



# 2022 Annual General Meeting

## Co-operative Bulk Handling Limited

### Invitation to attend

Dear Member,

It is my pleasure to invite you to the 2022 Member Forum, Annual General Meeting and Cocktail Function which will be held at Optus Stadium, Perth on Friday, 18 February 2022.

Within this pack you will find:

1. The Notice of Annual General Meeting (including the Explanatory Notes)
2. Personalised proxy form and reply-paid envelope
3. Member Forum and AGM agenda and location information
4. Regional Member Forum event details
5. Cocktail Function invite

The Annual General Meeting is your opportunity to have a say about the future and governance of your co-operative. It is also your chance to be informed about the performance and direction of the co-op and ask questions of CBH's senior leaders and Board.

For a number of years we have preceded the AGM with a Member Forum, hosted by CBH's management team to give growers an in-depth understanding of the performance of your co-operative.

We understand that not all members can attend the Perth event, so this year we are introducing a series of regional Member Forum events to be held during March. These regional Member Forums will cover the same content as the Perth Member Forum and will include a social event afterwards.

The details of these regional Member Forums are on the flyer contained within this pack. I encourage you to attend your local event if you are unable make it to the Perth event.

The AGM itself will only be held in Perth on 18 February.

If you can attend the AGM in person, please bring your proxy form and present it at the registration desk. The barcode at the top of the form will assist in fast-tracking your registration.

If you cannot attend the meeting in person, I encourage you to complete and submit your proxy form online or otherwise in accordance with the instructions outlined on the form.

Both the Perth Member Forum and AGM will be webcast for those who cannot attend but wish to follow proceedings.

The Cocktail Function follows the AGM and is a chance for you to catch up with your fellow members, Directors, CBH employees and our industry and community partners.

All members of your farm business are invited to join us for all or part of the day and evening. It is a great opportunity for all members to have a say in or learn more about how your co-operative is governed and managed.

Please RSVP to the events by Friday 28 January by visiting our website, [www.cbh.com.au](http://www.cbh.com.au), or calling the Grower Service Centre on **1800 199 083**.

We look forward to seeing you on the day.

Yours sincerely,

A handwritten signature in black ink, appearing to read "S Stead".

**Simon Stead**  
Chair

10 January 2022

#### Date

Friday, 18 February 2022

#### Time

12:30pm Registration Opens  
1pm Member Forum  
5pm AGM  
6:30pm Cocktail Function

#### Location

River View Room 3,  
Optus Stadium,  
333 Victoria Park Dr,  
Burswood

# 2022 Notice of Annual General Meeting

Notice is given that the 2022 Annual General Meeting (**AGM**) of Co-operative Bulk Handling Limited ABN 29 256 604 947 (the “**Co operative**” or “**CBH**”) will be held in River View Room 3 at Optus Stadium, Access via Gate D, Victoria Park Drive, Burswood on Friday 18 February 2022 at 5:00pm (Perth time).

The Explanatory Notes that accompany and form part of this Notice of Meeting are intended to provide members with sufficient information to assess the merits of the resolutions contained in this Notice of Meeting. Members are encouraged to read the Explanatory Notes in their entirety.

For the health, safety and wellbeing of all attendees, CBH will adhere to all social distancing measures prescribed by government authorities and any other government requirements that are in place based on the COVID-19 situation at the time of the AGM. It may be necessary to implement measures such as limiting the number of attendees at the AGM. Attendees will be required to register their contact details via the SafeWA app or a paper-based register.

Members who plan to attend the AGM should be mindful of government advice in relation to COVID-19 and monitor CBH's website ([www.cbh.com.au](http://www.cbh.com.au)) for any updates and additional information relating to the AGM.

The health, safety and wellbeing of CBH's members, employees and other meeting attendees is of paramount importance. Please do not attend the AGM if you feel unwell or have been in close contact with someone who may have been exposed to COVID-19. CBH may implement screening procedures at admission to the AGM venue, for example temperature checks, depending on circumstances at the time.

## Business of the Meeting

### 1. Opening and Address by Chair

### 2. Presentation by Chief Executive Officer

### 3. Financial Statements and Reports

To consider the Co-operative's financial statements and reports for the financial year ended 30 September 2021.

### 4. Ratification of Appointment of Paul Stephen Sadleir

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

*“That, in accordance with Rule 32.4 of the Rules of the Co-operative, the appointment of Paul Stephen Sadleir as a Director of the Co-operative until the conclusion of the Annual General Meeting to be held in 2024, be ratified.”*

### 5. Review of Directors' Fee Cap

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

*“That in accordance with Rule 30.2 of the Rules of the Co-operative, the maximum aggregate remuneration that the Directors of the Co-operative may be paid for their services as Directors be increased from \$1,365,296 per annum to:*

- \$1,499,420 per annum with effect from 18 February 2022; and*
- \$1,633,545 per annum with effect from the date of Annual General Meeting to be held in 2023,*

*to be divided amongst Directors in such manner as they determine, and with Directors being entitled to receive, in addition to these amounts, statutory superannuation entitlements and reimbursement for reasonable travel and other expenses incurred by them in connection with the business of the Co-operative.”*

The proposed change in aggregate Directors' fees:

- is at the lower end of the range of Directors' fees recommended by Gaines Advisory, External Remuneration Consultant;*
- is proposed to be implemented in two stages with the full increase, to the lowest end of the range recommended by the External Remuneration Consultant, not taking effect until 2023; and*
- is considered to represent a modest level of remuneration in the current market for entities comparable to the CBH Group.*
- The last increase in Directors' fees was approved by members at the 2018 Annual General Meeting.*

### 6. Declaration of Ballots

Declaration of ballots to fill Director vacancies in Districts 2, 3 and 4.

## Proxies

If you cannot attend and wish to vote you will need to appoint a proxy. Each member is entitled to appoint a proxy, who need not be a member.

To be effective the appointment of a proxy must be communicated at least 48 hours before the meeting ie by 5.00pm (Perth time) on Wednesday 16 February 2022.

The easiest way to appoint a proxy is online via our Share Registry's dedicated website (<https://investorcentre.linkmarketservices.com.au/voting/CBH>) or by scanning the QR code on the back of the Proxy Form with your mobile device and following the prompts. Alternatively, you can send the duly completed Proxy Form (and any relevant authority under which it is signed) in the enclosed reply paid envelope to the Co-operative's share registry (Link Market Services Limited) or post or fax it to Link Market Services Limited. Your lodgement options are as follows:

### Online:

<https://investorcentre.linkmarketservices.com.au/voting/CBH>

(simply login with your member number and postcode)

### Mail:

Co-operative Bulk Handling Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

### Fax:

Co-operative Bulk Handling Limited  
C/- Link Market Services Limited  
Fax no: 02 9287 0309

The enclosed Proxy Form and instructions for completion provide further details on appointing proxies and communicating proxy appointments.

## Corporate Members

A body corporate which is a member, or which has been appointed as a proxy, may appoint an individual as its representative at the AGM. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the corporate member could exercise at the meeting or in voting on a resolution.

Appointment of Corporate Representative forms can be downloaded from [www.cbh.com.au](http://www.cbh.com.au).

The representative should bring to the AGM evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Co-operative.

## Live Webcast - Loadnet

Members who are unable to be physically present at the AGM will be provided with an opportunity to view and hear the proceedings via webcast, and to ask questions via text.

In order to view the AGM webcast, log into Loadnet and click on the AGM image or link which will open a new window that will show a video and sound of the meeting. Participants will be asked to register before the webcast begins.

## Questions and comments by members

A reasonable opportunity will be given to members at the meeting to ask questions about or make comments on the resolutions and on matters relating to the Co-operative. For those members viewing the live webcast on Loadnet, questions can be submitted via text on 0419 773 283.

As is usual practice, the Chair may not be able to answer all questions that are asked by members during the AGM and a number of similar questions may be grouped together and answered by the Chair or management. The Chair will ensure that members as a whole have been given a reasonable opportunity to ask and submit questions and to have those questions answered.

By order of the Board



**David Woolfe**  
Company Secretary

10 January 2022

# Explanatory Notes

## Item 3 – Financial Statements and Reports

The Co-operatives Act 2009 requires the Co-operative's financial statements and reports for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Co-operative's 2021 Annual Report, which is available on CBH's website ([www.cbh.com.au](http://www.cbh.com.au)).

While no resolution is required in relation to this item, members will be given the opportunity to ask questions and make comments on the financial statements and reports.

The Co-operative's auditor, KPMG, will be present at the meeting and members will also have an opportunity to ask the auditor questions about the auditor's report and the conduct of the audit.

## Item 4 – Ratification of Appointment of Paul Stephen Sadleir

Paul Sadleir was appointed as an Independent Director of the Co-operative in February 2021 following an extensive director selection process undertaken by CBH in conjunction with an external consultant designed to match the best possible skills and attributes of potential candidates with the needs of the Board.

In accordance with Rule 32.4 of the Co-operative's Rules, this appointment is required to be ratified by members at the next annual general meeting following this appointment and accordingly this ratification is now sought.

Paul is currently Chair of the Remuneration and Nomination Committee and a member of the Network and Engineering Committee.

Paul is a non-executive director of Perron Group Limited and chair of its Remuneration and Nomination Committee and is the President of the WA Division of the Australian Institute of Company Directors.

Paul recently stepped down as Deputy Chair of the Brightwater Care Group and chair of its Business Committee and as a member of the Perth Catholic Archdiocese's Property and Investment Committee.

He has over 30 years of corporate, commercial and technical experience across ASX listed, government, private and not for profit organisations. Paul was Managing Director of Cedar Woods Properties Limited for 16 years until September 2017 and prior to that, held senior positions with Bunnings Warehouse Property Trust, Wesfarmers and Western Power.

Paul has a Bachelor of Engineering and an MBA from the University of Western Australia and is a Fellow of the Australian Institute of Company Directors and the Australian Property Institute.

**The Board (other than Mr Sadleir because of his interest) recommends that members vote in favour of the proposed resolution at Item 4.**

## Item 5 – Review of Directors' Fee Cap

Rule 30.2 of the Rules of the Co-operative provides that the Co-operative may pay or provide to the Directors, as remuneration for their services, fees, concessions and other benefits in an amount or value determined by the Board which does not in any financial year exceed in aggregate the amount last determined by the Co-operative in general meeting.

At the 2018 Annual General Meeting members approved a maximum aggregate remuneration payable to Directors of \$1,365,296 per annum, together with statutory superannuation entitlements and reimbursement for reasonable travel and other expenses incurred.

The Board has a policy to seek an independent review by an external remuneration consultant every two years with respect to the market rate for director remuneration.

The Board sought and received an independent external benchmarking report from Gaines Advisory ("External Remuneration Consultant"), on the appropriate level and structure of remuneration for Directors, making appropriate comparisons to other similar organisations using various attributes such as size, industry and revenue.

The External Remuneration Consultant's benchmarking report contained a recommended aggregate remuneration in the range of between \$1,633,545 and \$1,778,173 (exclusive of any superannuation entitlements).

The External Remuneration Consultant noted CBH's Board fees have fallen behind many comparator companies. The BDO national salary survey data demonstrated that CBH's Director fees were behind the median for large companies. The data also showed a lack of competitiveness with other Director fees in comparator companies in the listed agribusiness, consumer staples and transport logistics sector and in the co-operatives and mutuals sector. CBH pays lower Directors' fees than 14 of the 17 comparator companies in these sectors, notwithstanding it is one of the largest organisations when measured by revenue.

After considering this advice, the CBH Board determined to seek member approval to increase the maximum aggregate remuneration payable to the Directors to the low end of the recommended range, in two stages, with 50% of the proposed increase coming into effect following this AGM and the remaining 50% of the proposed increase not coming into effect until following the 2023 AGM.

# Explanatory Notes continued

Accordingly, it is proposed that the maximum aggregate remuneration of the Directors of the Co-operative payable for their services as Directors of the CBH Board, CBH Board Committees and CBH subsidiaries be set at:

- \$1,499,420 per annum with effect from 18 February 2022; and
- \$1,633,545 per annum with effect from the date of the 2023 AGM,

with Directors being entitled to receive, in addition to those amounts, statutory superannuation entitlements and reimbursement for reasonable travel and other expenses incurred by them in connection with the business of the Co-operative.

This represents an initial increase following the 2022 AGM of \$134,124 over the existing remuneration limit of \$1,365,296 per annum approved by members at the 2018 Annual General Meeting, with a further increase of \$134,125 following the 2023 AGM.

The CBH Board considers that it is reasonable and appropriate to seek an increase in the aggregate Directors' fee cap as:

- a. It has been four years since Directors' fees were last increased and the level of Directors' fees has fallen well below market rates for comparable companies, as detailed in the External Remuneration Consultant's report;
- b. It is important for CBH to remain competitive in the market to attract quality directors and ensure the Directors are remunerated at levels commensurate with market rates;

- c. The increase will improve the prospects of increasing the number of quality candidates seeking election in the annual Member Director Elections;
- d. The increase will assist to attract and retain Directors of the highest calibre; and
- e. The increase takes into account the increasing time and responsibilities required of Directors generally and the significant workload of the Co-operative's Directors.

The Board is conscious of the ongoing costs involved for Member Directors in time away from their farming businesses. The Board acknowledges that it needs to provide fair remuneration to encourage members to nominate for election to the Board, and to compensate for the valuable time and energy diverted away from their farms to fulfil CBH Board-related duties for the benefit of CBH and all growers.

The Board is satisfied that the proposed Directors' fee cap is at the lower end of the range applying to entities comparable to CBH on the basis of size, industry, revenue, growth and the number of directors and that the proposed increase is appropriate for the reasons set out above.

The Co-operative will continue to set the actual level of remuneration of its Directors within the member approved fee cap limit, after having regard to independent external advice, market practice, Board performance and other appropriate factors.

Disclosure of Directors' remuneration will continue to be made to members in each CBH Annual Report in accordance with good corporate governance practices.

Given their interest in the subject matter of this resolution, the Board makes no recommendation to members on the proposed resolution at Item 5.

Directors who are entitled to vote as a member of CBH do not intend to exercise their vote on this resolution, other than in the event they are appointed as a proxy for a member who is entitled to vote and who directs them how to vote on this resolution. The Chair of the meeting intends to vote undirected proxies held by the Chair in favour of this item of business.

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