

Notice of Annual General Meeting



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 26 December 2021 (“Financial Year”) in a hybrid format. Subject to public health guidance, there will be a physical meeting, which may be subject to capacity limits, and shareholders will also be able to attend and participate online. Any changes to the way shareholders are able to attend or participate in the AGM (including with respect to any regulatory changes or public health directives) will be announced by the Company on ASX before the AGM.

As such, notice is hereby given that the AGM of the Company for the Financial Year will be held on 25 May 2022 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 ask questions and vote on resolutions in real time. This approach is consistent with existing legislation in place as at the date of this document. The Company encourages all members to participate in the manner set out below.

How Members Can Participate

1. A physical meeting, at which members may ask questions and vote will be held at King & Wood Mallesons, Level 27, Collins Arch, 447 Collins Street, Melbourne, Victoria. The ability for shareholders and others to attend the physical meeting may be subject to a capacity limit if required in order to comply with public health directives, in which case shareholders will be given priority to attend the physical meeting. Attendance at the physical meeting will also be subject to attendees complying with any COVID-safe measures that the Company considers necessary or prudent at the time of the meeting.

2. For members who are not able to or would prefer not 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 watch the AGM live and see the AGM presentation materials, vote and ask questions. Members can access the platform at <https://meetings.linkgroup.com/CGC2022>. 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/>.

3. Members can vote during the meeting (in person, or by using the online platform if attending virtually) or can vote directly or appoint a proxy prior to the meeting. Members who are unable to attend the AGM in person or 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 those instructions. Additional details on voting in advance or appointing a proxy are set out on page 3 of this notice.

4. 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 23 May 2022.

Items of 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 26 December 2021 be adopted.”

Please see the explanatory notes and voting exclusion statement for this resolution on page 5.

3. Re-election of Janette Kendall as a Director

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

“That Janette Kendall be re-elected as a Director of the Company.”

Please see the explanatory notes for this resolution on page 6.

4. Re-election of Dr Jane Wilson AO as a Director

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

“That Dr Jane Wilson AO be re-elected as a Director of the Company.”

Please see the explanatory notes for this resolution on page 6.

5. Election of Harry Debney as a Director

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

“That Harry Debney be elected as a Director of the Company.”

Please see the explanatory notes for this resolution on page 7.

6. Increase in Non-Executive Directors’ Fee Pool

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

“That, in accordance with ASX Listing Rule 10.17 and article 10.8 of the Company’s Constitution and for all other purposes, the maximum aggregate remuneration payable to Non-Executive Directors of the Company by way of Directors’ fees per annum be increased by \$400,000 from \$1,200,000 to a

maximum of \$1,600,000, with effect from and including 25 May 2022.”

Please see the explanatory notes and voting exclusion statement for this resolution on pages 7-8.

7. Managing Director’s Calendar Year 2022 (“CY22”) 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 any resulting issue or transfer of shares in the Company) to the Chief Executive Officer and Managing Director, Mr Sean Hallahan under the Company’s CY22 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 8-13.

8. Managing Director’s CY22 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 any resulting issue or transfer of shares in the Company) to the Chief Executive Officer and Managing Director, Mr Sean Hallahan, under the Company’s CY22 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 8-13.

By order of the Board.



David Thomas
Company Secretary
22 April 2022

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 23 May 2022. 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 involving shares in the Company registered after 7:00pm (Melbourne time) on 23 May 2022 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

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.

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

- a person; 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 "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. A proxy need not be a shareholder.

Maximum of two proxies: 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.

Deadline for receipt: The Company must receive at least 48 hours before the AGM (ie. by 11:00am (Melbourne time) on 23 May 2022):

- 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.

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.

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 Chair 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 Chair of the AGM, the proxy must vote on a poll and must vote as directed.

Default to the Chairman of the meeting: If:

- a shareholder has appointed a proxy other than the Chair 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 Chair 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 Chair of the AGM must vote in accordance with any written direction of that shareholder.

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

If there is a change in how the Chair 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)* ("**Corporations Act**"), 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 36 to 48 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.

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. 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. Further, under the Corporations Act if at least 25% of the votes cast on this resolution and the relevant resolution at next year's AGM are voted against adoption of the Remuneration Report and next

year's remuneration report, the Company will be required to put to shareholders a resolution proposing the calling of an extraordinary general meeting at which all Directors of the Company (other than the Managing Director) will cease to hold office and stand for re-election ("**Spill Resolution**"). In these circumstances, the Spill Resolution would need to be considered at next year's AGM.

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.

Voting Exclusion – Item 2

A vote must not be cast (in any capacity) on the resolution in Item 2, by or on behalf of a member or former 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 Chair 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 Chair 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 Janette Kendall as a Director

In accordance with article 10.3 of the Company constitution and ASX Listing Rule 14.4, Janette Kendall retires by rotation and offers herself for re-election. If re-elected, Janette 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 2025 (a period of approximately 3 years).

Director since 11 October 2016. Member of the Audit and Risk Committee, Horticultural Innovation and Technology Committee and Nomination Committee.

Janette has held various senior management roles in her career including Senior Vice President of Marketing at Galaxy Entertainment Group in Macau, China; Executive General Manager of Marketing at Crown Melbourne; General Manager, Pacific Brands; Managing Director of emitch Limited; and Managing Director of Clemenger Digital and Clemenger Proximity. Janette is currently a non-executive director of Vicinity Centres, Tabcorp Holdings, Visit Victoria and KM Property Funds.

Janette was previously a director of Nine Entertainment Ltd (to December 2018), Wellcom Group Ltd (to November 2019) and Australian VenueCo (to December 2021) and Chair of the Melbourne Theatre Company Foundation (to December 2020).

Directors' recommendation

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



Item 4 – Re-election of Dr Jane Wilson AO as a Director

In accordance with article 10.3 of the Company constitution and ASX Listing Rule 14.4, Dr Jane Wilson AO retires by rotation and offers herself for re-election. If re-elected, Jane 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 2025 (a period of approximately 3 years).

Director since 1 April 2019. Member of the Remuneration and Human Resources Committee, Horticultural Innovation and Technology Committee and Nomination Committee. Dr Wilson holds a medical degree from The University of Queensland and a Master of Business Administration from Harvard Business School.

She is Co-Chair of the Federal Government's Australian Advisory Board on Technology and Healthcare Competitiveness. She is also a director of Rugby Australia and ASX listed Transurban Ltd and Sonic Healthcare Ltd. In the early 2000s Dr Wilson was the Inaugural Chair of Horticulture Australia and served on the Council of Rural Research & Development Corporations' Chairs.

Directors' recommendation

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. The Directors (with Dr Wilson abstaining) recommend that you vote in favour of the resolution in Item 4.



Item 5 – Election of Harry Debney as a Director

Given that Harry Debney has been appointed as a Director since the last annual general meeting of the Company, he must now be elected in accordance with article 10.7 of the Company's constitution. If elected, he 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 2025 (a period of approximately 3 years).

Non-Executive Director since 1 July 2021. Chair of the Horticultural Innovation and Technology Committee and member of the Nomination Committee.

Harry was formerly the Company's CEO (from 2010) and Managing Director (from 2015) until his retirement from the Company's executive team in March 2021. During his time as CEO, Harry oversaw the transition of the business from a privately owned company to its listing on the Australian Securities Exchange. Prior to joining Costa, Harry spent 24 years at Visy Industries, including eight years as Chief Executive Officer. During this time, he substantially grew the Visy business, both organically and through acquisitions.

Harry is currently a Non-executive director of Kogan.com Ltd and Lite n' Easy Pty Ltd.

Directors' recommendation

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. The Directors (with Mr Debney abstaining) recommend that you vote in favour of the resolution in Item 5.

Item 6 - Increase in Non-Executive Directors' Fee Pool

The maximum aggregate amount payable as remuneration to Non-Executive Directors (**Fee Pool**) was last approved by shareholders at \$1,200,000 per annum. The Board seeks approval in accordance with ASX Listing Rule 10.17 and article 10.8(a) of the Company's Constitution to increase the Fee Pool by \$400,000 to \$1,600,000 per annum.

The current Fee Pool has not been increased since the Company was listed on the ASX in 2015. Since that time, the size and complexity of the Company have grown substantially, the size of the Board has increased and fees paid to Non-executive Directors have increased in line with market movements. As a result, there is now only approximately 10% headroom in the Fee Pool and there is not scope to appoint any further directors if considered appropriate.

The Board is therefore seeking approval from shareholders to increase the Fee Pool:

- a) to reflect the changes in the roles and responsibilities of Non-Executive Directors as a result of increased scope and complexity of the Company's operations and due to evolving governance, legal and regulatory obligations;
- b) to ensure that the Company remains able to attract and retain directors of appropriate skill and experience, including allowing for future increases to current fees to align with market competitive rates;
- c) to allow room in the Fee Pool for the appointment of an additional Non-Executive Director in the event that such an appointment is required to ensure that the Board has the appropriate mix of skills and experience in order to properly discharge its duties; and
- d) to facilitate orderly Board succession planning, whereby new directors may be appointed prior to retirement of existing directors. This may result in short term increases in the size of the Board and the total fees payable to directors.

Details of fees paid to Non-Executive Directors for the year ended 26 December 2021 are provided on pages 44 to 45 of the Company's 2021 Annual Report. The current annual Board and Committee fees paid to Non-Executive Directors are disclosed on page 42 of the Company's 2021 Annual Report

and there are no proposals to change these annual fees during 2022. If shareholder approval is obtained for the increase in the Fee Pool, the increase will take effect from the date of this meeting but if shareholder approval is not obtained, the Fee Pool will remain at \$1,200,000. The Board is satisfied that the proposed Fee Pool is in line with the fee pool applicable to peer companies with similar revenue and that the proposed increase is reasonable and appropriate for the reasons outlined above.

No securities have been issued to any Non-Executive Director of the Company under ASX Listing Rules 10.11 or 10.14 at any time within the last three years¹.

Directors' recommendation

As Non-Executive Directors have an interest in the resolution contained in Item 6, the Directors have not made a recommendation on this resolution.

Voting Exclusion – Item 6

The Company will disregard any votes cast in favour of the resolution in Item 6 by or on behalf of a Director or an associate of a Director. However, this does not apply to a vote cast in favour of the resolution in Item 6 by:

- (a) 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
- (b) the Chair of the AGM, as proxy or attorney for a person entitled to vote on the resolution in Item 6, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) 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.

In addition, a vote must not be cast on Item 6 by a member of the Company's KMP or a closely related party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Item 6. This restriction on voting undirected proxies does not apply to the Chair of the AGM acting as proxy for a person entitled to vote on Item 6 because the Company's proxy appointment expressly authorises the Chair of the AGM to exercise undirected proxies.

Items 7 and 8 – Managing Director's entitlement to securities under CY22 remuneration package

The Board has set Mr Hallahan's remuneration package with the aim of ensuring that Mr Hallahan'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.

Mr Hallahan's current remuneration package, for CY22, is comprised of:

- (a) total fixed remuneration of \$867,000;
- (b) a short term incentive opportunity of \$390,150 at CY22 target earnings performance (with a maximum of \$606,900, if stretch targets and personal metrics are achieved); and
- (c) a long term incentive opportunity comprising long term incentive options with a value of \$303,450², subject to shareholder approval being obtained,

being a total of \$1,560,600 if CY22 target earnings are achieved (and a maximum of \$1,777,350 if stretch targets are achieved).

The non-executive Directors have concluded that the remuneration package for Mr Hallahan (including the proposed grant of securities under the short term incentive ("STI") Plan and the long term incentive ("LTI") Plan) for CY22 are reasonable and appropriate having regard to the circumstances

¹ Harry Debney has received securities within the past 3 years under listing rule 10.14 when acting in his capacity as Managing Director and CEO of the Company.

² Total value of LTI Options to be issued to Mr Hallahan as part of the CY22 LTI Plan, as at the date that the LTI Options were approved by the Board being 21 February 2022.

of the Company and the duties and responsibilities of Mr Hallahan. The Performance Rights granted under the STI Plan and Options granted under the LTI Plan will provide an additional incentive to Mr Hallahan to drive company-wide performance and strengthens alignment between Mr Hallahan and ordinary shareholders.

Accordingly, the non-executive directors recommend that shareholders vote **in favour** of the resolutions in Items 7 and 8.

Why the Company is seeking approval – Items 7 and 8

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. Accordingly, as the deferred component of the Company's CY22 STI Plan involves performance rights and the Company's CY22 LTI Plan involves options, the Company seeks approval for Mr Hallahan's participation in both the deferred component of the CY22 STI Plan (Item 7) and the CY22 LTI Plan (Item 8) and subsequently, any resulting issue or transfer of shares in the Company to Mr Hallahan. Details of the CY22 STI Plan and CY22 LTI Plan are set out below.

Details of any securities issued to Mr Hallahan under the CY22 STI Plan and CY22 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 Hallahan 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 CY22 STI Plan or CY22 LTI Plan after the resolutions in Items 7 and 8 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 CY22 STI Performance Rights – Item 7

Under the CY22 STI Plan, Mr Hallahan 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 Hallahan will receive, if any, will be subject to

performance measures linked to the Company's financial performance and Mr Hallahan'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's STI Plan, CY22 STI targets are based on financial performance relative to Board determined budgets (as to 80%) and personal components (as to 20%). Financial measures are EBIT (before SGARA) and cashflow generation. The individual performance measures for CY22 relate to key business drivers, which have been set by the Board and include measures related to safety, people and leadership, and delivery of a strategic plan.

Where Mr Hallahan 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 CY22 STI Plan ("**STI Performance Rights**").

Mr Hallahan has not previously been allocated any performance rights under the CY22 STI Plan, but 54,857 performance rights have previously been allocated at no cost to Mr Hallahan under prior year STI plans.

Terms of the STI Performance Rights – Item 7

The STI Performance Rights will automatically vest on 1 March 2024, however they will lapse if prior to vesting, Mr Hallahan ceases to be an employee and the Board determines that he is not a "good leaver" under the terms of the CY22 STI Plan. Once vested, the STI Performance Rights may be exercised by Mr Hallahan at any time prior to 1 March 2026, and each STI Performance Right will provide the right to receive one ordinary share in the Company.

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 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 CY22 LTI Options – Item 8

Mr Hallahan is also eligible to participate in the Company's CY22 LTI Plan with a three year performance period commencing from 27 December 2021 to the end of the Company's 2024 financial year ("**Performance Period**"). The three-year Performance Period is consistent with performance periods adopted for previous LTI plans.

Under the CY22 LTI Plan, Mr Hallahan is entitled to receive options to acquire ordinary shares in the Company ("**LTI Options**") valued at \$303,450³, being 35% of his total fixed remuneration for CY22. Based on an independent valuation conducted by Ernst & Young, which valued each LTI Option at \$0.89, Mr Hallahan is entitled to receive 340,955 LTI Options under the CY22 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 CY22 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 CY22 LTI Plan.

Mr Hallahan has not previously been allocated any LTI Options under the CY22 LTI Plan, but 969,955 LTI Options have previously been allocated at no cost to Mr Hallahan under prior year LTI plans, with exercise prices ranging from \$2.39 to \$7.37.

Terms of the LTI Options – Item 8

Key terms of the LTI Options are as follows:

Exercise price	\$2.96 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 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.

³ Total value of LTI Options to be issued to Mr Hallahan as part of the CY22 LTI Plan, as at the date that the LTI

Options were approved by the Board being 21 February 2022.

	<p>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-S.</p>
Strategic growth hurdle	<p>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.</p> <p>The number of Growth Target Options that vest will be determined by the Board (with the CEO abstaining) based on the Company's performance during the Performance Period against the growth and diversification targets set by the Board.</p>
Entitlements	<p>Each vested LTI Option entitles the holder to acquire one fully paid ordinary share in the Company, for an exercise price of \$2.96.</p> <p>LTI Options will not carry rights to dividends or voting rights prior to vesting.</p>
Option exercise	<p>Vested LTI Options must be exercised within the 2 year period from the vesting date of the options until 1 March 2027 ("Expiry Date").</p> <p>Upon vesting and prior to the Expiry Date, Mr Hallahan can exercise the LTI Options by either:</p> <ul style="list-style-type: none"> • 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. <p>If Mr Hallahan 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:</p> <p><i>(A minus B) divided by C, where:</i></p> <p><i>A = Number of shares to which each vested LTI Option relates (ie. 1) x Number of vested LTI Options exercised x C</i></p> <p><i>B = Number of vested LTI options exercised x Exercise price</i></p> <p><i>C = Market price per share, being an amount equal to the volume weighted average price of a share recorded on the ASX over the 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.</i></p>
Sale restriction	<p>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:</p> <ul style="list-style-type: none"> (i) 12 months following vesting; and (ii) the date that Mr Hallahan ceases employment with the Company.
Service conditions	<p>If Mr Hallahan ceases employment before his LTI Options vest due to termination for cause, all of his unvested LTI Options will lapse at cessation.</p> <p>Where Mr Hallahan ceases employment for any other reason (which generally includes "good leaver" circumstances such as death or disability), a pro-rata number of unvested LTI</p>

	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.
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.

Maximum value of STI Performance Rights and LTI Options that Mr Hallahan may receive – Items 7 and 8

Plan	Maximum number and value of securities
CY22 STI Plan	<p>The maximum value of the STI Performance Rights that Mr Hallahan may receive in respect of CY22 will be STI Performance Rights with a value equal to \$202,300 (being one third of his maximum STI award).</p> <p>The exact number of STI Performance Rights that Mr Hallahan will be entitled to receive will be determined by dividing the dollar value of the deferred component of Mr Hallahan's STI award by the volume weighted average price of an ordinary fully paid share in the capital of the Company over a period of 5 ASX trading days commencing on the day on which the Company's CY22 results are released or if no sale occurred during such period, the last sale price of an ordinary fully paid share in the capital of the Company on the ASX prior to that period.</p>
CY22 LTI Plan	<p>Under the CY22 LTI Plan, Mr Hallahan is entitled to receive LTI Options valued at \$303,450⁴, being 35% of his total fixed remuneration for CY22.</p> <p>Based on an independent valuation conducted by Ernst & Young, which valued each LTI Option at \$0.89, Mr Hallahan is entitled to receive 340,955 LTI Options under the CY22 LTI Plan.</p>

Price payable for the STI Performance Rights and LTI Options – Items 7 and 8

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

Eligibility to participate in the CY22 STI Plan and CY22 LTI Plan – Items 7 and 8

Mr Hallahan, 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 CY22 STI Plan and the CY22 LTI Plan.

Date by which CY22 STI Performance Rights and LTI Options will be granted – Items 7 and 8

If the resolution in Item 7 is approved at the AGM, the CY22 STI Performance Rights will, unless otherwise determined by the Board and subject to the satisfaction of the relevant performance milestones, be granted to Mr Hallahan shortly following the determination of his final CY22 STI award which will occur following the release of the Company's CY22 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 7 at the AGM, it is intended that all of Mr Hallahan's CY22 STI award will be provided in cash.

If the resolution in Item 8 is approved at the AGM, the CY22 LTI Options will, unless otherwise determined by the Board, be granted to Mr Hallahan shortly following the AGM and in any

⁴ Total value of options to be issued to Mr Hallahan as part of the CY22 LTI Plan, as at the date that the options were approved by the Board being 21 February 2022.

event no later than 12 months after the date of the AGM. To compensate Mr Hallahan for the remuneration he would forego if shareholder approval is not obtained for the resolution in Item 8, the Company may pay Mr Hallahan 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 Hallahan would only receive a cash payment if the performance hurdles are satisfied.

Voting Exclusion – Items 7 and 8

The Company will disregard any votes cast in favour of the resolutions in Items 7 and 8 by or on behalf of Mr Hallahan or an associate of Mr Hallahan. However, this does not apply to a vote cast in favour of the resolutions in Items 7 and 8 by:

- (a) 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
- (b) the Chair of the AGM, as proxy or attorney for a person entitled to vote on the resolutions in Items 7 and 8, in accordance with a direction given to the Chair to vote on the resolution as the chair decides; or
- (c) 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.

In addition, a vote must not be cast on Items 7 or 8 by a member of the Company's KMP or a closely related party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Items 7 or 8 (as relevant). This restriction on voting undirected proxies does not apply to the Chair of the AGM acting as proxy for a person entitled to

vote on Items 7 or 8 (as relevant) because the Company's proxy appointment expressly authorises the Chair of the AGM to exercise undirected proxies.

Directors' recommendation

The Directors (with Mr Hallahan abstaining) recommend that you vote in favour of the resolutions in Items 7 and 8.

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
Level 12, 680 George Street, Sydney NSW 2000



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:

STEP 1 Please mark either A or B

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 Wednesday, 25 May 2022**, 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 Chair of the
Meeting (mark
box)

OR if you are **NOT** appointing the Chair 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 Chair 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 Wednesday, 25 May 2022 at the offices of King & Wood Mallesons, Level 27, Collins Arch, 447 Collins Street, Melbourne, Victoria (the Meeting)** and at any postponement or adjournment of the Meeting or virtually via Webcast where you can participate by logging in online at <https://meetings.linkgroup.com/CGC2022>

Subject to public health guidance, the physical meeting may be subject to capacity limits.

Important for Resolutions 2, 6, 7 & 8: If the Chair 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 Chair of the Meeting to exercise the proxy in respect of Resolutions 2, 6, 7 & 8, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

Proxies 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

For Against Abstain*

For Against Abstain*

2 Adoption of Remuneration Report

☐ ☐ ☐

6 Increase in Non-Executive Directors' Fee Pool

☐ ☐ ☐

3 Re-election of Janette Kendall as a Director

☐ ☐ ☐

7 Grant of Managing Director's Calendar Year 2022 ("CY22") STI Performance Rights

☐ ☐ ☐

4 Re-election of Dr Jane Wilson AO as a Director

☐ ☐ ☐

8 Grant of Managing Director's CY22 LTI Options

☐ ☐ ☐

5 Election of Harry Debney as a Director

☐ ☐ ☐


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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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 Chair 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 Chair'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 Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair 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 Chair) or a member of the KMP or their closely related parties as your proxy, you must specify how they should vote on resolutions 2, 5 & 6 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 on resolutions 2, 5 & 6.

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 Monday, 23 May 2022**, 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*
Level 12
680 George Street
Sydney NSW 2000

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

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.