



29 May 2018

Appointment of Group Chief Executive Officer

The Board of Retail Food Group Limited (ASX: **RFG**) today announces the promotion of Richard Hinson to Group Chief Executive Officer, effective immediately.

Mr Hinson commenced with RFG as Chief Executive – Australia in January 2018 to lead implementation of the Company’s strategic business review, to simplify the Group’s operating model, and to improve the sustainability and performance of RFG’s franchise network. In that role, Mr Hinson has been responsible for the Group’s domestic franchising network, working with franchisees to strengthen and improve their businesses.

A summary of Mr Hinson’s material terms of employment as Group CEO is attached.

The senior executive team leading RFG is:

- Richard Hinson, Group CEO;
- Darren Dench, Chief Executive – Di Bella Coffee; and
- Peter McGettigan, Chief Financial Officer.

Managing Director, Andre Nell, will leave the Group on 29 May 2018.

These management changes demonstrate the Board’s commitment to closer integration between head office, support structures and RFG’s franchise network.

Richard Hinson and Darren Dench are focused on improving performance of RFG’s core domestic franchising and global coffee businesses, and their leadership has made a significant positive impact on the business in challenging retail trading conditions.

Since February 2018, the Group has delivered franchisees reductions in cost of goods, renewal and new store fees, and worked with franchisees to pilot innovative new store concepts. The senior executive team has been committed to working closely with franchisees on a range of performance improvement initiatives, including new product range and quality, supply chain improvements, a group customer loyalty program, and other promotional activities.

Mr Hinson said, “Our core business is fundamentally sound and we are working hard to improve franchisee relationships and profitability. We are revitalising the network to focus on our customers first; improving performance, driving innovation and improving communication and transparency with our franchisees. This is a 12-18 month turnaround of the RFG business.

“Trading conditions in food retailing continue to be tough. The actions we are taking in collaboration with franchisees are starting to see a positive response.”

RFG Chairman, Colin Archer, said, “Richard is gaining the confidence of our franchisees and has restored some momentum to the business by delivering immediate benefits and focusing on longer term strategic plans for each Brand System.

“Our core Brand Systems are in good hands under the leadership of Richard, Darren and Peter, and we are seeing early signs of improving performance,” Mr Archer said.

“On behalf of the Board, I would like to thank Andre for his dedicated service to Retail Food Group in a range of senior executive roles since 2007, and wish him well for his future endeavours.”

Richard Hinson has almost 30 years’ experience in the retail food sector and has held national executive positions at Wrigley Pacific and Metcash Supermarket and Convenience. He has extensive experience in supply chain, integrated business processes, sales and marketing, and customer service.



Darren Dench joined RFG in early 2017 and moved into the new position of Global Head of Coffee in December 2017. Darren has previously held senior positions with Colgate, Mars, Ferrero and Lavazza. He has more than 25 years' sales, marketing and general management experience across more than 60 countries, and has a deep understanding of the key drivers for creating a successful international coffee business.

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For further information, interviews or images contact:

Richard Forbes, RFG Corporate Affairs, 0427 270 687 or richard.forbes@rfg.com.au

About Retail Food Group Limited:

RFG is a global food and beverage company headquartered in Queensland. It is Australia's largest multi-brand retail food franchise owner, a roaster and supplier of high quality coffee products, and an emerging leader in the foodservice, dairy processing and wholesale bakery sectors. For more information about RFG visit: www.rfg.com.au



Attachment

Material Terms of Employment – Chief Executive Officer

In accordance with ASX Listing Rule 3.16.4, RFG makes the following disclosures in respect of material terms of the Executive Employment Agreement between the Company and Mr Richard Hinson.

Position	Group Chief Executive Officer
Commencement date	29 May 2018
Term	No fixed term, ongoing until terminated by either party in accordance with the Executive Employment Agreement.
Total Fixed Remuneration (TFR)	\$600,000 per annum (including superannuation)
Short Term Incentive (STI)	For “stretch target” annual performance Mr Hinson has the potential to earn 33% of TFR being \$198,000 per annum, subject to satisfaction of performance criteria as detailed in RFG approved policy and procedures.
Long Term Incentive (LTI)	For “stretch target” annual performance Mr Hinson will have the potential to earn 33% of TFR being \$198,000 per annum. Vesting of the LTI award will be subject to the satisfaction of performance criteria consistent with RFG policy and procedures.
Termination	<p>RFG may terminate Mr Hinson’s employment at any time on six months’ notice or payment in lieu of notice or in circumstances of breach of contract, misconduct or poor performance.</p> <p>Mr Hinson may terminate his employment with RFG at any time on six months’ notice or, at RFG’s election, payment by RFG in lieu of notice.</p>
Post-employment Restraint	A six month restraint provision applies with respect to employment in a competing business.