



MARQUIS  
MACADAMIAS

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Notice of  
Annual General Meeting  
2020

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**38th ANNUAL GENERAL MEETING**  
**10.30am on Friday, 28 August 2020**



## Marquis Macadamias Limited

ACN 002 607 972

**All correspondence to:**

Marquis Macadamias Limited  
2 Cowlong Road, LISMORE NSW 2480

Telephone 02 6624 3900

Facsimile 02 6624 2297

6 August 2020

Dear Shareholder,

Enclosed please find the following:

1. Notice of Meeting
2. Minutes of the 37th Annual General Meeting held on 23 August 2019.
3. Proxy Form – if applicable to be returned by 10.30am (AEST) on Wednesday, 26 August 2020.
4. Annual Report including Financial Statements of the Company for the year ended 31 March 2020, together with the Directors' Report and Declaration and Auditor's Report.

The AGM will be held both virtually and at the venue. We encourage our members to join the virtual meeting or submit proxies if you do not intend joining the meeting. However, should you wish to be at the venue, please RSVP to Jodie (6624 3900) by 5.00pm (AEST) on 24 August 2020 to ensure compliance with Covid Restrictions.

The company reserves the right to limit numbers and access to the meeting in the event of any breaches of Covid Restrictions as outlined by Government and the venue.

Yours sincerely

**Ivan Giuricich**

*Company Secretary*

# Notice of the 38th Annual General Meeting

## MARQUIS MACADAMIAS LIMITED

**Date:** Friday, 28 August 2020

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

**Venue:** Ballina RSL Club  
246 River Street  
Ballina NSW 2478

**Virtual:** The virtual meeting will be hosting using the Lumi Global platform. Please refer to the instructions in on the following page or go to <https://marquis.com/agm-2020/>.

## AGENDA

### 1. Opening of Meeting – 10.30am

### 2. Apologies

### 3. Minutes of the 37th Annual General Meeting held on 23 August 2019

### 4. Chairman's Address

### 5. Ordinary Business

#### a. To receive and consider the following items for the year ended 31 March 2020

- i. Directors' Report and Declaration
- ii. Auditor's Report
- iii. Income Statement for year ended 31 March 2020
- iv. Balance Sheet as at 31 March 2020

#### b. Election of Directors

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

- Mr Scott Norval
- Mr Chris Ford

Mr Scott Norval has not offered himself for re-election. Mr Christopher Ford, being eligible, offers himself for election.

The following nominations for directorship were received by the closing date of Friday, 17 July 2020:

1. Mr Donald Ross
2. Mrs Andrea Lemmon

Accordingly, 3 nominations have been received for 2 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. CEO Address

### 7. General Business

### 8. Close of Meeting

By order of the board

**Ivan Giuricich**

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, 26 August 2020 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 Emma Rose or Ivan Giuricich on 02 6624 3900 during business hours.

# Notice of the 38th Annual General Meeting continued

## Virtual AGM

This year, Marquis Macadamias' 2020 Annual General Meeting will be held virtually as a result of the COVID-19 pandemic. In addition, Marquis Macadamias' Notice of Annual General Meeting is being distributed electronically and is available to view and download at <https://marquis.com/agm-2020/>.

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-2020/>.

If you will not be able 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-2020/>.

## Participation at the AGM

### Watch and participate live online

Shareholders are invited to participate in Marquis Macadamias' 2020 Annual General Meeting by watching and participating in the AGM virtually via the online platform by using:

- **computer:** the weblink will be available on the Marquis website at <https://marquis.com/agm-2020/>; or
- **mobile device:** use the Lumi AGM app, which is available for download from the Apple App Store or Google Play Store.

To participate in the Meeting you will be required to RSVP to Jodie Hearity who will send through your meeting ID and unique password. We encourage participants to log into the meeting at least 15 minutes before the meeting starts. Tech support will be available at <https://marquis.com/agm-2020/> 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.

Shareholders, once verified, 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 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 two options to cast votes at the Meeting:

- appointing a proxy to vote on your behalf; or
- voting online during the Meeting.

### Questions

At the Meeting, shareholders may ask questions online once they have been 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 question directly to the company secretaries at [ivan@marquis.com](mailto:ivan@marquis.com) or [emma@marquis.com](mailto:emma@marquis.com).

## Nominated Director Motivations

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**Christopher Ford** Chris' professional expertise is as a qualified accountant chiefly in the finance industry. His last full-time position was as Head of Financial Administration at the Reserve Bank of Australia. Since then he has worked as a part time financial expert for the International Monetary Fund working with Central Banks in developing countries for 20 years.

Chris has been a macadamia grower for 24 years and has been on the Board of MPC/Marquis for 14 years the past 13 as chairman. When he first became chairman, it was a challenging time for the industry with prices at a record low of \$1.50 a kilogram. Since then, the company has consolidated and grown with demand; the need for prudent economies of scale whilst maintaining market position in these changing financial times has always been a priority for the Board.

Key strategic changes in the period have been the acquisition of 50% of Pacific Gold Macadamias and the construction of the Bundaberg factory; the establishment of the marketing company Marquis Marketing; the subsequent full acquisition of these two companies and the rebranding of the whole group. At the same time, significant investments have been made in the improvement of the two factories, including the important step of installing pasteurizers in each factory. Today your co-operative has a net worth of over 40 million dollars and a reputation for paying both good dividends and additional payments for NIS.

Marquis currently processes approximately 50 per cent of the Australian crop. However in these challenging times particularly with the ongoing impact of COVID-19 on many industries it is imperative that shareholders ensure the Board is comprised of individuals who are not only passionate about the sustainability and success of our industry but also have the expertise and vision to continue the growth of Marquis.

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**Andrea Lemmon** Andrea Lemmon was employed by Rural Funds Management Ltd (RFM) from its inception in 1997 until her retirement in October 2018. RFM is one of the oldest and most experienced agricultural fund managers in Australia and has grown to manage \$1.3 billion of agricultural assets.

During her tenure with RFM, Andrea held a variety of senior executive roles and was responsible for overseeing RFM's investment into the macadamia industry, acquiring 250 ha of orchards over three sites in the Bundaberg region.

In addition to establishing RFM's investment into the macadamia industry, Andrea is an experienced board member with extensive expertise in corporate governance, including corporate actions such as mergers and capital raisings and liaising with regulators. In her role as RFM's Executive Manager, Andrea was responsible for the Corporate Services team incorporating health, safety and environment; compliance; human resources and information technology. She was highly involved in the marketing of RFM's investment products and was responsible for managing and communicating to RFM's investor base.

Andrea was a director of RFM from January 1999 to October 2007 and again from May 2009 to May 2010, and a director of RFM Farming Pty Ltd from August 2003 to November 2010.

Following her retirement from RFM in 2018, Andrea managed the acquisition of Pacific Gold Macadamia by Macadamia Processing Company which occurred in March 2019.

Andrea was a director of, Perth Markets Ltd and Market City Operator from March 2016 to April 2017. Perth Markets is Perth's only wholesale fruit and vegetable market with \$700 million of throughput, representing approximately 60% of WA's fresh fruit and vegetables, linking 2,600 growers with 600 buyers of fresh produce.

A long-term and passionate advocate for Australian agriculture, Andrea sees a bright future for the macadamia industry, where the growers and employees of Marquis are able to benefit from the continued growth of our companies and the world macadamia industry.

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**Donald Ross** Donald has been a shareholder of Marquis Macadamia Ltd (formerly MPC Ltd) since early 1990s and have seen the company grow into the strong position it now has in the market.

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 moved back to their farm at Nashua.

Donald graduated from Sydney University in Engineering and have 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 Ltd.

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

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**MINUTES OF THE 37th ANNUAL GENERAL MEETING  
MACADAMIA PROCESSING CO LIMITED**

Ballina RSL Club  
246 River Street Ballina  
**Friday 23<sup>th</sup> August 2019**

**Opening:** The Chairman, Mr Chris Ford, declared the meeting open at 10.35 am. The current Board members were introduced, with a warm welcome to the newest board member Clayton Mattiazzi as one of the three nominee directors of Saratoga Holdings under the new Constitution. Clayton manages all the Hinkler Park farms in Queensland.

**Present:** Chris Ford (Chairman), Peter Zadro (Director), Scott Norval (Director), Peter Costi (Director), Andrew Leslie (Director), Clayton Mattiazzi, Ivan Giuricich (Company Secretary), Jane Meeve (Company Secretary). Apologies Phil Zadro.

**In Attendance:** Larry McHugh (CEO MPC/PGM/MMI), Charles Cormack (General Manager MMI), shareholders - please refer to the attached list.

**Apologies:** Please refer to the attached list.

**Minutes:** It was resolved that the minutes of the 36th Annual General Meeting held on 24<sup>th</sup> August 2018 be accepted as a true and accurate record. Proposed by Peter Shepherd, seconded by David Wardrop.

**Chairman's Report**

There will be three presentations this year being from Larry McHugh the CEO of the group, Charles Cormack the General Manager of the marketing company MMI and from myself. Steve Lee unfortunately was unable to attend this year.

The 2018 season hit a record breaking financial result, nut in shell price and dividend. The company has grown in size with the acquisition of the remaining 67% share of PGM that it did not already own. To top all that we diversified the business with the installation of 605 kilo watts of solar panels which required the company to become a registered power station!

Thank you for your support in the acquisition of the remaining shares in PGM that MPC did not already own. The vote of the shareholders was practically unanimous in supporting the transaction. As stated at the time of the proposal the board sees this as an important strategic step in growing the business and in our ability to influence the stable development of the global macadamia market.

The board and management are currently working on a plan that will see both the business and assets of PGM transferred into MPC as at the end of the current financial year 31 March 2020. Following this transfer, MPC will be a company with two processing factories which internally will be recognized as separate divisions for performance measurement purposes.

**The Company**

The company returned a record pre-tax profit of \$8,540,43. When the results of our two joint ventures are included the pre-tax profit increases to \$9,343,764. This strong result was achieved after paying a record price for NIS of \$5.60 a kilo.

The profit was an exceptional performance and as a result we have paid a larger than normal fully franked dividend of 80 cents to Ordinary Class shareholders. The size of the profit is the result of many factors of which the following are the major reasons:

- The loyal commitment of our shareholders
- The increasing throughput of the factory
- The strong financial position of the company
- The many years of investment in the factory to ensure cost efficient processing and a high quality product



The commitment and expertise of our management team and staff  
A strong focus on minimising wastage

After providing for the cost of the dividend the Group's capital increased by \$6,391,600 over the year. With the significant forecast growth in the Australian industry over the next decade it is important to continue to build our capital to ensure we increase our share of the Australian industry and that we continue to be able to influence a stable development in the global macadamia market. This increased capital is required to both fund capital expenditure to increase the capacity of our factories and to increase working capital to fund payments to growers. For example for 1,000t increase in input to the factories we require approximately \$4 - \$5 million to fund payments to the growers prior to the NIS being converted to kernel and payment being received from customers. Whilst our bank will finance a large share of this through seasonal finance we must meet our share.

I would like to note the three major projects completed during the year:-

1. The installation of the 605 kilo watts of solar panels
2. The new drying building with additional storage capacity and
3. The installation of the sprinkler system throughout the factory to meet insurance requirements.

Currently Steve Lee is working on a plan to upgrade our cracking room prior to next season. The current cracking room has had no major upgrade for many years. As the volume of input to the factory increases, if we do nothing we would have a bottleneck with our current cracking capacity. This would require both additional expensive storage capacity for NIS and additional finance to fund that NIS as it is held longer before being converted to kernel. Upgrading the cracking capacity will eliminate this bottleneck and enable us to get more kernel to market sooner.

I would also like to welcome our new Chief Financial Officer Ivan Giurich who joined the group in late April. Ivan's family is extensively involved in macadamias and Ivan brings a lot of relevant expertise to the role.

Our two ventures Pacific Gold Macadamias and Macadamia Marketing International both became wholly owned subsidiaries from the 1<sup>st</sup> May 19.

#### **Pacific Gold Macadamias**

The company had another successful year with an increased pre-tax profit of \$3,084,035.

We welcome Craig Brice to the role of General Manager of the factory last September. Craig brought to the role the benefit of 20 plus years of experience with MPC which is aiding the process of standardizing procedures between the two factories.

Since last season the company has completed a major upgrade of its cracking room and completed the installation of its Napsol machine. As a result the output of both factories is now 100% pasteurised. The factory continues to operate at or near capacity and plans are being developed for discussion with the local council to enable a major increase in the size of the factory over the next decade.

#### **Macadamia Marketing International (MMI)**

I would like to welcome Peter Costi who took over the role of chairman of MMI three months ago.

MMI continues to play a major role in the success of the group through its successful marketing of both kernel and NIS.

As reported last year a major new processor Global Macadamias has been established in South Africa. Its factory is nearing completion and will be operational from next year. This is a substantial factory built with an ultimate capacity of about 30,000 tonnes of NIS. It is proposed that Global will be acquiring a 50% interest in MMI in October subject to the signing of an agreement between MPC and Global.

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The Board sees this as a very important strategic move for MMI as it both gives it access to increased supply of product to work with major customers on managing stable growth in markets and prevents Global becoming a competitor.

One significant issue our marketers and Board have been looking at over the past year is the issue of branding. Currently we are a mixture of different names and brands. For example, we process as MPC and PGM, market through a company called MMI and put all our product in boxes labelled International Macadamias Limited. We also own the names Macadamia Magic and Consolidated Nuts Australia and have used the brands of McAdams and Growers Choice. This is both confusing to customers and fails to provide a solid platform for future development.

Contrast this with a successful local business Brook Farms. Their property is called Brook Farms, the factory is called Brook Farms and their product is marketed under the brand Brook Farms.

Whilst we recognise there is a lot of loyalty to our existing names and they have a proud history we need to look to the future and are proposing to rebrand the business. This is something that is supported by the Company's founder Phil Zadro as I hope it will be by all shareholders.

Larry and Charles will be giving a presentation re the proposed new brand later in the meeting. I personally believe that the brand is both distinctive and reflects class. As you will appreciate it is near to impossible to come up with a name that is going to satisfy everyone and is also not already used by another nut business. I believe however that we have come up with a distinctive name that also looks good as you will see in the presentation. Even if the new name does not appeal to you I hope you will recognise the importance of establishing a clear brand.

Over the next month there will be a presentation of the new branding proposal with an opportunity for shareholders to raise questions they may have. Following this an EGM will be held to vote on the proposal. This proposal will require the support of 75% of shareholders voting to be carried.

#### **Current Season**

For most growers I believe the extended hot dry season has had a negative impact on their crops with both lower volumes and kernel recoveries. We currently believe the overall crop is likely to be down 20% to 25% on the initial projections.

Our initial price for the season of \$5.40 was a strong price. Whilst the lower throughputs of our factories will impact our forecast profits, we currently expect that for the eleventh year running we should be able to announce a price increase in December. It is unlikely however to reach the exceptional level of last year.

#### **Acknowledgement**

It has been another successful year and thank you to both you the growers for your support and the management and staff for all their efforts over the past year.

I hope you are able to join us all for a drink and lunch after this meeting.

We look forward to a challenging, dynamic year ahead. On behalf of the Board, thank you.

#### **Ordinary Business**

**It was resolved** to receive and consider the Company's financial reports and the reports of the directors and the auditor for the financial year ended 31 March 2019.

**It was resolved** to receive and adopt the following items for the year ended 31 March 2019;

1. The Directors Report and Declaration on page 3 to 6 and page 33.
2. The Auditors Report on pages 34 and 35.
3. The statement of Comprehensive Income for the year ended 31 March 2019 on page 8.

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4. The Balance Sheet as at 31 March 2019 on page 9.

The above four items were received and adopted.

There being no questions on the above four items they were accepted by a majority vote of shareholders.

#### **Election of Directors**

In accordance with the Constitution, Andrew Leslie retires as a director and being eligible offered himself for re-election. As no other nominations for Director were received by the closing date of Friday 19 July 2019 Andrew is accordingly reappointed.

#### **The Fixing of the Remuneration of Directors**

With the increased size of the business and to recognise the new constitution the number of Directors has been increased from five to seven. To maintain the level of remuneration to existing Directors and to compensate the new Directors it is proposed to increase the total aggregate Directors fees to \$160,000 plus the statutory superannuation contribution. It was resolved that the total aggregate of Directors' fees increase to \$160,000 plus the statutory superannuation contribution for the financial year ended 31 March 2020 to be divided amongst the Directors in such a manner as they determine.

#### **General Business**

##### **MPC General Manager's Report**

In Steve Lee's absence, Larry McHugh reported on developments during the 2018 season which confirmed MPC's ongoing focus on performance and initiatives to increase on farm returns.

Items presented and discussed include:-

- Industry leading notional prices, 11 years of price increases , 11 years of paying to the full notional price by Xmas
- At the start of the 2019 season a 40c bonus payment was paid for the 2018 crop bringing the final price at 33% kernel recovery to \$5.60/kg.
- The 80c dividend paid to shareholders earlier this month brings the total fully franked dividend paid to date to \$2.85/share over the last 10 years.
- 2018 was a record industry crop of 52,900t
- MPC paid almost 20c/kg higher than the industry average in 2018. The AMS website shows the industry average at \$5.81 but this includes the 12,900t purchased by MPC at \$5.96/kg. When you remove MPC's contribution to this industry average, the average is 5.76/kg.
- The forecast for the 2019 crop is down due to difficult growing conditions, lower tonnages and lower kernel recovery
- MPC continues to focus on total returns to the farm by reducing on farm costs and losses, providing on-farm services, improving farm productivity and increasing crop delivered.
- The growth in MPC's suppliers has continued with approximately 340 growers supplying MPC in 2018.
- Solar System installation generated much media coverage as well as the obvious savings in electricity.
- Other projects include additional sorting tables to better balance cracking and sorting capacity.
- The new drying and storage building was completed in May 19, just in time to store NIS. The new cold room is currently being filled with kernel that would otherwise go to off-site cold storage.

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- The fire sprinkler and hydrant upgrades have been completed with their stringent regulatory and insurer requirements. Benefits include broader insurer options and reduced insurance premiums. By comparison, the Northern Co-operative Meat Company has seen insurance triple to \$5 million due to their EPS cold room panelling leaving fewer insurance choices. Norco also had similar premium increases.
  - Grower services – MPC is continuing to deliver high quality services and practical solutions through Field Days and Grower courses. There is also an upcoming Grower Bus Trip to Bundaberg.
  - Staff – Wayne Rowe is in the position of Work Health and Safety and Training – he is well qualified and experienced. He replaces Allen Holmes who retired earlier this year.
  - Staff – Candice Woodward is a Management Trainee as part of MPC's succession planning. Candice is a Food Technologist with experience in Quality Assurance and Production roles in Food and Pharmaceutical industries.
- Finally MPC continues to be a significant contributor to the Northern Rivers economy, employing locally, engaging local contractors and contributing to local community organisations.

#### MMI General Manager's report

Charles Cormack, General Manager, provided members with the following:-

- **2019 Global Crop Forecast** – The global NIS crop is estimated to be 219,000t representing a 2% decrease on 2018. The Australian crop estimate of 42,900t is forecast to be 14% lower, the South African crop of 56,500 is static, the estimated Kenyan crop of 27,000t is 30% lower and the 2019 estimate for China of 29,900 is 40% higher. Other crop producing countries total 62,700t representing a potential 2% decrease compared to 2018. MPC/PGM is forecast to be approximately 50% of the Australian crop.
- **Market Share** - MMI has a 51% share of the Australian kernel market and 23% of the world kernel market. MMI has 41% of the Australian NIS sales market and 10% of the world NIS sales market.
- **The NIS sales market** was soft early in the 2019 season due to economic instability stemming from trade wars between China and the USA, a weak RMB and slowing on-line sales. As a result reduced volume was offered along with a change to product specifications which was well received.
- The NIS market is now stronger partly due to the reduced crop size and less product being offered, prices are firming quickly with little or no excess NIS to offer.
- The outlook for the NIS market is a more discerning market and consumer. The focus will be on lower volume but high quality and with the potential to lever into the kernel market.
- **Kernel Sales Strategy** - with the increase in kernel volume from possibly lower NIS sales, there is greater potential to develop large key customers, emerging markets for e.g. Asia and further develop sectors for e.g. the ingredients sector.
- USD prices are stable but returns in AUD are higher.
- The majority of the crop is already contracted.
- Kernel market opportunities include China where there is a rapid conversion of customers from NIS to kernel, an Australian tariff advantage and the now presence of large retailers such as Costco Shanghai. Japan and Korea are experiencing steady growth and Taiwan is moving from bakery to snack packs. Other emerging markets include Malaysia, Singapore and Vietnam.
- In Europe the customer base is broadening beyond the strong ingredients business to include more retailers.

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- In the USA other retailers such as Walmart and Trader Joes broaden the customer base which is also enhanced by supply base flexibility of providing either Australian or African kernel.
- Australian kernel market – extension of product lines with large retailers and ongoing supply to major ingredient users such as ice cream, bakery and confectionary.
- Future sales strategy includes the implementation of sales and marketing IT systems. These systems include customer relationship management, business intelligence and sales KPIs, all of which will provide the base for future growth including the development of retail brands and private labels.
- MMI staff – new employees in the Brisbane office are Ali Lucas-Chee in the role Marketing Manager and Willem Griesel in the role of Planning and Scheduling.

#### **Group Chief Executive Officer Report**

Larry McHugh, CEO, provided members with the following:-

- MPC is the world's leading processor and the acquisition of Pacific Gold Macadamias (PGM) in April 2019 will give us access to the growth in the Bundaberg region.
- Our aim is to ensure that Growers continue to receive sustainable prices and be able to re-invest in their farms and to keep Farm values stable.
- The board and senior management have developed a strategic plan to achieve our goals with targets for growth over the next 5 years.
- Product we supply will be accepted as the Gold standard regardless of its origin.
- At least 20% of Australian production will be sold in our own branded consumer goods.
- We will be regarded as the source of accurate and trusted information for the industry.
- The Group will be recognised for its high level of corporate, social and environmental responsibility.
- Factories owned and partnered with the group will be using cutting edge technology to produce the highest quality product in the industry and which will assist in reducing costs.
- We are working to identify global partners as part of a strategy to increase access to macadamias.
- The Directors expect to welcome the South African macadamia processing company Global Macadamias as an MMI shareholder in October 2019 and in January 2020 MMI will begin selling their kernel – approximately 3,000 tonnes of kernel in 2020 up to 10,000 tonnes over the next 10 years.
- The growth strategy does not end with our alliance with Global.
- We plan to grow our market share at 3% per annum so that by 2023 they will be processing 62% of the Australian crop.
- We aim to have key strategic partners in South Africa, Kenya and China and be working towards achieving partnerships in emerging growing regions such as Vietnam.
- As result we forecast that MMI will have a A\$500 million turnover and be selling 25% of the world crop with the aim of increasing to A\$1 billion in 10 years.
- Our growth has left us with many brands and company names such as MPC, Macadamia Magic, International Macadamias, Pacific Gold Macadamias, McCadams, Growers Choice.
- It is difficult to send a consistent message and build ourselves as the world leader when we are not seen as one entity, so adopting a single name across all our entities and brands is simple and makes us easy to identify to the grower, customer or consumer.
- One brand, one vision, one identity. Our name needs to evoke the feeling of premium quality, prestige, leadership and appeal to a wide range of audiences.

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- We propose to change the name of PGM and MPC to Marquis Macadamias, whilst MMI becomes Marquis Marketing.
- We will remain 100% grower owned and continue to operate for the benefit of growers.
- Shareholders can expect a business as usual approach - you will continue to receive services from the same friendly, professional staff, receive industry leading prices and dividends.
- The benefits of a single, continuous name from paddock to plate include unifying our group under one name with a clear vision and purpose, leveraging brand equity throughout the supply chain to help us further build our leadership position and to provide a solid platform for launching retail products.
- Ultimately to increase profitability and stability.
- To facilitate this name change a series of grower meeting will be held to outline the proposal.
- An extraordinary meeting of shareholders will be convened to seek approval for the change of name from MPC to Marquis Macadamias. At this meeting you will be able to vote in person or vote via a proxy form.

#### Questions and answers

*Q: Will MPC be installing batteries on their solar panels so that excess power can be stored?*

*A: Not at the moment as we use all the power that the panels generate.*

*Q: Does MMI survey its customers?*

*A: Not formally at the present but the new customer relationship management software will facilitate this function.*

*Q: Why is the company using a French word to be the trademark for an Australian nut?*

*A: The word Marquis is associated with quality and luxury.*

*Q: Australia is associated with blue and green. Was there any consideration given to including the word Australia in the trade mark?*

*A: Many names were considered for e.g. Monarch but most words were already trademarked.*

*Other questions in the same vein included:-*

*Q: The pronunciation could vary between individuals for e.g. Marquise?*

*Q: Why not use an English word?*

*Q: The spelling could vary for e.g. Markey?*

*Q: Why not substitute the crown in the trademark to a macadamia nut?*

*A: We may want to diversify and sell mixed nuts for example so the trademark is broad and general.*

*Q: What is the cost of this trademark?*

*A: The total cost will be approximately \$ 300,000*

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HACCP LIC  
HCV 20348  
SAI Global



Quality Endorsed  
Company  
ISO 9001:2000  
Lic OEC 10058  
SAI GLOBAL



**Close of meeting**

There being no further business the meeting closed at 12.08pm.

Chris Ford

Chairman

Date:

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**ATTENDANCE LIST  
AGM – Friday 23<sup>th</sup> August 2019**

\*The record as reflected by the signatures on the Attendance Sheets

Frank Adcock	Greg Jones
Eric Balmer	Tony Kempnich
Kerry Byrne	Andrew Leslie
Peter Costi	Ken Leslie
Gary Donaldson	Scott Leslie
Jim Duncan	Miranda Liebmann
Gwen Duncan	Rowan Liebmann
Salina Edmonds	Clayton Mattiazzi
Stewart Edmonds	Scott Norval
Pauline Elvery	Lillian Paine
Warren Elvery	Rick Paine
Bob Evans	Neil Pitt
Kay Evans	Tim Reilly
Cath Ford	Rowdy Runge
Chris Ford	Caroline Shepherd
Ross Gannon	Peter Shepherd
Trish Gannon	Gary Sherwood
Cameron Gee	John Shirm
Vanessa Gee	Chris Smith
Bill and Helen Gouros	Peter Squire
Harriet Hatfield	Rosanne Squire
Steven Healey	Terry Walker
Fern Hinchcliffe	David Wardrop
Jocelyn Hillier	Peter Zadro

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### APOLOGIES LIST

Geraldine Byrne	James Mosse
Cathy Ferndale	Melissa Mosse
Steve Ferndale	Petal Niemack
John Forsyth	Anita Ranieri
Lindsay Hewitt	Dino Ranieri
Ian Hotson	Don Ross
Beth Hotson	Julie Ross
David Jones	Shaun Stead
Lina Kempnich	Anne Verschuer
Leone Martin-Smith	Willem van Tonder
Robert Mosse	Phil Zadro
Merle Mosse	Peter Zeck

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MARQUIS

MACADAMIAS