

CSR Limited

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26 May 2023

Mr Justin Nelson
Principal Adviser - Listings Compliance
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Justin,

CSR Limited (ASX: CSR) 2023 Notice of Annual General Meeting

CSR's Annual General Meeting (AGM) will be held at 10:00am (AEST) Tuesday 27 June 2023.

Attached for release is a copy of the Notice of Meeting and the following associated documents:

- Proxy Form; and
- Notice of Access letter.

The AGM will be held as a hybrid meeting. Shareholders are provided with various alternatives to participate in the AGM, with detailed information provided in the Notice of Meeting and on our website at www.csr.com.au/AGM2023.

Yours faithfully



Jill Hardiman
Company Secretary

This announcement has been authorised for release by the Chair of CSR Limited.



Notice of Meeting

Invitation to CSR's Annual General Meeting

Dear Shareholder

CSR's Annual General Meeting (AGM) will be held at 10.00am (AEST) Tuesday 27 June 2023.

The AGM will be held as a hybrid meeting providing shareholders with an opportunity to either attend in person or to participate online.

To attend in person and engage with directors, shareholders are invited to attend CSR's head office, Trinita 3, Level 6, 39 Delhi Road, North Ryde, Sydney, NSW 2113, conveniently located 250 metres from the North Ryde Metro station.

Shareholders can also participate in the AGM online via an online platform providing shareholders with the ability to ask questions and vote in real time.

For the health and safety of all attendees, if you feel unwell, we ask that you do not attend the AGM in person, and instead join the AGM online. In the event that it is necessary to provide further updates on arrangements for the AGM, we will inform you through CSR's website at www.csr.com.au/AGM2023 and an ASX announcement.

The directors of CSR encourage shareholders to participate in the meeting via the online platform. Whilst shareholders will be able to vote online during the meeting, shareholders are encouraged to lodge a proxy ahead of the meeting at www.investorvote.com.au, even if planning to attend online.

As always, we invite shareholders to submit questions in advance of the meeting. Questions may be submitted by completing an online shareholder question form on CSR's website at www.csr.com.au/AGM2023 or submitting an online question when lodging your proxy vote at www.investorvote.com.au.

This notice of meeting (which includes the Agenda, Eligibility to Vote and Explanatory notes) details the formal business to be dealt with at the AGM. Briefly, this will be to:

1. receive and consider the formal reports for the financial year;
- 2a. elect Christina Boyce as a non-executive director of the company;
- 2b. elect Adam Tindall as a non-executive director of the company;
3. adopt the 2023 remuneration report;
4. approve the grant of long-term incentives (performance rights) to Julie Coates, the managing director; and
5. insert the proportional takeover provisions in the Constitution.

The directors recommend that shareholders vote in favour of all resolutions.

How to participate in the AGM online

Shareholders and proxyholders can participate in the AGM and watch the meeting online by logging into the Computershare meeting platform using either a computer, tablet or smartphone at <https://meetnow.global/M9VSL6P>. This online platform will allow shareholders to view the meeting, vote and ask questions in real-time.

How to watch the webcast

The meeting will also be webcast live from www.csr.com.au/investors-and-news/webcasts, however as distinct from the online platform, shareholders will not be able to vote and ask questions in real time on the webcast (the Computershare meeting platform referred to above will be available for this).

If you are planning to watch the webcast, we encourage you to submit a proxy vote and any questions ahead of the meeting.

How to submit your vote in advance of the meeting

You can appoint a proxy to vote on your behalf. To be valid for the meeting, your voting instructions must be received by 10.00am (AEST) on Sunday 25 June 2023. Instructions on how to appoint a proxy are on the online voting website, www.investorvote.com.au. Alternatively, you may contact Computershare on 1800 676 061 (within Australia) or +61 3 9415 4033 (outside Australia) to obtain a hard copy Proxy Form which will be mailed to you. Your proxy may be appointed in a variety of ways described on page 2 of the notice of meeting under 'Proxies'.

Updating or accessing shareholder information

On the Share Information page of the CSR website is a link to Computershare's Investor Centre, www.investorcentre.com/au, where you can make an election about how you would like to receive certain documents, as well as obtain standard shareholder forms, including a direct credit dividend advice, a change of address advice and a request to consolidate holdings.

The CSR Annual Report 2023, Corporate Governance statement and notice of meeting 2023, the CSR Sustainability Report 2022, and copies of news releases and financial presentations are available to view online or download from CSR's website at www.csr.com.au.

We look forward to engaging with shareholders during the meeting.

Yours sincerely



JOHN GILLAM, CHAIR OF THE BOARD
26 May 2023



Agenda

ORDINARY BUSINESS

1. Financial reports and directors' and auditor's reports

To receive and consider the financial report, the directors' report and the auditor's report for the financial year ended 31 March 2023.

2. Election of directors

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

- a. That Christina Boyce, who was appointed a director in March 2023 and will retire at the close of the meeting in accordance with rule 8.1 of the company's constitution, be elected as a director of the company.
- b. That Adam Tindall, who was appointed a director in January 2023 and will retire at the close of the meeting in accordance with rule 8.1 of the company's constitution, be elected as a director of the company.

3. Remuneration report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

To adopt the remuneration report for the financial year ended 31 March 2023.

Note: The vote on this item is advisory only and does not bind the directors or the company.

SPECIAL BUSINESS

4. Grant of performance rights to the managing director

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

That the grant to the managing director of 360,508 performance rights under the terms of the company's Performance Rights Plan (the "PRP") as summarised in the explanatory notes to this notice of meeting be approved.

5. To insert the proportional takeover provisions in the Constitution

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

That the company insert the proportional takeover provisions contained in rule 6 of the company's constitution for a period of three years from the date of this meeting.

ELIGIBILITY TO VOTE

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as shareholders as at 7.00pm (AEST) on Sunday 25 June 2023.

Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to vote at the meeting.

Proxies

If you are a shareholder entitled to vote, you may appoint a proxy. If you are a shareholder entitled to cast two or more votes, you may appoint two proxies and specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes.

A proxy need not be a shareholder of the company. Appointed proxies will need to contact Computershare Investor Services to obtain an email invitation to vote online. Further details are available in the online meeting guide available at www.csr.com.au/AGM2023.

If you do not specify a proxy in your completed proxy vote or if the person you appoint as proxy does not participate in the AGM, the chair of the meeting will be taken to be your proxy by default. In accordance with the *Corporations Act 2001 Cth* (Corporations Act), any directed proxies that are not voted as directed on a poll at the meeting will automatically default to the chair of the meeting, who is required to vote proxies as directed.

Voting restrictions apply to the company's key management personnel (KMP) and their closely related parties, which affect proxy voting

Members of CSR's KMP (which includes each of the non-executive directors, the managing director and the chief financial officer) and their closely related parties will not be able to vote as your proxy on resolutions 3 and 4 unless you direct them how to vote by marking a voting box for those items, or the chair of the meeting is your proxy. The term 'closely related party' is defined in the Corporations Act and includes the KMP's spouse, dependents and certain other close family members, as well as any companies controlled by the KMP.

If you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on resolutions 3 and 4.

If you appoint the chair of the meeting as your proxy or they become your proxy by default, and you do not provide any voting directions on your proxy form, by validly submitting your proxy form, you will be expressly authorising the chair of the meeting to cast your vote on resolutions 3 and 4 as they see fit. This applies even though the resolution is connected with the remuneration of CSR's KMP.

The chair of the meeting intends to vote all available proxies in favour of all resolutions.

Voting Exclusions

Resolution 3

The company will disregard any votes cast on resolution 3:

- by or on behalf of a member of the KMP whose remuneration is disclosed in the remuneration report for the year ended 31 March 2023 and their closely related parties regardless of the capacity in which the vote is cast; and
- as a proxy by a member of the KMP at the date of the meeting and any of their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on resolution 3:

- in accordance with a direction on the proxy form; or
- by the chair of the meeting pursuant to an express authorisation to exercise the proxy as the chair thinks fit even though resolution 3 is connected with the remuneration of the KMP.

Resolution 4

While ASX Listing Rule approval of the managing director's Long-Term Incentive (LTI) award is not technically required, CSR continues to seek shareholder approval for good governance reasons. Accordingly, the company will disregard any votes cast on resolution 4:

- in favour of the resolution by or on behalf of the managing director and any of her associates, regardless of the capacity in which the vote is cast; and
- as a proxy by a member of the KMP at the date of the meeting and any of their closely related parties,

unless the vote is cast on resolution 4:

- 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
- as proxy for a person entitled to vote on the resolution by the chair of the meeting pursuant to an express authorisation to exercise the proxy as the chair thinks fit; or
- 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:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The chair of the meeting intends to vote all available proxies in favour of resolutions 3 and 4.

Where to lodge a proxy

Online: www.investorvote.com.au (by following the instructions set out on the website). Shareholders who have received their notice of meeting and proxy form electronically will have received an e-mail with a link to the Computershare site.

You will need a specific six digit Control Number to vote online. This number is located on the front of your letter or on your proxy form.

You can arrange to receive shareholder information electronically by contacting Computershare on 1800 676 061 (within Australia) or +61 3 9415 4033 (outside Australia) or at www.computershare.com.au (Investor Centre).

Custodian voting: for intermediary online subscribers only (Custodians) please submit your voting intentions at www.intermediaryonline.com.

By post: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 or to CSR Limited, marked to the attention of the Company Secretary at Trinit 3, Level 5, 39 Delhi Road, North Ryde NSW 2113.

By facsimile: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

In order to take effect, your proxy appointment (and the power of attorney or other authority under which it is signed, if any) must be received by Computershare, no later than 10.00am (AEST) on Sunday 25 June 2023.

Questions and comments from shareholders

In accordance with the Corporations Act and the company's past practice, a reasonable opportunity will be given to shareholders, as a whole, at the meeting to ask questions about, or make comments on, the management of the company and the remuneration report.

Similarly, a reasonable opportunity will also be given to shareholders as a whole at the meeting to ask CSR's auditor, Deloitte Touche Tohmatsu, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Written questions may be submitted by shareholders in advance of the meeting, including questions for the company's auditor Deloitte Touche Tohmatsu, specifically in relation to the conduct of the audit and content of the auditor's report.

Shareholders can submit their questions in advance of the meeting in a number of ways:

- by completing an online shareholder question form on CSR's website at www.csr.com.au/AGM2023; or
- submitting an online question when voting online prior to the meeting at www.investorvote.com.au.

To be considered in advance of the meeting, written questions must be received no later than 5.00pm (AEST), on Tuesday 20 June 2023. Please note that it may not be possible to provide individual responses to all questions asked prior to the commencement of the meeting.

Participating in the meeting online

Shareholders can also submit questions in relation to the business of the meeting, and vote on the resolutions in real time during the meeting via the Computershare meeting platform.

Shareholders participating in the meeting using the Computershare meeting platform will be able to vote between the commencement of the meeting and the closure of voting as announced by the chair during the meeting.

By participating in the meeting online you will be able to:

- view a live video of the AGM, including meeting slides;
- submit written questions or dial into the meeting to ask an oral question at the appropriate time whilst the meeting is in progress; and
- vote during the meeting.

Instructions on how to log on to ask questions during the meeting are outlined below and are detailed in the AGM Online Meeting Guide available on CSR's website at www.csr.com.au/AGM2023. Please note, only shareholders or their proxies may ask questions at the meeting, either in person or online, and only once they have been verified. It may not be possible to respond to all questions raised during the meeting. Shareholders are therefore encouraged to lodge questions prior to the AGM, as outlined on page 3.

If you choose to participate in the meeting online, registration will open at 9.00am (AEST) on Tuesday 27 June 2023.

To participate in the meeting online, you can log into the meeting from the Computershare meeting platform using either a computer, tablet or smartphone at <https://meetnow.global/M9VSL6P>.

To make the registration process quicker, please have your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and registered postcode or country code ready.

Proxyholders will need to contact Computershare on +61 3 9415 4024 at least one hour prior to the meeting to obtain their login details to participate online during the AGM.

To participate in the AGM online in real-time follow the instructions below:

1. Click on 'Join Meeting Now' at <https://meetnow.global/M9VSL6P>;
2. Enter your SRN/HIN. As noted, proxyholders need to contact Computershare on +61 3 9415 4024 at least one hour prior to the meeting to obtain their login details;
3. Select your country and enter the postcode registered to your holding if you are an Australian shareholder. If you are an overseas shareholder select the country of your registered holding from the drop-down list.
4. Accept the Terms and Conditions and click 'Continue'.

Further information regarding participating in the AGM online, including browser requirements, is detailed in the AGM Online Meeting Guide available on CSR's website at www.csr.com.au/AGM2023.

Webcast

You can view a live webcast of the meeting at www.csr.com.au/investors-and-news/webcasts.

All resolutions will be by poll

The chair will call a poll on each of the resolutions set out in this notice of meeting.

Technical difficulties

Technical difficulties may arise during the course of the AGM. The chair of the meeting has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chair will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected.

Where considered appropriate, the chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

For this reason, shareholders are encouraged to lodge a proxy by 10.00am (AEST) on Sunday 25 June 2023 even if they plan to participate online.

EXPLANATORY NOTES TO NOTICE OF MEETING

These explanatory notes form part of the notice of meeting and should be read in conjunction with it. These explanatory notes have been prepared to provide shareholders with important information regarding the items of business proposed for consideration at the AGM.

Resolutions 2(a), 2(b), 3 and 4 are ordinary resolutions. Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution. Resolution 5 is a special resolution which requires a majority of at least 75% of votes cast by shareholders entitled to vote on that resolution.

1. Financial report and the reports of the directors and of the auditor for the financial year ended 31 March 2023

The CSR Annual Report 2023 (which includes the financial report, the directors' report and the auditor's report) has previously been distributed. Shareholders can access a copy of the annual report on CSR's website at www.csr.com.au/investors-and-news/annual-meetings-and-reports.

Shareholders as a whole will be given a reasonable opportunity to ask questions about, and make comments on, the reports and CSR's management, businesses, operations, financial performance and prospects, however there will be no formal resolution put to the meeting. CSR's auditor will also participate in the meeting to answer questions in relation to the conduct of the audit (including the independence of the auditor), the preparation and content of the auditor's report and the accounting policies adopted by CSR. Shareholders may also submit questions in advance of the meeting in accordance with the instruction on page 3 of this notice.

2. Election of directors

2a. Election of Christina Boyce as a non-executive director

Christina Boyce was appointed a director of the company on 15 March 2023. Christina stands for election in accordance with rule 8.1 of the company's constitution. Prior to her appointment as a non-executive director, the board undertook appropriate checks into Christina's background, experience and suitability for the role.

Prior to her appointment to the board, Christina had been engaged periodically by CSR as a consultant providing strategic transformation advice. This consultancy engagement ceased prior to Christina's appointment as a non-executive director. In accordance with the director's independence criteria set out in the board charter and the factors set out in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition), the board assessed the consultancy services previously provided by Christina to not be material and accordingly considers that Christina is an independent director. The board is satisfied that the advice previously provided by Christina does not interfere with the independent exercise of her judgement as a non-executive director of the company.

Information about Christina Boyce is set out below:

Christina Boyce

BEcon, MBA (Kellogg), GAICD

Member of the Remuneration & Human Resources Committee. Subject to her election as a director, Christina will be appointed a member of the Safety & Sustainability Committee effective 1 June 2023.

Christina was formerly a Director (Senior Partner) of Port Jackson Partners. She was a Partner at McKinsey & Co, working in the firm's Sydney, New York and Chicago offices and has over 25 years of strategy advisory experience. Christina has led strategic transformation programs with a range of multinational and Australian-based corporates, working with senior leadership to redefine their business models, strengthen their value propositions and rejuvenate their sales and marketing.

Christina is Chair of SCEGGS Darlinghurst Trust (non-executive director since 2018 and Chair since April 2023 to current) and of Vera Living (2022 to current). Christina was previously a non-executive director of Monash IVF Group (2014 to 2020), Greencross Limited (2014 to 2019) and Oneview Healthcare (2016 to 2018).

The board considers Christina brings deep experience in strategic direction setting, enhancing performance and change implementation and is a strong addition to the board.

Recommendation

For the reasons set out above, the directors (excluding Christina Boyce) unanimously recommend that shareholders vote in favour of resolution 2a.

2b. Election of Adam Tindall as a non-executive director

Adam Tindall was appointed a director of the company on 16 January 2023. Adam stands for election in accordance with rule 8.1 of the company's constitution. Prior to his appointment as a non-executive director, the board undertook appropriate checks into Adam's background, experience and suitability for the role. The board considers that Adam is an independent director.

Information about Adam Tindall is set out below:

Adam Tindall

BEng (Hons), Cert App Fin, FAICD

Member of the Risk & Audit Committee and the Remuneration & Human Resources Committee. Subject to his election as a director, Adam will be appointed Chair of the Remuneration & Human Resources Committee effective 1 June 2023.

Adam was formerly chief executive officer AMP Capital from 2015 to 2020 leading a global team overseeing funds across a range of investment asset classes. Adam's prior roles at AMP capital included Director and Chief Investment Officer for Property, managing a \$19 billion portfolio of real estate and development investments. Prior to 2009, Adam held senior leadership roles at Macquarie Capital and Lendlease. Adam has 35 years of industry experience in investment management, real estate and infrastructure.

Adam is a non-executive director of Stockland Corporation Limited (2021 to current) and of Bennelong Funds Management Ltd and Bennelong Funds Management Group Pty Ltd (2021 to current).

The board considers Adam brings extensive experience in investment management, property development and capital partnerships and has already proven to be a valued addition to the board.

Recommendation

For the reasons set out above, the directors (excluding Adam Tindall) unanimously recommend that shareholders vote in favour of resolution 2b.

3. Adopt the 2023 remuneration report

Listed companies, such as CSR, are required to provide detailed disclosures of non-executive director and executive KMP remuneration in their directors' reports. These disclosures are set out in the remuneration report (which forms part of the directors' report) on pages 49 to 68 of the CSR Annual Report 2023.

The board strives to ensure that CSR's remuneration framework aligns with shareholder interests by:

- ensuring remuneration is performance driven with a focus on setting challenging targets for both financial and non-financial measures;
- placing substantial emphasis on variable ('at risk' incentive based) remuneration linked to short and long-term performance benchmarks that support CSR's business strategy and future success; and
- implementing share based remuneration on a short and long-term basis.

There will be a reasonable opportunity for shareholders as a whole to comment on, and ask questions about, the remuneration report.

The vote on resolution 3 is advisory only and will not bind the directors or the company. However, the board will take the outcome of the vote into consideration when reviewing the company's remuneration practices and policies.

For the voting exclusions applicable to resolution 3, please refer to page 3 of this notice of meeting.

Recommendation

The directors unanimously recommend that shareholders vote in favour of resolution 3.

4. Approve the grant of long-term incentives (performance rights) to Julie Coates, the managing director

The board recognises that it is desirable for the managing director and other senior executives to be incentivised and remunerated on a consistent basis and in a manner that focuses their efforts on delivering long-term value for shareholders. The board has developed the performance rights plan ('PRP') to ensure this alignment.

The board continually reviews the design of the remuneration framework to ensure it meets its objective of being 'fit for purpose'. This includes reviewing the components of the PRP and the maximum award available, to ensure executives are focused on delivering long-term value.

The remuneration framework is designed to support the overall business strategy, ensure retention of key executives, align with shareholder interests, be competitive, reflect market practice and be simple for both participants and shareholders to understand.

Approval is sought for Julie Coates to be granted 360,508 performance rights under the CSR YEM24 long-term incentive award (PRP).

Each performance right entitles Julie Coates to one fully paid ordinary share in the company, subject to the satisfaction of the performance and service conditions below. Any shares allocated to Julie Coates on vesting of the performance rights will be subject to a further 12-month holding restriction.

Shares will be sourced on-market to satisfy the allocation of shares on vesting of performance rights granted to Julie Coates under CSR's PRP. Accordingly, the grant of performance rights and allocation of shares on vesting of those performance rights does not require shareholder approval under ASX Listing Rule 10.14 (which, in summary, provides that a listed company must not issue performance rights to a director under an employee incentive scheme unless it obtains approval from its shareholders or the shares granted on vesting of the performance rights are sourced on-market).

However, as in the past, CSR is seeking shareholder approval in the interests of transparency and good corporate governance.

Details of the PRP are contained in the remuneration report. The key terms of the performance rights to be granted to Julie Coates for YEM24 are set out below and on the following page.

COMPONENTS OF THE YEM24 PRP

Consistent with the remuneration objectives stated above, the board proposes to use relative Total Shareholder Return (TSR) and Earnings Per Share (EPS) as the two performance conditions over the three year performance period (1 April 2023 to 31 March 2026). Both performance conditions will be weighted equally at 50% of the overall grant.

1. Total Shareholder Return (TSR)

50% of Julie Coates' performance rights ('Tranche A') will be subject to a performance condition based on CSR's relative TSR over the performance period, along with an absolute TSR 'gate' for any performance rights to vest.

TSR is the percentage growth in shareholder value, which measures the changes in share price, taking into account dividends and capital returns.

The board believes relative TSR is an appropriate measure for the PRP as it directly aligns with shareholder interests and provides transparency and focus of eligible executives in driving both earnings and share price growth.

In setting the performance hurdles for relative TSR the board has considered historical TSR performance of CSR, its cost of capital and projected earnings through the performance period. The board has set a relative TSR of between the 50th and 75th percentile, provided that absolute TSR at the end of the period is greater than zero. The comparator group will be those companies ranked in the ASX51-150 at the start of the performance period. The board may adjust the comparator group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.

The board believes these targets are sufficiently demanding and are aligned with shareholder interests.

Assuming the absolute TSR gate is met, the proportion of the Tranche A performance rights that vest will be determined based on CSR's relative TSR, in accordance with the vesting schedule below:

Relative TSR of CSR	Proportion of Tranche A to vest
Below the 50 th percentile	0%
At the 50 th percentile	50%
Between the 50 th and 75 th percentile	Straight-line vesting between 50% and 100%
At or above the 75 th percentile	100%

2. Earnings per share (EPS)

The remaining 50% of Julie Coates' performance rights ('Tranche B') will be subject to an EPS hurdle, which measures CSR's annual compound EPS growth over the performance period. The EPS hurdle assesses the success of the business in generating continued growth in earnings and is strongly aligned with shareholder interests.

EPS is defined as net profit after tax per share before significant items. The board may adjust EPS to exclude the effects of material business acquisitions or divestments and for certain one-off costs. In setting the target for the YEM24 grant, the board has not taken into account any significant items.

EPS is proposed to be measured on an averaged basis over the three-year performance period. Under this approach, the board will assess average EPS over the three-year performance period and this result will then be compared against the hurdles set by the board.

The EPS performance hurdles have been set at 5% and 10% compound growth for target and stretch performance respectively. This is consistent with the hurdles set in previous years.

The target performance hurdle is calculated by taking the total EPS from the performance period using YEM23 EPS of 46.9 cents per share (cps) compounding 5% per annum for three years (which equates to a total of 155.2cps) and dividing the result by three.

Stretch performance is calculated by taking the total EPS from the performance period using YEM23 EPS of 46.9 cps compounding 10% per annum for three years (which equates to a total of 170.8 cps) and dividing the result by three.

This is illustrated below:

EPS Performance Hurdle	Average EPS growth (%CAGR)*	YEM23 EPS (cps)	Cumulative EPS required over next three years (cps)	Average EPS required over next three years (cps)
Target	5%	46.9	155.2	51.7
Stretch	10%	46.9	170.8	56.9

* Compound annual growth rate

The proportion of the Tranche B performance rights that vest will be determined based on the vesting schedule below:

Average EPS compound growth per annum (%CAGR)	Proportion of Tranche B to vest
Below 5%	0%
Equal to 5%	50%
Between 5% and 10%	Straight-line vesting between 50% and 100%
10% and above	100%

Number of performance rights to be granted to Julie Coates

It is proposed that 360,508 performance rights be granted to Julie Coates.

The value of the award has been determined through an analysis of Julie Coates' total target remuneration referenced against external market benchmarks. Specifically, a long-term incentive award to the maximum value of 140% of fixed annual remuneration is proposed for Julie Coates' YEM24 PRP grant, consistent with YEM23 and reflecting the board's aim of ensuring executives deliver long-term value for shareholders.

The share price used to calculate the number of performance rights to be allocated to Julie Coates was the 5-day Volume Weighted Average Price of CSR shares, being the five days up to and including 31 March 2023, which was \$4.7727.

Testing of performance conditions

The performance conditions will be tested at the end of the performance period. To the extent the service and performance conditions are satisfied, the performance rights will vest and shares will be allocated to Julie Coates. These shares will be held in trust for an additional 12 month period and will be subject to a 12 month service condition. During this time, Julie Coates will not be able to deal with these shares.

Performance period

The performance of each Tranche against the applicable performance hurdle will be measured over the three-year performance period from 1 April 2023 to 31 March 2026. Any shares allocated to Julie Coates on vesting of the performance rights will then be subject to an additional 12 month holding restriction.

To the extent any performance rights under Tranche A or Tranche B remain unvested following testing after the end of the performance period, those performance rights will lapse.

Rights attaching to performance rights

Performance rights carry no voting or dividend entitlements during the performance period. During the additional 12 months service condition period Julie Coates will be entitled to receive dividends and other distributions and have full voting rights in respect of any shares allocated to her on vesting of the performance rights.

The PRP rules contain provisions in relation to the adjustment of performance rights in certain circumstances, including in the event of a capital reorganisation (such as a subdivision or consolidation), a capital return or a bonus issue of shares to members.

Change of control

The board has discretion to allow all or a part of unvested performance rights to vest on a change of control of CSR (e.g. a takeover, merger, compromise or arrangement). In exercising this discretion, the board would generally not fully accelerate vesting but, rather, would consider pro-rata assessments for plans on foot.

Treatment of performance rights on cessation of employment

If Julie Coates ceases to be employed prior to the performance and service conditions being met, generally this will result in Julie Coates forfeiting her interest in the unvested performance rights under the PRP.

However, if Julie Coates ceases employment as a result of retirement, redundancy, total or permanent disablement, death or such other circumstances as determined by the board at its discretion, some or all of the unvested performance rights may stay on foot and remain eligible for vesting in the usual course subject to the satisfaction of the applicable performance conditions. In exercising this discretion, the board would not generally accelerate vesting and would apply pro-rata assessments for all equity on foot.

Shares allocated on vesting of performance rights

Shares allocated to Julie Coates upon vesting of the performance rights will rank equally with other ordinary CSR shares on issue.

Hedging and restrictions on dealing

Consistent with the requirements under the Corporations Act CSR prohibits participants in the PRP from entering into any arrangement to hedge or otherwise affect their economic exposure to their performance rights or shares which are held subject to a holding restriction (i.e. restricted shares such as those allocated on vesting of performance rights under this award). It is the board's policy that participants will forfeit their interest in the performance rights or restricted shares if they enter into any hedging transaction. Julie Coates may not sell, assign, transfer or otherwise deal with performance rights or restricted shares. Julie Coates will be free to deal with her vested shares, subject to the requirements of CSR's Share Trading Policy.

Additional disclosure

The following information sets out additional disclosures:

- a) the maximum number of performance rights proposed to be awarded to Julie Coates under this approval is 360,508;
- b) the price payable by Julie Coates on the issue or vesting of each performance right is \$nil;
- c) since approval for performance rights under the PRP was last obtained (at the 2022 AGM), Julie Coates (being the only director to participate in the PRP) received 268,920 performance rights as her PRP allocation for YEM23. The acquisition price for these performance rights was \$nil;
- d) there is no loan proposed in relation to the proposed award of performance rights to Julie Coates;
- e) if shareholder approval is obtained, the performance rights that are the subject of this approval will be granted to Julie Coates on or around 14 July 2023 (and, in any event, within 12 months of the date of this meeting);
- f) Julie Coates' remuneration package for YEM24 is comprised of \$1,229,000 as fixed annual remuneration, a 3.75% increase on the prior year. The maximum STI opportunity from YEM24 will increase from 100% to 110% of fixed annual remuneration, with the target STI opportunity as a percentage of fixed annual remuneration remaining unchanged at 70% of fixed annual remuneration. If approved by shareholders, Julie Coates will receive performance rights under the CSR YEM24 long-term incentive award. There were no changes to the maximum LTI opportunity as a percentage of Julie Coates' fixed annual remuneration from last year. Shareholders are referred to the remuneration report for further details of Julie Coates' remuneration; and
- g) CSR uses performance rights under the PRP because they create share price alignment between executives and ordinary shareholders but do not provide executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the performance rights vest.

CSR is seeking shareholder approval in the interests of transparency and good corporate governance. If shareholder approval is not obtained, the board will consider alternative arrangements to appropriately remunerate and incentivise Julie Coates.

For the voting exclusions applicable to resolution 4, please refer to page 3 of this notice of meeting.

Recommendation

The directors (excluding the managing director) unanimously recommend that shareholders vote in favour of resolution 4.

5. Insert the proportional takeover provisions in the Constitution

The company's constitution contains provisions which prohibit the registration of transfers of shares acquired under a proportional takeover bid unless a resolution is passed by the shareholders approving the bid.

It is proposed that the proportional takeover provisions in the form set out in rule 6 of the company's constitution are inserted for a period of three years from the date of the AGM. These provisions are consistent with the provisions contained in clause 22 of CSR's previous constitution. Proportional takeover provisions must be renewed every three years to remain in effect.

The Corporations Act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

What is a proportional takeover bid?

A proportional takeover bid is a takeover bid where an offer is made by a bidder to each shareholder to acquire a proportion of that shareholder's shares – for example, the bidder only makes a bid for 30 per cent of each shareholder's shares. The specified proportion must be the same in the case of all shareholders.

This means that control of the target company may pass without shareholders having the chance to sell all their shares to the bidder. The bidder may take control of the target company without paying an adequate amount for gaining control.

To deal with this possibility, a company may provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote on whether to accept or reject the offer and that decision will be binding on all shareholders.

The benefit of the provision is that shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

Effect of the provisions to be included

Under rule 6, in the event of a proportional takeover bid being made, the directors must hold a meeting of the shareholders of the class of shares being bid in order to consider whether or not to approve the bid. A resolution approving the bid must be voted on by the 14th day before the end of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval. The bidder and its associates are not allowed to vote on the resolution.

If the resolution is not passed, then the bid will be deemed to be withdrawn and registration of any transfer of shares resulting from the proportional takeover bid will be taken to have been withdrawn. Acceptances will be returned, and any contracts formed by acceptances will be rescinded.

If the bid is approved or taken to have been approved, then the transfers resulting from the bid must be registered if they comply with the Corporations Act and the company's constitution.

If no resolution is voted on at least 14 days before the last day of the takeover bid period, then a resolution to approve the proportional takeover bid will be deemed to have been passed. This effectively means that shareholders may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid.

The proportional takeover provisions do not apply to full takeover bids. The inserted provisions will expire after three years, unless again renewed by shareholders by a special resolution. Similar provisions are commonly found in the constitutions of publicly-listed companies on the ASX and are regularly renewed or re-inserted.

Reasons for proposing this resolution

If the proportional takeover approval provision is not in the constitution, a proportional takeover bid may enable control of the company to pass without shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the company and the risk of the bidder being able to acquire control of the company without payment of an adequate control premium for their shares.

The proposed proportional takeover provisions decrease this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

No knowledge of present acquisition proposals

At the date of this notice, no director of the company is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the company.

Review of proportional takeover provisions

No takeover bids for the company have been made, either proportional or otherwise, since the provisions in clause 22 were last inserted at the AGM in 2021. Accordingly, there are no actual examples against which to assess the advantages or disadvantages of the proportional takeover provisions for the directors and shareholders of the company. The directors are not aware of any potential takeover bid that was discouraged by these provisions.

Potential advantages and disadvantages

The Corporations Act requires shareholders to be given a statement which retrospectively examines the advantages and disadvantages, for directors and shareholders, of the proportional takeover provisions proposed.

The provisions enable the directors to ascertain the views of shareholders on a proportional takeover bid. Apart from that, the directors of the company consider that the proposed insertion of the proportional takeover provisions has no potential advantages or disadvantages for directors (in their capacity as directors) because they remain free to make a recommendation on whether a proportional takeover bid should be approved or rejected.

The potential **advantages** of the proposed proportional takeover provisions for shareholders of the company are:

- (a) they give shareholders their say, in determining by majority vote, whether a proportional takeover bid should proceed;
- (b) they may assist shareholders in not being locked in as a minority interest;
- (c) they increase shareholders' bargaining power and may assist in ensuring that any proportional bid is adequately priced; and
- (d) knowing the view of the majority of shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

Some potential **disadvantages** of the proposed proportional takeover provisions for shareholders of the company include that:

- (a) they are a hurdle to, and may discourage the making of, proportional takeover bids in respect of the company;
- (b) this hurdle may depress the share price (as any takeover speculation element may be reduced) or reduce shareholders' opportunity to sell their shares at a premium to persons seeking control of the company;
- (c) it may reduce the likelihood of a proportional takeover being successful; and
- (d) they may be considered an additional restriction on the ability of individual shareholders to deal freely in their shares.

However, the directors of the company consider that the potential advantages of the proportional takeover provisions for shareholders outweigh these possible disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

Recommendation

The directors unanimously recommend that shareholders vote in favour of resolution 5.

By order of the Board



JILL HARDIMAN, COMPANY SECRETARY
26 May 2023

REGISTERED OFFICE

CSR Limited
ABN 90 000 001 276
Trinity 3, Level 5, 39 Delhi Road
North Ryde NSW 2113 Australia

Mailing Address

Locked Bag 1345
North Ryde BC NSW 1670 Australia

Telephone (02) 9235 8000
International +61 2 9235 8000

www.csr.com.au

SHARE REGISTRY

All inquiries and correspondence regarding shareholdings should be directed to CSR's share registry:

Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne VIC 3001 Australia

Telephone 1800 676 061
International +61 3 9415 4033
Facsimile +61 3 9473 2500

www.investorcentre.com/contact

INVESTOR RELATIONS

For general investor queries please contact us at:
Email investorrelations@csr.com.au

FURTHER INFORMATION

The CSR Annual Report, Corporate Governance Statement and Sustainability Report are available to view online or downloaded on our website at www.csr.com.au

For further information about CSR and its operations, or to sign up for ASX Announcements please visit our website at www.csr.com.au





CSR Limited
ABN 90 000 001 276

Need assistance?



Phone:
1800 676 061 (within Australia)
+61 3 9415 4033 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST)**
Sunday 25 June 2023

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business in Step 2 of the proxy form. If you do not mark a box your proxy may vote or abstain as they choose (subject to any voting restrictions that apply to the proxy). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: If you are a shareholder entitled to cast two or more votes, you are entitled to appoint up to two proxies to participate in the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Default to the Chair of the Meeting: Any directed proxies that are not voted as directed on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote proxies as directed.

Proxy voting by key management personnel: The key management personnel (KMP) of the Company (which includes each of the directors) and their closely related parties will not be able to vote your proxy on items 3 and 4 unless you direct them how to vote or the Chair of the Meeting is your proxy. If you intend to appoint such a person as your proxy, please ensure that you direct them how to vote on items 3 and 4 by marking the voting boxes in Step 2 of the proxy form.

If the Chair of the Meeting is your proxy or becomes your proxy by default and you do not mark a voting box for items 3 or 4, then by completing and returning (or otherwise validly submitting) the proxy form you will be expressly authorising the Chair of the Meeting to exercise your proxy in respect of the relevant item even though the item is connected with the remuneration of the Company's KMP. **The Chair of the Meeting intends to vote all available proxies in favour of each item of business.**

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 182639

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of CSR Limited hereby appoint

☐ the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of CSR Limited to be held at CSR's head office, Triniti 3, Level 6, 39 Delhi Road, North Ryde, NSW 2113 or online at <https://meetnow.global/M9VSL6P> on Tuesday 27 June 2023 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default) by signing and returning this form, or otherwise validly submitting it, I/we expressly authorise the Chair to exercise my/our proxy on Items 3 & 4 even though Items 3 & 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Items 3 & 4 by marking the appropriate box in Step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
2a. Elect Christina Boyce as a non-executive director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2b. Elect Adam Tindall as a non-executive director of the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Adopt the 2023 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

4. Approve the grant of long-term incentives (performance rights) to Julie Coates, the managing director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Insert the proportional takeover provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically



CSR Limited
ABN 90 000 001 276

Update your information:



Online:
www.computershare.com



By Mail:
Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001 Australia

Enquiries:

(within Australia) 1800 676 061
(international) 61 3 9415 4033

26 May 2023

CSR Limited 2023 Annual General Meeting

Dear Shareholder,

CSR's Annual General Meeting (AGM) will be held at 10.00am (AEST) Tuesday, 27 June 2023.

The AGM will be held as a hybrid meeting. Shareholders are invited to attend in person at CSR's head office, Triniti 3, Level 6, 39 Delhi Road, North Ryde, Sydney NSW 2113 or to participate online at <https://meetnow.global/M9VSL6P>.

Accessing meeting documents

CSR's Notice of Meeting and other meeting documents are available on our website at www.csr.com.au/AGM2023. The Notice of Meeting includes detail on the agenda items, instructions on how to participate in the meeting either online or in person, view the webcast, submit questions and vote in real time during the meeting.

Briefly, the agenda items will be to:

1. receive and consider the formal reports for the financial year;
- 2a. elect Christina Boyce as a non-executive director of the company;
- 2b. elect Adam Tindall as a non-executive director of the company;
3. adopt the 2023 remuneration report;
4. approve the grant of long-term incentives (performance rights) to Julie Coates, the managing director; and
5. insert the proportional takeover provisions in the Constitution.

The directors recommend that shareholders vote in favour of all resolutions.

You can elect to receive meeting related documents, including a Notice of Meeting or Proxy Form, in electronic or physical form, and may elect not to receive a printed Annual Report. These elections can be made by contacting Computershare.

Attending online

If you choose to attend online you will be able to view a live video webcast of the meeting, ask questions and submit your vote in real time.

To attend online you will need to visit <https://meetnow.global/M9VSL6P> on your smartphone, tablet or computer. For further instructions on how to participate please view the 'Online Meeting Guide' available at www.csr.com.au/AGM2023.

We look forward to engaging with shareholders during the meeting.

John Gillam
Chair of the Board



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST) on Sunday, 25 June 2023.**

Lodge your vote online:

Even if you plan to attend online, we encourage shareholders to lodge your proxy vote ahead of the meeting at www.investorvote.com.au.

To access this site, you will need the six digit Control Number and your holder number (SRN/HIN) located on this letter, or you can use your mobile device to scan the personalised QR code.

Your secure access information is:

Control Number: 182639

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com.

Casting your proxy vote and submitting questions ahead of the meeting will not prevent you from attending in person or online.

Attending in person:

The 2023 AGM will be held at CSR's head office:

Triniti 3, Level 6, 39 Delhi Road, North Ryde, Sydney NSW 2113, commencing at 10.00am (AEST) Tuesday 27 June 2023.

Attending online:

Shareholders can attend the 2023 AGM online at <https://meetnow.global/M9VSL6P>.