

Dividends back and a special dividend

Company/ASX Code	CSR Limited/CSR
AGM date	25 June 2021
Time and location	10am AEST online https://web.lumiagm.com/318535749
Registry	Computershare
Webcast	www.csr.com.au/investor-relations-and-news/webcasts
Poll or show of hands	Poll on all items
Monitor	Richard McDonald assisted by 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 has a shareholding in this company.

Item 1	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

CSR had a very good year with statutory profit of \$146m up 17% from last year. With an 8% increase in building products earnings, CSR is well placed for continued growth. The Property division performed well and with over 50 property sites, 1400 Ha of land of which 1000Ha is in urban areas. The property division is set to provide strong returns in the future.

Governance and culture Total recordable injury frequency rate declined to 12.8 from 10.2 per million work hours, however they did have zero recordable injuries at 112 sites.

In June 2020 environmental targets set in 2010 resulted in a 57% reduction in waste per tonne of saleable product, 32% reduction in emissions, 24% reduction in energy use and 13% reduction in water used.

Financial performance A dividend of 14.5c a share and a special dividend due to the sale of property of 9.5c a share fully franked was declared. Total shareholder return for the year was 93.8%, sure to keep shareholders happy. The property business is well placed to provide strong returns over the next ten years. Aluminium earnings declined to \$23.4M reflecting a sharp decline in Aluminium prices.

Key events The buyback finished in YEM2020. The board also decided to streamline the operating model from five to three business units with a focus on logistics and customer solutions.

Key Board or senior management changes

Nigel Garrard joined the board in December 2020. The Board received an increase of 2% in fees. Their last increase was in April 2018.

ASA focus issue CSR took no job-keeper but did take a payment from the New Zealand government of \$0.3m when the NZ operation shutdown and was fully distributed to NZ staff.



Summary

(As at FYE)	2021	2020	2019	2018	2017
NPAT (\$m)	146.1	125.3	78	188.8	177.9
UPAT (\$m)	160.4	134.8	181.7	210.6	183.8
Share price (\$)	5.78	3.17	3.32	5.18	4.51
Dividend (cents)	36.5	14.0	26	27	26
TSR (%)	93.8**	1.5	(32.9)	25.3	45.7
EPS (cents)	30.1	25.4	15.5	37.5	36.5
CEO total remuneration, actual (\$m)	2.254	0.671*	4.208	3.793	4.627

For 2020, the CEO's total actual remuneration was **24 times** the Australian Full time Adult Average Weekly Total Earnings (based on November 2020 data from the Australian Bureau of Statistics).

Note - For November 2020, the Full-time adult average weekly total earnings (annualised) was \$92,034.80 (<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>, "Full-time adult average weekly total earnings").

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

** ASA figures simple TSR method; CSR 87.3

Item 2a	Election of Nigel Gerrard as a Non Executive Director
ASA Vote	For

Summary of ASA Position

Mr Gerrard Bc CA MAICD was appointed in December 2020 and is a member of the Risk and Audit and Remuneration and Human Resources committees. He was MD and CEO of Orora Limited from 2013 to 2019 and was a director of Orora Limited for that period.

He is currently a director of Ansell Limited since 2020, Chairman of McMahon Services Aust. Group Advisory Board since 2019, director of Hudson Institute Medical research (since 2016) and Detmold Group advisory board (since 2020)

He is well qualified to join the CSR board and ASA will vote our proxies for him.

Item 2b	Re-election of John Gillam as a Non Executive Director
ASA Vote	For

Mr Gillam BCom MAICD FAIM was appointed in December 2017 and is a member of the Remuneration and Human Resources Committee and workplace Health, Safety and Environment Committee. John joined Westfarmers in 1997 and held a number of senior leadership roles.

John is chair of Nufarm Limited and of BluFit Pty Limited. He is also a director of Trinity Grammar School in Kew as well as the Heartfelt Foundation and Clontarf Foundation.

John has been Chairman of CSR since 2017 and has shown valuable leadership to the Board.

ASA will vote our proxies for him.

Item 2c	Re-election of Penny Winn as a Non Executive Director
ASA Vote	For

Ms Winn BCom MBA GAICD was appointed a director of CSR in November 2015. She is a member of the Risk & Audit Committee, Remuneration & Human Resources and Workplace Health, Safety & Environment Committee.

Penny has over 30 years experience in retail in senior management roles. She is a director of Ampol Limited, Goodman Limited and Goodman Funds Management Limited and a board member of the ANU Foundation. Penny was previously Chair of Port Waratah Coal Services Limited and a non-executive director of Coca-Cola Amatil Limited until May 2021.

With Penny's extensive experience ASA will vote our proxies for her.

Item 3	Adoption of Remuneration Report for the year ended 31 March 2021
ASA Vote	For

Summary of ASA Position

CEO Remuneration Structure

	Target \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.150	42%	1.150	31%
STI - Cash	0.483	17%	0.690	19%
STI - Equity	0.322	12%	0.460	12%
LTI	0.799*	29%	1.380	38%
Total	2.754	100.0%	3.680	100%

***CSR calculated .690**

The CEO's fixed remuneration did not increase however the CFO's did increase 10.2% in line with the relevant peer group. Ms Coates received a STI of 96% of maximum opportunity (\$1.104m). The primary measure for STI and the target is based on EBIT and is not disclosed for commercial reasons. The STI is weighted 60% financial and 40% individual performance metrics. It is paid 60% in cash and 20% shares restricted for one year and 20% shares restricted for 2 years. The STI for the CEO is capped at 100% of fixed remuneration.

LTI is based on relative TSR (relative to peer group of the ASX51-150) and growth in EPS (net profit after tax before significant items). No LTI was paid in YEM20. The LTI performance rights vest after 3 years with a 1 year holding lock.

Item 4	Grant of performance rights to the managing director
ASA Vote	For

Summary of ASA Position

To grant to the managing director Julie Coates 275,727 performance rights under the LTI award. Shares will be sourced on-market and will use relative TSR and EPS equally as the two performance conditions. The shares will vest in three years and the share price used to calculate the number of rights was the 5 day Volume Weighted Average Price (VWAP) up to and including 31Mar 2021, which was \$5.8391

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

Summary of ASA Position

The proposal is good with references to giving the members as a whole a reasonable opportunity to participate in meetings and not using the words virtual only meetings. The change is to give flexibility to allow the use of technology for shareholders to participate in the meetings.

ASA will vote for the resolution.

Item 6	To insert proportional takeover provisions in the constitution
ASA Vote	For

Summary of ASA Position

If this is not in the constitution there is the possibility that in the event of a takeover shareholders may be left in a minority with the bidder able to acquire control without payment of an adequate control premium for their shares.

ASA will vote for the resolution.

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Appendix 1

Remuneration framework detail

CEO rem. framework	Target \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.150	42%	1.150	31%
STI - Cash	.483	17%	.69	19%
STI - Equity	.322	12%	.46	12%
LTI	.799*	29%	1.380	38%
Total	2.754	100.0%	3.680	100%

***CSR calculated .690**

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.

There are only minor changes to remuneration from last year. Actual remuneration is disclosed in the table for CEO and CFO. The executives are lumped in as a total amount to the 9 executives of the divisions not defining each persons actual remuneration. The conditions of STI and LTI are the same as for the CEO.

The CEO did not have an increase in fixed remuneration this year and did not receive a STI in YE2020. Ms Coates received 96% of maximum STI opportunity. The STI is 60% cash and 40% equity, 50% of shares deferred over 2 years.

The LTI vests in 3 years and from this year there is a 12 month holding lock. Performance rights are issued at face value (VWAP). The CEO has 1217 shares as at 31 Mar 2021 and 913,102 performance rights. It is a requirement that the CEO accumulate enough shares to equate to fixed AR over time.

From YEM2021 the performance markers for LTI will be 50% relative TSR to the ASX200 peer group and an average EPS over the next 3 years of 28.5c

As the NEDs have not had an increase in fees in the past 2 years an increase of 2% in NEDs fees effective 1 April 2021 has been granted.

