



30 June 2022

**NZX/ASX Code:** MFB

## **MY FOOD BAG GROUP LIMITED – EMPLOYEE SHARE OWNERSHIP AND INCENTIVE SCHEMES**

As noted in My Food Bag's recent annual report, as part of the employee remuneration review undertaken in 2021, the Board has recently established two new incentive schemes, discussed below. These incentives will form an important part of My Food Bag's overall employment proposition going forward, and they are aligned to My Food Bag's strategy to attract, reward and retain high calibre employees committed to My Food Bag's long term success.

### *Long term incentive plan*

The Board has established a new long term incentive plan. This LTI will operate as a performance share rights scheme, similar in nature to the schemes operated by many other listed issuers in New Zealand. The employees invited to participate in the LTI will include the members of the Senior Leadership Team, as well as certain other senior employees of the business based on job grading.

The Board has issued the first tranche of performance rights under the LTI to eligible employees. In total, 1,820,518 performance rights were issued based on a share price of \$0.887. The share price used to calculate the number of performance rights to be issued was determined objectively, based on the volume weighted average share price of My Food Bag's shares over the 10 business day period following the recent release of My Food Bag FY22 results.

With the exception of the CEO, the conditions attaching to the performance rights comprise retention over the vesting period of two years and (as to 50% of the performance rights issued to each eligible employee) the achievement of a performance hurdle measured by reference to My Food Bag's relative total shareholder returns over that vesting period. The value of each grant has been determined by reference to each eligible employee's base salary.

The grant made to the CEO, Kevin Bowler, is more bespoke. Mr Bowler has been issued 624,013 performance rights, which in value terms equates to 100% of Mr Bowler's base salary. This is larger (in proportionate terms) than the grants made to the other participating senior employees but reflects the important role of the CEO in delivering My Food Bag's strategy and the fact that Mr Bowler will not receive a further grant next year during the current two year vesting period. Mr Bowler's performance rights are also entirely performance based, with 50% of his performance rights based on the relative TSR hurdle and 50% on an absolute EPS (earnings per share) hurdle.

### *Employee share ownership scheme*

The Board also identified an opportunity to establish a more inclusive employee share ownership scheme for all permanent employees (other than those participating in the LTI) working at least 30 hours per week. This scheme operates in a similar manner to the LTI, albeit the vesting of the share rights is entirely dependent on retention over the vesting period of two years.

In total, 385,548 share rights have now been issued to eligible employees who accepted the offer made to them. The value of each grant made to eligible employees was \$3,000 (being 3,382 share rights based on the share price of \$0.887).

Capital change notices reflecting these grants accompany this announcement.



**Authorised by:**

Board of Directors of My Food Bag Group Limited

**Ends**

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