



31 August 2016

Key Management Long Term Incentive Plan and Appendix 3B

HRL Holdings Limited (ASX:HRL) wishes to advise that it has introduced a long term incentive plan for key management.

The plan will focus on long term shareholder wealth creation and retention of key personnel. The plan will be equity based, with Participants receiving Performance shares with the following terms and conditions:

<p>Primary Vesting Conditions</p>	<p>From the 30 day VWAP of HRL’s share price at 1 July 2016, any one of the following occur within the specified time period:</p> <ol style="list-style-type: none"> 1. HRL share price increases 33% within 1 year; or 2. HRL share price increases 66% within 2 years; or 3. HRL share price increases 100% within 3 years. <p>The HRL share price must remain above the nominated target for the relevant period for 14 consecutive trading days.</p> <p>The HRL share price only needs to achieve any one of the above increases for the primary vesting condition to be met.</p>
<p>Secondary Vesting Conditions</p>	<p>The Performance Shares will vest in proportion to the number of years’ service after the plan is implemented:</p> <ol style="list-style-type: none"> 1. First 33% of the performance shares (tranche 1) vest after 1 year of service from plan commencement; 2. Next 33% performance shares (tranche 2) vest after 2 years of service from plan commencement; 3. Final 34% performance shares (tranche 3) vest after 3 years of service from plan commencement.
<p>Further Details on Vesting Conditions</p>	<ol style="list-style-type: none"> 1. Both the primary and secondary vesting conditions must be met for the performance shares to vest. 2. The HRL share price only needs to achieve any one of the stated share price targets for the primary vesting condition to be met. <i>For example, if the HRL share price fails to increase by 33% in the first year, but increases 66% in the second year the primary vesting condition will be satisfied in full.</i> 3. In the event the primary vesting condition is triggered part way through the year, the performance share tranches for those of which the secondary vesting conditions have been met will vest. <i>For example, if the primary vesting condition is achieved in year 2, the first tranche of performance shares will vest immediately (as the service period has been satisfied). The remaining two tranches will vest after the ongoing service condition has been met for those years.</i> 4. There is no pro-rata vesting of performance shares for part year service. The recipient must be continuously employed in the relevant year.

Exercise Price	\$Nil
Forfeiture	The Performance Shares will lapse if: <ul style="list-style-type: none"> - None of the pricing conditions are met; or - The participant does not meet the service conditions for the relevant tranche.
Change of Control Event	In the event a bona fide Takeover Bid is declared unconditional and the bidder has acquired a relevant interest of at least 50.1%, the Performance Share vest immediately, irrespective of any unmet vesting conditions.
Number of Performance Shares Issued	3,088,667

The Board of HRL believe that this plan will help align key management remuneration with shareholder returns and will work towards appropriately aligning the outcomes of management's strategy with the financial interests of its' shareholders over the medium to long term.

For further information contact:

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

HRL HOLDINGS LTD

ABN

99 120 896 371

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Unlisted Performance Rights. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 3,088,667 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Primary Vesting Conditions
From the 30 day VWAP of HRL's share price at 1 July 2016, any one of the following increases occur:
1. HRL share price increases 33% within 1 year; or
2. HRL share price increases 66% within 2 years; or
3. HRL share price increases 100% within 3 years.
The HRL share price must remain above the nominated target for the relevant period for 14 consecutive trading days.

Secondary Vesting Conditions
The Performance Shares will vest in proportion to the number of years' service after the plan is implemented:
1. First 33% of the performance shares vest after 1 year of service from plan commencement;
2. Next 33% performance shares vest after 2 years of service from plan commencement;
3. Final 34% performance shares vest after 3 years of service from plan commencement. |

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No</p> <p>Shares issued upon vesting will rank equally with existing fully paid ordinary shares in the Company.</p> <p>Unless and until they are exercised into shares the Rights do not carry any rights to dividends.</p>
<p>5 Issue price or consideration</p>	<p>Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Board of HRL believe that this plan will help align key management remuneration with shareholder returns and will work towards appropriately aligning the outcomes of management's strategy with the financial interests of its' shareholders over the medium to long term.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	
6f	Number of securities issued under an exception in rule 7.2	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>31 August 2016</p>

	Number	+Class
8	158,903,031	Ordinary Shares fully paid (HRL)

	Number	+Class
9	3,088,667	Unlisted Performance Rights – LTI 2016

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	N/A – the company has yet to pay a dividend.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	

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+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation
 NOW Example: In the case of restricted securities, end of restriction period
 (if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
(Company secretary)

Date: 31 August 2016

Print name: Paul Marshall

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