



Another Strong year for One of Australia's Oldest Manufacturing Companies

Company/ASX Code	CSR Limited (CSR)
AGM date	Thursday 30 June 2022
Time and location	10.00am at the Northside Conference Centre, Crows Nest Sydney
Registry	Computershare
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Richard McDonald and Roger Ashley
Pre-AGM Meeting?	Yes with Chair John Gillam

Please note any potential conflict as follows: The individual(s) or their associates involved in the preparation of this voting intention have a shareholding in this company.

Summary of issues for meeting:

No real issues. For many years we have been against CSR lumping all the senior executives into a single group and only reporting the total bonuses paid. The Long Term Incentive (LTI) has a 3 year period, but with a one year holding lock is effectively 4 years. All executives and directors have adequate shareholdings.

Item 1	Financial report and the reports of the directors and of the auditor for the financial year ended 31 March 2022
ASA Vote	No vote required

Summary of ASA Position

Governance and culture: CSR has a good culture and its ESG policy has been working for many years to improve the company's sustainability and emissions. In discussions with the Chair and CEO Aluminium continues to be of importance with Tomago (CSR 25% interest) helping the NSW grid by managing power required. Tomago has a power contract with AGL until 2028 and will be looking at all renewables after that date to power the smelter. The company is confident although a manufacturer and thus a high CO2 emitter, that it will reach its targets as planned.

Financial performance: It has been another good year with record building products earnings (up 24%) with EBIT margin at 14.1% and improved aluminium prices resulted in an earnings increase for this segment of 70% over the prior year. Total revenue increased by 9% and statutory net profit after tax by 85% (the underlying NPAT rose by 20%) The strong financial position has meant a fully franked dividend of 31.5c for the fully year, a significant increase compared with prior years. One point of interest is that the company is debt free (outside of resources derivatives and leases), has cash holdings of \$178m and \$420m in unused credit facilities. There are no current plans to utilise these resources.

Overall, the building market appears to be strong with CSR being able to manage its supply well. The property project pipeline is projected well into the next five years to deliver long term earnings.

Key events: Nil

Key board and senior management changes: company secretary changed.

Summary

(As at FYE)	2022	2021	2020	2019	2018
NPAT (\$m)	270.6	146.1	125.3	78.0	188.8
UPAT (\$m)	192.6	160.4	134.8	181.7	210.6
Share price (\$)	6.15	5.78	3.17	3.32	5.18
Dividend (cents)	31.5	36.5	14.0	26.0	27.0
Simple TSR (%)	11.9	93.8	(0.3)	(30.9)	20.8
EPS (cents)	55.8	30.1	25.4	15.5	37.5
CEO total remuneration, actual (\$m)	2.245	2.254	0.671*	4.208	3.793

For 2022, the CEO's total actual remuneration was **23.8 times** the Australian Full time Adult Average Weekly Total Earnings (based on May 2021 data from the Australian Bureau of Statistics).

Note - For May 2021, the Full-time adult average weekly total earnings (annualised, original) was \$93,444 (<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>, "Full-time adult average weekly total earnings").

Simple TSR is calculated by dividing change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

*2020 CEO remuneration relates to the current CEO who commenced on 2 September 2019

Item 2	Re-election of Mathew Quinn as a Director
ASA Vote	For

Summary of ASA Position

Mr Quinn is seeking re-election for a final term having first joined the board in August 2013. In accordance with the board's charter regarding length of service, the board has commenced succession planning. Mr Quinn has extensive knowledge of CSR especially in the areas of property development and land rehabilitation. He is currently chair of TSA Management Group Holdings Pty Limited and a non-executive director of Elders Limited.

ASA will vote all its undirected proxies for Mr Quinn.

Item 3	Adoption of Remuneration Report
ASA Vote	For

Summary of ASA Position

Remuneration STI (2022):

The STI is based 60% on financial measures but these are not disclosed, presumably for reasons of commercial in confidence. ASA believes these measures should be disclosed but accepts the company's position.

Payment for STI financial measures subject to achieving 95% of EBIT budget. If not achieved the non-financial awards are reduced by 50%.

Maximum award is 143% of target opportunity (100% of fixed remuneration).

Targets are subject to significant items adjustment; no reduction in the target was applied.

60% paid in cash at end of the period; remainder in equity equally over a holding period of 1 and 2 years.

Remuneration LTI (2022):

3-year period with 1 year holding lock.

50% awarded on Relative TSR (with a gateway of a positive Absolute TSR) and 50% on EPS.

Relative TSR based on ASX 51-150 at start of period with 50% vesting at 50% TSR rising to 100% at 75% TSR.

EPS targeted performance is 5% CAGR divided by 3; the stretch goal is 10% divided by 3 with 50% vesting at 5% rising to 100% at 10% TSR.

The ASA believes the remuneration report is generally acceptable (subject to the above comments) and will vote all undirected proxies for the resolution.

Item 4	Grant of Performance Rights to the Managing Director
ASA Vote	For

Summary of ASA Position

It is proposed to grant 268,920 performance rights to Ms Coates based on a value of \$6.1665 per share (approx. \$1.66 million of which 50% is based on CSR's relative TSR and 50% on EPS). There is a 3-year testing period with a 1 year holding lock.

The grant is not excessive and we will vote all undirected proxies for the resolution.

Item 5	To replace the Constitution of the Company
ASA Vote	For

Summary of ASA Position

In 2021 CSR put forward a proposal for adoption of a new constitution which was not passed. The new constitution reflects current market practice and terminology. The new constitution can be viewed at www.csr.com.au/AGM2022.

Under the new constitution CSR will not be able to hold a fully virtual meeting unless ASIC provides express relief under the Corporations Act 2001.

Other changes are: Director eligibility, minor changes to general meeting rules, changes to dividend provisions, variation of class rights, ability to charge a reasonable fee for certain transfers, updated indemnity provisions and changes in terminology in the Corporations Act 2001.

The ASA believes the new constitution is reasonable and will vote all undirected proxies for the resolution.

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Appendix 1 CEO Remuneration Framework for YEM22

Rem Component	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.150	42	1.150	29
STI - Cash	0.483	17	0.690	18
STI - Equity	0.322	12	0.460	12
LTI	0.805	29	1.610	41
Total	2.760	100	3.910	100

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting.