



# MARQUIS

## MACADAMIAS



ANNUAL GENERAL  
MEETING & AGENDA  
2022



MARQUIS  
MACADAMIAS

# Annual General Meeting 2022

BALLINA RSL CLUB  
FRIDAY 26<sup>th</sup> AUGUST 2022

Registration Time: 9.45am – 10.30am  
Meeting Commences: 10.30am

1 August 2022

**Dear Shareholder,**

Please find attached the following:

1. Notice of Meeting.
2. Minutes of the 39th Annual General Meeting held on 27 August 2021.
3. Proxy Form – if applicable to be returned by 10.30am on 24 August 2022.
4. Annual Report including Financial Statements of the Company for the year ended 31st March 2022, together with the Directors' Report and Declaration and Auditor's Report.

The AGM will be held at the Ballina RSL Club for those members able to attend the Meeting in person and will be hosted virtually at the same time. We encourage our members to join the virtual meeting or submit proxies if you do not intend or are unable to join the Meeting.

Please RSVP to Jodie Hearity (02 6624 3900) to attend the Meeting. If you would like to attend the Meeting in person, please RSVP before 5.00pm (AEST) on 12 August 2022 to assist in managing capacity at the venue.

Yours sincerely,

**Justin Truscott**  
Company Secretary

# NOTICE OF THE 40<sup>th</sup> ANNUAL GENERAL MEETING MARQUIS MACADAMIAS LIMITED

**Date:** Friday 26 August 2022

**Time:** Registration from 9.45am  
The meeting will commence at 10.30am

**Venue:** Ballina RSL Club  
1 Grant Street, Ballina, NSW 2478

**Virtual:** The virtual meeting will be hosted using the Lumi Global platform. Please refer to the instructions on the next page or go to <http://marquis.com/agm-2022/>

A strong internet connection is required to attend the virtual meeting.

## AGENDA

1. Opening of Meeting – 10:30am
2. Apologies
3. Minutes of the 39th Annual General Meeting held on 27 August 2021
4. Chair Address
5. Ordinary Business

**a. To receive and consider the following items for the year ended 31 March 2022**

- i. Directors' Report and Declaration
- ii. Auditor's Report
- iii. Income Statement for year ended 31 March 2022
- iv. Balance Sheet as at 31 March 2022

**b. Election of Directors**

In accordance with rule 18.1 of the Marquis Constitution, the following Directors retire:

- Mr. Don Ross
- Ms. Andrea Lemmon

Mr. Scott Norval has advised the Company Secretary that he will be retiring as Director at the close of the AGM. Rural Funds Management Ltd, being eligible to appoint a Director to the Marquis Board, has advised that it appoints Ms. Andrea Lemmon as Director of Marquis from the close of the AGM.

Mr Don Ross, being eligible, offers himself for election.

The following nominations for directorship were received:

1. Mr. Donald Ross
2. Mr. Neil Pitt
3. Mr. Paul Goldman
4. Mr. Peter Costi

Accordingly, four nominations have been received for two director positions.

**c. The Fixing of the Remuneration of Directors**

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

**Resolution 1:** The total aggregate of Directors' fees remains at \$160,000 (plus superannuation where applicable) to be divided amongst the Directors in such manner as they determine.

**6. General Business**

**7. Close of Meeting**

By order of the board

**Justin Truscott**  
Company Secretary

## NOTES

a. The Board has determined that persons who are registered holders of shares in the Company as at 10.30am (AEST) on Wednesday, 24 August 2022 will be entitled to attend and vote at the Annual General Meeting as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

b. A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.

c. The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

d. If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.

e. A corporation may elect to appoint a representative in accordance with the Corporations Act 2001 (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.

f. If you have any queries on how to cast your votes then call Justin Truscott on 07 3025 4900 during business hours.

## NOTICE OF THE 40TH ANNUAL GENERAL MEETING continued

### **HYBRID AGM**

This year, Marquis Macadamias 2022 Annual General Meeting is a hybrid event, held virtually and in person.

Your participation in the Meeting is important to us. The Meeting will be webcast live via the Lumi online platform. You will be able to listen to the proceedings, view the presentations, ask questions and vote.

Further information on how to participate in the Meeting is provided in this Notice of Annual General Meeting, and in the Virtual AGM Online Guide, which you can access at <https://marquis.com/agm-2022/>

If you are unable to attend the Meeting online at the scheduled time, you can participate in the Meeting by appointing a proxy to attend and vote on your behalf. Details on how to appoint a proxy are contained in this Notice of Annual General Meeting.

Copies of both the Chairman's and CEO's addresses will be available on the website at <https://marquis.com/agm-2022/>

### **PARTICIPATION AT THE AGM**

Shareholders are invited to participate in Marquis Macadamias 2022 Annual General Meeting by watching and participating in the AGM virtually via the online platform by using computer or mobile device. The weblink will be available on the Marquis website at: <http://marquis.com/agm-2022/>

To participate in the Meeting online you will be required to RSVP now to Jodie Hearity at reception in Lismore (02 6624 3900) who will send through your meeting ID and unique password. We encourage participants to log into the Meeting at least 15 minutes before it starts. Tech support information will be available from 30 minutes prior to the commencement of the Meeting.

Participating in the Meeting online enables Shareholders to view the Meeting live, ask questions and cast votes at the appropriate times during the Meeting. All Shareholders will have an equal opportunity to participate in the online meeting regardless of their physical location.

Verified Shareholders will be taken to be present at the Meeting for all purposes, until either the Meeting ends or the Shareholder exits the online platform.

It is important that you have a strong internet connection and are connected to the internet at all times during the Meeting in order to vote when balloting commences.

### **VOTING OPTIONS**

Voting on all resolutions at the Meeting will be conducted by a poll. Shareholders have three options to cast votes at the Meeting:

- Voting in person at the Venue;
- Appointing a proxy to vote on your behalf; or
- Voting online during the Meeting.

### **QUESTIONS**

At the Meeting, Shareholders may ask questions in person if they can attend or online once they are verified. It may not be possible to respond to all questions, however Shareholders as a whole will have a reasonable opportunity to ask questions about or make comments on the management of the Company. Shareholders are encouraged to lodge questions prior to the Meeting by submitting your questions directly to the Company Secretary at: [companysecretary@marquis.com](mailto:companysecretary@marquis.com)

# EXPLANATORY MATERIAL FOR AGM AGENDA ITEMS

## NOMINATED DIRECTOR MOTIVATIONS

### Mr. Donald Ross

Don has renominated and would be happy to continue to serve as a director of Marquis Ltd if the shareholders wish to support his election to that role.

Since re-joining the board two years ago, Don has been an active board member challenging issues to ensure the best result for all shareholders. Don is a member of the Remuneration Committee, the Foreign Exchange Committee, the Marketing Transitional Committee and a director of Marquis Marketing.

Donald has been a shareholder of Marquis Macadamia Ltd (formerly MPC Ltd) since early 1990s. He has a home farm at Nashua and has developed farms at Rous and Bundaberg. In the late 1990s he joined the board of MPC Ltd and was a director until 2006. He also held the position of Managing Director for three years during that period. Donald returned to Sydney in 2006 for family reasons, in particular supporting his children through their education. Don and his wife now permanently reside on their farm at Nashua.

Donald graduated from Sydney University in Engineering and has formal post graduate qualifications in Business Management (majoring in Marketing and Finance) and Law.

Don brings a range of experience in management and board function of large public and private companies and a strong corporate knowledge of Marquis Macadamias Ltd to the role of director. He also previously served as a director of the Australian Macadamia Society and has significant knowledge of the Macadamia Industry.

Don is prepared to serve as a director of Marquis Macadamias Ltd ensuring the best outcome for all shareholders should he be re-elected.

### Mr. Neil Pitt

Neil became a macadamia farmer in 2014 after he left his successful international banking career in 2013 after 23 years. Having been a Director and Senior Credit Risk officer for various Citigroup businesses in Scandinavia, UK, Europe, Middle East, Africa and Asia. Neil has expertise in Asset Backed financing (Aircraft, super yachts, commercial real estate, equities and business), Stockbroking, Private Equity, Foreign Exchange, Equity financing, business cash management, capital markets, monetization strategies for business owners and Derivatives.

Neil joined Citigroup in 1990, spending 9 years in the corporate and investment Bank in various risk management roles, before moving to Citi Private Banking in 1999. Prior to this he had a career in the British Royal Navy where he served on HMS Ark Royal and spent time on the staff of Commander in Chief Naval Home Commands and Cincfleet staff at NATO headquarters.

Neil's relationship with Marquis commenced with the 2015 season. He has subsequently become an active and vocal member of the macadamia industry, including travelling to Southern Africa with the Macadamia Society in 2019 as a member of the industry study tour team using his finance and horticultural experience.

Neil owns and manages his 20-hectare macadamia farm in the Northern Rivers and provides business consultancy and financial mediation advisory services. Neil has chosen to stand for election as a director for Marquis as he is committed and passionate about the long-term success of this business and believes his skills would be complementary to the oversight and management of Marquis during this time of Global Macro uncertainty.



## NOMINATED DIRECTOR MOTIVATIONS continued

### Mr. Paul Goldman

Paul and his wife Nadene farm nearly 14,000 trees (from 2 to 35 years of age) on two lots covering 50 HA in the Dorrroughby area of NSW. They have been farming since 2016, recently returning from a long stint in financial markets in Hong Kong. While Paul plans to stay with his role in financial markets working from home, they continue to be hands-on and evolve their farms with a strong tree replacement program, removing windbreaks and tidying up water courses, striving to load as much carbon back into the soil as they can. The Goldmans strongly believe in natural solutions where possible, however, they have learned through trial and error that some old systems just work best, and they try to always be at the frontier of farming. The Goldmans recently tried aerial drone spraying on two blocks for the 2021-2022 season, with good success. They love to share their farming experiences and are open to new ideas, thoughts, and ways to do things better or more efficiently.

Paul has a background in sales and commercialisation of new products, mostly in Foreign Exchange and more recently Digital Assets. Whilst Paul doesn't think it's easy to understand Asia, he has a good appreciation through first-hand experience of most Asian countries, especially north Asia. His career had him dealing with different countries over the years in some of the world's largest banks.

Paul aims to be a voice for the smaller farmer, the new farmer, the climate-concerned farmer and the farmer that wants to innovate. Paul wants to provide assistance to the distribution process as well as structure and help grow farmers' wallets in the superfoods market and Marquis' share in that marketplace. Paul believes it's exciting to be part of the only natively farmed product and if elected, he looks forward to contributing to the continued growth of Marquis Macadamias on the world stage.

### Mr. Peter Costi

Peter has been a passionate contributor and driver of the macadamia industry for over 24 years. From his home farm in Bundaberg, he has developed processes and innovations that have been used across the industry. Using this knowledge, Peter has also acquired, developed and subsequently sold additional large-scale farms in the Bauple and Beerwah regions in Queensland.

Peter has been a current shareholder of Marquis Macadamias (formerly MPC Ltd and Pacific Gold) since 1998. He has also been the Chairman of Marquis Marketing and was a Director of Marquis Macadamias for 10 years, where he oversaw the integration and rebranding of MPC, Pacific Gold and MMI into the Marquis Group, which became the largest grower-owned processor and marketer in Australia.

Peter seeks the support of the shareholders to utilise his extensive experience as a grower and long-time shareholder, and his in-depth knowledge as a previous director of Marquis to contribute to the growth, innovation and success of Marquis for all shareholders.

# MINUTES FROM THE 39<sup>th</sup> ANNUAL GENERAL MEETING 2021

## **MARQUIS MACADAMIAS LIMITED**

### **MINUTES OF 39<sup>th</sup> ANNUAL GENERAL MEETING HELD ON 27<sup>th</sup> AUGUST 2021 VIRTUAL MEETING BY LUMI GLOBAL PLATFORM**

#### **1. Company Secretary Address**

Good morning, ladies and gentlemen, welcome to the 39th Annual General Meeting of the company. My name is Justin Truscott, I am the company secretary.

Voting will be conducted by the way of a poll on all items of business. In order to provide you with enough time to vote, I will open voting for all resolutions when the meeting is declared open. You do however have the ability to change your vote up until the time Andrea declares voting closed. I would now like to pass the meeting to the chair Andrea, to open the meeting.

#### **2. Welcome by Chair**

Good morning, ladies and gentlemen, my name is Andrea Lemmon, welcome to the 39th Marquis Macadamia Annual General Meeting. Thank you for joining us wherever you are today.

I will declare the meeting formally opened at 10:03am.

I also now declare open for voting on all items of business. The polling item icon will soon appear, so please submit your votes at any time and I will give you a warning before I close the votes.

#### **Voting open**

**Directors present via Lumi Virtual Platform:** Andrea Lemmon (Chair), Andrew Leslie (Director), Donald Ross (Director), Phil Zadro (Director), Peter Zadro (Director), Clayton Mattiazzi (Director)

**Shareholder attendees who joined via Lumi Virtual Platform:** Per attached list

**Apologies:** Per attached list

#### **3. Minutes of the 38th Annual General Meeting held on 28th August 2020**

Moved by:

Donald Ross

Second by:

Phil Carlo Zadro

The minutes of the previous meeting were accepted and passed

**Matters arising from previous minutes:** Nil

#### **4. Chair's Address by Andrea Lemmon**

The Chair provided an update on following three areas:

- Processing results over the 2020 and 2021 season
- Our financial results for the year ended 31 March 2021
- One of the main projects we are working on at present, which is welcoming new growers into Marquis and the share issuance attached to that Project.

Marquis' initial forecast was based on a crop size of 21,000t, however as we come towards the end of deliveries, it is likely we will receive around 21,750t.

As I stated in the annual report, the statutory accounts note an improvement in profit from approximately \$3m to \$9m. However, this includes the impact of foreign exchange contracts which are a tool used to manage risk associated with selling our nuts in US dollars. When we look at purely an operational position, the profit has reduced.

The main contributor to the difference in profit was that Growers were paid \$9m more for their NIS, with a record high price of \$6.20 per kg.

Net assets have increased over the past year, the current ratio which is current assets divided by current liabilities and is considered to be a measure of liquidity, has increased. Note that the net asset value per share has had another jump to \$18.66. This will be at the new share issue price for applications received after this AGM.

One of the significant corporate projects that the board and management have been working on for a period of time, is the ability to invite new Growers into Marquis through the purchase of Marquis shares. This provides our pathway to growth.

Therefore, it is in every Marquis shareholders interest to grow and maintain our position and the board has set about identifying a path that protected the equity our existing shareholders have built in the company, with the need to invest in our processing capacity as we bring new growers on board.

This investment in our processing capacity will be funded by a combination of debt and equity, with the equity coming from new shareholders (or existing shareholders expanding) purchasing shares issued by the company.

Therefore, the process set out by the Board reduces the number of shares required per ha to 100. This will mean that new shareholders are contributing around \$1,500 per ha. As a result of the lower ratio, those shareholders who came in with 495 shares per ha have more voting rights, receive more dividends however this is reflective of the equity they have built up in the business. The shares will all be the same class, with the only difference being the delivery rights.

A reminder to all shareholders that we maintain a Willing Buyers register and a Willing Sellers register.

I will end my report by sincerely thanking the shareholders. Thank you for the opportunity to serve you and we trust that we can continue to do so into the future. Thank you also to my fellow board members for each of their contributions this year. I would also like to acknowledge and thank our wonderful staff. This year has brought extra level of challenges across the business and our executive, management team and staff have risen to the challenge. We have a good product, and we have good company, and we are fortunate to be one of the businesses that are planning for growth. So, whilst we are impacted by covid challenges these can be managed sensibly, and we can go on to a bright, growing future.

#### **5. Ordinary Business**

##### **a) To receive and consider the following items for the year ended 31 March 2021**

- i. Directors Report and Declaration
- ii. Auditors Report
- iii. Income Statement for year ended 31 March 2021
- iv. Balance Sheet as of 31 March 2021

These financial statements have been adopted and signed on behalf of the Board.



## MINUTES FROM THE 40TH ANNUAL GENERAL MEETING 2021 continued

### **b) Election of Directors**

In accordance with the Constitution adopted on the 26 March 2019, the following Directors retire: Mr Andrew Leslie

Mr Andrew Leslie, being eligible offers himself for election.

The following nomination for directorship were received by the closing date of Friday 16 July 2021: Mrs Phillipa Howsan

I invite the nominated to present their case:

#### **Andrew Leslie**

Thank you, Madam chair. Good morning, my name is Andrew Leslie and I'm seeking your nomination for the board position. I've been a shareholder of Marquis Macadamias for the past 21 years and a director for the past four years. I have macadamia farms at Alstonville and own the Avilla Farm macadamia skin care range with my wife. This is a value adding product range using the macadamia oil and is wholesaled in retail in Australia and overseas.

The success of Marquis Macadamias over the past 37 years has been its clear vision and purpose of the company of leading the industry and ensuring the long-term viability and profitability of its shareholder farms. But it could not have achieved this without the cooperative ethos and loyal shareholders of the company. A positive relationship with our shareholders is, in my opinion, one of the reasons why Marquis has achieved so much in its short 37 years.

My aim as director is to continue to foster a true cooperative ethos and ensure that a range of shareholder views are considered in Marquis decision making forums. I like to consider myself as an active director and shareholder who regularly attends Marquis grower events and uses these opportunities to seek feedback on issues that impact shareholders. I'm generally one of the first at these events and last to leave to maximise time with shareholders and staff of the company.

My qualifications include a Bachelor of Economics, Postgraduate Diploma in Financial Management and I'm a member of the Australian Institute of Company Directors, and these qualifications enable me to bring a specific skill set to the board. Marquis Macadamias' strategic direction is to have a representation on the Australian Macadamia Society, and I've recently been reappointed as a director to the Australian Macadamia Society. This appointment provides Marquis with a direct communication line to the AMS board. The priorities that I would like to work with the current board, management, growers and staff are to improve culture in the company. To increase financial performance, to ensure there is clear communications between all Marquis stakeholders and most importantly, to ensure that there's a plan in place to what the company would look like in 10 years' time given the growth of the industry.

Thanks for the opportunity to talk and offer myself for your nomination for the board.

#### **Phillipa Howsan**

Good morning. To those I cannot see and who cannot see me. For those of you who do not know me as my bio indicates, I am a practising lawyer, a position which I have held for past 29 years. I've been in the macadamia industry for 26 years, 11 years with my partner Tony Pagotto and 15 years in my own right. I own and operate two farms in Northern NSW. In addition to my farms, I was part of a group who acquired and developed several cane farms into macadamia plantations in the Bundaberg region.

We are all aware that the past 12 months have been challenging, to say the least, and our industry is no different. We have, however, weathered those challenges better than some industries and that is in no small way because of the support and services that we as growers and shareholders have available to us through the strength and focus of this company. It is quite likely that the challenges of the past 12 months are going to be with us for some time and we need to adapt and work together and push ahead.

As a grower and shareholder for many years, I have a practical knowledge of this industry and as a lawyer I have a different and maybe complementary skill set which have given the opportunity I believe, would assist me to make a useful contribution to the board.

Your concerns and your interests as shareholders are also my concerns and interests as a shareholder. What benefits you as a shareholder benefits me. As a shareholder, I want to see this company thrive and grow for the benefit of us all, the shareholders. To that end, I've put myself forward for a position on your board and look forward to working with you as shareholders, if that is the decision that you make, thank you.

### **c) Fixing Remuneration of Directors**

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

Resolution 1: The total aggregate of Director's fees remains at \$160,000 (plus superannuation where applicable) to be divided amongst the Directors in such a manner as they determine.

### **Announcement of the close of polls**

## **6. General Business**

### **CEO Address, Larry McHugh**

The CEO provided an update on the crop forecast, market situation and quality initiatives.

Thank you very much Andrea and welcome shareholders to the AGM.

Overall, the world crop is down on expectations, and fortunately that's helping firm the market.

Covid is still a very big factor in the market. The net effect of this is that the styles 5,6 and 7, the pieces that we've talked about, are still in a high supply situation.

We are now approaching 10,000 tonnes of kernel sales, which is just a little bit less than the total Australian crop volume.

Part of maintaining good market share and expanding the market is concentrating on quality into the future. Marquis has embarked upon a company-wide quality improvement plan. One of the key focuses is further improving the shelf life of our product.

On the farm, the thing that affects shelf life the most is the time taken from when the nut falls off the tree to when it is delivered to the factory. At the factory a key component of shelf life is Nut in Shell storage time and conditions.

Last year in August, Global Macadamias in South Africa became a 50% owner of Marquis Marketing. That has given us strong supply from South Africa. When they first joined us, they were Global Macadamias, since that time, they have rebranded to Marquis Macadamias and we now share the same name. I do stress that Marquis Macadamias in Africa is a separate company to Marquis Macadamias in Australia, sharing the same name.

Whilst concentrating on processing, developing markets, and accessing more product around the world, we have also been working on developing the World Macadamia Organisation. We believe that the World Macadamia Organisation is critical to the ongoing creation of demand around the world over the next 5 to 10 years.

We are 100% grower owned. Between South Africa and Australia we have 485 growers. In Australia we have 170 grower shareholders and there are another six in South Africa.

This year we have processed 32,000 tonnes of macadamias for delivery into 45 countries across five continents. We have 700 plus employees across Africa and Australia and in Australia that is around 350.

Marquis Marketing is approaching \$290 million of turnover.

## MINUTES FROM THE 40TH ANNUAL GENERAL MEETING 2021 continued

We remain at 43% of the Australian crop, 16% of global nut is shell supply and 20% of global kernel sales. We have significant presence in the world macadamia industry.

By 2027 we expect the crop will be approaching 90,000 tonnes.

As this expansion of crop is in Bundaberg, we are looking at expanding our processing in Bundaberg.

This will be a staged development. Stage one is expected to be the first two drying buildings and the new receivals area. Stage two is expected to be an extension to the main processing building, and the erection of the automated warehouse. Stage three and four will be the remaining two NIS drying and storage building which will be built as required.

I would like to thank you all for continuing to work with us and I would also like to thank the board and the management for all the time and effort put into building this company. There has been substantial growth over the last five years and there have been many challenges along the way, and I'm pleased to say that we are still here and still growing, and I think we are going to be here for many years to come. Thank you all.

### **Chairs readdress Andrea Lemmon**

Thank you, Larry for your presentation, but probably more importantly than that, thank you for your contribution to the company over the past year. On behalf of the shareholders, I'm sure they wish to thank you.

### **7. Questions**

There have been no questions received during Larry's presentation.

### **8. Results of Votes**

- 1) Election of Directors, Andrew Leslie has been re-elected.  
Congratulations, Andrew. Thank you also Philippa for putting yourself forward.
- 2) The resolution on the director's remuneration has been passed.

No one has raised any other any other matters. So, with that, I would like to thank you all for your attendance. As Larry said, we wish we could be with you in person and hopefully next year we can hopefully even sooner than that. Thank you for your attendance.

The meeting closed at 10:50am

Certified a true copy of the minutes of the meeting



**Andrea Lemmon**  
(Chair)

## **Attendees List**

Lemmon, Andrea  
Mattiuzzi, Clayton  
Zadro, Phil  
Verschuer, Ann  
Forsyth, John  
Giuricich, Ivan  
Revell, Kim  
Smith, Chris  
Fontana, Annette  
Martin, Trevor & Barbara  
Howsan, Phillipa  
Ross, Don & Julie  
Leslie, Andrew  
Johns, Edith  
McHugh, Lawrence  
Truscott, Justin  
Zadro, Peter  
Roberts, Viviana  
Hyde-Page, Murray  
Arnold, Peet  
Short, Greg  
Wardrop, David & Sandra  
Fontana, Annette  
Sultana, Charlie & Louie  
Pinter, Michael  
Shepherd, Peter & Caroline  
Evans, Bob & Kay  
Keller, Amanda




## **Apologies List**

Ranieri, Dino & Anita  
Martin-Smith, Leone  
Kempnich, Tony & Lina



MARQUIS  
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 [www.marquis.com](http://www.marquis.com)  
 Marquis Macadamias  
 @marquismacadamias