



Notice of Annual General Meeting

In light of the global outbreak of COVID-19 and the guidance and restrictions on travel and public gatherings, the Board of Costa Group Holdings Limited ACN 151 363 129 (the "Company") has decided to hold its Annual General Meeting ("AGM") for the financial year ending on 29 December 2019 ("Financial Year") in a **virtual format only**. In the interest of public health and safety there will not be a physical meeting that members can attend.

As such, notice is hereby given that the AGM of the Company for the Financial Year will be held virtually on 29 May 2020 at 11.00am (AEST) for the purposes of transacting the business set out in this notice.

The constitution of the Company permits the use of technology to facilitate a meeting of members at two or more venues. Those members who attend virtually will be considered present and will have the ability to vote on resolutions in real time. Costa encourages all members to participate in the manner set out below.

How Members Can Participate

1. As members will not be able to attend the AGM in person, a live webcast and electronic voting via a dedicated online platform will be offered to allow members to participate in the meeting, including the ability to vote and ask questions online. Members can access the platform at <https://agmlive.link/CGC20>. Detailed instructions on how to participate are available in the Online Platform Guide that can be found at <http://investors.costagroup.com.au/Investor-Centre/>.
2. Members can vote during the meeting by using the online platform or can vote directly or appoint a proxy prior to the meeting. Accordingly, members who are unable to attend the AGM by virtual means are strongly urged to vote in advance or appoint the Chair of the AGM as their proxy. Members can complete the proxy form to provide specific instructions on how their vote is to be exercised on each item of business, and the Chair of the AGM must follow your instructions. Additional details on voting in advance or appointing a proxy are set out on page 2 of this notice.
3. Members are encouraged to submit questions ahead of the AGM to the Company (or the Company's Auditor), as there may not be sufficient time to respond to all questions raised during the AGM. Questions may be submitted prior to the AGM online by logging onto your Link Holding account and navigating to the voting section at <https://investorcentre.linkmarketservices.com.au/Login/Login> or by email to investors@costagroup.com.au. To enable sufficient time for questions raised in advance to be considered and responded to in sufficient detail at the AGM, the Company requests that they be received as early as possible but must be received no later than 11am (Melbourne time) on 27 May 2020.

Ordinary Business

1 Consideration of Reports

To receive and consider the Financial Report for the Company and its controlled entities, the Directors' Report

and the Auditor's Report for the Financial Year as set out in the Company's Annual Report for the Financial Year.

There is no vote on this item.

2 Remuneration Report

To consider, and if thought appropriate, pass the following resolution as an advisory resolution:

"That the Remuneration Report (set out in the Directors' Report) for the financial year ended 29 December 2019 be adopted."

Please see the explanatory notes and voting exclusion statement for this resolution on page 3.

3 Re-election of Neil Chatfield as a Director

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

"That Neil Chatfield be re-elected as a Director of the Company."

Please see the explanatory notes for this resolution on pages 3 and 4.

Special Business

4 Managing Director's Calendar Year 2020 ("CY20") STI Performance Rights

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

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is hereby given for the grant of performance rights (and the resulting issue or transfer of shares in the Company) to the Chief Executive Officer and Managing Director, Mr Harry Debney under the Company's CY20 short term incentive plan, in accordance with the terms of that plan and as described in the Explanatory Notes."

Please see the explanatory notes and voting exclusion statement for this resolution on pages 4 to 7.

5 Managing Director's CY20 LTI Options

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

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is hereby given for the grant of options (and the resulting issue or transfer of shares in the Company) to, the Chief Executive Officer and Managing Director, Mr Harry Debney, under the Company's CY20 long term incentive plan, in accordance with the terms of that plan and as described in the Explanatory Notes."

Please see the explanatory notes and voting exclusion statement for this resolution on pages 4 to 7.

6 Amendment to the Constitution

To consider and, if thought appropriate, pass the following resolution as a special resolution:

"That the Company amend its Constitution in the manner set out in the explanatory notes to the notice convening the AGM with effect from the conclusion of the AGM."

Please see the explanatory notes for this resolution on pages 7 to 8.

By order of the Board.



David Thomas
Company Secretary
22 April 2020

Information regarding voting

1 Entitlement to attend and vote

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, the Directors have determined that a shareholder's entitlement to vote at the AGM is as set out in the Company's share register as at 7:00pm (Melbourne time) on 27 May 2020. In the case of joint shareholders, all holders may attend the AGM but only one holder may vote at the AGM in respect of the relevant shares (including by proxy). If more than one joint holder is present, and more than one of the joint holders votes in respect of the relevant shares, only the vote of the joint holder whose name stands first in the register in respect of the relevant shares is counted. A corporate shareholder may appoint one or more persons to act as its representative(s), but only one representative may exercise the corporate shareholder's powers at any one time.

Transactions registered after 7:00pm (Melbourne time) on 27 May 2020 will be disregarded in determining the shareholders entitled to attend and vote at the AGM.

2 Vote or appoint a proxy prior to the AGM

(a) **Voting form:** Shareholders who have registered a preference for electronic communication will be able to access an electronic voting form that will enable a direct vote or a proxy appointment. A voting form will accompany this notice if you receive paper-based communications.

(b) **Appointing a proxy:** If you are entitled to attend and vote at the AGM, you may appoint:

- a person ("person" can be an individual or a body corporate; if you appoint a body corporate as a proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the AGM and provide satisfactory evidence of the appointment of its corporate representative prior to the commencement of the AGM, in accordance with the instructions set out in Note 3 below); or
- if the shareholder is entitled to cast two or more votes at the AGM, two persons,

as your proxy or proxies to attend and vote for you at the AGM. A proxy need not be a shareholder.

(c) **Maximum of two:** You may appoint a maximum of two proxies and may state on the proxy form what proportion or number of your votes each proxy is being appointed to exercise. If you appoint two proxies and do not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half of your votes.

(d) **Deadline for receipt:** The Company must receive at least 48 hours before the AGM (ie. by 11:00am (Melbourne time) on 27 May 2020):

- your completed voting form; and
- if you sign under power of attorney or corporate representative, that power of attorney or corporate representative appointment or a certified copy of it.

Any voting form received after this deadline will be invalid.

(e) **How to send:** The voting form (and any authority appointing an attorney or corporate representative) must be:

- sent by post to the Company's registry:

Costa Group Holdings Limited
C/ - Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

- sent by fax to the Company's registry on +61 2 9287 0309; or
- lodged online at www.linkmarketservices.com.au.

(f) **How and when a proxy must vote:** If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- if the proxy is not the Chairman of the AGM, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
- if the proxy is the Chairman of the AGM, the proxy must vote on a poll and must vote as directed.

(g) **Default to the Chairman of the meeting:**

If:

- a shareholder has appointed a proxy other than the Chairman of the AGM; and
- the shareholder's proxy either:
 - is not recorded as attending the AGM; or
 - attends the AGM but does not vote on the resolution,

then the Chairman of the AGM will, before voting on the resolution closes, be taken to have been appointed as the proxy for that shareholder for the purposes of voting on that resolution. In these circumstances, the Chairman of the AGM must vote in accordance with any written direction of that shareholder.

(h) **Directing proxy votes:**

We encourage shareholders who are appointing proxies to direct their proxies how to vote on each resolution by crossing either a "For", "Against", or "Abstain" box before lodging their proxy form so that, subject to any applicable voting exclusions, their proxy will vote on their behalf in accordance with their instructions.

The Chairman intends to vote undirected proxies on, and **in favour** of, all the proposed resolutions.

If there is a change in how the Chairman intends to vote undirected proxies, the Company will make an announcement to the market.

3 Body corporate representative

Any corporation wishing to appoint a person to act as representative at the AGM may do so by providing that person with:

- a "Certificate of Appointment of Corporate Representative", the form for which can be obtained from the Company's registry; or
- a letter or certificate authorising the person to act as the corporation's representative in accordance with the corporation's constitution; or
- a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

4 Voting

Voting on all resolutions set out in this notice of meeting will be conducted by poll. Upon a poll, every shareholder who is present in person or by proxy, representative or attorney will have one vote for each share held by that shareholder.

5 Annual Report information

The Company's Annual Report for the Financial Year is being sent to shareholders who have elected to receive an Annual Report. A copy of the Company's Annual Report is available to shareholders upon request and can be viewed at <http://investors.costagroup.com.au/investor-centre> or an electronic or printed copy can be requested from the Company's registry.

Explanatory notes on the business to be transacted at the AGM

Item 1 – Consideration of Reports

The Financial Report for the Company and its controlled entities, the Directors' Report and the Auditor's Report for the Financial Year as set out in the Company's Annual Report for the Financial Year will be presented for consideration at the AGM. Shareholders will be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and the content of the Auditor's report.

Item 2 – Remuneration Report

In accordance with the *Corporations Act 2001* (Cth), the Company is required to present the Company's Remuneration Report to shareholders for consideration and adoption at the AGM.

The Remuneration Report is located on pages 29 to 40 of the Company's Annual Report for the Financial Year and is also available on the Company's website www.costagroup.com.au. The Remuneration Report:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of employees and the Company's performance;
- sets out remuneration details for each director and each other member of the Company's key management personnel; and
- confirms that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

Shareholders will have a reasonable opportunity to ask questions and comment on the Remuneration Report at the AGM.

The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

The remuneration framework adopted by the Board is designed to attract and retain key talent, reward the achievement of strategic objectives and align rewards with the creation of shareholder wealth. Where appropriate, the Company obtains independent input to confirm the appropriateness of these arrangements.

Directors' recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as described in the Remuneration Report, the Board recommends that shareholders vote **in favour** of the resolution in Item 2.

The Chairman intends to vote undirected proxies able to be voted **in favour** of this resolution.

Voting Exclusion – Item 2

The Company will disregard any votes cast (in any capacity) on the resolution in Item 2 by or on behalf of a member of the Company's key management personnel (including the Directors), details of whose remuneration are included in the Remuneration Report ("KMP") or their closely related parties, whether as a shareholder or as a proxy, except that a vote may be cast on the resolution in Item 2 by a KMP, or a closely related party of a KMP, if:

- the vote is cast by a proxy for a person entitled to vote, and that person has directed the KMP or their closely related party (as proxy) how to vote on the item on the voting form; or
- the Chairman of the AGM, as proxy for a person entitled to vote, votes in accordance with an express authority on the voting form to vote undirected proxies as the Chairman sees fit even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Item 3 – Re-election of Neil Chatfield as a Director

The Board undertakes a regular review of its performance, policies and practices. The review includes an assessment of the performance of each Director, their experience and skills. This is taken into account by the Board in determining whether to endorse Directors standing for re-election and anyone offering themselves for election as a Director.

Neil Chatfield offers himself for re-election and, if re-elected, will be appointed for a term that commences from the conclusion of this year's AGM and concludes at the conclusion of the Company's AGM in 2023 (a period of approximately 3 years).

The resolution to appoint Mr Chatfield as Director is proposed as an ordinary resolution.

Mr Chatfield has served as a Director of the Company since 7 October 2011 and Chairman since 24 June 2015 and is a Member of the Remuneration and Human Resources Committee and Nomination Committee. The Board has assessed Mr Chatfield to be an independent director in accordance with the ASX Corporate Governance Principles and Recommendations 4th Edition.

Mr Chatfield is an established executive and non-executive director with extensive experience in company management, and with specific expertise in high growth

companies, financial management, capital markets, mergers and acquisitions, and risk management.

Mr Chatfield is currently a Non-executive director of Transurban Ltd (since 2009) and Non-executive Chairman of Aristocrat Leisure (Director since November 2017 and Chairman since February 2019). He was previously the Chair and Non-executive director of Seek Limited (to 31 December 2018), a Non-executive director of Iron Mountain Inc. (to September 2017), Recall Holdings Ltd (to May 2016) and Chair and Non-executive director of Virgin Australia Holdings Ltd (to May 2015). He was also a Non-executive director of Atomos Ltd from September 2017 until 1 February 2019. Mr Chatfield previously served as an executive director and Chief Financial Officer of Toll Holdings Ltd (from 1997 to 2008).

Directors' recommendation

The Directors (with Mr Chatfield abstaining) recommend that you vote in favour of the resolution in Item 3.

The Chairman intends to vote undirected proxies able to be voted in favour of this resolution.

Items 4 and 5 – Managing Director's entitlement to securities under CY20 Remuneration

The Board annually reviews Mr Debney's remuneration package, with the aim of ensuring that Mr Debney's remuneration package is market competitive, reasonable and creates adequate incentives for both short term and long term financial performance, strategic growth and creation of shareholder value.

As a result of that review, Mr Debney's current remuneration package, for the calendar year 2020 ("CY20"), remains the same as his CY19 remuneration package and is comprised of:

- (a) total fixed remuneration of \$1,022,000;
- (b) a short term incentive opportunity of \$459,900 at CY20 target earnings performance (with a maximum of \$715,400 if stretch targets are achieved); and
- (c) a long term incentive opportunity comprising long term incentive options with a value of \$357,700¹, subject to shareholder approval being obtained,

being a total of \$1,839,600 if CY20 target earnings are achieved (and a maximum of \$2,095,100 if stretch targets are achieved).

The non-executive Directors have concluded that the remuneration package for Mr Debney (including the proposed grant of securities under the short term incentive ("STI") Plan and the long term incentive ("LTI") Plan) for CY20 are reasonable and appropriate having regard to the circumstances of the Company and the duties and responsibilities of Mr Debney.

Accordingly, the non-executive directors recommend that shareholders vote in favour of the resolutions in Items 4 and 5.

The Chairman intends to vote undirected proxies able to be voted in favour of the resolutions in Items 4 and 5.

Why the Company is seeking approval – Items 4 and 5

Under the ASX Listing Rules, the Company must seek shareholder approval to grant securities to any director of the Company under an employee incentive scheme. As the deferred component of the Company's CY20 STI Plan involves performance rights and the Company's CY20 LTI

Plan involves options, shareholder approval is being sought for Mr Debney's participation in both the deferred component of the CY20 STI Plan (Item 4) and the CY20 LTI Plan (Item 5) and subsequently, the issue or transfer of shares in the Company to Mr Debney. Details of the CY20 STI Plan and CY20 LTI Plan are set out below.

Details of any securities issued to Mr Debney under the CY20 STI Plan and CY20 LTI Plan will be published in the annual report of the Company relating to the period in which they have been issued, together with a note that approval of the issue was obtained under ASX Listing Rule 10.14. For the purposes of ASX Listing Rule 10.15.2, Mr Debney falls within Listing Rule 10.14.1 due to his role as a director of the Company.

Any additional persons referred to in ASX Listing Rule 10.14 who become entitled to participate in the CY20 STI Plan or CY20 LTI Plan after the resolutions in Items 4 and 5 are approved and are not named in this notice of meeting will not participate in the relevant plan until approval is obtained under ASX Listing Rule 10.14.

Managing Director's CY20 STI Performance Rights – Item 4

Under the CY20 STI Plan, Mr Debney is entitled to an STI award. At target, the STI award will be equal to 45% of his total fixed remuneration ("TFR"), with an opportunity to receive a maximum STI award equal to 70% of his TFR.

The exact amount of the STI award which Mr Debney will receive, if any, will be subject to performance measures linked to the Company's financial performance and Mr Debney's individual performance over the financial year, with the maximum STI award only being realised if a specified stretch target is achieved. The performance measures will be set by the Board each year. Consistent with the prior year, CY20 STI targets are based on 80% financial performance relative to Board determined budgets and 20% personal components. Financial measures are EBIT (before SGARA) and cashflow generation. The individual performance measures for CY20 will relate to key business drivers, which will be set by the Board and may include measures related to safety, quality, people, risk management and execution of key projects.

Where Mr Debney becomes entitled to receive an STI award, it will be paid in the following way:

- (a) two thirds of the STI award will be paid in cash following the end of the performance year; and
- (b) one third of the STI award will be deferred for 12 months in the form of performance rights granted under the Company's CY20 STI Plan ("STI Performance Rights").

Mr Debney has not previously been allocated any performance rights under the CY20 STI Plan, but 118,230 performance rights have previously been allocated at no cost to Mr Debney under prior year STI Plans (in accordance with approval of shareholders).

Terms of the STI Performance Rights – Item 4

Each STI Performance Right is a right to receive one ordinary share in the Company upon vesting. The STI Performance Rights will automatically vest on 1 March 2022, however they will lapse if prior to vesting, Mr Debney ceases to be an employee and the Board determines that he is not a "good leaver" under the terms of the CY20 STI Plan.

In addition to conveying a right to receive an ordinary share in the Company, each of the STI Performance Rights will convey a right to receive cash payments equal to the value

¹ Total value of LTI Options to be issued to Mr Debney as part of the CY20 LTI Plan, as at the date that the LTI

Options were approved by the Board being 26 February 2020.

of the dividends paid by the Company from time to time on one ordinary share during the period the performance right is held.

Managing Director's CY20 LTI Options – Item 5

The Company's CEO and Managing Director, Mr Harry Debney, is eligible to participate in the Company's CY20 LTI Plan for the three year performance period commencing from 30 December 2019 to the end of the Company's 2022 financial year ("**Performance Period**"). The three year Performance Period is consistent with performance periods adopted for previous LTI plans.

Under the CY20 LTI Plan, Mr Debney is entitled to receive options to acquire ordinary shares in Costa Group Holdings Ltd ("**LTI Options**") valued at \$357,700², being 35% of his total fixed remuneration for CY20. Based on an independent valuation conducted by Ernst & Young, which valued each LTI Option at \$0.96, Mr Debney is entitled to receive 372,604 LTI Options under the CY20 LTI Plan.

The number of LTI Options that vest at the end of the Performance Period will depend on the Company's performance during the Performance Period against performance hurdles which have been set by the Board, being an earnings per share ("**EPS**") hurdle and a strategic growth hurdle. Consistent with the performance hurdles adopted for the previous LTI plans, when setting the performance hurdles for the CY20 LTI Plan the Board considered that:

- dual measures provide a more balanced approach than relying on a single measure;
- a strategic growth hurdle that drives sustainable long term value creation, via strategic growth and diversification, remains suitable during this stage of the Company's growth cycle; and
- as the Company does not have direct competitors in the ASX, comparative measures such as relative total shareholder return measured against a selected comparison group are less suitable measures of shareholder return than an EPS hurdle.

Accordingly, the Board adopted an EPS hurdle and a strategic growth hurdle for the CY20 LTI Plan.

Mr Debney has not previously been allocated any LTI Options under the CY20 LTI Plan, but 3,487,953 LTI Options have previously been allocated at no cost to Mr Debney under prior year LTI Plans, with exercise prices ranging from \$2.81 to \$7.42 (in accordance with approval of shareholders).

Terms of the LTI Options – Item 5

Key terms of the LTI Options are as follows:

Exercise price	\$2.44 per LTI Option, being the volume weighted average price of an ordinary fully paid share in the capital of the Company recorded on the ASX over the 10 ASX trading day period ending on the day prior to the commencement of the Performance Period.
EPS hurdle	Vesting of 75% of the LTI Options (" EPS Options ") will be subject to a performance hurdle based on the Company's Earnings Per Share compound annual growth rate (" CAGR ") over the Performance Period against the thresholds that were set by

² Total value of LTI Options to be issued to Mr Debney as part of the CY20 LTI Plan, as at the date that the LTI

the Board prior to approving the grant of the LTI Options, with performance and vesting outcomes as follows:

Company's EPS CAGR over Performance Period	Percentage of EPS Options that will vest
Less than the minimum EPS growth threshold	0%
Equal to the minimum EPS growth threshold	50%
Greater than the minimum EPS growth threshold, up to the maximum EPS growth threshold	50%-100%, on a straight line sliding scale
At or above the maximum EPS growth threshold	100%

The EPS growth thresholds set by the Board for the Performance Period are considered commercially sensitive by the Board and will accordingly be disclosed in the Remuneration Report published in respect of the year in which the EPS Options are tested.

The Board retains discretion to adjust the calculation of EPS (for example, to exclude the impact of significant events that may occur during the Performance Period). EPS will be measured using NPAT-SL and prior to the adoption of IFRS16.

Strategic growth hurdle	Vesting of 25% of the LTI Options (" Growth Target Options ") will be subject to a performance hurdle based on geographic and category diversification and growth designed to support sustainable long term value creation linked to return on capital.
	The number of Growth Target Options that vest will be determined by the Board (with the CEO abstaining) based on an assessment of the Company's performance during the Performance Period against the growth and diversification targets set by the Board.

Entitlements	Each vested LTI Option entitles the holder to acquire one fully paid ordinary share in the Company, for an exercise price of \$2.44.
	LTI Options will not carry rights to dividends or voting rights prior to vesting.
Option exercise	Vested LTI Options must be exercised within the 2 year period from the vesting date of the options until 1 March 2025 (" Expiry Date ").

Options were approved by the Board being 26 February 2020.

Upon vesting and prior to the Expiry Date, Mr Debney can exercise the LTI Options by either:

- providing the Company with an exercise notice that specifies the number of LTI Options to be exercised, together with payment of the exercise price in respect of those exercised LTI Options; or
- electing a cashless exercise in respect of some or all of his LTI Options.

If Mr Debney pays the exercise price, he will be issued with one share per exercised LTI Option. If he elects a cashless exercise, he will be issued with a lower number of shares, calculated in accordance with the following formula:

(A minus B) divided by C, where:

A = Number of Shares to which each vested LTI Option relates (ie. 1) x Number of vested LTI Options exercised x Market Price per Share

B = Number of vested LTI options exercised x Exercise Price

C = Market Price per Share, being an amount equal to the volume weighted average price of a Share recorded on the ASX over 10 ASX trading days immediately preceding the date on which the Market Price is to be calculated or, if no sale occurred during such period, the last sale price of a Share recorded on the ASX prior to that period.

Sale restriction	50% of shares delivered on the exercise of the vested LTI Options will be subject to a restriction period (during which the shares cannot be sold or otherwise dealt with) which will end on the earlier of (i) 12 months following vesting and (ii) the date that Mr Debney ceases employment with the Company.
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Service conditions	If Mr Debney ceases employment before his LTI Options vest due to termination for cause, all of his unvested LTI Options will lapse at cessation.
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Where Mr Debney ceases employment for any other reason (which generally includes "good leaver" circumstances such as death or disability), a pro-rata number of unvested LTI Options, based on the proportion of the Performance Period served (or a lesser number of LTI Options determined by the Board, which may be zero) will generally continue on-foot and be

tested at the end of the original vesting date against the relevant performance conditions. However, the Board has discretion to apply any other treatment that it deems appropriate in the circumstances.

Change of Control	The Board has discretion to determine an appropriate treatment for unvested and/or vested, but unexercised, LTI Options.
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Clawback	The Board has the discretion to clawback unvested and/or vested, but unexercised, LTI Options in the case of fraud, gross misconduct and other prescribed circumstances.
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Maximum value of STI Performance Rights and LTI Options that Mr Debney may receive – Items 4 and 5

Plan	Maximum number and value of securities
CY20 STI Plan	<p>The maximum value of the STI Performance Rights that Mr Debney may receive in respect of CY20 will be STI Performance Rights with a value equal to \$238,466 (being one third of his maximum STI award).</p> <p>The exact number of STI Performance Rights that Mr Debney will be entitled to receive will be determined by dividing the dollar value of the deferred component of Mr Debney's STI award by an amount equal to the volume weighted average price of an ordinary fully paid share in the capital of the Company recorded on the ASX over the 10 ASX trading day period immediately preceding the date of determination of the STI outcome or, if no sale occurred during such period, the last sale price of an ordinary fully paid share in the capital of the Company recorded on the ASX prior to that period.</p>
CY20 LTI Plan	<p>Under the CY20 LTI Plan, Mr Debney is entitled to receive LTI Options valued at \$357,700³, being 35% of his total fixed remuneration for CY20.</p> <p>Based on an independent valuation conducted by Ernst & Young, which valued each LTI Option at \$0.96, Mr Debney is entitled to receive 372,604 LTI Options under the CY20 LTI Plan.</p>

Price payable for the STI Performance Rights and LTI Options – Items 4 and 5

No monetary payment will be payable by Mr Debney in connection with the grant or vesting of the STI Performance Rights or LTI Options.

Grants under the Company's incentive plans since the last Annual General Meeting – Items 4 and 5

Since the Company's last Annual General Meeting no options or performance rights have been granted to persons referred to in ASX Listing Rule 10.14 (other than those issued to Mr Debney in accordance with approval given at the Company's last Annual General Meeting).

³ Total value of options to be issued to Mr Debney as part of the CY20 LTI Plan, as at the date that the options were approved by the Board being 26 February 2020.

Eligibility to participate in the CY20 STI Plan and CY20 LTI Plan – Items 4 and 5

Mr Debney, as a director of the Company, is a person referred to in ASX Listing Rule 10.14 and is the only person referred to in ASX Listing Rule 10.14 who is eligible to participate in the CY20 STI Plan and the CY20 LTI Plan.

Date by which CY20 STI Performance Rights and LTI Options will be granted – Items 4 and 5

If the resolution in Item 4 is approved at the AGM, the CY20 STI Performance Rights will, unless otherwise determined by the Board and subject to the satisfaction of the relevant performance milestones, be granted to Mr Debney shortly following the determination of his final CY20 STI award which will occur following the release of the Company's CY20 annual results. In any event, any STI Performance Rights will be issued within 12 months after the date of the AGM. If shareholders do not approve the resolution in Item 4 at the AGM, it is intended that all of Mr Debney's CY20 STI award will be provided in cash.

If the resolution in Item 5 is approved at the AGM, the CY20 LTI Options will, unless otherwise determined by the Board, be granted to Mr Debney shortly following the AGM and in any event no later than 12 months after the date of the AGM. To compensate Mr Debney for the remuneration he would forego if shareholder approval is not obtained for the resolution in Item 5, the Company may pay Mr Debney a cash amount (equivalent to the value the grant of the LTI Options would have had at vesting had it been approved by shareholders). Mr Debney would only receive a cash payment if the performance hurdles are satisfied.

Voting Exclusion – Items 4 and 5

The Company will disregard any votes cast in favour of the resolutions in Items 4 and 5:

- (a) that are cast by or on behalf of Mr Debney and any of his associates (regardless of the capacity in which the vote is cast); and
- (b) that are cast as a proxy by a member of the Company's Key Management Personnel (KMP) at the date of the AGM or their closely related parties,

unless the vote is cast on the resolutions in Items 4 and 5:

- (c) by a person as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- (d) by the Chairman of the AGM, as proxy for a person entitled to vote, in accordance with an express authority on the voting form to vote undirected proxies as the Chairman sees fit even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP; or
- (e) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Directors' recommendation

The Directors (with Mr Debney abstaining) recommend that you vote in favour of the resolutions in Items 4 and 5.

The Chairman intends to vote undirected proxies able to be voted in favour of these resolutions.

Item 6 – Amendment to the Company's constitution

In accordance with s 136(2) of the *Corporations Act 2001* (Cth) the Company may amend its Constitution by special resolution of its Shareholders. The Company's current constitution was adopted on 24 July 2015. It is proposed to adopt the amendments to the Constitution as there have been a number of developments in law, corporate governance principles and general corporate and commercial practice for ASX listed companies since that time. The material differences between the current Constitution and the new Constitution are outlined below.

The current constitution is available from the Company's website <http://investors.costagroup.com.au/Investor-Centre/>.

Nominee directors

Article 10.7 allowing the appointment of nominee directors by certain ex-shareholders (being the shareholders of the Company prior to its listing on the ASX) has been removed.

Postponement and cancellation of meetings

Article 8.6 has been inserted to streamline the process by which general meetings can be postponed or cancelled by allowing the Board of the Company to postpone, cancel or change the place of a general meeting (excluding a meeting requisitioned by members) by providing notice of the postponement, cancellation or change to the ASX. The impact of COVID-19 illustrates the benefits of providing the Company with greater flexibility to adapt its general meeting procedures to respond to unexpected events.

New escrow provisions

Inclusions in the new Constitution provide constitutional support for ASX's modified escrow regime set out in the new ASX Listing Rule 15.12 that came into effect on 1 December 2019. These inclusions provide that:

- a holder of restricted securities must not dispose of, or agree or offer to dispose of the securities during the escrow period applicable to those securities except as permitted by the ASX Listing Rules or the ASX;
- if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the ASX Listing Rules or the ASX;
- a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the ASX Listing Rules or the ASX; and
- if a holder of restricted securities breaches a restriction deed or a provision of the Company's Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

Notice by public display

Article 18.9 has been inserted to provide that notices to shareholders from whom the Company receives return mail will be deemed served if displayed at the Company's registered office for a period of 48 hours. This amendment will enable the Company to save on costs associated with print, mail and postage to members that do not have a registered address or whose address details are no longer current.

Availability of New Constitution

A copy of the Constitution which shows the proposed amendments can be viewed at <http://investors.costagroup.com.au/Investor-Centre/>. Prior to the AGM, a copy of the new Constitution will also be available for review by Shareholders at the Company's registered office during normal business hours.

A copy of the new Constitution can be sent to Shareholders of the Company upon a request being made to the Company by email to investors@costagroup.com.au.

The resolution in Item 6 is a special resolution that can only be passed if at least 75% of the total votes cast by shareholders entitled to vote on the resolution are voted in its favour. If shareholders vote in favour of this resolution, the new Constitution will operate from the date on which the special resolution is passed and will not affect the validity of acts or appointments under the current Constitution.

Directors' recommendation

The Directors recommend that you vote in favour of the resolution in Item 6.

The Chairman intends to vote undirected proxies able to be voted **in favour** of this resolution.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Costa Group Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

VOTING FORM

I/We being a member(s) of Costa Group Holdings Limited and entitled to attend and vote hereby:

A

VOTE DIRECTLY

☐

elect to lodge my/our
vote(s) directly (mark box)



in relation to the Annual General Meeting of the Company to be held at **11:00am on Friday, 29 May 2020**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

B

APPOINT A PROXY

☐

the Chairman of
the Meeting
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Friday, 29 May 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Government requirements prohibit Costa Group Holdings Limited from admitting attendees to the physical meeting. Shareholders are encouraged to attend the Meeting via webcast at <http://agmlive.link/CGC20>

Important for Resolutions 2, 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Voting forms will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

2 Adoption of Remuneration Report

For Against Abstain*

☐ ☐ ☐

3 Re-election of Neil Chatfield as a Director

☐ ☐ ☐

4 Grant of Managing Director's Calendar Year 2020 ("CY20") STI Performance Rights

☐ ☐ ☐

5 Grant of Managing Director's Calendar Year 2020 ("CY20") LTI Options

For Against Abstain*

☐ ☐ ☐

6 Amendment to the Constitution

☐ ☐ ☐


* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER VOTING FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

VOTING UNDER SECTION A – VOTE DIRECTLY

If you mark the box in Section A you are indicating that you wish to vote directly. Please only mark either "For" or "Against" for each item. Do not mark the "Abstain" box. If you mark the "Abstain" box for an item, your vote for that item will be invalid.

If you mark the boxes in both Section A and Section B, you will be taken to have voted directly and any instructions given in relation of the appointment of a proxy will have no effect.

If you do not mark a box in Section A or Section B, you will be taken to have appointed the person named in the form as proxy. If no person is named, the Chairman of the Meeting will be deemed your appointed proxy.

If you have lodged a direct vote, and then vote at the virtual Meeting, your direct vote will be cancelled.

Custodians and nominees may, with the share registry's consent, identify on the Voting Form the total number of votes in each of the categories "For" and "Against" and their votes will be valid.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email of that individual or body corporate in Step 1. If you leave this section blank, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Voting Form, including where the resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid. If you wish to appoint a Director (other than the Chairman) or a member of the KMP or their closely related parties as your proxy, you must specify how they should vote on resolutions 3 & 4 by marking the appropriate box (For, Against or Abstain). If you do not specify how your proxy should vote, your proxy will not be able to vote of resolutions 3 & 4.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies. If you wish to appoint a second proxy, an additional Voting Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Voting Form and the second Voting Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A VOTING FORM

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Wednesday, 27 May 2020**, being not later than 48 hours before the commencement of the Meeting. Any Voting Form received after that time will not be valid for the scheduled Meeting.

Voting Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN), Holder Identification Number (HIN) or Employee ID as shown on the front of the Proxy Form).



BY MAIL

Costa Group Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)