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# TasFOODS LTD

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54 Tamar St, Launceston.  
PO Box 425, Launceston, TAS, 7250.  
(03) 6331 6983  
admin@tasfoods.com.au

ABN 53 084 800 902 ACN 084 800 902

**15 June 2020**



Dear Shareholders

## **2019 Performance and AGM 2020**

Please find enclosed the Notice of Meeting for our **2020 Annual General Meeting** to be held on **Thursday 23 July 2020**.

Given current COVID-19 restrictions and the importance we place on the health and safety of shareholders, employees and the broader community, our Annual General Meeting will be held **virtually** through an online platform provided by our share registrar Link Market Services at **<<https://agmlive.link/TFL20>>**. No physical place of meeting will be made available.

Using this link Shareholders will be able to fully participate in the meeting including by lodging votes and asking questions. We also encourage shareholders as always to submit written questions and vote by direct voting or appointing a proxy prior to the meeting. Online voting at the meeting will be open between the commencement of the Meeting at 11am on 23 July 2020 (Launceston time) and the time at which the Chairperson announces the closure of voting. Further information on how to do this is set out in the Notice of Meeting and the Online Platform Guide available on our website.

I have outlined below the key matters we are considering at our meeting, but first I would like to take this opportunity to provide some information on TasFoods' 2019 financial year.

## **2019 Performance**

The Board was pleased with TasFoods' progress in a year when the product portfolio has been rebalanced through the acquisition of a leading Tasmanian dairy brand in Betta Milk and we continued to focus on strong organic growth.



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Whilst TasFoods delivered strong revenue growth in FY2019, our financial performance was negatively impacted by drought-influenced commodity price increases which had a total impact of \$2.62 million and caused gross profit margin to decline by 3%. Despite this, the business delivered significant improvement in operating EBITDA and has implemented structured price increases in Q4 2019 to mitigate the cost increases.

The purchase of Betta Milk assets completed on 31st July 2019 substantially increased the size and scale of our diversified Dairy operations. The financial results for 2019 include five months' trading for the Betta Milk business, and its sales revenue and EBITDA in this period have exceeded our due diligence expectations.

Performance highlights for 2019 included:

- Sales revenue grew to a milestone \$50.69 million, 32% up on 2018 (\$38.39 million). This was achieved through a combination of organic growth and the acquisition of Betta Milk. Sales growth from existing business operations (excluding Betta Milk) was 12%, driven by increased sales of 29% in the dairy segment and 9% in the poultry segment.
- Gross profit increased by 19% to \$12.827 million; however, the gross profit margin declined by 3% to 25% due to drought influenced input price increases for poultry feed grain and for milk and cream.
- Operating EBITDA (statutory EBITDA less acquisition and investment costs) in 2019 was negative \$0.658 million, a 29% improvement on 2018. Operating EBITDA for H2 2019 was positive at \$0.05 million.

The company's bottom line performance was a net loss before tax of \$3.20 million.

## Looking to the Future

The Board and Management Team are constantly assessing the evolving impact of the COVID-19 virus on operations and considering what steps we must take to mitigate the conditions.

In the Company's ASX announcement on 31 March 2020 the evolving COVID-19 circumstances and the uncertainty that lay ahead led the Board of Directors to withdraw FY20 guidance and its assumptions.

We will continue to give shareholders updates via the ASX platform (which is also available on our website [www.tasfoods.com.au](http://www.tasfoods.com.au)) and will provide a point in time update at the Annual General Meeting.

## Annual General Meeting

The Annual General Meeting of TasFoods Limited will be held virtually by our share registrar Link Market Services at <<https://agmlive.link/TFL20>> on **Thursday 23 July 2020 at 11 am**.

A copy of the Notice of Meeting and Explanatory Notes is enclosed.

We will provide a business update at the meeting including on the impacts of COVID-19 and discuss performance during 2019.



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We will also consider ordinary business as follows:

- financial and statutory reports for 2019;
- Resolution 1: Remuneration Report;
- Resolution 2: Election of Mr Craig Treasure as a Director;
- Resolution 3: Election of Mr Ben Swain as a Director.

All resolutions are explained in more detail in the Notice of Meeting and the Explanatory Notes attached to this letter.

I encourage you to attend the meeting via our virtual site if you can.

**If you are unable to attend using the virtual site, you can direct vote or appoint a proxy to vote on your behalf.**

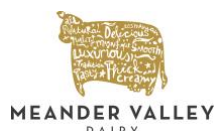
We will also be recording the meeting, if you prefer to vote beforehand and view it on-line live or view it after the conclusion of the meeting please do so. There will be a link to the recording on the front page of our website at [www.tasfoods.com.au](http://www.tasfoods.com.au).

Please submit any questions you have of the company or the auditor in advance of the meeting by emailing [co.sec@tasfoods.com.au](mailto:co.sec@tasfoods.com.au)

Yours sincerely



**Craig Treasure**  
Chair



## TasFoods Limited

### Notice of Annual General Meeting

**Notice is hereby given that the Annual General Meeting of the shareholders of TasFoods Limited (ACN 084 800 902) (Company) will be held virtually by our share registrar Link Market Services at <<https://agmlive.link/TFL20>> on Thursday 23 July 2020.**

Further information on how to do this is set out in this Notice of Meeting and the Online Platform Guide available on our website. The Explanatory Notes that accompany and form part of this Notice of Annual General Meeting describe the various matters to be considered.

**The 2019 Annual Report is also accessible on our website. [www.tasfoods.com.au](http://www.tasfoods.com.au)**

### AGENDA

#### Financial Reports

To receive and consider the accounts of the Company, the financial report, directors' report and auditor's report prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**) for the year ended 31 December 2019.

#### Ordinary Business

##### **Resolution 1 - Adoption of Remuneration Report**

To consider and, if thought fit, pass the following resolution as an **advisory resolution**:

"That the Remuneration Report for the Company and its controlled entities for the year ended 31 December 2019 be approved and adopted."

A voting exclusion statement applies to this Resolution as set out in this Notice of Meeting.

Please Note - The vote on this resolution is advisory only and does not bind the Directors or the Company. TasFoods values shareholder feedback and the Board and the Board Nomination and Remuneration Committee will take the outcome of the vote into account when considering future remuneration policies.

##### **Resolution 2: Election of Mr Craig Treasure as a Director**

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

"That Mr Craig Treasure, who was appointed as a Director by the Board on 4 June 2020 and retires in accordance with Clause 7.1(e) of the Company's Constitution, and being eligible, be elected as a Director of the Company"



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Details of Mr Treasure are set out in the Explanatory Notes to this Notice of Meeting.

## **Resolution 3: Election of Mr Ben Swain as a Director**

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

*"That Mr Ben Swain, who was appointed as a Director by the Board on 4 June 2020 and retires in accordance with Clause 7.1(e) of the Company's Constitution, and being eligible, be elected as a Director of the Company"*

Details of Mr Swain are set out in the Explanatory Notes to this Notice of Meeting.

By order of the Board



Janelle O'Reilly  
Company Secretary

15 June 2020

According to section 5(c) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020* (Cth), votes taken at the Meeting must be taken on a poll, and not on show of hands, by using one or more technologies to give each person entitled to vote the opportunity to participate in the vote in real time and, where practicable, by recording their vote in advance of the Meeting.

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## **Direct Voting & Appointing Proxies**

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**If you are unable to attend the Meeting to vote virtually at <<https://agmlive.link/TFL20>> you are encouraged to direct vote or appoint a proxy by completing the AGM Voting Form attached to the Notice.**

### **Direct Voting**

You may vote by direct voting using the Annual General Meeting Voting Form.

Direct voting enables you to exercise your voting rights without needing to attend the meeting virtually or appoint a proxy. To be effective it must be completed by 11.00 am AEST on 21 July 2020.

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



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If you cast a direct vote you may still attend the meeting virtually, and your attendance will not cancel your direct vote.

## Voting by Proxy

### Appointment of Proxies

Each shareholder is entitled to appoint a proxy. The proxy does not need to be a shareholder. A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion of votes each proxy is entitled to exercise. If a shareholder appoints two proxies, each proxy may exercise half of the shareholder's votes if no proportion or number of votes is specified.

If a proxy holder votes, they must cast all directed proxies as directed. Any directed proxies which are not voted will automatically default to the Chair who must vote the proxies as directed.

To be effective, the Annual General Meeting Voting Form appointing proxies (and, if the appointment is signed by your attorney, the authority under which the appointment was signed or a certified copy of the authority) must be sent to the Company and received not later than 11:00am AEST on 21 July 2020 (unless the Directors determine to extend this deadline).

The completed AGM Voting Form may be submitted to the Company's Share Registry or the Company as follows:

On line:

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

By Mail:

By Hand

By Facsimile:

By Mail:

TasFoods Limited  
C- Link Market  
Services Limited  
Locked Bag A14,  
Sydney South, NSW  
1235 Australia

By Hand:

Delivering it to  
Link Market  
Services Limited  
1A Homebush  
Bay Drive,  
Rhodes, NSW  
2138 or Level 12,  
680 George  
Street, Sydney  
NSW 2000

By Facsimile:

(02) 9287 0309  
(within Australia)  
+6129287 0309  
(from outside  
Australia)

## Corporate Representatives

Any corporate shareholder wishing to appoint a person to act as its representative at the meeting may do so by providing the person with:



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- A letter or certificate executed in accordance with Section 127(1) of the Corporations Act authorising that person as the corporate shareholder's representative at the meeting; or
- A copy of the resolution appointing that person as the corporate shareholder's representative at the meeting, certified by a secretary or director of the corporate shareholder.

**Please provide this information to the Share Registry prior to the meeting.**

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## Eligibility to Vote

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### Date of Determining Voting Entitlements

The Directors have determined that for the purposes of the Corporations Act, the persons who are registered shareholders at 7.00 p.m. AEST on 21 July 2020 will be entitled to attend virtually and vote at the meeting. Accordingly, transfers of Shares registered after that time will be disregarded in determining such entitlements to attend and vote at the Meeting.

### Voting Exclusions

#### Resolution 1- Remuneration Report

The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the Company's key management personnel (including the Directors) whose remuneration details are disclosed in the Remuneration Report (**Key Management Personnel**) or their closely related parties regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Key Management Personnel or their closely related parties.

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 on this item, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting pursuant to an express authorisation to exercise the proxy even though this item is connected with the remuneration of the Company's Key Management Personnel, for a person who is entitled to vote on this item.

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## Questions for the Auditor

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Pursuant to section 250PA of the Corporations Act, in addition to raising questions at the Annual General Meeting itself, shareholders may submit to the auditor written questions pertaining to:

- the content of the auditor's report to be considered at the Annual General Meeting;





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- the conduct of the audit of the annual financial report to be considered at the Annual General Meeting.

Shareholders must submit any such written questions for the auditor to the Company by no later than 6:00 pm on 21 July 2020. The auditor will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be discussed at the meeting and made available to Shareholders as soon as practicable after the meeting.

The questions to the auditor may be sent to the Company Secretary as follows:

By Email	By Mail:	By Hand:
Co.sec@tasfoods.com.au	Company Secretary TasFoods Limited 52-54 Tamar Street, Launceston, Tasmania, Australia	Company Secretary TasFoods Limited 52-54 Tamar Street, Launceston, Tasmania, Australia





## Explanatory Notes

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These Explanatory Notes have been prepared for the information of Shareholders of TasFoods Limited (**the Company**) in connection with the business to be conducted at the Annual General Meeting of the Shareholders to be held by our share registrar Link Market Services at <<https://agmlive.link/TFL20>> on Thursday 23 July 2020 at 11:00 am .

The purpose of the Meeting is to seek approval for the adoption of the Remuneration Report and election of two directors, Mr Treasure and Mr Swain. These Explanatory Notes and the attachments are important documents, which form part of the Notice of Meeting. The purpose of this Explanatory Notes is to provide information to Shareholders deciding whether or not to pass the Resolutions, and should be read carefully and in their entirety. If you have any questions regarding the matters set out in these Explanatory Notes or the Notice, please contact the Company or your financial or legal adviser.

### Accounts and Reports

The first item of the Notice of Meeting deals with the presentation of the consolidated financial report of the Company for the year ended 31 December 2019 together with the Directors' declaration and report in relation to that financial period and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

Shareholders will be provided with reasonable opportunity at the Annual General Meeting to virtually ask questions about or make comments on the above reports.

Shareholders will also have the opportunity at the meeting to virtually ask questions of the Company's external Auditor, PricewaterhouseCoopers, relevant to:

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

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company can be submitted no later than 6:00 pm on 21 July 2020 to [Co.sec@tasfoods.com.au](mailto:Co.sec@tasfoods.com.au).

There is no requirement for Shareholders to approve the financial report, Director's report or auditor's report.



## **Resolution 1: Adoption of the Remuneration Report**

The Financial Report of the Company for the year ended 31 December 2019 contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors and specified executives of the Company.

This Remuneration Report can be found on pages 23-35 in the Company's 2019 Annual Report. It sets out a range of matters relating to the remuneration of Directors and Key Management Personnel of the Company. A copy of the Company's 2019 Annual Report can be found on its website at

[www.tasfoods.com.au/reports](http://www.tasfoods.com.au/reports)

In accordance with the Corporations Act, Shareholders are asked to consider and vote on the Remuneration Report as presented in the Financial Report for the year ended 31 December 2019. The vote on Resolution 1 is advisory only and will not require the Company to alter the arrangements detailed in the Remuneration Report should Resolution 1 not be passed.

Under the Corporations Act, if 25% or more of votes that are cast vote against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on an ordinary resolution (a "spill resolution") that another meeting (a "spill meeting") be held within 90 days at which all of the Company's directors (other than the Managing Director and CEO) cease to hold office immediately before the end of the spill meeting and must be put up for re-election. Notwithstanding the legislative effect of this requirement, the Board will take the outcome of the vote into consideration when considering the remuneration policy.

It is noted that the votes cast on this resolution at the 2019 AGM were not 25% or more against the adoption of the Remuneration Report and as a result the spill resolution is not relevant to the Company this meeting.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the KMP (including the Directors) whose remuneration details are disclosed in the Remuneration Report or their closely related parties are excluded from voting and may not cast a vote as proxy, unless the appointment expressly gives a direction on how to vote.

If using a proxy, Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

## **Directors' Recommendation**

The Board unanimously recommend that Shareholders vote **FOR** Resolution 1.

The Chair of the meeting intends to vote undirected proxies **FOR** Resolution 1.

## **Resolution 2: Election of Mr Craig Treasure as a Director**

Clause 7.1(e) of the Company's Constitution provides that a director appointed by the Directors to fill a casual vacancy or as an addition to the existing directors, only holds office until the next annual general meeting and must then retire from office.

Mr Treasure was appointed to the board as a Non-Executive Director on 4 June 2020. Mr Treasure was also elected by the Board as Non-Executive Chair on 4 June 2020.



Mr Treasure is a member of the Audit & Risk Committee and the Nomination and Remuneration Committee.

Mr Treasure has had over 35 years experience in business and property development. His most recent executive role was as CEO and Managing Director of ASX listed Villa World Limited (VLW).

He is an experienced ASX Director and has had many roles in private and public sectors as a business owner and director. He is a Member of the Australian Institute of Company Directors and a Fellow of the Urban Development Institute of Australia.

Mr Treasure is currently a Director of Eildon Capital Limited.

The Company has conducted appropriate checks into Mr Treasure's background and experience, and those checks did not reveal any information of concern.

The Board considers that Mr Treasure will, if elected, qualify as an independent director.

Mr Treasure was nominated as a Director by substantial shareholder CVC Limited, however the Nomination and Remuneration Committee and Board have considered his status and past and current relationships and determined that he is able to be categorised as an independent director because the Company is not aware of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect Mr Treasure's capacity to bring an independent judgment to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

The Board supports the election of Mr Treasure because he is independent and has skills and expertise that are valuable for the Company particularly in relation to business, strategy and the ASX environment.

Mr Treasure offers himself for election.

### **Directors' Recommendation**

The Board (other than Mr Treasure), unanimously recommend that Shareholders vote **FOR** Resolution 2.

The Chair of the meeting (presiding at the timing of the vote on the resolution) intends to vote undirected proxies **FOR** Resolution 2.

### **Resolution 3: Election of Mr Ben Swain as a Director**

Clause 7.1(e) of the Company's Constitution provides that a director appointed by the Directors to fill a casual vacancy or as an addition to the existing directors, only holds office until the next annual general meeting and must then retire from office.

Mr Swain was appointed to the board as a Non-Executive Director on 4 June 2020.

Mr Swain is a member of the Nomination and Remuneration Committee.



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Mr Swain is a partner of Tasmanian law firm Murdoch Clarke. His practice areas include corporate advice, transactional mergers and acquisitions, real property and private client matters.

He is director of various private companies and trusts including the Elsie Cameron Foundation Pty Ltd which has investment in entities including TasFoods Limited. The Elsie Cameron Foundation is a private ancillary fund operating within the requirements of the Australian Charities and Not for Profit Commission. Mr Swain is also its responsible person.

Mr Swain is lawyer for Jan Cameron, Bollinger Investments Pty Ltd atf the Brightside Trust, Bicheno Investments Pty Ltd atf the Jan Cameron Trust and the Elsie Cameron Foundation Pty Limited atf the Elsie Cameron Foundation, which hold significant interests in TasFoods Limited. Mr Swain has a passion for Tasmania's finest foods and produce and the companies that grow and produce them. He gets great fulfilment from assisting, in his professional capacity, various Tasmanian food and agriculture business to achieve their goals.

Mr Swain was nominated as a Director by substantial shareholder Jan Cameron.

The Company has conducted appropriate checks into Mr Swain's background and experience, and those checks did not reveal any information of concern.

The Board supports the election of Mr Swain because of his legal skills, practical experience acting as a Director and professional experience advising food and agricultural businesses.

Mr Swain offers himself for election.

## Directors' Recommendation

The Board (other than Mr Swain), unanimously recommend that Shareholders vote **FOR** Resolution 3.

The Chair of the meeting intends to vote undirected proxies **FOR** Resolution 3.

## FURTHER INFORMATION

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed Resolutions set out in the Notice of Meeting.

The Directors recommend members read this Explanatory Memorandum in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed Resolutions before making any decision in relation to the proposed Resolutions.

