



COLLINS FOODS LIMITED

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ASX RELEASE

COLLINS FOODS LAUNCHES EMPLOYEE SHARE PLAN

Tuesday, 30 May 2023: Collins Foods Limited (ASX: CKF or 'Collins Foods') is pleased to announce the launch of a new employee share plan (**Ownership Share Plan**), targeted at Collins Foods Restaurant General Managers and Restaurant Support Centre employees in Australia and Europe.

The Ownership Share Plan is in keeping with Collins Foods' values of 'Ownership' and 'People at the Heart'. Restaurant General Managers and Restaurant Support Centre employees will have the opportunity to share in the success of Collins Foods' performance over the long term. Collins Foods' Managing Director & CEO Drew O'Malley said, "We are excited to launch the Ownership Share Plan which recognises the ongoing support and commitment of our employees to Collins Foods."

Under the Ownership Share Plan, eligible employees will receive service Rights over a five year period of up to a total value of AUD10,000. A summary of the plan follows:

- The Ownership Share Plan is a five year plan where Rights Vest annually in five tranches (1/5th of the total Rights vesting per year) for eligible employees.
- Eligible employees will receive Rights with a total value of up to AUD10,000. At the Board's discretion, one fifth of the value of the eligible Rights will vest by 30 June each year during the five year period, starting in June 2023. An eligible employee can only be enrolled in one offer at a time.
- The number of Rights awarded for the FY23 offer has been calculated by dividing the Rights dollar value by \$9.59 (being the volume weighted average share price of the five trading days before and five trading days after the public release of the Company's FY22 financial results).
- The share price for future offers will be determined using the volume weighted average price (VWAP) taken from the five trading days before and five trading days after the public release of the Company's annual audited financial reports.

ENDS

Authorised for release by the Disclosure Committee.

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About us

Collins Foods Limited (ASX: CKF) is a KFC and Taco Bell franchisee in Australia and KFC franchisee in the Netherlands and Germany, and the franchisor for Sizzler in Asia. Collins Foods seeks continuous improvement in all areas of its operations and work towards the following mission: "Restaurants Done Better." For further information please visit www.collinsfoods.com

OWNERSHIP SHARE PLAN - SCHEME RULES

FY23

Collins Foods Limited (the **Company**)

1 Purpose

- 1.1 Collins Foods Limited (the **Company**) and its wholly owned subsidiaries have established an Employee Share Plan known as the Ownership Share Plan (OSP) to maintain and enhance a performance centred environment for eligible Restaurant General Managers (RGM), Area Coaches (AC), and Restaurant Support Centre (RSC) Level 1 – 3 employees. The OSP aims to reflect current market conditions and to ensure remuneration practices remain competitive within the QSR market.
- 1.2 The OSP is designed for eligible employees as a long-term incentive scheme, and is reviewed annually by the Board.

2 Employee Share Scheme Rules

- 2.1 The OSP year aligns with the fiscal 13 period year for each Financial Year and spans a five-year period i.e. For FY23 from 2 May 2022 to 26 April 2027.
- 2.2 Employee eligibility is reviewed each Financial Year end in accordance with the plan rules with consideration to an eligible role and employment capacity. The annual allocation of Rights to Vest (convert to shares) are determined after the audited annual financial results have been approved by the Company Board of Directors and released to the public.
- 2.3 The "Vesting Date" will be determined by the Board at their discretion on a yearly basis but will be by 30 June each year.
- 2.4 The OSP is a 5-year plan where the number of Rights that **Vest** (converting to shares) is exercised annually in 5 tranches (1/5th of the total Rights vesting per year). The number of Rights to Vest annually are subject to pro-rata adjustment where the following conditions are observed;
 - (a) Part-time employee's Rights will be calculated on a pro-rata basis, based on the contracted hours as at the Collins end of financial year.
 - (b) Where an employee in an eligible role changes their employment arrangement through-out the 5-year plan between full-time and part-time, the number of Rights will be pro-rated based on the contracted hours as at the end of the Collins Financial year for future years.
- 2.5 The number of Rights that vest will be reviewed on an annual basis during the 5-year plan and will re-align according to level of role and category as follows:
 - (a) Area Coach and RSC Level 3
 - (b) RGM and RSC Level 2
 - (c) RSC Level 1
- 2.6 Where an eligible employee changes roles and subsequent categories as per clause 2.5 above (both promotions and demotions), an adjustment to the number of Rights that Vest will be made with the new value calculated for future years. The new value will be subject to adjustment in accordance with clause 2.4 and 2.5.

e.g., Should an RGM be promoted to Area Coach in the 3rd year, the RGM vesting value will apply for that particular tranche and the remaining future tranches adjusted to the Area Coach value.

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- 2.7 The number of Rights awarded are dependent on the 5-day volume weighted average price (VWAP) taken from the 5 days before and 5 days after the public release of the Company's annual audited financial reports.

i.e. Calculation is: $\text{Rights} = \frac{\text{Value}}{\text{VWAP}} = \text{No. of Rights awarded (whole rights only)}$

Example: $\$3,500 / \text{VWAP of } \$9.50 = 368.42$ or 368 whole Rights

- 2.8 The Board will review the Ownership Share Plan Scheme on an annual basis and has the discretion to include or remove eligibility of roles and categories for future year rollouts. Those currently under a 5-year OSP Plan will not be worse off by these changes for the duration of their 5-year plan.
- 2.9 Pro rata calculation will also occur in the following circumstances, with the maximum cumulative total of leave equalling more than three months as defined below, before a pro rata payment applies:
- (a) Annual leave and/or long service leave greater than 3 months
 - (b) Personal leave greater than 3 months
 - (c) Workers' compensation greater than 3 months
 - (d) Leave without pay greater than 1 month
 - (e) Parental leave greater than 3 months
- 2.10 In circumstances where the leave is largely continuous and falls across more than one Collins Financial Year, the pro-rata calculation is applied to the leave in the second Financial Year. For the avoidance of doubt, as an example, if 4 months of the relevant leave is taken from March to June (i.e., across 2 Financial Years), a pro-rata payment will be applied for the leave as if it were taken in the second Financial Year.
- 2.11 An employee can only be enrolled in one Ownership Share Plan at a time. This means an annual review will take place and those identified as eligible employees currently not participating will be considered for the new year and may be invited to participate in future Ownership Share Plans.

i.e., those already in receipt of Rights from FY23 - FY27 will not be considered again until the FY28 – FY32 invitation roll-out (if applicable).

3 Guidelines (Eligibility and Vesting)

- 3.1 Eligibility to participate is based on the following criteria:
- (a) Must not already be a participant of another Collins Foods Share Scheme (i.e., Long Term Incentive Scheme)
 - (b) Must be permanently appointed to an eligible role (RGM, AC or RSC Level 1 – 3 Role)
 - (c) Must be employed in a permanent capacity either Full-time or Part-time and have held the role for at least three (3) continuous months prior to the end of the Financial Year, immediately preceding the first year of the OSP offer.
- 3.2 Eligibility for vesting is based on the following criteria:
- (a) You must be an eligible employee and otherwise satisfy all requirements of these rules at the time of vesting. For the avoidance of doubt, if you transfer into a role that is not an eligible role under the OSP, all unvested shares will be forfeited.
 - (b) Resignation means you automatically forfeit any future unvested shares unless deemed a "good leaver" by the Company at which the Company may exercise discretion to allow the current year's unvested shares to vest. Any Rights or entitlements for future years will be forfeited.

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- (c) If already a participant in the OSP, should you be promoted during the 5 year scheme, the value of Rights to vest will be amended to align to the value in accordance with the category per clause 2.5 for future Financial Years only.
- (d) Where you commence a secondment, the eligibility for Rights and vesting is based on your substantive role.

3.3 Any employees on fixed term contracts will not be eligible to participate in the OSP scheme.

3.4 In certain circumstances an employee's right to vesting of shares may be forfeited if you:

- (a) Resign or your employment is terminated for cause within the 5-year period, any unvested Rights will be forfeited.
- (b) Receive a first, second or final written warning for misconduct, poor performance or poor behaviour, your Rights which are due to vest in that year will be forfeited.

All shares that have vested at the time of termination will be retained by you.

3.5 If your employment with the Company ceases for other reasons than the above i.e genuine redundancy, illness or Death, retirement, or other circumstances where you are considered (at the discretion of the Company) a "good leaver" the Company may, in its discretion, determine that you are entitled to the unvested Rights based on the proportion of that year you remained an employee. Future years unvested Rights will be forfeited.

The Company has complete discretion to determine eligibility under this clause.

3.6 The offer of participation in the OSP does not form part of an individual's employment contract, participation of and changes as required, may be amended at the sole discretion of the Company.

4 Administration of the scheme and share-trading

4.1 The OSP is offered by the CEO on behalf of the Board and may be amended to reflect any significant change to operating or economic conditions.

4.2 The CEO intends to maintain the OSP under the terms listed above for FY23.

4.3 As soon as practical at the commencement of each Financial Year, the Board of Directors will review the organisational budget and forward planning to determine the value of the OSP and participant eligibility for future years.

4.4 The OSP is managed externally by Computershare who is our Share Plan Administrator and manages the Collins Foods Share Registry. Information is held securely, and each employee is provided a Login and Password to access the rights and subsequent shares as eligible.

4.5 Employees under the OSP are still bound by the Group Securities Trading Policy. You should review this policy prior to making an application to share-trading.

4.6 The restriction of share-trading is subject to trading windows being opened as determined by the company. During the open trading window, a restricted employee must seek prior written clearance from the Company Secretary before undertaking trading.

4.7 All RSC Employees and Area Coaches are restricted employees and cannot trade shares without written permission per clause 4.6. As a participant of OSP and subject to section 2 (Insider Trading Prohibition) of the Group Securities Trading Policy, only Restaurant General Managers are NOT considered restricted employees.

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5 Terminology

Rights	An agreement to provide a given value in ordinary shares upon conditions of the plan rules being met.
Shares	A share represents a unit of equity ownership in a company. The owner of shares in the company is a shareholder of the corporation. Collins Foods shares are shares held and valued on the Australian Stock Exchange (ASX)
Vesting	A legal term that is the point in time when the Rights arising from legal ownership of a property is acquired by another person. Vesting is the conversion of Rights into actual Shares on the ASX.
Tranche	A financial term for a portion of a pool or whole. The Ownership Share Plan is split over five years, allocating 1/5 th of the Rights into Shares each year – in financial terms it is referred to as “5 tranches”.

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