



14 December 2017

## 2017 AGM Chairman's Address

Attached is a copy of the Chairman's Address to the 2017 Elders Limited Annual General Meeting being held today in Adelaide.

Peter Hastings  
Company Secretary



**Address by the Chairman, Mr Hutch Ranck**  
**2017 Annual General Meeting of Elders Limited**

**INTRODUCTION**

It gives me great pleasure to address you today. This is my ninth year as a director of your company. It has been a journey serving the Company and its shareholders through good and difficult times. The turnaround story of Elders is a remarkable one, and it is with satisfaction that I stand before you to deliver what is an exceptional result for your company. This result has been built on the hard work, dedication and pride of our employees, the outstanding loyalty of our clients, and the patience and trust of our financiers and shareholders.

Shortly, our Managing Director and Chief Executive Officer, Mark Allison will summarise our operational and safety results, our progress against our strategic Eight Point Plan, highlights of the balanced growth achieved across portfolios and finally our plan towards 2020.

However, before I hand over to Mark, I would like to touch on a few of those achievements from the last year.

As outlined in our 2017 Annual Report, this year Elders continued to build on a significant financial turnaround. Underlying earnings before interest and tax was \$70.4 million, up \$14.3 million on last year. This is a



strong result given the mixed market conditions in many sectors.

One of the most significant accomplishments in 2017 was the simplification of Elders' balance sheet. In April, Elders cancelled its Hybrid securities which were issued in 2006 with a face value of \$150 million. In addition to simplifying our capital structure, cancellation of the hybrids was an important step to resume payment of ordinary dividends.

I am pleased to report that on the back of the Eight Point Plan, with three years of strong business results, normalised banking arrangements and with the support of our financiers (ANZ, NAB and Rabobank), as well as reduced debt levels and improved cash generation, a final dividend and a special dividend were declared in FY17. The decision by the Board to pay a dividend in 2017, the first in nine years, marks a significant occasion and one that I'm personally proud to finally deliver to our shareholders.

These results, and the overall success of Elders is very much dependant on the health and wellbeing of our employees. Safety is our number one priority, and I cannot stress this enough. The welfare of our employees is a key consideration in everything we do.

In FY17, Elders had six lost time injuries, a significant reduction from the prior three years. While this is an acceptable result and demonstrates that our safety initiatives are having a positive impact, our goal of an



injury free work place and target of zero lost time injury remains. To this end, the Board continues its commitment in placing Work Health and Safety as the first agenda item at every Board meeting, independent of its dedicated Work Health and Safety Committee meetings.

Turning now to our leadership at a board level.....

I'm proud to be standing here with my fellow directors, all of whom have made significant contributions to the board during the year and continue to serve with dedication in the best interests of the Company and its shareholders.

As previously announced to the market, Mr James Jackson, a non-executive director of the Company since April 2014, will retire from the board at the conclusion of today's meeting. On behalf of my fellow directors, I would like to take this opportunity to thank James for his valuable contributions to the Company. James' skills and knowledge, particularly in relation to capital markets, have contributed significantly to the capital restructuring and refinancing of Elders that has occurred in the period of his tenure. Thank you James.

Each of your directors possess skills and experiences, which taken together result in a balanced, effective and efficient board. When the Board is of the view that gaps exist in our collective skills, knowledge and experiences which have the potential to impact on our ability to deliver on the Company's strategic objectives, we look to

recruit to fill those gaps. This process is assisted by an annual review of the Board's skills matrix. For those of you who have read the Company's 2017 Corporate Governance Statement, one such relevant gap that can be identified in the skills matrix, which relates to the period before the appointment of Ms Eilert, is in the area of digital expertise.

We believe technology that provides productivity improvements to Australia's growers and producers is key to ongoing profitability and sustainability of our customers. The Board considers filling the skills gap in the digital area imperative to fulfilling our digital and technical objectives.

Having recognised this, the Board appointed Ms Diana Eilert as our newest non-executive director in November 2017. Diana will stand for election today and if elected, will add significant value to the Board through her extensive listed company director experience - especially in digital technologies, retailing and real estate.

Non-executive director fees are reviewed by the Board on an annual basis, taking into consideration the accountability and time commitment of each director. Once again the Board determined not to increase fees in 2017.

As shareholders will appreciate, the incentive arrangements for our MD and CEO, Mr Mark Allison, are an essential and key component to achieving our long term goals.



As a result, we again seek your approval to the proposed grant of a Long Term Incentive for Mark, in the form of performance rights, as set out in Item 5 of the Notice of Meeting. As you will be well aware, Elders has in place a three year strategic plan known as the Eight Point Plan for implementation until 30 September 2020. The Board considers it necessary to incentivise Mr Allison to continue the Company's growth, whilst remaining focused on shareholder return, for a further three years, in line with the new strategic plan of the Company.

The strong performance momentum achieved to date is evidence that the incentive arrangements in place, and being proposed for Mr Allison are appropriately structured and tailored to ensure Mr Allison performs his duties in a way that maximises shareholder value.

I would like to take this opportunity to thank my fellow directors, and in particular our Managing Director, for their valuable contribution and dedication to Elders' future.

In addition, the results achieved this year would not have been possible without the hard and disciplined work of the entire Elders team, so thank you to our entire network, who proudly wear the pink shirt.

And a sincere thank you to our clients, our customers, and each of you as shareholders, who continue to support Elders.



I am extremely humbled to have been your Chairman through what has been another incredible year of milestones and I look forward to taking Elders into 2018.

Thank you