



31 October 2016

ASX ANNOUNCEMENT

Markets Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Vitaco Holdings Limited: Scheme Booklet

Vitaco Holdings Limited (ASX: VIT) (**Vitaco**) wishes to advise that the attached Notice of Annual General Meeting and Proxy Form have been dispatched to shareholders today.

It is also available on the Company's website <http://www.vitaco.com.au/investor-centre>

Yours faithfully

Phillip Wiltshire
Chief Financial Officer and Company Secretary
Vitaco Holdings Limited



31 October 2016

Dear Shareholder,

As announced to ASX on 4 August 2016, Vitaco Holdings Limited (**Vitaco** or **Company**) has entered into an agreement with SIIC Medical Science and Technology (Group) Limited (**SIIC**) (a subsidiary of Shanghai Pharmaceuticals Holding Co., Ltd) and PV Zeus Limited (**PV Zeus**) (a subsidiary of Primavera Capital Fund II L.P) pursuant to which SIIC and PV Zeus propose to acquire 100% of Vitaco's fully paid ordinary shares (**Shares**) by way of a scheme of arrangement (**Proposed Transaction**).

You will shortly be receiving a copy of the Scheme Booklet which has been prepared by Vitaco in connection with the Proposed Transaction and which contains information to assist shareholders of Vitaco in making a determination as to whether to approve the Proposed Transaction and the notice convening a meeting of shareholders to consider whether to approve the Proposed Transaction (**Scheme Meeting**). A copy of the Scheme Booklet was released to ASX on 31 October 2016 and is available on Vitaco's website (www.vitaco.com.au).

Notwithstanding that the Proposed Transaction may be approved by shareholders at the Scheme Meeting on Wednesday 30 November 2016, as the Scheme, if approved by shareholders, will not be implemented until after approval has been received from the Federal Court of Australia at the second court hearing (which is scheduled for Tuesday 6 December 2016), Vitaco is still required to hold an Annual General Meeting (**AGM**) and in accordance with the requirements of the Corporations Act 2001 (*Cth*), must do so by 30 November 2016. Accordingly, enclosed is a Notice of Meeting for Vitaco's 2016 AGM which sets out the items of business to be considered at the AGM.

The AGM will commence immediately following the conclusion of the Scheme Meetings (Sydney time) on Wednesday 30 November 2016 at the SMC Conference & Function Centre, 66 Goulburn Street, Sydney.

If you are attending the AGM, please bring your Proxy Form (enclosed with this Notice of AGM) with you to facilitate a faster registration.

If you are unable to attend the AGM, you are encouraged to complete and return the enclosed Proxy Form. The Proxy Form should be returned to Vitaco's Share Registry (Link Market Services) in one of the ways specified on the Proxy Form so that it is received no later than 10am (Sydney time) on Monday 28 October 2016.

Yours faithfully,

Greg Richards
Chairman

VITACO HOLDINGS LIMITED
ACN 606 826 493

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Vitaco Holdings Limited (**Vitaco** or **Company**) will be held:

Date: Wednesday, 30 November 2016

Time: immediately following the conclusion of the Scheme Meetings (Sydney time)

Venue: Northcott Room
SMC Conference & Function Centre
66 Goulburn Street
Sydney NSW 2000

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on the matters which are to be considered at the AGM. The Explanatory Memorandum and Proxy Form which accompanies this Notice of Meeting are part of this Notice of Meeting.

A. CONSIDERATION OF REPORTS

To receive and consider the Company's financial statements and reports (**Reports**) for the financial year ended 30 June 2016.

All shareholders can view the Annual Report which contains the Reports for the year ended 30 June 2016 on the Company's website at <http://www.vitaco.com.au/investor-centre>.

B. QUESTIONS AND COMMENTS

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Company's auditor, PricewaterhouseCoopers (**Auditor**), questions relevant to:

- a. the conduct of their audit of the Company's financial statements for the financial year ended 30 June 2016;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of relevant written questions submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the Meeting.

C. ITEMS FOR APPROVAL

Resolution 1. Election of director – Greg Richards

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

“That Greg Richards, who retires in accordance with clause 59.2 of the Company’s Constitution and being eligible, be elected as a director of the Company.”

Resolution 2. Election of director – Emmet Hobbs

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

“That Emmet Hobbs, who retires in accordance with clause 59.2 of the Company’s Constitution and being eligible, be elected as a director of the Company.”

Resolution 3. Election of director – Katrina Onishi

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

“That Katrina Onishi, who retires in accordance with clause 59.2 of the Company’s Constitution and being eligible, be elected as a director of the Company.”

Resolution 4. Remuneration Report

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

“That the Company’s Remuneration Report for the financial year ended 30 June 2016, as set out in the Directors’ Report, be adopted.”

The Remuneration Report is contained in the Company’s 2016 Annual Report (available at <http://www.vitaco.com.au/investor-centre>). Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (*Cth*) (the **Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

The following persons must not vote, and the Company will disregard any votes cast by the following persons, on Resolution 4:

1. Any KMP shareholder whose remuneration details are included in the Company’s Remuneration Report and any closely related party of such a KMP shareholder, and any person voting on behalf of such a KMP shareholder or closely related party), unless the person does so as a proxy and:
 - the vote is not cast on behalf of any KMP shareholder whose remuneration details are included in the Company’s Remuneration Report (or any closely related party of such a KMP shareholder); and
 - either:
 - that person is appointed as a proxy by writing that specifies how the proxy is to vote on the resolution; or
 - that person is the Chairman of the AGM and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP shareholder.

2. Any KMP shareholder whose remuneration details are not included in the Company's Remuneration Report (and any closely related party of such a KMP shareholder) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on the resolution, unless:
- the proxy is the Chairman of the AGM; and
 - the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP shareholder.

For the purposes of these voting exclusions:

- The KMP (or **Key Management Personnel**) are those persons having authority and responsibility for planning, directing and controlling the activities of the Vitaco group, either directly or indirectly. The KMP for the Vitaco group during the financial year ended 30 June 2016 are listed in Table 1 of the Remuneration Report on page 12 of the Company's 2016 Appendix 4E Preliminary Final Report.
- A closely related party of a KMP shareholder means:
 - a spouse or child of the shareholder; or
 - a child of the shareholder's spouse; or
 - a dependant of the shareholder or of the shareholder's spouse; or
 - anyone else who is one of the shareholder's family and may be expected to influence the shareholder, or be influenced by the shareholder, in the shareholder's dealings with the entity; or
 - a company the shareholder controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the AGM under a power of attorney, as if they were appointed as a proxy.

Resolution 5. Issue of options and performance rights to Ryan d'Almeida under Vitaco's Long Term Incentive Plan

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the issue to the Company's Chief Executive Officer, Ryan d'Almeida, of 334,844 options (to acquire 334,844 fully paid ordinary shares) and 70,007 performance rights (to acquire 70,007 fully paid ordinary shares) under the Company's Long Term Incentive Plan be approved on the terms described in the Explanatory Memorandum and on the condition that the proposed acquisition of all of the Company's fully paid ordinary shares by SIIC Medical Science and Technology (Group) Limited and PV Zeus Limited is not implemented."

Voting Exclusion Statement for Resolution 5

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by:

- Mr Ryan d'Almeida (being the only director of the Company who is eligible to participate in the Vitaco Long Term Incentive Plan);
- associates of Mr Ryan d'Almeida; and

- a member of KMP at the date of the Meeting (and their closely related parties) acting as a proxy, unless the vote is cast:
- as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- by the person chairing the Meeting as proxy for a person who is entitled to vote and the chairman has received express authority to vote undirected proxies as the chairman sees fit.

Resolution 6. Appointment of PricewaterhouseCoopers as Auditor

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

"That, in accordance with section 327B(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, PricewaterhouseCoopers having been nominated by a shareholder and consented in writing to act in the capacity of Auditor, be appointed as the Auditor of Vitaco Holdings Limited."

BY ORDER OF THE BOARD



Phil Wiltshire
Company Secretary
28 September 2016

ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the board of directors of Vitaco (**Board**) has determined that persons who are registered holders of fully paid ordinary shares of the Company (**Shares**) as at 7pm (Sydney time) on Monday 28 November 2016 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of Shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Appointment of Proxy

If you are a shareholder entitled to attend and vote at the AGM, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act 2001* (Cth) (**Act**) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received by the Company's Share Registry no later than 10am (Sydney time) on Monday 28 November 2016 (being at least 48 hours before the AGM). Proxies must be received before that time by one of the following methods:

By post:	Vitaco Holdings Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
By facsimile:	(02) 9287 0309 (within Australia) +61 2 9287 0309 (from outside Australia)
By delivery in person:	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138
Online:	www.linkmarketservices.com.au

Power of Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10am (Sydney time) on Monday, 28 November 2016, being at least 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

IMPORTANT: If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolution 4, then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

SHAREHOLDER QUESTIONS

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto www.linkmarketservices.com.au select Voting then click 'Ask a Question' or email to investorenquiries@vitaco.com.au

To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (Sydney time) on Friday, 25 November 2016. Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

ENCLOSURES

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Vitaco's share registry's website at www.linkmarketservices.com.au to ensure the timely and cost effective receipt of your proxy; and
- a reply paid envelope for you to return either or both the proxy form.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held on Wednesday 30 November 2016 commencing immediately at the conclusion of the Scheme Meetings (Sydney time).

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions proposed at the AGM.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all resolutions proposed below. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

All resolutions proposed at the AGM are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the resolution. However, resolution 4, relating to the approval of the Remuneration Report, is advisory only and does not bind the directors or the Company.

Resolutions 1 to 3 – Election of directors

Resolution 1. Election of director – Greg Richards

Greg was appointed to the Board in August 2015 as an Independent Non-executive Director and is the Chairman. Greg is also the Chairman of the Company's Nomination and Remuneration Committee.

Greg has over 25 years' experience in the financial markets and investment banking industry. Previously, Greg was an equity partner of Goldman Sachs JBWere where he was employed for over 19 years.

Greg was appointed to the board of ASX listed JB Hi-Fi Limited (**JB Hi-Fi**) in December 2007 and was appointed Chairman of the board of JB Hi-Fi in June 2012. Greg is also a member and Chairman of the Remuneration Committee of JB Hi-Fi and was Chairman of the Audit and Risk Management Committee of JB Hi-Fi from February 2010 until May 2012.

Greg holds a Bachelor of Economics (Hons).

The directors, with Greg Richards abstaining (due to his personal interest in this Resolution), unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 2. Election of director – Emmet Hobbs

Emmet was appointed to the Board in August 2015 as an Independent Non-executive Director. Emmet is also a member of the Company's Audit and Risk Committee and the Nomination and Remuneration Committee.

Emmet has 30 years of experience in business strategy and innovation for the transport industry, including an executive career at Brambles Australia and Brambles Europe. Emmet also held the position of Executive Director of Freight for Qantas Airways and General Manager of Freight for Australian Airlines.

Emmet currently serves as Chairman of Hirepool Limited and is a director of Hydraulink New Zealand, Hydraulink Australia Pty Ltd, Next Generation, Net Limited, HGL New Zealand Limited and several other companies in the Hirepool Group.

Emmet holds a Bachelor of Arts from the University of Canterbury.

The directors, with Emmet Hobbs abstaining (due to his personal interest in this Resolution), unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 3. Election of director – Katrina Onishi

Katrina was appointed to the Board in August 2015 as an Independent Non-Executive Director. Katrina is also the Chair of the Company's Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

Until 2010 Katrina was an executive director of Concord Capital Limited (Concord), a boutique funds management business that she co-founded in 2000.

Prior to co-founding Concord, Katrina held several funds management roles both in Australia and overseas.

Katrina is also a director and adviser to several not for profit organisations and was appointed a Director of a newly ASX listed company Scottish Pacific Group Limited in July 2016.

Katrina holds a Bachelor of Arts (Hons) from the University of Sydney and is a Chartered Financial Analyst. Katrina is a member of the CFA Institute, a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Financial Institute, Australasia

The directors, with Katrina Onishi abstaining (due to her personal interest in this Resolution), unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 4. Remuneration Report

Section 250R(2) of the Act requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel of the Company (**Remuneration Report**) be put to the vote of Shareholders for adoption by way of an advisory non-binding vote.

Broadly, the Remuneration Report details the remuneration policy key management personnel of the Company and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the Company's remuneration policies and Company performance.

Shareholders can view the full Remuneration Report (which is contained on pages 11 – 26 of the Company's Appendix 4E Preliminary Final Report which is available on Vitaco's website at <http://www.vitaco.com.au/investor-centre>)

Following consideration of the Remuneration Report, the Chairman of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote.

The vote on Resolution 4 is advisory only and does not bind the directors of the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

Resolution 5 - Issue of options and performance rights to Mr Ryan d'Almeida under the Vitaco Holdings Limited Long Term Incentive Plan

Background

As announced to ASX on 4 August 2016, the Company has entered into an agreement with SIIC Medical Science and Technology (Group) Limited (**SIIC**) (a subsidiary of Shanghai Pharmaceuticals Holding Co., Ltd) and PV Zeus Limited (**PV Zeus**) (a subsidiary of Primavera Capital Fund II L.P) pursuant to which SIIC and PV Zeus propose to acquire 100% of Vitaco's fully paid ordinary shares (**Shares**) by way of a scheme of arrangement (**Proposed Transaction**).

Shareholders will shortly be receiving a copy of the Scheme Booklet which contains information to assist Shareholders in making a determination as to whether to approve the Proposed Transaction as well as a copy of the notice convening a meeting of Shareholders to consider whether to approve the Proposed Transaction (**Scheme Meeting**). A copy of the Scheme Booklet was released to ASX on 31 October 2016 and is available on Vitaco's website (www.vitaco.com.au).

Notwithstanding that the Proposed Transaction may be approved by shareholders at the Scheme Meeting on Wednesday 30 November 2016, the Scheme, if approved by shareholders, will not be implemented until after approval has been received from the Federal Court of Australia at the second court hearing (which is scheduled for Tuesday 6 December 2016).

On 28 September 2016, the Board approved the grant to the Company's Chief Executive Officer, Ryan d'Almeida of 334,844 options (**Options**) to purchase 334,844 Shares and 70,007 performance rights (**Rights**) to acquire 70,007 Shares under the Company's Long Term Incentive Plan (**Plan**) as part of his remuneration package for the financial year ended 30 June 2017 and for grant at the Company's 2016 Annual General Meeting as required by the ASX Listing Rules.

Calculation of the Proposed Number of Options and Rights to Mr d'Almeida

The number of Options and Rights to be granted to Mr d'Almeida has been valued by external consultants (who it is considered, have sufficient qualifications, expertise and experience to conduct such a valuation) and is calculated by dividing the total value of the award, being 25% of base salary plus super (**Plan Award**) by the fair value of the Options and Rights using the Black Scholes model (**Calculation**).

The Plan Award is calculated as follows:

FY17 Total fixed remuneration (including super)	Total value of Options to be granted (25%)	Total value of Rights to be granted (25%)
A\$515,000	A\$128,750 (\$42,916.67 for 3 years)	A\$128,750 (\$42,916.67 for 3 years)

The fair value for this grant is as follows:

Options	Options			Rights		
	Value of Options to be granted \$A	Valuation \$A	No. of Options	Value of Rights to be granted \$A	Valuation \$A	No. of Rights
Tranche 1 (vesting on 3rd anniversary from grant)	42,916.67	0.35	122,619	42,916.67	1.89	22,707

Tranche 2 (vesting on 4 th anniversary from grant)	42,916.67	0.39	110,043	42,916.67	1.84	23,324
Tranche 3 (vesting on 5 th anniversary from grant)	42,916.67	0.42	102,183	42,916.67	1.79	23,976
TOTAL	334,844 Options			70,007 Rights		

Based on the calculation, it is proposed that Mr d'Almeida be granted 334,844 Options and 70,007 Rights.

As with all other executives of the Company, the performance of Mr d'Almeida has been reviewed under the Company's performance review process. That review process has led to a recommendation to seek Shareholder approval to grant the Options and Rights the subject of this Resolution.

The non-executive directors of the Company have concluded that the remuneration package for Mr d'Almeida for the financial year ended 30 June 2017 (including the proposed grant of Options and Rights to Mr d'Almeida) is reasonable and appropriate having regard to the circumstances of the Company and Mr d'Almeida's duties and responsibilities.

The number of Options and Rights to be issued to Mr d'Almeida under the Plan for the financial year ended 30 June 2017 has been determined by the Company having regard to:

- Mr d'Almeida's level of experience and contribution to the Company;
- To motivate Mr d'Almeida to pursue long-term growth and success of the Company (within an appropriate control framework);
- Align the interests of key leadership with the long-term interests of the Company's shareholders;
- To ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy;
- to act in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) which note that equity-based remuneration can be an effective form of remuneration for executives; and
- the remuneration and incentivisation of executives holding similar positions to Mr d'Almeida in comparable listed companies in Australia.

The Company has determined that the value of the Options and Rights the subject of this Resolution 5, being \$257,500, is a reasonable incentive in the circumstances.

Shareholders should be aware, however, that the Options and Rights will only be granted to Mr d'Almeida if the Proposed Transaction is not implemented. Alternate remuneration arrangements for Mr d'Almeida have been negotiated with Shanghai Pharma and Primavera should the Proposed Transaction be implemented.

Resolution 5 seeks Shareholder approval for the purposes of ASX Listing Rule 10.14 and for all other purposes for the grant of Options and Rights to Mr d'Almeida under the Plan as described below.

ASX Listing Rules

ASX Listing Rule 10.14 requires the approval of Shareholders to issue securities under an employee incentive scheme to a director of the Company. Accordingly, approval for the grant of the Options and Rights to Mr d'Almeida is required. Subject to the Proposed Transaction not being implemented, approval of this Resolution will result in the grant of Options and Rights to Mr d'Almeida falling within exception 14 in ASX Listing Rule 7.2. Therefore, the issue of Options and the Rights to Mr d'Almeida will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1. By virtue of exception 9 in ASX Listing Rule 7.1, the issue of Shares in the Company on the exercise of the Options and the vesting of the Rights will also be excluded from ASX Listing Rule 7.1.

Vesting conditions applicable to the Options and Rights

The Options and Rights if granted to Mr d'Almeida will vest subject to an earnings per share (**EPS**) performance hurdle over the 3 years to 30 June 2019 [**Performance Period**].

The EPS vesting percentages will correspond to Vitaco's annual compounding EPS growth over the Performance Period and are as follows (**EPS Targets**):

Company's compound annual growth in EPS	% of Options and Rights satisfying the EPS performance condition
EPS growth less than or equal to 5%	0%
Above 5% EPS growth but less than 15% EPS growth	20%, determined on a pro rata straight line basis
At or above 15% EPS Growth	100%

No Options or Rights will vest during the first two years of the Performance Period. During the third, fourth and fifth year of the Performance Period, the Options and Rights will vest as follows:

- 1/3 of the Options and Rights will vest (in the manner set out above) if the compound annual growth in EPS is achieved over the first three years of the Performance Period;
- 1/3 of the Options and Rights will vest (in the manner set out above) if the Company has achieved the EPS Targets at any time during the fourth year of the Performance Period; and
- 1/3 of the Options and Rights will vest (in the manner set out above) if the Company has achieved the EPS Targets at any time during the fifth year of the Performance Period.

Vitaco's compound annual growth in EPS will be calculated in the manner determined by the Board. In broad terms, EPS for each relevant financial year will be calculated as net profit attributable to Shareholders for that financial year, adjusted to exclude the costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus elements. For relevant financial years, the calculation may be adjusted to take into account one-off items associated with the Company's initial public offering, if considered appropriate by the Board. The Board also reserves the right to make any other adjustments it thinks fit to the calculation of EPS having regard to the impact of any other exceptional terms.

Options or Rights which have not been exercised or converted, respectively, will expire if the applicable vesting conditions and any other conditions are not met during the prescribed performance period or other relevant time or, in the case of Options, if they are not exercised before the applicable last exercise date. In addition, the Board may determine that Options and Rights will lapse if the participant deals with the Options and Rights in breach of the rules of the Plan or in the opinion of the Board, the participant has acted fraudulently or dishonestly or materially breached his or her obligations to Vitaco.

Technical information for the purposes of the ASX Listing Rules

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided with respect to Resolution 5:

- Mr Ryan d'Almeida is a Director of the Company.
- The maximum number of Options to be issued to Mr d'Almeida assuming the Proposed Transaction is **not** implemented **and** Shareholders approve this Resolution 5, is 334,844.
- The maximum number of Rights to be issued to Mr d'Almeida assuming the Proposed Transaction is **not** implemented **and** Shareholders approve this Resolution 5, is 70,007.
- No issue price is payable for the grant of the Options and Rights to Mr d'Almeida.
- The Options will have an exercise price of \$2.10 per Option. No price will be payable by Mr d'Almeida on vesting of the Rights.
- 343,042 Options and 67,003 Rights were issued to Mr d'Almeida under the LTIP in connection with the IPO.

- Under the terms of the Plan, only executive directors of the Company are entitled to participate in the Plan. As at the date of this Notice of Meeting, the only executive director of the Company is Mr d'Almeida.
- A voting exclusion statement is set out under Resolution 5 in the Notice of Meeting.
- No loan will be provided by the Company in relation to the grant of the Options and the Rights to Mr d'Almeida or in relation to the exercise of the Options to be provided to Mr d'Almeida.
- Should the Proposed Transaction **not** be implemented, the Options and Rights will be issued to Mr d'Almeida no later than 12 months after Shareholders approve this Resolution 5.

Acceleration of Vesting on Corporate Control Event

Under sections 200C of the Act, a company may only give a person a benefit in connection with the transfer of the whole or any part of the undertaking or property of the company if it is approved by Shareholders in accordance with the requirements set out in the Act.

The term 'benefit' is open to a wide interpretation and may include the early vesting of Options and Rights under the Plan in the event of a 'Corporate Control Event' which, or has resulted in, a person acquiring voting power of more than 50% in the Company. Early vesting may also occur upon the death of a participant under the Plan, or upon the participant otherwise ceasing to be employed by the Vitaco group.

Early vesting of the Options and Rights to be granted to Mr d'Almeida in any of the above circumstances may amount to the giving of a termination benefit, requiring Shareholder approval in accordance with the Act. Accordingly, Shareholder approval is also sought for any such benefit which Mr d'Almeida may receive under the Plan.

The value of the Options and Rights that may be subject to early vesting cannot currently be ascertained. The circumstances that may affect the calculation of this value include:

- the market price of Shares at the relevant time;
- the vesting conditions which have been satisfied at the relevant time;
- the part of the vesting period which has elapsed at the relevant time; and
- the number of Options and Rights that lapse at the relevant time.

The directors, with Ryan d'Almeida abstaining (due to his personal interest in this Resolution) unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 6. Appointment of PricewaterhouseCoopers as Auditor

PricewaterhouseCoopers (PwC) has held the office of auditor since 1 July 2015. Under section 327A(2) of the Act, PwC holds office until the Company's first AGM. Thereafter, section 327B(1)(a) of the Act requires Vitaco Holdings Limited to appoint an auditor at its first AGM. PwC has given, and has not withdrawn, its consent to act as external auditor of Vitaco Holdings Limited.

In accordance with section 328B(1) of the Act, notice in writing nominating PwC as auditor has been given to the Company by a shareholder. A copy of this notice is contained in Attachment A to this Notice.

The Directors unanimously recommend Shareholders vote in favour of this Resolution.

Attachment A
Notice of Nomination of Auditor – Vitaco Holdings Limited

19 October 2016

Vitaco Holdings Limited


Dear Company Secretary,

NOMINATION OF PWC AS AUDITOR OF VITACO HOLDINGS LIMITED (ACN 606 826 493)

I, Andrew Lockhart of Next Capital Limited being a shareholder of Vitaco Holdings Limited, nominate PricewaterhouseCoopers for the appointment as auditor of Vitaco Holdings Limited at its 2016 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an attachment to the Notice of Meeting and Explanatory Memorandum for the 2016 Annual General Meeting of Vitaco Holdings Limited as required by section 328B(3) of the Corporations Act 2001 (Cth).

Yours faithfully,

A handwritten signature in black ink, consisting of three stylized capital letters 'A', 'A', and 'L' written in sequence.

Andrew Lockhart
Next Capital Limited



Vitaco Holdings Limited
ACN 606 826 493

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Vitaco Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Vitaco Holdings Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **the conclusion of the Scheme Meetings on Wednesday, 30 November 2016 at SMC Conference & Function Centre, 66 Goulburn Street, Sydney (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Election of Director – Greg Richards

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Election of Director – Emmet Hobbs

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Election of Director – Katrina Onishi

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5 Issue of Options and Performance Rights under Vitaco's Long Term Incentive Plan – Ryan d'Almeida

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

VIT PRX1601C

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that 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; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Monday, 28 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Vitaco Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**