

# 18

## Notice of Annual General Meeting

to be held at 11.00am on  
Thursday, 25 October 2018  
at Blackmores Campus  
20 Jubilee Avenue  
Warriewood NSW 2102

BLACKMORES®



To assist us with catering and seating,  
please register to attend the AGM by  
phoning +61 2 9910 5000 or sending an  
email to [reception@blackmores.com.au](mailto:reception@blackmores.com.au)

Registered Office:  
20 Jubilee Avenue, Warriewood NSW 2102  
Telephone +61 2 9910 5000  
Facsimile +61 2 9910 5555

# Notice of Meeting

The Annual General Meeting (the Meeting) of Blackmores Limited ABN 35 009 713 437 (the Company or Blackmores) will be held at the Blackmores Campus, 20 Jubilee Avenue Warriewood NSW 2102 on Thursday, 25 October 2018 at 11.00am.

The business to be considered at the Annual General Meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Statement.

**Please read this Notice of Meeting and Explanatory Statement and Notes and carefully consider directing your proxy on how to vote on each resolution by marking the appropriate box on the Proxy Form.**

## Items of Business

### Consideration of Financial Report

To consider the Financial Report and the reports of the Directors and Auditors for the year ended 30 June 2018.

### Remuneration Report

**Resolution 1 - To consider and put to a non-binding vote the following resolution:**

"That the Remuneration Report, as contained in the Directors' Report of the Company, for the year ended 30 June 2018, be adopted."

## Election of Directors

### Resolution 2 - Re-election of Mr John Armstrong as a Director

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

"That Mr John Armstrong who retires by rotation in accordance with Clauses 89 and 94 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director of the Company."

### Resolution 3 - Re-election of Mr Marcus Blackmore as Director

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

"That Mr Marcus Blackmore who retires by rotation in accordance with Clauses 89 and 94 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director of the Company."

### Resolution 4 - Election of Ms Jackie McArthur as Director

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

"That Ms Jackie McArthur, who was appointed a Director pursuant to Clause 92 during the year, and who retires in accordance with Clauses 93 and 94 of the Constitution and being eligible, offers herself for election, be elected a Director of the Company."

### Resolution 5 - Re-election of Mr Brent Wallace as a Director

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

"That Mr Brent Wallace who retires by rotation in accordance with Clauses 89 and 94 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director of the Company."

## Resolution for the approval of the Executive Share Plan

**Resolution 6 - To consider, and if thought fit, to pass the following resolution as an ordinary resolution:**

"That the Executive Share Plan, a summary of the Trust Deed of which is set out in the Explanatory Statement and Notes to this Notice of Meeting and the issue of Shares and rights in accordance with the Executive Share Plan, be approved for the purposes of Listing Rule 7.2, Exception 9(b), and for all other purposes."

## Notice of Meeting (Cont.)

### Resolution for the approval of the grant of Shares under the Executive Share Plan to Mr Richard Henfrey

**Resolution 7 - To consider, and if thought fit, to pass the following resolution as an ordinary resolution:**

"That for the purposes of Listing Rules 10.14 and 10.15A and for all other purposes, the Shareholders approve the acquisition of up to 9,880 Shares by the Trustee under the Executive Share Plan by 25 October 2021 for the benefit of Mr Richard Henfrey."

The terms of the Shares to be acquired are set out in the Explanatory Statement and Notes to this Notice of Meeting and the number of Shares to be acquired is to be calculated in accordance with the following formula:

$$N = \frac{AV}{SP}$$

Where:

**N =** the number of Shares, to be subscribed for or acquired by the Trustee.

**AV =** the amount that is determined in accordance with the following table being the product of the compounded annual EPS growth rate over the period from 1 July 2018 to 30 June 2021 and the percentage of Mr Richard Henfrey's remuneration:

COMPOUNDED ANNUAL EPS GROWTH RATE OVER  
THE PERIOD FROM 1 JULY 2018 TO 30 JUNE 2021

PERCENTAGE OF BASE REMUNERATION

Less than 5.0%	0%
5.0 %	25.00%
5.0% to 10.0%	25.00% to 50.00%*
10.0%	50.00%
10.0% to 25.0%	50.00% to 150.00%*
25.0%	150.0%
Greater than 25.0%	150.0%

\*If the compounded annual EPS growth rate is between 5.0% and 10.0% or 10.0% and 25.0% the percentage of Base Remuneration will be pro rata between 25.0% and 50.0% or 50.0% and 150.0%. For example, if the compounded annual EPS growth rate is 5.5%, the percentage of Base Remuneration is 27.5%.

**SP = \$148.56** (being the Volume Weighted Average Price (VWAP) of the Shares for the 5 day trading period commencing on the day which is 7 days subsequent to the day of the announcement to the ASX of the Company's yearly results for the Financial Year ending on 30 June 2018 less the amount of any dividend per Share declared as payable in respect of the Financial Year ending 30 June 2018).

### Resolution for increase in Non-Executive Directors' fee pool

**Resolution 8 - To consider, and if thought fit, to pass the following resolution as an ordinary resolution:**

"That, for the purposes of Clause 102 of the Constitution and Listing Rule 10.17, the maximum aggregate amount of directors' fees payable to the Non-Executive Directors of the Company be increased by \$300,000 from \$1,000,000 to \$1,300,000 per annum."

BY ORDER OF THE BOARD

**C M Cooper**  
Company Secretary

Dated 14 September 2018

Shareholders are referred to the following documents accompanying this Notice of Annual General Meeting:

- Proxy Form; and
- Explanatory Statement and Notes

# Explanatory Statement and Notes

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be transacted at the Annual General Meeting of Shareholders on 25 October 2018.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

## Overview of Business and Resolutions

### 1A Consideration of Annual Report

As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2018 will be laid before the Annual General Meeting. While it is not required to vote on the adoption of these reports, in accordance with best practice corporate governance, the Directors will open the meeting for discussion on the financial statements and reports comprised in the Company's Annual Report 2018.

### 1. Adoption of Remuneration Report

Shareholder approval is sought to adopt the Remuneration Report for the year ended 30 June 2018. The vote on this resolution is non-binding and advisory only. However, Blackmores values shareholder feedback, and the Board will take the outcome of the vote into account when considering future remuneration policies.

The Remuneration Report is set out in the Company's 2018 Annual Report on pages 56 to 73. The Remuneration Report:

- (a) sets out the Board's policy for determining the nature and amount of remuneration;
- (b) discusses the relationship between the remuneration policy and the Company's performance;
- (c) provides details of the performance conditions and an explanation as to why the performance conditions were chosen;
- (d) discloses the actual remuneration of each Director and the KMP; and
- (e) discloses the nature of the termination clauses under contracts for each Director and the KMP where applicable.

The Corporations Act includes a "2 strikes" rule whereby if the Remuneration Report receives a 'no' vote of at least 25% at two consecutive annual general meetings, a spill resolution must then be put to shareholders at the second annual general meeting to determine whether the entire Board must stand for re-election. If the spill resolution is passed (by a normal majority of 50%), the Board must vacate office and stand for re-election at another general meeting which must be convened within 90 days.

#### Voting Exclusions

The Company will disregard any votes cast (in any capacity) on this resolution:

- by or on behalf of a member of the KMP, whose remuneration details are included in the Remuneration Report, or by or on behalf of that KMP's Closely Related Party;
- as a proxy by a member of the KMP or a KMP's Closely Related Party,

unless the vote is cast:

- as a proxy for a person who is entitled to vote on this resolution in accordance with a direction on the Proxy Form; or
- by the Chairman as a proxy for a person who is entitled to vote on this resolution, in accordance with an express authorisation in the Proxy Form.

**The Board recommends that Shareholders vote in favour of this resolution (Resolution 1).**

**The Chairman intends to vote any undirected proxies in favour of this resolution (Resolution 1).**

### Election of Directors

#### 2. Re-election of Mr John Armstrong as a Director

Mr Armstrong has served on the Board since May 2015. He is a member of the Audit and Risk Committee and a member of the Nominations Committee.

Mr Armstrong has more than 30 years' experience in various financial and commercial management roles. His most recent executive role was at SEEK Limited, an ASX 50-listed leading recruitment and education provider, where he was the Chief Financial Officer for over 12 years. Mr Armstrong's focus was on SEEK's Asian operations and investments, mergers and acquisitions, including directorships of SEEK's business in China, Zhaopin Ltd (a US listed company), and SEEK Asia, which operates across South East Asia. Prior to SEEK, he held management roles at Carlton & United Breweries and commenced his career at Ernst & Young.

Mr Armstrong has previous ASX listed experience as a Non-Executive Director with Melbourne IT and iProperty Group.

Mr Armstrong holds a Bachelor of Business and Master of Business Administration.

The Board (with Mr Armstrong abstaining) has determined that Mr Armstrong is an independent director.

**The Board (excluding Mr Armstrong) unanimously support the election of Mr Armstrong and recommend that Shareholders vote in favour of the election of Mr Armstrong as a Director (Resolution 2).**

**The Chairman intends to vote any undirected proxies in favour of this resolution (Resolution 2).**

#### 3. Re-election of Mr Marcus Blackmore as a Director

Mr Blackmore has served on the Board since October 1973. He is a member of the Nominations Committee.

He holds an Honorary Doctorate from Southern Cross University for distinguished leadership in complementary medicines in Australia and an Honorary Doctorate of Letters from Western Sydney University for his distinguished services to business, charity and the broader community.

Mr Blackmores holds an Honorary Doctorate from Southern Cross University for distinguished leadership in

# Explanatory Statement and Notes

complementary medicines in Australia and an Honorary Doctorate of Letters from Western Sydney University for his distinguished services to business, charity and the broader community.

Mr Blackmore is an honorary trustee of the Committee for the Economic Development of Australia (CEDA), an Alumnus of Harvard Business School, and an Honorary Fellow of the Heart Research Institute.

Marcus Blackmore held the position of Chairman up to 28 February 2017.

Having had regard to the ASX Principles, the Board does not consider Mr Blackmore to be an independent Director given that he is a major Shareholder of the Company.

**The Board (excluding Mr Blackmore) unanimously support the election of Mr Blackmore and recommend that Shareholders vote in favour of the election of Mr Blackmore as a Director (Resolution 3).**

**The Chairman intends to vote any undirected proxies in favour of this resolution (Resolution 3).**

## 4. Election of Ms Jackie McArthur as a Director

Ms McArthur joined the Board in April 2018. She is a member of the Audit and Risk Committee, a member of the People and Remuneration Committee and a member of the Nominations Committee.

Ms McArthur has more than 20 years' experience in operations, supply chain, manufacturing, logistics and global procurement functions. She was most recently the Managing Director ANZ for the Martin-Brower Company, a leading global player in logistics, distribution and transport operations as well as end to end supply chain solutions.

Previously, Ms McArthur enjoyed a long career at McDonalds where she held roles such as Vice President Supply Chain for Asia Pacific, Middle East and Africa, a role that covered 38 countries. She also was the McDonalds Australia Senior Vice President Chief Restaurant Support Officer and outside of supply chain, was also responsible for real estate, construction, menu development and crisis management.

Ms McArthur was the 2016 Telstra NSW Business Woman of the Year and overall 2016 Telstra Business Women's Awards - Corporate and Private National Winner. Ms McArthur is also a Non-Executive director of Inghams Group Limited (since September 2017).

Ms McArthur holds a Bachelor of Engineering (Aeronautical).

The Board (with Ms McArthur abstaining) has determined that Ms McArthur is an independent director.

**The Board (excluding Ms McArthur) unanimously support the election of Ms McArthur and recommend that Shareholders vote in favour of the election of Ms McArthur as a Director (Resolution 4).**

**The Chairman intends to vote any undirected proxies in favour of this resolution (Resolution 4).**

## 5. Re-election of Mr Brent Wallace as a Director

Mr Wallace has served on the Board since October 2005. He is the Chairman of the Audit and Risk Committee, a member of the People and Remuneration Committee and a member of the Nominations Committee.

Mr Wallace is a co-founder and Chairman of Galileo Kaleidoscope (Galkal), an Asia-Pacific company known for its strategic marketing, brand and consumer insight solutions that drives growth for clients.

Mr Wallace has held senior positions in London and Sydney advertising agencies and until 1996 was Managing Director of Ogilvy & Mather in Australia. Mr Wallace has more than 30 years of international experience in marketing, advertising and research insights across a wide variety of organisations and consumer categories.

Mr Wallace is a former Board Director (2005-2017) and has been a Governor of the World Wide Fund for Nature, the global environmental group since 1993. He has also held board positions on ASX listed and unlisted technology companies in online procurement, education and information.

Mr Wallace holds a Bachelor of Commerce (Marketing).

The Board (with Mr Wallace abstaining) has determined that Mr Wallace is an independent director. In reaching this determination, the Board considered Mr Wallace's length of service and independence, having regard to the ASX Principles' factors for assessing independence (Box 2.3) and related commentary that a board should regularly assess whether any director who has served for more than 10 years has become too close to management to be considered independent.

In Mr Wallace's case, the Board considers that Mr Wallace's length of service has not affected his ability as a Director to bring an independent judgment to issues coming before the Board and act in the best interests of the Company. In particular, the Board believes that Mr Wallace has not formed an association with the management of the Company (or any other stakeholders) that might interfere with, or compromise, his independence.

**The Board (excluding Mr Wallace) unanimously support the election of Mr Wallace and recommend that Shareholders vote in favour of the election of Mr Wallace as a Director (Resolution 5).**

**The Chairman intends to vote any undirected proxies in favour of this resolution (Resolution 5).**

# Explanatory Statement and Notes

## 6. Resolution for the approval of the Executive Share Plan

### 6.1 Background

Shareholder approval of the Executive Share Plan (the Plan) was obtained at the 2017 AGM for the purpose of Exception 9(b) of Listing Rule 7.2 which is an exception to Listing Rule 7.1. That exception provides that an issue of securities under an employee incentive scheme does not count towards a company's rolling annual 15% limit on new issues of securities prescribed by Listing Rule 7.1 if within three years of the issue date, the issue of securities under scheme has been approved by shareholders.

The last shareholder approval at the 2017 AGM covered the issue of Shares under the Plan until 26 October 2020, being three years after the date of the approval.

Like last year, any offers made under the Plan in 2018 will be based on EPS growth over a three-year period (from 1 July 2018 to 30 June 2021). This means that Shares relating to 2018 offers may not be issued until after the release of the full year results for the year ended 30 June 2021, which is later than three years after the last approval at the 2017 AGM. Accordingly, the Company is again seeking shareholder approval for the issue of securities under the Plan. If Shareholders approve Resolution 6 at the Annual General Meeting, the issue of securities under the Plan will not be counted towards the Company's limit under Listing Rule 7.1 for a three-year period ending on 25 October 2021.

There have been no changes to the Plan since the last approval at the 2017 AGM.

### 6.2 Summary of the terms of the Plan

This section gives a brief outline of how the Board implements participation under the Trust Deed which establishes the Plan. A Trust Deed is used so that the legal interest in the Shares is held by the Trustee until such times as all Vesting Conditions are satisfied. Until that time, a Plan participant may only hold the beneficial interest in any Shares. Further, the Trustee will either subscribe for new Shares or acquire existing Shares with funds contributed to the Trustee by the Company.

The use of a trust structure enables the Trustee to hold the Shares on behalf of the Plan participant but also to reallocate forfeited Shares in circumstances where the Vesting Conditions are not met by other Plan participants.

The Trust Deed is summarised in Section 6.3 below. Most words with initial capitals are defined in the Trust Deed.

#### (a) Participation

Carefully designed, performance linked, equity plans are widely considered to be very effective in providing long-term incentives to key staff. As well, they are used to attract and retain staff by providing them with the opportunity to participate in the creation of a valuable personal asset – a financial stake in the Company.

As part of the Company's strategy, the Board wishes to offer participation in the Plan to selected Eligible Executives who, in the opinion of the Board, are able by virtue of their skill and their application in performing their allocated tasks within the Company, to influence the generation of Shareholder wealth.

This year the Plan will reward selected employees based on EPS growth over a 3-year period from 1 July 2018 to 30 June 2021. The Plan awards in 2015, 2016 and 2017 were similarly based on EPS growth over a 3-year period. The Board considers this structure to be aligned with the Company's long term strategy.

#### (b) The number of Shares issued to or acquired by the Trustee on behalf of each participant

The number of Shares which shall be subscribed for or acquired by the Trustee on behalf of a participant for any grants made in 2018 shall be calculated in accordance with the following formula:

$$N = \frac{AV}{SP}$$

Where:

**N** = the number of Shares, to be subscribed for or acquired by the Trustee.

**AV** = the amount that is the product of the compounded annual EPS growth rate over the period from 1 July 2018 to 30 June 2021 and the percentage of the participant's Base Remuneration.

**SP** = \$148.56 (being the Volume Weighted Average Price (VWAP) of the Shares for the 5 day trading period commencing on the day which is 7 days subsequent to the day of the announcement to the ASX of the Company's yearly results for the financial year ending on 30 June 2018 less the amount of any dividend per Share declared as payable in respect of the financial year ending 30 June 2018).

#### (c) Vesting Condition

For any awards in 2018, the threshold requirement for any Shares to be acquired pursuant to the Plan by the Trustee is that the compounded annual EPS growth rate over the period from 1 July 2018 to 30 June 2021 must be achieved at a certain level and as noted in the description of the formula in Section 6.2(b), this will determine the percentage of Base Remuneration which will be contributed to enable the Trustee to acquire the Shares.

The Shares acquired pursuant to the Plan by the Trustee will be restricted and will not be able to be dealt with until any Vesting Condition relating to service has been satisfied. For the awards in 2018, a Participant must generally not cease employment for any reason prior to 30 June 2021 or cease employment as a result of resignation or termination by the Company prior to the date being 24 hours after the release of the full year results for the year ended 30 June 2021 (the Vesting Date).



# Explanatory Statement and Notes

## 6.3 Summary of the rules of the Plan

A summary of the Trust Deed is set out below. A full copy of the Trust Deed is available on the Company's website.

**(a) Trust Deed** – the Executive Share Plan Trust Deed establishes the plan.

**(b) Administration of Plan** – the Plan is administered by the Board in accordance with the provisions of the Trust Deed and the Trustee of the Plan will be Blackmores Nominees Pty Ltd ACN 080 742 589.

**(c) Eligible Executive** – under the Plan, the Board may from time to time make an invitation to participate in the Plan to employees (including employees who are Directors) but excluding:

- (i) Non-Executive Directors; and
- (ii) employees who have a legal or beneficial interest in, or who are in a position to vote or control the voting rights attached to, more than 5% of the Shares in the Company;

**(d) Source of Shares** – Shares required for the purposes of the Plan will be sourced by issuing new Shares to the Trustee or by the acquisition of Shares by the Trustee on the ASX or off-market. The Trustee may also re-use Shares of a selling Participant for other awards (at the Participant's direction).

**(e) Payment for Shares** – any costs associated with Shares issued or where acquired, including the cost of acquisition for the purposes of the Plan, will be paid by the Company.

**(f) Vesting Condition** – the Board may determine that Vesting Condition(s) apply. For the 2018 awards, the relevant Vesting Condition is as referred to in Section 6.2(c) of this Explanatory Statement and Notes.

**(g) Issued Capital not to exceed 5%** – the number of Shares that may be issued under the Plan and any other share or option schemes implemented by the Company (but disregarding any issues of securities which do not require a prospectus or other disclosure document under the Corporations Act) during the previous 5 years must not exceed 5% of the issued capital of the Company at any time.

**(h) Dividends** – a Participant is entitled to receive any cash dividend paid in respect of Shares held by the Trustee on behalf of the Participant. However, a Participant is not entitled to participate in the dividend reinvestment plan in respect of those dividends.

**(i) Bonus Shares** – a Participant is entitled to receive bonus Shares (being additional Shares for having an existing holding of Shares in the Company) but these Shares will be held by the Trustee until the Shares to which the bonus Shares relate are unrestricted. The Participant will be notified by the Trustee of any rights issues and the Participant may provide the Trustee with instructions to either sell the rights or acquire the Shares applicable to those rights. The Participant will be required either to pay the relevant amount to exercise those rights to, or receive the sale proceeds of those rights from, the Trustee.

**(j) Release of Shares** – the Board may release Shares from the Plan upon receipt of a notice of withdrawal of Shares from a Plan Participant in respect of those Shares at any time and in any circumstances, provided that the Vesting Condition has been met.

**(k) Forfeiture of Shares** – any right or interest in any Shares is forfeited if:

- (i) the Employment of the Participant ceases as a result of Resignation, Termination or Termination for Cause prior to the Vesting Date; or
- (ii) the Participant transfers mortgages, charges or assigns or otherwise attempts to deal with any rights or interests the Participant may have in the Shares other than in accordance with the Trust Deed.

In the event of cessation of employment as a result of Special Circumstances (being death, incapacity or redundancy) then the Shares and/or rights will also be forfeited unless the Board determines otherwise in its discretion.

The circumstances when Resignation, Termination, Termination for Cause, or death or incapacity are applicable are described in the Executive Service Agreement of each Participant and a definition of Redundancy is in the Trust Deed.

**(l) Takeovers and Schemes of Arrangement** – if a takeover offer is made in relation to the Company, then the Board may in its discretion declare that each Participant is permitted, if the Participant wishes, to direct the Trustee to accept the offer on the Participant's behalf in respect of any of the Shares standing to the credit of the Participant.

If there is a proposed scheme of arrangement, the Board may make any determination in relation to the Participant's participation in the proposed scheme of arrangement as it sees fit.

If at the time of the takeover offer or proposed scheme of arrangement, the Trustee has not yet acquired any Shares on behalf of an Eligible Executive in relation to an award, the Board may exercise its discretion and determine whether any entitlement or right of an Eligible Executive to Shares has vested and determine the number of Plan Shares to be acquired by the Plan Trustee, which must not exceed the maximum entitlement in the Eligible Executive's invitation – following which the Trustee must acquire the relevant Shares for the account of the Eligible Executive and the above paragraphs will apply (as applicable). In making its determination, the Board will assess the performance of the Company in terms of EPS growth over the period that has elapsed.

**(m) Voting** – Participants are entitled to exercise any voting rights attaching to the Shares registered in the Participant's name.

**(n) Restrictions on Shares** – a Participant may not dispose of, or grant a security interest over any Shares while they are held in the Plan.

# Explanatory Statement and Notes

(o) **Amendments to Trust Deed** – subject to the provisions of the Plan and the Listing Rules, the Board may amend the Trust Deed, with the prior consent of the Trustee, provided that any amendment does not adversely affect the existing rights of Participants.

(p) **Termination of the Plan** - the Board may terminate the Plan in its discretion or suspend the operation of the Plan in which case the Board will determine in its' discretion how the Shares and rights subject to any Conditions are to be dealt with in such circumstances. Shares which are not subject to any Conditions and are Unrestricted Shares may be withdrawn by the Participant in accordance with the Trust Deed.

A copy of the Trust Deed (and its amendments) is available at no cost on request to the Company Secretary.

To the extent applicable to certain employees, a clawback policy will apply to the Plan.

## 6.4 Number of securities issued under the Plan since the date of the last approval at the 2017 AGM

16,544 Shares were issued under the Plan following the release of the 2018 full year financial results to satisfy the invitations made in 2015 to certain senior executives (based on EPS growth over the period from 1 July 2015 to 30 June 2018).

In addition, as contemplated by the notice of meeting and explanatory statement for the 2017 AGM, the Company made a series of invitations under the Plan to Eligible Executives following the 2017 AGM. However, in accordance with terms of the invitations and the Plan, no Shares have yet been issued in relation to those invitations.

### Voting exclusions

The Company will disregard any votes on this resolution:

- cast in favour of this resolution by or on behalf of Mr Richard Henfrey (who is the only Director eligible to participate in the Plan) or his associates; or
- cast as a proxy by any person who is a member of the KMP or by their Closely Related Parties;

unless the vote is cast as proxy for a person who is entitled to vote on this resolution and:

- the vote is cast in accordance with a direction on the Proxy Form specifying how the proxy is to vote on this resolution; or
- the vote is cast by the Chairman and the Proxy Form expressly authorises the Chairman to vote as the Chairman decides on this resolution (even though the resolution is connected with the remuneration of members of the KMP).

**The Board (excluding Mr Henfrey) recommends that Shareholders vote in favour of this resolution (Resolution 6).**

**The Chairman intends to vote any undirected proxies in favour of this resolution (Resolution 6).**

## 7. Resolution for the approval of the grant of Shares under the Executive Share Plan to Mr Richard Henfrey

Mr Richard Henfrey commenced as Chief Executive Officer of the Company on 17 August 2017 and joined the Board as Managing Director on 30 September 2017.

Shareholder approval is sought for the acquisition of up to a maximum of 9,880 Shares by the Trustee for the benefit of Mr Henfrey for a 2018 invitation under the Plan (2018 invitation) based on EPS growth over a three-year period (from 1 July 2018 to 30 June 2021). Shareholder approval is sought for the purposes of Listing Rule 10.14, which requires Shareholder approval by ordinary resolution prior to a Director acquiring securities under an employee incentive scheme.

The Non-Executive Directors are of the view that the overall remuneration for Mr Henfrey, including the proposed grant of Shares under Resolution 7, is reasonable having regard to the circumstances of the Company, the duties and responsibilities of Mr Henfrey and market levels of remuneration for people in his position in similar sized companies.

For the purposes of Listing Rule 10.15A, the following information is provided to Shareholders:

- (a) The maximum number of Shares that may be acquired on behalf of or by Mr Henfrey in connection with the 2018 invitation is 9,880. The actual number of Shares that Mr Henfrey may receive (if any) will be based on the level of EPS growth achieved.
- (b) The formula for calculating the price for each Share to be acquired under the Plan for the 2018 invitation is set out in Resolution 7 above. No consideration is payable by Mr Henfrey for the grant or subsequent issue of any of the Shares.
- (c) The Listing Rules require that this Notice of Meeting set out the details of all Directors, Directors' associates and certain others who have acquired securities under the Plan since the last time shareholder approval was given under Listing Rule 10.14. The last shareholder approval was given at the 2017 AGM. Following, and in accordance with, that approval, Mr Henfrey received his 2017 invitation under the Plan, under which the Trustee may acquire up to 12,852 Shares by 26 October 2020 (based on EPS growth over the period from 1 July 2017 to 30 June 2020).

In addition, since the 2017 AGM, the invitations made under the Plan in 2015 (2015 invitations) have vested (based on EPS growth over the period from 1 July 2015 to 30 June 2018). Mr Henfrey was allocated 1,912 Shares in connection with his 2015 invitation following the release of the full year financial results ended 30 June 2018. No consideration was paid by Mr Henfrey for the Shares allocated to him. As disclosed in the notice of meeting for the 2015 AGM, the price of \$110.10 was used to determine the number of Shares to be subscribed for or acquired by the Trustee on behalf of a Participant in connection with the 2015 Invitations.



# Glossary

No other person referred to in Listing Rule 10.14 has received any Shares (or invitations) under the Plan since the 2017 AGM.

- (d) Pursuant to the terms of the Trust Deed, any employee (which includes an Executive Director, but excludes Non-Executive Directors of the Company) determined by the Board is eligible to participate in the Plan.
- (e) The Company will not be providing any loan to the Trustee or Mr Henfrey in connection with the issue or acquisition of Shares.
- (f) Details of any Shares issued or acquired under the Plan will be published in each annual report of the Company relating to a period in which those Shares have been issued, and that approval for the issue or acquisition of Shares was obtained under Listing Rule 10.14.
- (g) Any additional persons who become entitled to participate in the Plan after this resolution is approved and who is not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.
- (h) The Shares will be acquired no later than three years after the date of the Meeting, being 25 October 2021 (or such later date as date as permitted by any ASX waiver or modification of the Listing Rules).

It should be noted that Mr Henfrey is currently the only Director who is able to participate in the Plan. All other current Directors of the Company are ineligible to participate in the Plan and the Company has no other incentive plans that these Directors can participate in.

## Voting exclusions

The Company will disregard any votes on this resolution:

- cast in favour of this resolution by or on behalf of Mr Richard Henfrey (who is the only Director eligible to participate in the Plan) or his associates; or
- cast as a proxy by any person who is a member of the KMP or by their Closely Related Parties;

unless the vote is cast as proxy for a person who is entitled to vote on this resolution and:

- the vote is cast in accordance with a direction on the Proxy Form specifying how the proxy is to vote on this resolution; or
- the vote is cast by the Chairman and the Proxy Form expressly authorises the Chairman to vote as the Chairman decides on this resolution (even though the resolution is connected with the remuneration of a member of the KMP).

**The Board (excluding Mr Henfrey) recommends that Shareholders vote in favour of this resolution (Resolution 7).**

**The Chairman intends to vote any undirected proxies in favour of this resolution (Resolution 7).**

## 8. Resolution for increase to fee pool for Non-Executive Directors

In accordance with ASX Listing Rule 10.17, shareholder approval is being sought to increase the maximum annual aggregate amount of directors' fees that may be paid to Non-Executive Directors under Clause 102 of the Constitution by \$300,000 from \$1,000,000 to \$1,300,000.

The current annual fee pool limit of \$1,000,000 was approved by Shareholders at the 2015 AGM. The fee pool includes all Board and Board Committee fees paid to the Non-Executive Directors and superannuation contributions made on behalf of the Non-Executive Directors. Details of the Company's approach and the amount of remuneration paid to Non-Executive Directors is disclosed in the Remuneration Report set out in the Company's 2018 Annual Report.

The Board believes that the proposed increase to the fee pool limit will enable it to:

- maintain an appropriate reserve to effect Board and Board Committee succession in an orderly fashion and continue to attract non-executive directors with appropriate expertise, experience and skills; and
- maintain market competitiveness, by allowing future adjustments to Board and Board Committee fees over the coming years in line with market growth and other relevant benchmarks.

While it is sought to increase the fee pool limit, it does not mean that the full amount will be used.

No securities were issued to any Non-Executive Director under Listing Rules 10.11 or 10.14 at any time within the last three years.

## Voting Exclusions

The Company will disregard any votes on this resolution:

- cast in favour of this resolution by or on behalf of each Director or his/her associates; or
- cast as a proxy by any person who is a member of the KMP or by their Closely Related Parties;

unless the vote is cast as proxy for a person who is entitled to vote on this resolution and:

- the vote is cast in accordance with a direction on the Proxy Form specifying how the proxy is to vote on this resolution; or
- the vote is cast by the Chairman and the Proxy Form expressly authorises the Chairman to vote as the Chairman decides on this resolution (even though the resolution is connected with the remuneration of members of the KMP).

**As the Non-Executive Directors have an interest in the outcome of this resolution, the Board does not believe it is appropriate to make a recommendation to Shareholders as to how to vote in relation to this resolution (Resolution 8).**

**The Chairman intends to vote any undirected proxies in favour of this resolution (Resolution 8).**

# Glossary

**2015 AGM** means the annual general meeting of Shareholders held on 29 October 2015;

**2017 AGM** means the annual general meeting of Shareholders held on 26 October 2017;

**Annual General Meeting or Meeting** means the annual general meeting of Shareholders to be held on 25 October 2018;

**ASX** means ASX Limited ACN 008 624 691;

**ASX Principles** means the ASX Corporate Governance Principles and Recommendations (3rd edition);

**Base Remuneration** means the Eligible Executive's base remuneration (being the annual base remuneration package excluding any entitlements to any bonus, profit share or incentive payments but including any packaged benefits such as superannuation and motor vehicle expense benefits, as at 1 July 2018);

**Board** means the board of Directors of the Company from time to time;

**Closely Related Party** includes a spouse, dependant and certain other close family members of a KMP, as well as any companies controlled by a KMP;

**Company** means Blackmores Limited ACN 009 713 437;

**Constitution** means the constitution of the Company adopted on 23 October 2003.

**Corporations Act** means the Corporations Act 2001 (Cth);

**Director** means a director of the Company;

**Eligible Executive** has the meaning in Section 6.3 above;

**EPS** means basic earnings per share as defined in accounting standards, and as adjusted by the Board in its discretion;

**Explanatory Statement and Notes** means this document which accompanies the Notice of Meeting;

**KMP** means key management personnel;

**Listing Rules** means the Listing Rules of the ASX;

**Non-Executive Director** means a non-executive director of the Company;

**Plan** means the Executive Share Plan;

**Resolution** means each resolution set out in the Notice of Meeting;

**Shareholder** means a holder of Shares in the Company;

**Shares** means fully paid ordinary shares in the capital of the Company; and

**Trustee** means Blackmores Nominees Pty Ltd ACN 080 742 589.

# Conduct of the Annual General Meeting

The Annual General Meeting is intended to provide Shareholders with the opportunity to hear from the Chairman and the Chief Executive Officer about the performance and operations of the Company.

Voting on Resolution 1 at the Annual General Meeting is expected to be conducted by poll. The Chairman intends to vote all available proxies in favour of each Resolution. In exceptional circumstances, the Chairman may change his voting intention on any Resolution, in which case an ASX announcement will be made.

## Questions from shareholders

Shareholders who are entitled to vote at the Annual General Meeting may submit written questions to the Company's auditor concerning the content of the Auditor's Report or the conduct of the audit of the financial report for the financial year ended 30 June 2018 prior to the Annual General Meeting. Questions must be received by 5.00pm AEDST on Thursday, 19 October 2018 and should be forwarded to the Company Secretary.

## Voting

For the purposes of the Annual General Meeting, persons on the register of Shareholders as at close of business on Tuesday, 23 October 2018 will be treated as Shareholders. This means that if you are not the registered holder of a Share at that time you will not be entitled to vote.

## Proxies

A Shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on their behalf. A proxy need not be a Shareholder of the Company.

If the Shareholder is entitled to cast two or more votes at the meeting, the Shareholder may appoint two proxies to attend and vote on the Shareholder's behalf. Each proxy should be appointed to represent a specified proportion or number of the Shareholder's votes. In the absence of such a specification, each proxy will be entitled to exercise half the votes.

Completed Proxy Forms (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by not later than 48 hours prior to the Annual General Meeting.

Proxy Forms and authorities may be sent to the Company's share registry, Computershare, by post, personal delivery, fax or via online at the following:

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

**In person:** Computershare Investor Services Pty Limited

**Street address:** Level 4, 60 Carrington Street  
Sydney NSW 2000

**Via post:** Mailing address: GPO Box 242  
Melbourne, VIC 3001 Australia

**Via Fax:** 1800 783 447 or +61 03 9473 2555

provided that Shareholders who forward their Proxy Forms by fax may be required to produce the original executed Proxy Form, if called upon at the Meeting to do so.

## Directed proxies

Under the Corporations Act, if the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (subject to any applicable voting restrictions); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (subject to any applicable voting restrictions); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way.

## Chairman's deemed proxy appointment in certain circumstances

There are certain circumstances where the Chairman will be taken to have been appointed a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairman as their proxy. This will be the case where:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
- the appointed proxy is not the Chairman; and
- at the meeting, a poll is called on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution.

## Proxy voting by KMP or Closely Related Parties

Under the Corporations Act, a person who is appointed as a proxy must not exercise any undirected proxies on a resolution connected with the remuneration of KMP if they themselves are, or are Closely Related Party of, a member of the KMP. This prohibition does not apply to the Chairman where the proxy appointment expressly authorises the Chairman to exercise an undirected proxy.

## Corporate Representative

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at the Annual General Meeting. This includes body corporates that have been appointed as a proxy for a shareholder.

The representative should bring to the meeting evidence of his or her appointment unless it has previously been provided to Computershare.

## Annual Report

We have written to Shareholders previously to advise the default option for receiving annual reports to be via the Company's website ([www.blackmores.com.au/about-us/investor-centre](http://www.blackmores.com.au/about-us/investor-centre)).

However, if you would still like to receive a hard copy of the Annual Report, please call an investor services representative on 1300 850 505 or outside Australia on +61 3 9415 4000, to request a copy.

The logo consists of a teal circle containing the word "BLACKMORES" in white, serif, uppercase letters. This circle is positioned on the right side of a vertical teal bar that runs down the left side of the page. The background of the page is a light gray.

BLACKMORES®

BLACKMORES LIMITED

# Annual General Meeting 2018



Marcus Blackmore AM invites you to join him, together with Blackmores' Chairman, Stephen Chapman and Chief Executive Officer, Richard Henfrey to the Blackmores Annual General Meeting (AGM).

The AGM will be held at 11.00am on 25 October 2018 at the Blackmores Campus, 20 Jubilee Avenue, Warriewood NSW 2102.

In addition to the Blackmores AGM lunch, Campus tours will also be available to shareholders (numbers limited). Prior to the meeting the Blackmores shop will be open for shareholder purchases.

## Attendance and Tour Registration

To assist with catering and seating, please register to attend the Annual General Meeting.

Tours of the Blackmores Campus will be available to shareholders at 10.00am and 10.15am.

To register, please contact Blackmores Reception +61 2 9910 5000 or email [reception@blackmores.com.au](mailto:reception@blackmores.com.au) by 22 October 2018.

## Travel Options

### 1. ACCESS BY CAR

Limited parking is available on site - the main entrance is at 20 Jubilee Avenue, Warriewood.

### 2. TRAVEL BY PUBLIC TRANSPORT

The Blackmores Campus is approximately a 10 minute walk from Mona Vale shopping centre.

Please call the transport infoline on 131500 or visit the public transport website [www.transportnsw.info](http://www.transportnsw.info).

## Shareholder Questions

Your questions are important to us and the AGM is the opportunity for the Chairman, CEO, and Auditors to respond to the frequently asked questions of our valued shareholders.

Please use this form to submit any questions related to Blackmores that you would like addressed at the AGM. Questions can also be emailed to the Company Secretary, Cecile Cooper: [cecile.cooper@blackmores.com.au](mailto:cecile.cooper@blackmores.com.au), or place this form in an envelope addressed to Reply Paid 1725, Warriewood 2102.

Shareholder's name: \_\_\_\_\_

Question(s): \_\_\_\_\_

Contact phone number: \_\_\_\_\_

Email address: \_\_\_\_\_

Address: \_\_\_\_\_

Shareholder Reference Number (SRN)

OR Holder Identification Number (HIN): \_\_\_\_\_

☐ Chairman ☐ CEO ☐ Auditor





BKL

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

**By hand delivery:**

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
Sydney NSW 2000

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 850 505  
(outside Australia) +61 3 9415 4000

## 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: 9999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

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 11.00am (AEDT) Tuesday, 23 October 2018**

### 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

IND

# 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 Blackmores 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 Blackmores Limited to be held at Blackmores Campus, 20 Jubilee Avenue, Warriewood NSW 2102 on Thursday, 25 October 2018 at 11.00am (AEDT) 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 Item 1 and Items 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though Item 1 and Items 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman intends to vote all undirected proxies in favour of all items of business.** 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 each item 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
1 Adoption of the Remuneration Report for year ended 30 June 2018	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr John Armstrong as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Marcus Blackmore as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Ms Jackie McArthur as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Re-election of Mr Brent Wallace as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of the Executive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of the grant of Shares under the Executive Share Plan to Mr Richard Henfrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Increase in Non-Executive Directors' fee pool	<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

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date