



2024 Annual General Meeting Co-operative Bulk Handling Limited

Invitation to attend

Dear Member,

It is my pleasure to invite you to the 2024 Member Forum, Annual General Meeting and Sundowner which will be held at Crown Perth on Friday, 23 February 2024.

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. Invitation to the CBH Sundowner

The Annual General Meeting is a great opportunity to be informed about the performance and direction of your co-op and ask questions of CBH's Executive Committee and Board.

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 help in fast-tracking your registration.

If you cannot attend the AGM in person on 23 February, I encourage you to complete and return the proxy form in accordance with the instructions outlined on the form. If you do not do this, you will be unable to vote on the items contained in this Notice of Meeting.

In addition, we will again host a Member Forum before the AGM. This event is a great opportunity for growers to hear from and ask questions of CBH's leaders in a more informal setting, and to learn more about the future plans of the co-op.

Both the Member Forum and AGM will be streamed live via a webcast for those who cannot attend in person but wish to follow proceedings.

Following the Member Forum and AGM, join us for a relaxed sundowner on the "Great Lawn" at Crown Perth. This is a chance to meet and catch up with fellow grower members, Directors, CBH employees, and our industry and community partners.

You and 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 Member Forum, AGM and Sundowner by Friday 16 February 2024 by visiting our website, www.cbh.com.au, or calling the Grower Service Centre on **1800 199 083**.

Yours sincerely,

Simon Stead

Simon Stead
Chair

8 January 2024

Date

Friday, 23 February 2024

Time

1:30pm Registrations Open
2:00pm Member Forum
5:00pm AGM
6:30pm Sundowner

Location

Astral Ballroom,
Crown Perth
Great Eastern Hwy,
Burswood, Perth

2024 Notice of Annual General Meeting

Notice is given that the 2024 Annual General Meeting (**AGM**) of Co-operative Bulk Handling Limited ABN 29 256 604 947 (the “**Co-operative**” or “**CBH**”) will be held in the Astral Ballroom, Crown Perth, Great Eastern Highway, Burswood on Friday 23 February 2024 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.

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 2023.

4. Ratification of Appointment of Michael Phillip Carter Byrne

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 Michael Phillip Carter Byrne as a Director of the Co-operative until the conclusion of the Annual General Meeting to be held in 2026, 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 \$1,633,545 per annum to:

- \$1,747,893 per annum with effect from 23 February 2024; and
- \$1,870,246 per annum with effect from the date of the Annual General Meeting to be held in 2025,

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:

- Moves aggregate director remuneration closer to 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, towards the lower end of the range recommended by the External Remuneration Consultant, not taking effect until 2025; 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 2022 Annual General Meeting.

6. Declaration of Ballots

Declaration of ballots to fill Director vacancies in Districts 1, 3 and 5.

Attending the Meeting in person

For the first time we are pleased to offer members who are attending the meeting in person a way to cast their vote using their mobile device. Members can download the LinkVote App from the Apple App Store or Google Play at any time prior to the Meeting and use the LinkVote App during the Meeting to cast a vote.

Paper voting cards will also be available at the meeting for members who attend in person and would prefer not to use the LinkVote App.

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 i.e. by 5.00pm (Perth time) on Wednesday 21 February 2024

The easiest way to appoint a proxy is online via our Share Registry’s dedicated website (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:

investorcentre.linkmarketservices.com.au/voting/CBH

(simply login with your member number and postcode)

By mail:

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

By 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.

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.

Health & Safety

For the health, safety and wellbeing of all attendees, CBH will adhere to any social distancing measures prescribed by government authorities and any other government requirements that are in place based on a potential 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.

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) 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.

Live Webcast – Loadnet

Members who are unable to be physically present at the AGM, or if measures are taken for their health, safety and wellbeing, 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

Richard Codling
Company Secretary

8 January 2024

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 2023 Annual Report, which is available on CBH's website (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 Michael Phillip Carter Byrne

Michael Byrne was appointed as an Independent Director of the Co-operative in February 2023 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.

Michael is a member of the Audit and Risk Management Committee and the Health, Safety and Sustainability Committee.

Michael is currently a non-executive director of National Intermodal Corporation, Sydney Airport Aviation Alliance, Ausgrid, NSW Ports and Peel Ports UK, as well as a Senate member of the University of WA.

Michael has previously held positions of Managing Director of Toll Group and Chief Executive Officer of both Coates Hire and Linfox, as well as Board and/or Committee positions with Australia Post, OzHarvest, Victoria University and the University of Denver.

Michael holds a Master of Science in Transportation and Infrastructure from the University of Denver. In 2017, Michael became the inaugural Adjunct Professor at the Centre for Supply Chain and Logistics at Deakin University and is a Fellow of the Australian Institute of Company Directors.

The Board (other than Mr Byrne 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 2022 Annual General Meeting members approved an increase to the maximum aggregate remuneration payable to Directors of \$1,499,420 per annum with effect from 18 February 2022, further increasing to \$1,633,545 per annum from 17 February 2023, 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 \$1,936,598 and \$2,062,057 (exclusive of any superannuation entitlements).

The External Remuneration Consultant noted CBH's Board fees have fallen behind many comparator companies. The national salary survey data obtained from the BN 2022 Australian Remuneration Report 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 13 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 2025 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:

- \$1,747,893 per annum with effect from 23 February 2024; and
- \$1,870,246 per annum with effect from the date of the 2025 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 2024 AGM of \$114,348 over the existing remuneration limit of \$1,633,545 per annum that was approved by members at the 2022 Annual General Meeting, with a further increase of \$122,353 to take place following the 2025 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 two years since the Board sought an increase in Directors' fees with the intent of getting to the bottom of the band as measured at that time. Since then the level of Directors' fees has again fallen below market rates for comparable companies in respect of Chair, Deputy Chair and Non-Executive Directors fees, 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 as per normal practice.

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