



28 March 2014

Patties Foods appoints Managing Director

The Board of Patties Foods Ltd is pleased to announce the appointment of Mr Steven Chaur as Managing Director and Chief Executive Officer, commencing on 15 April 2014.

Mr Chaur comes to Patties Foods with a 20 year career in senior leadership roles and extensive experience in FMCG companies across strategy, sales, marketing and manufacturing.

His previous positions include Executive General Manager of Tip Top Bakeries (Southern), General Manager of Findus Australasia, and General Manager of National Foods Tasmania. Most recently, Mr Chaur was Managing Director Pacific of Saint-Gobain, one of the world's Top 100 publicly listed industrial groups. Saint-Gobain are engaged in the manufacturing, marketing and distributing innovative products for the construction, packaging, industrial and retail markets.

Mr Chaur is 46 years old, has an MBA and a Graduate Diploma in Marketing from Monash University, is a Fellow of the Australian Institute of Management and a Member of the Australian Institute of Company Directors.

Patties Foods Chairman, Mr Mark Smith, said "The Board is delighted to have an executive of Steven's calibre to lead the company. His appointment is the result of an extensive search process."

"Steven has a strong track record in transforming companies in the Baking, Dairy and Frozen Food industries through operational improvement, brand innovation-led growth and a customer driven culture," Mr Smith said.

Mr Smith thanked acting joint CEOs, Mr Michael Knaap and Mr Tim Peters, for their strong and professional contribution in managing the business over the past 7 months, which is sincerely appreciated by the Board.

"Michael and Tim will continue in their respective roles as Chief Financial Officer / Company Secretary, and Head of Sales.

"Steven will lead an experienced Patties Leadership Team that is committed to delivering growth in shareholder returns," Mr Smith said.

For further information please refer to www.patties.com.au or contact:

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Michael Knaap, Company Secretary, +61 3 8540 9104

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ANNEXURE – KEY TERMS OF STEVEN CHAUR'S EMPLOYMENT CONTRACT

The material terms of Mr Chaur's employment contract are as follows:

1. Appointment

Mr Chaur is to be appointed to the position of Managing Director.

2. Probation Period

Mr Chaur's appointment is subject to a six month probation period during which his employment can be terminated by the company on four weeks' notice.

3. Term

Mr Chaur's appointment will be on an ongoing basis commencing on 15 April 2014.

4. Sign-on Payment

Mr Chaur will receive a sign on payment of \$32,500 (equivalent to 25% of a full year STIP).

5. Remuneration

Mr Chaur's remuneration will consist of the following components:

(a) Fixed Remuneration

Mr Chaur will be paid a total fixed remuneration of \$520,000 per annum (including base salary and superannuation).

(b) Short Term Incentive Plan (STIP)

Mr Chaur will be eligible to receive an annual STIP in the form of a cash payment of up to 25% of his total fixed remuneration at the end of each financial year. Whether such a payment is made is in the complete discretion of the Board and will depend on the performance of the Company and Mr Chaur over the applicable financial year as measured against Key Performance Indicators.

(c) Long Term Incentive Plan (LTIP)

Mr Chaur will be eligible to participate in the company's LTIP from the FY15 financial year in accordance with the LTIP Rules. The extent of participation will be determined by the Board in its discretion and is subject to the approval of shareholders in accordance with the Listing Rules.

6. Termination

Mr Chaur's contract of employment can be terminated as follows:

- (a) by either Mr Chaur or the company giving the other party three months' notice or payment in lieu of notice;
- (b) by the company, without notice, if Mr Chaur engages in conduct that warrants the summary termination of his employment.