

SELECT HARVESTS LIMITED

ABN 87 000 721 380

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the Annual General Meeting of Select Harvests Limited (the **Company**) will be held at 11.00am (Melbourne time) on Thursday, 26 November 2015 at the RACV Club, 501 Bourke Street, Melbourne, Victoria.

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the financial statements of the Company and its controlled entities for the financial year ended 30 June 2015 and the related Directors' Report and Auditors' Report.

RESOLUTIONS

1. Remuneration Report

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

To adopt the Remuneration Report for the financial year ended 30 June 2015, submitted as part of the Directors' Report for the financial year ended 30 June 2015, pursuant to sections 250R(2) and 250R(3) of the *Corporations Act 2001*.

Please note that the vote on this item is advisory only and does not bind the Directors of the Company or the Company.

2. Election of Directors

To consider and, if thought fit, to pass the following resolutions:

- (a) That Mr Michael Carroll, who retires in accordance with rule 63.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.
- (b) That Mr Fred Grimwade, who retires in accordance with rule 63.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.

3. Increase in maximum annual remuneration of Non-Executive Directors

To consider and, if thought fit, to pass the following resolutions:

That for the purpose of ASX Listing Rule 10.17, and rule 66 of the Company's Constitution and for all other purposes, the maximum aggregate annual remuneration that may be paid by the Company as remuneration for the services of the Company's Non-Executive Directors be increased by \$150,000 from \$680,000 to \$830,000.

By Order of the Board



Paul Chambers
Company Secretary
Melbourne
26 October 2015

NOTES

Proxies

1. A member is entitled to appoint not more than two proxies to attend and vote on behalf of such member. A proxy need not be a member of the Company and may be an individual or body corporate.
2. A body corporate appointed as a proxy will need to appoint a representative to exercise the powers that body corporate may exercise as the member's proxy at the Annual General Meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth) (**Corporations Act**) and provide a "Certificate of Appointment of Representative" to the Company prior to the commencement of the Annual General Meeting. A form of the certificate may be obtained from the Company's Share Registry, Computershare Investor Services Pty Limited.
3. A member who appoints two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If the proportion or number of votes that each proxy may exercise is not specified then each proxy may exercise half of the votes (any fractions will be disregarded).
4. If the chairman of the meeting is appointed by a member as the member's proxy without a direction as to how to vote, then, subject to applicable voting restrictions, the chairman will vote in favour of all resolutions set out in this Notice of Annual General Meeting.
5. A proxy document or form is valid if it is signed by the member of the Company making the appointment and contains the member's address, the Company's name, the proxy's name or the name of the office held by the proxy and the meeting at which the appointment may be used and is received in accordance with notes 6 and 7 below.
6. For the appointment of a proxy, the Proxy Form enclosed with this Notice of Annual General Meeting may be used. In order for the appointment of a proxy to be valid, the proxy form must be received by the Company at least 48 hours prior to the commencement of the Annual General Meeting. If the proxy form is signed by the appointor's attorney, the authority (or certified copy of the authority) under which the appointment was signed must be received at least 48 hours prior to the commencement of the Annual General Meeting.
7. Duly-signed proxy forms (and, if applicable, authorities) must be received by the Company either:
 - (a) at the Registered Office of the Company:
360 Settlement Road, Thomastown, Victoria, 3074; or
 - (b) at the Company's Share Registry:
Computershare Investor Services Pty Limited,
GPO Box 242
Melbourne, Victoria, 3001; or
 - (c) by facsimile at either of the following fax numbers:
03 9474 3588 (Company); or

(Computershare Investor Services Pty Limited) on the following numbers:
03 9473 2555 (overseas)
1800 783 447 (within Australia); or
 - (d) electronically at www.investorvote.com.au, by following the instructions provided.

In the case of joint holders of shares any one of such persons may vote at any meeting as if they were solely entitled to do so, but if more than one of such joint holders tenders a vote the vote of the first named of the joint holders in the Register of Members, whether tendered in person or by proxy or by attorney or in any other approved means, will be accepted to the exclusion of the votes of the other joint holders.

If a member is a corporation and wishes to appoint a proxy, the proxy form must be executed under its common seal or, in the absence of a common seal, must be signed by:

- (a) two Directors of the corporation; or
- (b) a Director and a Company Secretary of the corporation; or
- (c) if the corporation is a proprietary company that has a sole Director who is also the sole Company Secretary – that Director and Secretary; or
- (d) the corporation's appointed attorney under the power of attorney.

Shareholders Entitled to Vote

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00 p.m. (Melbourne time) on Tuesday, 24 November 2015.

Voting Exclusion Statements

Resolution 1

The Company will disregard any votes cast on the proposed resolution for the adoption of the Remuneration Report (Resolution 1 in the Notice of Meeting) by or on behalf of

- a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report ("**KMP**"); or
- a closely related party of a KMP,

whether the votes are cast as a shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote cast by a KMP or closely related party of a KMP if:

- the vote is cast as a proxy;
- the proxy:
 - is a person appointed by writing that specifies how the proxy is to vote on Resolution 1; or
 - is the chairman of the meeting and the appointment of the chairman as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the company; and
- the vote is not cast on behalf of a KMP or a closely related party of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as described above), you may commit an offence by breaching the voting restrictions that apply to you under the Corporations Act.

A closely related party of a member of the Company's KMP means any of the following:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependant of the member or of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls.

The proxy form accompanying this Notice contains detailed instructions regarding how to complete the proxy form if a shareholder wishes to appoint the chairman as their proxy and to authorise the chairman to vote on the resolution to adopt the Remuneration Report. You should read those instructions carefully.

If you are a member of KMP (other than the chair of the meeting acting as a proxy) or a closely related party of a member of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Resolution 3

The Company will disregard any votes cast on Resolution 3 by:

- a director of the Company; or
- an associate of a director of the Company.

The Company will also disregard any vote cast on resolution 3 by a person appointed as a proxy if:

- the person is either:
 - a member of the key management personnel of the Company; or
 - a closely related party of a member of the key management personnel of the Company; and

the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company will not disregard a vote cast as a proxy on Resolution 3 if either:

- the proxy is appointed by writing that specifies how the proxy is to vote on the resolution proposed in Resolution 3 and it is not cast on behalf of a key management personnel or a closely related party of a key management personnel of the Company; or
- the proxy is the chair of the meeting and the chair's appointment expressly authorizes the chair to exercise the proxy even though the resolution is connected with the remuneration of a key management personnel of the Company.

If you are a member of KMP (other than the chair of the meeting acting as a proxy) or a closely related party of a member of KMP (or are acting on behalf of any such person) and purport to cast a vote as a proxy that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Key management personnel and their closely related parties are as described above in the voting exclusion statement for Resolution 1.

EXPLANATORY MEMORANDUM

These Explanatory Memorandum form part of the Notice of Annual General Meeting.

Financial Statements and Reports

Pursuant to the Corporations Act, the Directors of a public company that is required to hold an Annual General Meeting must table the financial statements and reports of the Company for the previous year before the members at that Annual General Meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements in the Annual Report of the Company for the year ended 30 June 2015. A copy of the Annual Report has been forwarded or made available to each Shareholder. A copy of the financial statements and the associated reports will also be tabled at the Meeting.

Shareholders should note that the sole purpose of tabling the financial statements of the Company at the Annual General Meeting is to provide the shareholders with the opportunity to be able to ask questions or discuss matters arising from the financial statements at the Meeting. It is not the purpose of the meeting that the financial statements be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt the Company's financial statements will be put to the shareholders at the meeting.

Shareholders will be allowed a reasonable opportunity to ask questions about, or make comments on, the management of the Company.

It is proposed that the Company's auditors will be present at the meeting. Shareholders present at the meeting will be allowed a reasonable opportunity to ask the auditors questions relevant to:

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

Resolution 1 - Remuneration Report

Section 300A of the Corporations Act requires that the Directors' Report must contain a Remuneration Report containing prescribed information about the Board's policy for determining the nature and amount of the remuneration of Directors and senior management. The Remuneration Report must also explain the relationship between the remuneration policy of the Board and the Company's performance. The Remuneration Report is set out in pages 25 to 34 of the Company's 2015 Annual Report. The Corporations Act requires that the Remuneration Report be submitted to shareholders for adoption by a non-binding resolution.

Shareholders present in person or by proxy at the meeting will be allowed a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Remuneration Report contains information regarding such matters (among others) as:

- the Board's policy for determining the nature and levels of remuneration of the Company's senior management personnel;
- the relationship between the Board's remuneration policy and the Company's performance;
- prescribed information regarding each of the relevant senior management personnel, and each of the five Company executives named as the executives who were paid the highest remuneration in the financial year, including the amount of remuneration paid to those personnel; and
- where any element of the remuneration of a member of the senior management personnel depended on the satisfaction of a performance condition, a summary of that performance condition and an explanation of why it was adopted in relation to the relevant personnel.

The vote on Resolution 1 is advisory only and does not bind the Directors of the Company or the Company. However, if at least 25% of the votes cast on the resolution are against adoption of the Remuneration Report at the meeting, then:

- if comments are made on the Remuneration Report at the AGM, the Company's remuneration report in respect of the financial year ending 30 June 2016 will be required to include an explanation of the Board's proposed action in response to those comments or, if no action is proposed, the reasons why; and
- if, at the Company's annual general meeting in 2016, at least 25% of the votes cast on the resolution for adoption of the remuneration report are against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting (**Spill Meeting**) be held within 90 days to consider the election of directors of the Company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2016 annual general meeting. If more than 50% of the votes cast on the Spill Resolution are in favour of the Spill Resolution, the Spill Resolution will be passed and all of the directors in office at the 2016 annual general meeting (other than the managing director) will cease to hold office immediately before the end of the Spill Meeting, unless they are re-elected at the Spill Meeting.

The Remuneration Report forms part of the Directors' Report, contained in the Annual Report. Each of the Directors recommends the Remuneration Report to Shareholders for adoption.

Resolutions 2(a) and 2(b) – Election of Directors

2(a) – Mr Michael Carroll (Non-Executive Director)

Pursuant to rule 63.1 of the Company's Constitution, at each Annual General Meeting, no Director, who is not the Managing Director, may hold office for a continuous period in excess of three years or until the third annual general meeting following the Director's appointment or election, whichever is the longer, without submitting for re-election. If no such director would be required to submit for re-election but the ASX Listing Rules require an election of Directors to be held, the Director to retire will be the Director who has been longest in office since their last election, but, as between persons who became Directors on the same day, the one to retire will (unless they otherwise agree among themselves) be determined by lot.

Accordingly, Mr Carroll will retire in accordance with the requirements of the Company's Constitution at the Annual General Meeting. As he is eligible for re-election, he seeks re-election as a Director of the Company at the Meeting.

Michael Carroll joined the Board on 31 March 2009. He has worked for a range of food and agricultural businesses in a board, advisory and executive capacity. Other board positions include Sunny Queen Australia, Rural Funds Management, Tassal, Paraway Pastoral Company and the Gardiner Dairy Foundation. Former board positions include Queensland Sugar, Warrnambool Cheese and Butter, Rural Finance Corporation, the Australian Farm Institute and Meat & Livestock Australia. Executive experience includes establishing and leading National Australia Bank's Agribusiness division, a senior role in NAB's Investments and Advisory unit and business development roles with international animal health and crop care companies. He is Chairman of the Remuneration and Nomination Committee.

The Board considers that Mr Carroll is an independent director.

The Board (other than Mr Carroll) unanimously recommends that shareholders vote in favour of the re-election of Mr Carroll.

2(b) – Mr Fred Grimwade (Non-Executive Director)

Pursuant to rule 63.1 of the Company's Constitution, at each Annual General Meeting, no Director, who is not the Managing Director, may hold office for a continuous period in excess of three years or until the third annual general meeting following the Director's appointment or election, whichever is the longer, without submitting for re-election. If no such director would be required to submit for re-election but the ASX Listing Rules require an election of Directors to be held, the Director to retire will be the Director who has been longest in office since their last election, but, as between persons who became Directors on the same day, the one to retire will (unless they otherwise agree among themselves) be determined by lot.

Accordingly, Mr Grimwade will retire in accordance with the requirements of the Company's Constitution at the Annual General Meeting. As he is eligible for re-election, he seeks re-election as a Director of the Company at the Meeting.

Fred Grimwade was appointed to the Board on 27 July, 2010. Fred is a Principal and Director of Fawkner Capital, a specialist corporate advisory firm, and works with a wide range of companies in a board or advisory capacity. He is Chairman of CPT Global Ltd and Acting Chairman of Troy Resources Ltd and is also a director of Australian United Investment Company Ltd, XRF Scientific Ltd and NewSat Ltd. He has held general management positions with Colonial Agricultural Company, Colonial Mutual Group, Colonial First State Investments Group, Western Mining Corporation and Goldman, Sachs & Co. He is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

The Board considers that Mr Grimwade is an independent director.

The Board (other than Mr Grimwade) unanimously recommends that shareholders vote in favour of the re-election of Mr Grimwade.

Resolution 3 – Increase in maximum annual remuneration of Non-Executive Directors

Shareholders last approved an increase in the maximum annual aggregate remuneration of Non-Executive Directors (**NED Remuneration Limit**) at the 2014 Annual General Meeting. At that meeting, a NED Remuneration Limit of \$680,000 was approved. Details of the total fees paid to Non-Executive Directors during the 2015 Financial Year are set out in the Company's Remuneration Report commencing on page 25 of the Annual Report. Shareholder approval is sought to increase the NED Remuneration Limit that may be paid by the Company as remuneration for the services of the Company's Non-executive Directors by \$150,000 from \$680,000 to \$830,000 per annum (inclusive of superannuation contributions). If approved, the increase will be divided between Non-Executive Directors as the Board determines and will take effect on and from the date of the Meeting. The proposed increase in the NED Remuneration Limit will provide the flexibility to change the composition of the Board as part of the ongoing Board renewal process and to adjust fees in the future in accordance with market benchmarks. The proposed increase in the NED Remuneration Limit does not impact on the remuneration arrangements of the Managing Director and Chief Executive Officer or any other executives. As Executive Directors of the Company, they do not receive separate directors' fees in addition to the remuneration packages they receive in their senior executive capacity.

The Company is seeking the approval for the increase in the NED Remuneration Limit pursuant to ASX Listing Rule 10.17, which requires the Company to obtain shareholder approval for any increase in the total amount of remuneration payable to Non-executive Directors.

As the Directors (other than Paul Thompson, who is an Executive Director) have an interest in the outcome of Resolution 3, they consider it would not be appropriate to make a recommendation to shareholders as to whether they should approve the Resolution.