

4.3 Directors' recommendation

The directors recommend that shareholders vote in favour of resolution 3.

5. Costs of capital raising

The total costs, fees and expenses incurred by the Company in connection with the placement, SPP and shortfall offers are estimated to be approximately \$275,000 (excluding GST). This includes broker commission and fees, professional adviser fees, share registrar costs, and printing and mailing expenses.

6. Resolution 4 — issues of shares to new chairman

6.1 Background

On 13 November 2017, the Company announced to ASX that Mr Shane Noble had agreed to become a non-executive director of the Company and, following a transition period, chairman of board of directors. The Company also announced that, in connection with that appointment, it had been agreed that:

- (a) Mr Noble would subscribe for 3 million new ordinary shares in the Company at an issue price of \$0.17 each; and
- (b) the Company would issue 5 million options to Mr Noble for no cash consideration, each option entitling him to acquire 1 ordinary share in the Company at an exercise price of \$0.20 until 30 November 2021 (subject to certain adjustments for share capital reorganisations and otherwise on, and subject to, usual option terms).

Those shares and options were issued to Mr Noble by the Company on 30 November 2017. The shares were issued as fully paid ordinary shares, ranking equally with all other fully paid ordinary shares in the Company then on issue. The capital of \$510,000 raised by the issue of the shares, and any capital raised through the exercise of any options, is intended to be used for the Company's general working capital purposes and/or to assist the Company pay for any future acquisitions.

6.2 Rule 7.4 of the ASX Listing Rules

As noted in section 3.2 above:

- (a) rule 7.1 of the ASX Listing Rules restricts the number of shares and other equity securities the Company may issue in any 12 month period without shareholder approval; and
- (b) rule 7.4 of the ASX Listing Rules provides that an issue of securities made without shareholder approval under rule 7.1, such as the issue of shares and options to Mr Noble, is treated as having been made with approval for the purpose of rule 7.1 if the issue of those securities did not breach rule 7.1 and shareholders subsequently approve it.

The securities issued to Mr Noble did not breach rule 7.1 as the securities, together with all shares and other equity securities issued or agreed to be issued in the previous 12 months, did not represent more than 15% of the Company's fully paid ordinary shares on issue 12 months before the date of issue.

If resolution 4 is passed, the approval of shareholders to the issue of securities to Mr Noble will be obtained for the purpose of rule 7.4. The Company's capacity to issue or agree to issue additional equity securities without shareholder approval in the next 12 months will then increase to include 15% of the total number of fully paid ordinary shares in the Company that were issued to Mr Noble.

6.3 Directors' recommendation

The directors (other than Mr Noble) recommend that shareholders vote in favour of resolution 4.

Given resolution 4 relates to an issue of securities to him, Mr Noble does not consider it appropriate for him to make a recommendation to shareholders about how to vote on resolution 4 and does not do so.
