



12 October 2023
CCW Special General Meeting

Agenda

- Welcome
- Apologies
- Notice of Meeting
- Business Arising

CIRCULAR NO. 03



GENERAL MEETING
of Shareholders of
CCW CO-OPERATIVE LIMITED

In accordance with Rule 26(2) of the Rules of the Co-operative, the board has been requisitioned to convene a general meeting of the Co-operative by active members together entitled to cast at least 10% of the votes that may be cast at a general meeting.

Notice is hereby given of a general meeting to be held on

Thursday, 12th October 2023, at 10.30 am

at the Barmera Club, Dean Drive, Barmera

BUSINESS OF MEETING

- Direct contracts – Issuing of the contracts and actions of the CEO, Chair and Board Members, at the time.
- Legal advice undertaken or received on the issuing or continuation of the Direct contracts.
- The Direct Wine business and making of wine, versus selling the grapes.

By Order of Board
Karyn Burton
Company Secretary

27 September 2023

Notice of Meeting

To the CCW Board

We the undersigned members put forward this petition in regards to:

1

- Who carried out the investigation into the CEO and the Directors in regards to Direct Contracts being issued?
- Were staff members interviewed? If not, why not?
- We know decisions were made between the CEO and Chairman without full Board knowledge. We also know Company Secretary, was not in the room taking minutes. Is that not against the governance of the Board?

2

- Was legal advice received, was it verbal or in writing and why can't members see the response? If we are paying for legal advice, it should be in writing or, is that outcome confidential as well !!!!!

3

- Why are you expanding the CCW Direct wine business when the belief was empty the tanks and sell of CCW direct fruit. Are we now a winery competing with Accolade ?

Where is the transparency in regard to the above points, 1-2-3? We are the members, we are paying the bills via levies, then to sell with massive losses !!! WHY ? we deserve to know.

As per rule 26 paragraph 2 we have the numbers to call a special general meeting.

With your response we reserve the right to reply.

On behalf of CCW members

Notice of Meeting

Business Arising –Q 1

- Who carried out the investigation into the CEO and the Directors in regards to Direct Contracts being issued?
- Any reviews or investigations regarding the Direct Contracts have been undertaken by the Management of CCW namely the CEO under direction or request of the Board. No “formal or third party” investigation culminating in a report has been conducted. All information or results of any reviews, analysis or investigations have been provided to the Board in Board reports, papers, email updates or associated documents.

Business Arising – Q1

- Were staff members interviewed? If not, why not?
- No formal interviews have been conducted, a significant number of discussions, conversations with all Staff, Board Members and relevant individuals have occurred over the last 22 months to build an understanding of the Direct business. No direction or request was given for interviews to be conducted.

Business Arising – Q1

- We know decisions were made between the CEO and Chairman without full Board knowledge. We also know Company Secretary, was not in the room taking minutes. Is that not against the governance of the Board?
- A review of the Board Reports and Minutes during late 2019, 2020 and 2021 shows that regarding the Direct business, documents were reviewed, and discussions were held which culminated in Board decisions on the issuing of contracts. While the Board may have met at other times or locations with or without the Company Secretary these meetings are not recorded as official business and are unknown.

Business Arising – Q2

- Was legal advice received, was it verbal or in writing and why can't members see the response? If we are paying for legal advice, it should be in writing or, is that outcome confidential as well.
- Legal Advice has been provided on the Direct business by Finlaysons, Engo, Page Seager, JL+A and a Barrister. Most of this advice has been in writing and provided to the Board as per Board reporting processes. Any advice is provided under Legal Professional Privilege . The release of any of this information could jeopardize or risk the legal position of the Co-operative.

Business Arising – Q3

- Why are you expanding the CCW Direct wine business when the belief was empty the tanks and sell of CCW direct fruit. Are we now a winery competing with Accolade ?.
- As reported in the 2023 AGM (updated), Direct in V23
 - 5,029 T sold as grapes
 - 2,524 T crushed as grapes(total)
 - 1,106 T sold as wine
 - 1,418 T processed into wine or 1,060 KL
- Current Board Directive is Wine will only be made to order

Vision	Growing members' prosperity		
Mission	Prosperity; through co-operation, diversification and delivering innovative industry services		
Values	Co-operation - Integrity - Ethical - Supporting Members		
Pillars	Members	Business Strategy	Organisation
Key Objectives	<ol style="list-style-type: none"> 1. Contributing to member's long-term financial security 2. Provide beneficial services to our members, along with supporting their welfare. 3. Support members and our business strategy via improved communication and engagement 4. Advocate for improved member outcomes 	<ol style="list-style-type: none"> 5. Improve Harvest Intake program 6. Secure alternative revenue streams 	<ol style="list-style-type: none"> 7. Organisation / Governance Structure 8. Organisation plans and frameworks 9. Investing in the capacity of our Board 10. Building and benefiting from a Knowledge System 11. Service delivery model review
Key Measures	<ol style="list-style-type: none"> 1.1 Explore opportunities of grower area expansion 2.1 Identify and enable delivery of innovative and cost-effective member services 2.2 Expand Vineyard Management <u>services</u> 3.1 Member communication and engagement strategy is developed 4.1 Develop and adopt policy for CCW Cooperative Ltd's role in advocacy 	<ol style="list-style-type: none"> 5.1 Working with all stakeholders, <u>play</u> our role in development and implementation of an improved harvest intake program 6.1 Explore alternative funding <u>solutions</u> 7.5.1 <u>Explore</u> opportunity of Member shares and/or deposits 6.2 Identify opportunities to <u>purchase</u> winery and/or wine brands 	<ol style="list-style-type: none"> 7.1 Review completed of CCW Co-operative Ltd Governance structure and constitution. Include outcomes and decisions from reviews of (5), (6) and (7.4) 8.1 Develop and implement succession plans for: <ul style="list-style-type: none"> • <u>Board {2020/21}</u> • <u>Staff {2020/21}</u> • <u>Members {2021/22}</u> 9.1 Board PD/Training/Advice on raising capital, member shares/deposits and associated taxation implications 10.1 Implement Knowledge System 10.2 Review existing Knowledge System

History – Strategic Plan

History – 2 Feb 2022 Gwr Mtg

- 27 Agreements
 - 5 at 5 year rolling
 - 1 at 10 year rolling
 - 21 at 15 year rolling
- Agreements commenced in 2020 and current latest expiry 2036
- 315 Ha covered by the agreements

History – 2 Feb 2022 Gwr Mtg

- How did we get here (excerpt from 2021 AGM Chairman – Changes have been necessary)
 - Due to the changing nature of the relationship over time with the winery
 - CCW stands on its own and is highly commercial with more than one customer
 - New members strengthen the bargaining position of current members and CCW as a whole

Changes have been necessary



Due to the changing nature of the relationship over time with the winery



CCW stands on its own and is highly commercial with more than one customer



New members strengthen the bargaining position of current members and CCW as a whole

History – 2 Feb 2022 Gwr Mtg

- How did we get here (excerpt from 2021 AGM CEO – CCW area has grown Yr on Yr)
 - New contracts formed part of CCW's strategic plan last year, a long-term investment in value adding CCW's grape supply into bulk wine production - ensuring CCW has capacity to maneuver in future
 - Arresting the fall in area base was critical in maintaining CCW's scale, financial resourcing and pricing performance

CCW area has grown year on year arresting a decline over many years

New contracts formed part of CCW's strategic plan last year, a long-term investment in value adding CCW's grape supply into bulk wine production - ensuring CCW has capacity to mauver in future

Arresting the fall in area base was critical in maintaining CCW's scale, financial resourcing and pricing performance.

History – 2 Feb 2022 Gwr Mtg

- What have we looked at,
 - Contracts are based on the CCW – Preferred Supplier Agreement, rolling years and Ha supply
 - Legal review has confirmed that the Agreements,
 - ✓ Are valid and have no early termination/cancellation options
 - ✓ Do have a non-extension clause (cancel the rolling years)
 - ✓ Are area based and therefore cannot restrict yield
 - ✓ Can receive a different Levy structure
 - Accounting review has endorsed the Levy approach to ensure the Cooperative financial stability

History – 2 Feb 2022 Gwr Mtg

➤ Where does this leave us,

- Agreements are

- ✓ Legal

- ✓ Enforceable

- ✓ Have long timeframes

So, in short, the Direct (Own) contracts are here to stay

CCW own wine production

Vast Majority of wine sold at a profit to date

Headwinds due to China but part of a long-term strategy to:

- Ensure CCW is always in the market - intel is highly valuable
- Provide a strategic route and capacity to execute to market in times of oversupply (i.e., you can't just turn supply on and off!).
- CCW is not reliant on China

Questions?

Thank you
