

# Notice of Annual General Meeting 2016

COLLINS FOODS LIMITED ACN 151 420 781



**Notice is given that Collins Foods Limited (the 'Company') will hold its 2016 Annual General Meeting at 10am (Brisbane time) on Thursday, 1 September 2016 at the McLeod Room, Novotel Brisbane Airport, 6-8 The Circuit, Brisbane Airport, Brisbane, Queensland 4008.**

## Business

### 1. FINANCIAL AND OTHER REPORTS

To receive and consider the Financial Report, Directors' Report and Auditor's Report of the Company and its controlled entities for the financial period ended 1 May 2016.

### 2. RE-ELECTION OF DIRECTOR – BRONWYN MORRIS

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

*"To re-elect as a Director of the Company Bronwyn Morris who, being a Director of the Company, retires and, being eligible, offers herself for re-election."*

### 3. INCREASE IN THE MAXIMUM AGGREGATE ANNUAL REMUNERATION OF NON-EXECUTIVE DIRECTORS

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

*"That, for the purpose of ASX Listing Rule 10.17, clause 50 of the Company's Constitution and all other purposes, the maximum aggregate annual remuneration that may be paid by the Company as remuneration for the services of the Company's Non-executive Directors be increased by \$200,000 from \$700,000 to \$900,000 with effect on and from 2 September 2016."*

### 4. RENEWAL OF SHAREHOLDER APPROVAL FOR LTIP

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

*"That, for the purpose of Listing Rule 7.2 exception 9 and for all other purposes, the Collins Foods Limited Executive and Employee Incentive Plan (LTIP), the terms of which are summarised in the Explanatory Notes, be and are hereby re-approved."*

### 5. PROPOSED ISSUE OF PERFORMANCE RIGHTS TO GRAHAM MAXWELL UNDER THE LTIP

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

*"That for the purpose of Listing Rule 10.14 and for all other purposes, approval is given for the issue, to the Managing Director & CEO of the Company, Graham Maxwell, of Performance Rights under the LTIP as a long-term incentive on the terms set out in the Explanatory Notes, and for the issue of Shares upon exercise of those Performance Rights."*

### 6. ADOPTION OF REMUNERATION REPORT

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

*"That the Remuneration Report (which forms part of the Directors' Report) in respect of the period ended 1 May 2016 be adopted."*

**Note:** This resolution is advisory only and does not bind the Directors or the Company.

## Voting exclusions

The Company will disregard any votes cast on:

- Item 3 by:
  - any Director of the Company and any of their Associates; or
  - proxy by any member of Key Management Personnel and any Closely Related Party of such a member;
- Items 4 and 5 by:
  - Graham Maxwell and Kevin Perkins (being the only Directors eligible to participate in the LTIP) their Associates; or
  - proxy by any member of Key Management Personnel and any Closely Related Party of such a member;
- Item 6 by:
  - any member of Key Management Personnel whose remuneration details are included in the Remuneration Report and any Closely Related Party of such a member; or
  - proxy by any member of Key Management Personnel and any Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast:

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

**Please refer to the 'Undirected and Directed Proxies – Items 3, 4, 5 and 6' section for important information about the appointment of proxies in relation to Items 3, 4, 5 and 6.**

## Additional Information

The Explanatory Notes and Voting Notes sections of this Notice of Meeting provide further information on each of the items of business and voting entitlements and methods.

By Order of the Board

**Frances Finucan**  
Company Secretary

Dated: 28 July 2016

# Explanatory notes

The following Explanatory Notes have been prepared for the information of shareholders in relation to the business to be conducted at the Company's 2016 Annual General Meeting.

The purpose of these Explanatory Notes is to provide shareholders with information they reasonably require to decide how to vote upon the resolutions. The Board recommends that shareholders read these Explanatory Notes before determining how to vote on a resolution.

## ITEM 1 – FINANCIAL AND OTHER REPORTS

The Financial Report, Directors' Report and Auditor's report for the Company for the financial period ended 1 May 2016 will be tabled at the meeting.

There is no requirement for shareholders to approve these reports. The Chairman of the meeting will, however, allow a reasonable opportunity for shareholders to ask questions on the reports and management of the Company at the meeting.

Shareholders will also be given a reasonable opportunity to ask a representative of the Company's Auditor, PricewaterhouseCoopers (PwC), questions relevant to:

- a) the conduct of the audit;
- b) the preparation and content of the Auditor's Report;
- c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

As a shareholder, you may submit a written question to the auditor prior to the meeting provided that the question relates to:

- the content of the auditor's report; or
- the conduct of the audit.

All written questions must be received by the Company no later than five business days prior to the meeting. All questions must be sent to the Company Secretary (by post to PO Box 286 Lutwyche, Qld 4030 or by email to [ffinucan@collinsfg.com.au](mailto:ffinucan@collinsfg.com.au)) and not directly to the auditor. The Company will forward all questions to the auditor.

The auditor will answer written questions submitted prior to the meeting.

The Annual Report is available on the Company's website: [www.collinsfg.com.au](http://www.collinsfg.com.au).

## ITEM 2 – RE-ELECTION OF DIRECTOR – BRONWYN MORRIS

The Constitution and the Listing Rules require that Directors must not hold office for more than three years without re-election (rotation requirements). The Constitution further requires that one Director (excluding Directors appointed by the Board during the year) must retire and offer themselves for re-election at an annual general meeting.

Accordingly, Bronwyn Morris retires from office and offers herself for re-election.

## Bronwyn Morris Independent Non-Executive Director

Bronwyn Morris was appointed as a director of the Company on 10 June 2011 and is a Chartered Accountant with over 21 years' experience in accounting, audit and corporate services. A former partner of KPMG, Bronwyn worked with that firm and its predecessor firms in Brisbane, London and the Gold Coast. For nearly 21 years, Bronwyn has been a full-time non-executive director and has served on the Boards of a broad range of companies, including Queensland Rail Limited, Stanwell Corporation Limited, Spotless Group Limited, QIC Limited, Gold Coast 2018 Commonwealth Games Bid Limited and Colorado Group Limited and is a former Councillor of Bond University.

Bronwyn is currently a director of Watpac Limited (since 2015), Club Insurance Holdings Pty Ltd (since 2014), RACQ Insurance Limited (since 2014), Queensland Local Government Superannuation Board (LG Super) (since 2013), Royal Automobile Club of Queensland Limited (since 2008) and Care Australia (since 2007).

Currently, Bronwyn serves as Chair of the Company's Audit and Risk Committee and as a member of the Company's Remuneration and Nomination Committee.

## Board Recommendation:

The Board (with Bronwyn Morris abstaining) recommends that shareholders vote in favour of the re-election of Bronwyn Morris.

The Chairman of the meeting intends to vote all available proxies in favour of the re-election of Bronwyn Morris.

## ITEM 3 – INCREASE IN THE MAXIMUM AGGREGATE ANNUAL REMUNERATION OF NON-EXECUTIVE DIRECTORS

When the Company listed on ASX in 2011, the maximum aggregate sum per annum available to be paid to non executive directors was \$700,000. This aggregate sum has not been increased since that time.

The Company does not intend to fully utilise the increase in the near future. The following matters were considered in determining the proposed increase:

- the increase in number of Board and Committee meetings held since the Company's listing;
- since the Company's listing five years ago, the base fees paid to the Company's non executive directors have not increased;
- the increase in the non-executive director fee pool will provide flexibility to adjust fees in accordance with market benchmarks;
- increased flexibility with Board composition where the Board determines it is appropriate to make additional appointments; and
- the Company's inclusion in the S&P / ASX300 Index.

Pursuant to ASX listing rule 10.17, shareholder approval is being sought in order to increase the maximum aggregate sum available to be paid to non-executive directors by \$200,000 from \$700,000 to \$900,000.

The proposed increase to non-executive director remuneration does not impact upon the remuneration of executive directors as they do not receive separate directors' fees in addition to the remuneration packages they receive in their capacity as senior executives of the Company.

#### **Board Recommendation:**

As each of the Directors have a personal interest in their own remuneration from the Company, the Board does not make a recommendation to shareholders in relation to Item 3.

The Chairman of the meeting intends to vote all available proxies in favour of the increase in the maximum aggregate annual remuneration of non-executive directors.

### **ITEM 4 – RENEWAL OF SHAREHOLDER APPROVAL FOR LTIP**

#### **Background**

The Company's long-term incentive plan, the Collins Foods Limited Executive and Employee Incentive Plan (**LTIP**) was initially approved by Shareholders at the Company's 2013 Annual General Meeting.

The LTIP offers long-term incentives to employees, including executive Directors, in the form of Performance Rights over Shares. Non-executive Directors are not eligible to participate in the LTIP.

The number of Performance Rights is calculated by dividing the dollar value of the participant's long term incentive by the volume weighted average price of the CKF Shares for the five days prior to the date of offer of the Performance Shares.

The Performance Rights are issued for nil consideration and vest upon the achievement of certain vesting conditions, including the achievement of certain EPS targets by the Company.

The LTIP aims to align rewards for performance with the achievement of the Company's growth and strategic objectives for the financial year 2016 and beyond.

As the LTIP was last approved by Shareholders in 2013, the Board is seeking to refresh approval of the LTIP, including the issue of securities under the LTIP, for the purpose of ASX Listing Rule 7.2, Exception 9 and for all other purposes.

#### **ASX Listing Rules**

ASX Listing Rule 7.1 generally restricts the Company from issuing more than 15% of its issued share capital in any 12 month period without shareholder approval, unless an exception applies.

ASX Listing Rule 7.2, Exception 9 provides that the general requirement for shareholder approval does not apply to the issue of securities by the Company under an employee incentive scheme if the scheme has been approved by Shareholders within three years before the date of the issue.

If approval of the LTIP is renewed by Shareholders, future issues under the LTIP will be exempt from counting towards the 15% threshold limit set out in ASX Listing Rule 7.1. However, this exception does not apply to issues to Directors and their Associates, which issues will require separate shareholder approval.

#### **Regulatory information**

Since the LTIP was last approved by Shareholders, 803,548 Performance Rights have been issued under the LTIP. On 19 July 2016, the Company announced that following the satisfaction of vesting conditions, 531,163 Performance Rights were converted to fully paid ordinary shares in the Company.

Item 5 of this Notice seeks shareholder approval for the issue of Performance Rights and Shares under the LTIP to Graham Maxwell, the Managing Director and CEO.

A summary of the LTIP rules is set out in the Schedule to this Notice of Meeting.

#### **Board Recommendation**

The Board (with Graham Maxwell and Kevin Perkins abstaining) recommends that shareholders vote in favour of renewing the approval of the Collins Foods Limited Executive and Employee Incentive Plan.

The Chairman of the meeting intends to vote all available proxies in favour of the re-approval.

### **ITEM 5 – PROPOSED GRANT OF PERFORMANCE RIGHTS TO GRAHAM MAXWELL UNDER THE LTIP**

In accordance with ASX Listing Rule 10.14, securities cannot be issued to a Director under an employee incentive scheme without first obtaining shareholder approval. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1. Item 5 seeks shareholders' approval for a proposed grant of Performance Rights, and Shares issued on exercise of the Performance Rights, to Graham Maxwell, Managing Director & CEO, under the LTIP, as part of his long-term incentive arrangements.

The Board considers that the proposed grant represents reasonable remuneration for Mr Maxwell.

The only Directors eligible to participate in the LTIP are Graham Maxwell and Kevin Perkins. It is noted that although he is an eligible participant, Mr Perkins will have no ongoing participation in the LTIP (refer Company's ASX Announcement, "Collins Foods Announces Employment Terms of Executive Director and Updated Terms for Chief Executive Officer" released on 11 February 2015).

At the 2013 Annual General Meeting, shareholders approved the LTIP and also the grant of 103,859 Performance Rights to Kevin Perkins. Shareholders have also been requested to refresh this approval pursuant to Item 4. Graham Maxwell has been granted 481,705 Performance Rights pursuant to the LTIP. On 19 July 2016, the Company announced that of the Performance Rights held by Graham Maxwell, 356,088 Performance Rights were converted into fully paid ordinary shares in the Company following satisfaction of vesting conditions. Accordingly, the remaining number of Performance Rights held by Graham Maxwell is 125,617. A total of 585,564 Performance Rights have been granted for nil consideration to Executive Directors since the LTIP was approved by shareholders. Non-Executive Directors are not eligible to participate in the LTIP.

The terms of the Performance Rights proposed to be granted to Graham Maxwell are set out below.

#### Grant terms

<b>Maximum Number of Securities</b>	The number of Performance Rights will be calculated by dividing \$375,000 by the volume weighted average price (VWAP) of the Shares for the five days prior to the date of offer of the Performance Rights. The offer will be made to Graham Maxwell in the month following the annual general meeting. Based on the VWAP of the Shares for the five days prior to 13 July 2016, the number of Performance Rights granted would be 91,389. Each Performance Right is exercisable, subject to the Vesting Conditions and during the applicable period for exercise, for one Share.										
<b>Issue Price</b>	The Performance Rights will be granted for nil consideration on the basis their grant represents an incentive for future performance, and will be subject to Vesting Conditions.										
<b>Exercise Price</b>	It is a term of the LTIP that Performance Rights have a nil exercise price.										
<b>Exercise Period</b>	<p>Unless the Board determines otherwise in its discretion, the Performance Rights will automatically vest on the Business Day after the Vesting Conditions have all been satisfied in accordance with the terms of the Plan (the Vesting Determination Date).</p> <p>If the Performance Rights vest while the Company is in a Trading Window, the Performance Rights will automatically exercise upon vesting and the Company must issue or procure the transfer of Shares or pay the Cash Equivalent Value to the Participant in accordance with the terms of the Plan.</p> <p>If the Performance Rights vest while the Company is outside a Trading Window, the Performance Rights will automatically exercise upon the first day of the next Trading Window following the Vesting Determination Date and the Company must issue or procure the transfer of Shares or pay the Cash Equivalent Value to the Participant in accordance with the terms of the Plan Rules.</p>										
<b>Performance Period</b>	The three financial periods beginning on 2 May 2016 and ending on 28 April 2019.										
<b>Vesting Condition</b>	<p>Vesting of the Performance Rights is conditional upon:</p> <ul style="list-style-type: none"> <li>→ satisfaction of a minimum term of employment of 12 continuous months from the grant date;</li> <li>→ remaining an eligible participant under the LTIP at all times before vesting; and</li> <li>→ the compound growth in the Company's EPS achieved over the performance period is equal to or greater than the Minimum EPS Target.</li> </ul> <p>Performance will be tested following the determination of the Company's basic EPS for the financial period ending 28 April 2019, compared to the Company's basic EPS for the financial period ended 1 May 2016. If the growth in EPS between the financial period ended 1 May 2016 and the financial period ending 28 April 2019 is above the Minimum EPS Target and the other vesting conditions are satisfied, the proportion of Performance Rights that will vest will be as follows:</p> <table border="1"> <thead> <tr> <th>Collins Foods EPS Growth</th><th>% of grant vesting Nil</th></tr> </thead> <tbody> <tr> <td>Below 6%</td><td>Nil</td></tr> <tr> <td>6% (Minimum EPS Target)</td><td>20%</td></tr> <tr> <td>Between 6% and 10%</td><td>Straight line between 20% and 100%</td></tr> <tr> <td>10% (Maximum EPS Target) or above</td><td>100%</td></tr> </tbody> </table> <p>EPS is calculated with reference to the disclosed EPS in the Company's annual audited financial reports. The Board retains a discretion to adjust the EPS performance condition to ensure that participants are not penalised nor provided with a windfall benefit arising from matters outside of management's control that affect EPS (for example, excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).</p>	Collins Foods EPS Growth	% of grant vesting Nil	Below 6%	Nil	6% (Minimum EPS Target)	20%	Between 6% and 10%	Straight line between 20% and 100%	10% (Maximum EPS Target) or above	100%
Collins Foods EPS Growth	% of grant vesting Nil										
Below 6%	Nil										
6% (Minimum EPS Target)	20%										
Between 6% and 10%	Straight line between 20% and 100%										
10% (Maximum EPS Target) or above	100%										
<b>Issue Date</b>	The Performance Rights under the LTIP will be issued to Graham Maxwell as soon as practicable after the annual general meeting, and in any event, no later than one month after the date of the annual general meeting.										
<b>Loan Terms</b>	There are no applicable loan terms.										

The Performance Rights are otherwise issued on the terms of the LTIP rules summarised in the Schedule to these Explanatory Notes.

#### Board Recommendation

The Board (with Graham Maxwell and Kevin Perkins abstaining) recommends that you vote in favour of approving the proposed issue of Performance Rights to Graham Maxwell under the LTIP.

The Chairman of the meeting intends to vote all available proxies in favour of the proposed grant of Performance Rights to Graham Maxwell.

#### ITEM 6 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that where a resolution requires the Remuneration Report to be adopted, it must be put to vote at the Company's Annual General Meeting.

The Remuneration Report for the financial period ended 1 May 2016 is set out on pages 16 to 28 of the Annual Report, which can be found on the Company's website: [www.collinsfg.com.au](http://www.collinsfg.com.au).

The Remuneration Report outlines the remuneration framework and remuneration arrangements in place for Directors and Key Management Personnel of the Company and its controlled entities, detailing:

- the principles and objectives underlying the remuneration framework;
- specified details of the components of Directors' and senior executives' remuneration, including performance conditions; and
- the relationship between remuneration structures and Company performance.



It is noted that the shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company.

However, the Corporations Act provides for a 'two strikes rule' in relation to voting on the Remuneration Report.

In summary, the rule gives shareholders the opportunity to require a general meeting to be held to re-elect the Board if the Remuneration Report receives two 'strikes' (at least 25% of the votes cast on the resolution are against adoption) at two consecutive annual general meetings.

The resolution to approve the remuneration report was passed by a show of hands at the Company's 2015 Annual General Meeting.

Following consideration of the Remuneration Report, the Chair will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

#### **Board Recommendation:**

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that shareholders vote in favour of adopting the Remuneration Report.

The Chairman of the meeting intends to vote all available proxies in favour of the adoption of the Remuneration Report.

## **Voting notes**

### **Voting Entitlement**

The Company has determined that, for the purpose of voting at the Annual General Meeting, all Shares will be taken to be held by those persons recorded in the Company's register of members as at 7.00pm (Sydney time) on 30 August 2016.

### **Methods of Voting**

Ordinary shareholders can vote in the following ways:

- By attending the meeting and voting either in person or by attorney, or in the case of corporate shareholders, by corporate representative;
- By appointing a proxy to vote on their behalf using the proxy form enclosed with this Notice of Meeting; or
- Online at Computershare Investor Services' website: [www.investorvote.com.au](http://www.investorvote.com.au).

### **Attending the Meeting**

If you attend the meeting, please bring your personalised proxy form with you. The bar code at the top of the form will assist with your registration. If you do not bring your form with you, you will still be able to attend the meeting but representatives from Computershare Investor Services will need to verify your identity. You will be able to register from 9.00am (Brisbane time) on the day of the meeting.

### **Corporate Shareholders**

Corporate shareholders who wish to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the Company's representative. The authorisation may be effective either for this meeting only or for all meetings of the Company.

Shareholders can also download and complete the "Appointment of Corporate Representative" form from Computershare Investor Services' website.

### **Voting by Proxy**

If you are entitled to attend and vote at the meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of the Company and may be an individual or a body corporate. A personalised proxy form is enclosed with this Notice of Meeting.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second proxy form, please contact Computershare Investor Services on 1300 458 215 (within Australia) or +61 3 9415 4245 (outside Australia).

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the proxy form.

## **Lodgement of proxy forms**

Completed proxy forms can be lodged:

- **Online** – at Computershare Investor Services' website: [www.investorvote.com.au](http://www.investorvote.com.au). Please note that you will be taken to have signed your proxy form if you lodge your votes via the registry's website.
- **By mail** – Collins Foods Limited  
c/- Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne Vic 3001
- **By facsimile** 1800 783 447 (within Australia)  
or + 61 3 9473 2555
- **By hand** to Computershare Investor Services,  
117 Victoria Street, West End Qld 4101

Your completed proxy form (and any necessary supporting documentation) must be received by Computershare Investor Services no later than 10am (Brisbane time) on 30 August 2016, being 48 hours before the commencement of the meeting.

If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by Computershare Investor Services by 10am (Brisbane time) on 30 August 2016.

If you appoint a proxy, you may still attend the meeting.

However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy if you register at the meeting.

### **Undirected and Directed Proxies – Items 3, 4, 5 and 6**

The Corporations Act places certain restrictions on the ability of Key Management Personnel (including the Chairman of the Meeting) and their Closely Related Parties to vote as proxy for another shareholder on Items 3 (Increase in the maximum aggregate annual remuneration of non-executive directors), 4 (Renewal of Shareholder approval for LTIP), 5 (Proposed grant of performance rights to Graham Maxwell under the LTIP) and 6 (Remuneration Report).

To ensure that your votes are counted, you are encouraged to direct your proxy as to how to vote on Items 3, 4, 5 and 6 by indicating your preference by completing any of the 'For', 'Against' or 'Abstain' boxes on the proxy form.

### **The Chairman intends to vote all undirected proxies in favour of Items 3, 4, 5 and 6.**

If you appoint the Chairman of the Meeting as your proxy but you do not direct the Chairman how to vote in respect of Items 3, 4, 5 and 6, you will be authorising and directing the Chairman to **vote in favour of Items 3, 4, 5 and 6** and the Chairman will vote in this way, even though Items 3, 4, 5 and 6 are connected with the remuneration of Key Management Personnel.

# Glossary of terms

<b>Annual Report</b>	The annual report of the Company for the financial period ended 1 May 2016.
<b>Associates</b>	The meaning given in the Listing Rules.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires.
<b>Board</b>	The board of Directors of the Company.
<b>Closely Related Party</b>	<p><b>Closely Related Party</b> of a member of Key Management Personnel means:</p> <ul style="list-style-type: none"> <li>(a) a spouse or child of the member;</li> <li>(b) a child of the member's spouse;</li> <li>(c) a dependent of the member or of the member's spouse;</li> <li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;</li> <li>(e) a company that the member controls; or</li> <li>(f) a person described as such by the <i>Corporations Regulations 2001</i> (Cth).</li> </ul>
<b>Company</b>	Collins Foods Limited ACN 151 420 781.
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Directors</b>	The directors of the Company from time to time (each a <b>Director</b> ).
<b>Directors' Report</b>	The section of the Annual Report entitled 'Directors' Report'.
<b>EPS</b>	Earnings per Share.
<b>Key Management Personnel</b>	A person having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiaries, directly or indirectly, including any Director (whether executive or otherwise) of the Company or any of its subsidiaries.
<b>Listing Rules</b>	The official listing rules of ASX.
<b>LTIP</b>	Collins Foods Limited Executive and Employee Incentive Plan, the terms of which are summarised in the Schedule to these Explanatory Notes.
<b>Maximum EPS Target</b>	Compound annual EPS growth over the Performance Period of 10%.
<b>Minimum EPS Target</b>	Compound annual EPS growth over the Performance Period of 6%.
<b>Performance Right</b>	A right to acquire or to be transferred a Share in accordance with the terms of which they are issued by the Board, at its discretion, and the rules of the LTIP.
<b>Remuneration Report</b>	The section of the Directors' Report entitled 'Remuneration Report', dealing with remuneration of Directors and Key Management Personnel.
<b>Shares</b>	Fully paid ordinary shares in the capital of the Company (each a <b>Share</b> ).
<b>Trading Window</b>	The meaning given in the Company's Securities Trading Policy.
<b>Vesting Condition</b>	The performance hurdles or other conditions (including as to time and satisfaction of a minimum 12 month term of employment) as determined by the Board, that must be satisfied before Performance Rights can vest.
<b>VWAP</b>	Volume weighted average share price.

# Schedule

## SUMMARY OF COLLINS FOODS LIMITED EXECUTIVE AND EMPLOYEE INCENTIVE PLAN (LTIP) RULES

Summary of the key terms of the LTIP	
<b>Plan overview</b>	The Board may, from time to time, in its absolute discretion, offer to issue Performance Rights as part of its long-term incentive strategy to an Employee under the LTIP.
<b>Eligible Employees</b>	<p>Any permanent, full-time or part-time employee (including any executive director) of Collins Foods and its related bodies corporate (<b>Group</b>) (<b>Employee</b>) is eligible to participate in the LTIP and to be offered Performance Rights if they satisfy the criteria or other performance conditions that the Board determines from time to time.</p> <p>Performance Rights may be issued, and Shares, upon the exercise of Performance Rights, may be issued or transferred to Employees or such other persons (including without limitation, any person's legal personal representative or trustee in bankruptcy) as the Board in its discretion determines to be eligible to participate in the LTIP (a <b>Participant</b>).</p>
<b>Plan limit</b>	<p>In accordance with ASIC Class Order 14/1000, when making an offer of Performance Rights under the LTIP, the Company must have reasonable grounds to believe that the maximum number of Shares that have been or may be issued as a result of offers made in the previous 3 years under the LTIP (and any other employee incentive scheme or similar arrangement covered by ASIC's incentive plan relief) will not exceed 5% of the Shares of the Company on issue.</p> <p>For the purposes of calculating this 5% limit, ASIC includes:</p> <ul style="list-style-type: none"> <li>→ unissued Shares over which Performance Rights, rights or other options (which remain outstanding) have been granted pursuant to offers made under this LTIP and any other Group employee incentive scheme in the last 3 years, where there are reasonable grounds to believe that the offer will result in an issue of Shares; and</li> <li>→ the number of Shares issued as a result of offers made during the previous 3 years pursuant to an employee incentive scheme,</li> </ul> <p>but excluded from the 5% limit are:</p> <ul style="list-style-type: none"> <li>→ any offers which are received outside of Australia;</li> <li>→ offers made under a disclosure document or product disclosure statement;</li> <li>→ offers that do not require disclosure under section 708 of the Corporations Act (e.g. offers to investors under a 20/12 offer, sophisticated or professional investors and 'senior managers' where a senior manager is a person who is concerned in, or takes part in, the management of the body (regardless of the person's designation and whether or not the person is a director or secretary of the body); and</li> <li>→ Performance Rights over Shares where the relevant Performance Right has lapsed.</li> </ul>
<b>Vesting Conditions</b>	<p>The Board will determine whether any performance hurdles or other conditions (including as to time and satisfaction of a minimum 12 month term of employment) will be required to be met (<b>Vesting Conditions</b>) before the Performance Rights which have been issued under the Plan can vest.</p> <p>Performance Rights will automatically vest on the business day after the Board determines the Vesting Conditions have all been satisfied (<b>Vesting Determination Date</b>).</p> <p>The Performance Rights will automatically exercise on the Vesting Determination Date unless the Vesting Determination Date occurs outside a trading window permitted under the Collins Foods Securities Trading Policy, in which case the Performance Rights will exercise upon the first day of the next trading window following the Vesting Determination Date. Upon exercise of the Performance Rights, the Company must issue or procure the transfer of Shares, or alternatively may in its discretion elect to pay the Cash Equivalent Value to the Participant.</p> <p><b>Cash Equivalent Value</b> means, for each Share to be issued or transferred to a Participant, the volume weighted average price at which Shares have traded on ASX over the five trading days prior to the date at which the obligation to issue or transfer the Share to a Participant under the LTIP arose.</p>
<b>Issue price</b>	Unless otherwise determined by the Board in its discretion, Performance Rights are to be issued for nil consideration to Employees under the Plan. Performance Rights may otherwise be issued for nominal cash consideration.
<b>Exercise price</b>	The exercise price for Performance Rights, or the method of calculation of the exercise price, is as determined by the Board at the time of issue and stated in the letter of offer. The exercise price for a Performance Right will be nil (including where no exercise price is stated in the letter of offer) unless the Board determines otherwise and states the price in the letter of offer.
<b>Exercise period</b>	The terms for exercise, including the exercise period, are stated in the offer letter and any Performance Rights may not be exercised outside of a trading window prescribed in the Collins Foods Securities Trading Policy.

<b>Lapse</b>	<p>Once on issue, Performance Rights will lapse on the first to occur of:</p> <ul style="list-style-type: none"> <li>→ the stated expiry date;</li> <li>→ the failure to meet the stated Vesting Conditions within the prescribed period;</li> <li>→ if the Participant (or the Employee to whom the offer was made) ceases to be an Employee due to death, permanent illness or permanent physical or mental incapacity (as certified by a medical practitioner who is approved in writing by the Board), retirement or redundancy (or any other reason as determined by the Board);</li> <li>→ for vested Performance Rights, until they validly exercise during a Trading Window; and</li> <li>→ for unvested Performance Rights and provided the Participant satisfies the minimum 12 month term of employment, unless the Board otherwise determines (e.g. including determining whether the number of unvested Performance Rights should be reduced pro-rata to reflect the period of the performance period that has elapsed between the date of issue and the date of cessation of employment), they will remain subject to the terms in the letter of offer and Performance Rights certificate until they are vested or lapse,</li> <li>→ a determination by the Board that the Participant has: <ul style="list-style-type: none"> <li>– been dismissed or removed from office as an Employee for any reason which entitles the Company or the Group entity to dismiss the Participant without notice; or</li> <li>– acted fraudulently, dishonestly or in breach of the Participant's obligations to the Company or another Group entity or otherwise engaged in misconduct,</li> </ul> </li> </ul> <p>and, the vested and unvested Performance Rights are for that reason to be forfeited;</p> <ul style="list-style-type: none"> <li>→ if the Participant ceases to be an Employee due to resignation (or any other reason as determined by the Board), the date of cessation of employment (or such longer period as the Board determines); and</li> <li>→ notwithstanding any other rule, if the Participant has not satisfied the 12 month minimum term of employment, the Performance Rights will lapse regardless of whether they are vested or unvested.</li> </ul>
<b>Rights and restrictions of Performance Rights</b>	<p>Performance Rights are not entitled to receive a dividend. Any Shares issued or transferred to a Participant upon vesting of Performance Rights are only entitled to dividends if they were issued on or before the relevant dividend entitlement date.</p> <p>The Company may impose a mandatory holding lock on the Shares or a Participant may request they be subject to a voluntary holding lock.</p> <p>Shares issued or transferred under the LTIP rank equally in all respects with other Shares on issue.</p> <p>In the event of a reconstruction of the Company (consolidation, subdivision, reduction, cancellation or return), the terms of any outstanding Performance Rights will be amended by the Board to the extent necessary to comply with the Listing Rules at the time of reconstruction.</p> <p>Any bonus issue of securities by way of capitalisation of profits, reserves or share capital account will confer on each Performance Right, the right:</p> <ul style="list-style-type: none"> <li>→ to receive on exercise or vesting of those Performance Rights, not only an allotment of one Share for each of the Performance Rights exercised or vested but also an allotment of the additional Shares and/or other securities the Employee would have received had the Employee participated in that bonus issue as a holder of Shares of a number equal to the Shares that would have been allotted to the Employee had they exercised those Incentives or the Performance Rights had vested immediately before the date of the bonus issue; and</li> <li>→ to have profits, reserves or share premium account, as the case may be, applied in paying up in full those additional Shares and/or other securities.</li> </ul> <p>Subject to a reconstruction or bonus issue, Performance Rights do not carry the right to participate in any new issue of securities including pro-rata issues.</p> <p>Performance Rights will not be quoted on ASX. The Company will apply for quotation of any Shares issued under the LTIP.</p>
<b>Assignability</b>	An Employee cannot sell, assign, transfer or otherwise dispose of a Performance Right without the prior written consent of the Board. This does not prevent the exercise of the Performance Right by the estate of a deceased Participant.
<b>Administration</b>	The LTIP is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules, including any waiver granted by ASX) in addition to those set out in the LTIP.
<b>Change of Control</b>	<p>If, in the opinion of the Board, a Change of Control Event has occurred, or is likely to occur, the Board may declare a Performance Right to be free of any Vesting Conditions and, if so, the Company must issue or transfer Shares in accordance with the LTIP rules. In exercising its discretion in determining the vesting outcome, the Board will consider whether measurement of Vesting Conditions (on a pro-rata basis) up to the date of the Change of Control Event is appropriate in the circumstances.</p> <p>Change of Control Event means where:</p> <ul style="list-style-type: none"> <li>→ a takeover bid is made and a person obtains voting power (as defined under the Corporations Act) of more than 50% and the takeover bid has become unconditional;</li> <li>→ a court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company); or</li> <li>→ any other transaction which the Board determines will result in a change in control of the Company.</li> </ul>
<b>Amendments</b>	Subject to the Listing Rules, the Board may amend the LTIP at any time, but may not do so in a way which reduces the rights of Employees' existing rights without their consent, unless the amendment is to comply with the law, to correct an error or similar.
<b>Termination and suspension</b>	The LTIP may be terminated or suspended at any time by resolution of the Board but any such suspension or termination will not affect nor prejudice rights of any Employee holding Performance Rights at that time.





**COLLINS FOODS LIMITED**  
ACN 151 420 781

CKF

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Lodge your vote:



**Online:**

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



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

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

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 458 215  
(outside Australia) +61 3 9415 4245

## Proxy Form

XX



### Vote and view the annual report online

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

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

**Control Number: 999999**

**SRN/HIN: I999999999**

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



**For your vote to be effective it must be received by 10:00am (Brisbane time) Tuesday 30 August 2016**

## How to Vote on Items of Business

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

### Appointment of Proxy

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

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

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

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

## Signing Instructions for Postal Forms

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

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

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

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

## Attending the Meeting

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

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

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

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



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



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

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

XX

I/We being a member/s of Collins Foods Limited hereby appoint

☐

the Chairman  
of the Meeting OR



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Collins Foods Limited to be held at **McLeod Room, Novotel Brisbane Airport, 6-8 The Circuit, Brisbane Airport, Brisbane, Queensland 4008 on Thursday, 1 September 2016 at 10:00am (Brisbane time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 3, 4, 5 and 6** are (except where I/we have indicated a different voting intention below) even though **Items 3, 4, 5 and 6** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 3, 4, 5 and 6** by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business



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

	For	Against	Abstain
2 Re-election of Director - Bronwyn Morris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Increase in the Maximum Aggregate Remuneration of Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Renewal of Shareholder Approval for LTIP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Proposed Issue of Performance Rights to Graham Maxwell under the LTIP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /

CKF

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Computershare +