

Q&A Summary¹

Qube 2022 AGM

Questions on General Business

- 1. *Peter Gregory, Australian Shareholders Association representative (in-person proxy attendee):* Can you tell us about implementation of the planned Oracle financial management platform? Is it being conducted using proven systems and technologies and is it being supported by a credible implementation partner? Also, what are the benefits to the company, its people and its customers?**

Mark Wratten (Chief Financial Officer): We have commenced implementation of Oracle in the cloud as a replacement for our PeopleSoft accounting system and we go live early next year. We are using Oracle Consulting to assist us. Oracle is a large global company, so we are very excited about the implementation of the new system. It will take us to a state-of-the-art ERP system with advanced reporting capabilities. We will be able to provide much greater insight into our business operations to executives and people on the ground. It is going to provide a significant advantage for us going forward. I am very pleased with the decision to go ahead with the project that commenced before I started as CFO, and now taking it through to its completion.

¹ Lightly edited and concise summary.

2. *In-person shareholder attendee (not identified): What was the impact of the recent tug boat strike involving Svitzer, a Danish company?*

Paul Digney (Managing Director): As a country Australia is exposed to tug operators in regard to their availability. Obviously, any industrial action is problematic. I think the realisation from what occurred recently is that some intervention may need to be considered for this type of strike if it goes on for long, because as a country we cannot afford to not be able to get ships in and out of our ports.

3. *Stephen Mayne (online shareholder attendee): Are we concerned about the proposed changes to the federal industrial relations laws? Also, has the recent lock-out of Maritime Union of Australia [MUA] members by Danish tugboat giant, Svitzer, had any impact on our operations?*

Paul Digney: In regard to the strike action or the lock-out action on Svitzer, there was no impact to Qube or Patrick operations. Our view on the current industrial relations reforms is that some elements of the reforms are not ideal. Until the reforms have passed in Parliament it is difficult to comment on exactly what it will mean for Qube. But from a Qube perspective, we have always, regardless of what government is in power, been able to manage that and navigate our way through whatever that industrial landscape looks like.

Allan Davies (Chairman): My overlay on the proposed industrial reforms is, as Paul said, that it is a moving target at the moment, simply because the final bill to go to the Senate is yet to be finalised. We will wait and see what happens.

4. *Stephen Mayne: Does our recent four-year enterprise agreement with the MUA de-risk the likelihood of strike action on the docks and supply chain disruptions?*

Paul Digney: Yes, while you are in an enterprise agreement you are unlikely to have industrial action. We are in a good position for the next four years to get on with management and the employees managing the business and delivering some of the productivity initiatives that we have in place, both in Patrick and in our Qube Ports business.

5. **John Lancel (online shareholder attendee):** I believe there might still be scope for a special dividend from the Moorebank proceeds. Would the Chairman like to comment?

Allan Davies: It's a good question. Directors are always giving consideration to how we can best serve shareholders' interests and whilst I won't give any guarantees that that a special dividend may occur, it is the sort of thing that we do consider regularly. If it makes sense for us to do so, we would issue a special dividend. But at this point, we haven't made any decision in that regard.

Questions on the Formal Items of Business

6. **Stephen Mayne:** Did any of the five main proxy advisors recommend a vote against any of today's resolutions, including the re-election of the Chair? If so, what was the issue? Have there been any material proxy protest votes? Also, why not disclose the proxy voting to the ASX with the formal addresses like others now do?

Allan Davies: The answer to all those questions is no, and to the last question, we will give it consideration.

7. **Stephen Mayne:** Given the interesting discussions across a range of topics today, including the final resolution on financial assistance, could the Chair undertake to make an archived copy of the webcast plus a full transcript of proceedings available on the company's website? A number of companies already do this. Will you follow suit?

Allan Davies: We will give it consideration [the webcast is available on Qube's website].

8. **Stephen Mayne:** The ASA Voting Intentions report says Qube's foundation lies in a consortium in which the Digney Family plays a significant part. As a consequence, Qube has three Digney brothers in senior roles. This is an unusual situation. For

those of us unfamiliar with the history, could Paul please spell out the family's history with Qube and also summarise the scale of ownership interest the family has in the company?

Allan Davies: I'll start and respond to that question. The first point I'd like to make is that the Digney brothers' father was part of the business back in the Patrick days from the late nineties, through to the time which Patrick was sold in 2006. Subsequently, Paul and his two brothers have been part of the Qube business. Given the nature of their roles in the company, Qube has developed strict governance protocols to deal with any potential conflict of interest that might arise. Those governance protocols exist across a wide range of issues within the operation of the company. I'll let Paul comment on the history but that is how the Qube Board sees it. We in fact see Paul and his brothers being a part of Qube as a huge plus for shareholders because of their deep knowledge about the logistics industry.

Paul Digney: Thanks, Allan. My history and my brothers' history go back a long way. But as far as Qube is involved, my brothers and I and a few other individuals including Sam Kaplan (Qube Deputy Chair), were part of the due diligence that actually created what Qube is today. We've been fundamental to the start of this. All I can say is that we have delivered a lot for Qube and shareholders over the course of our involvement with Qube. Our output and our sacrifices have been substantial. I don't think I need to speak much more than that. In regard to ownership, it is in the annual report. We've got skin in the game and we will always have skin in the game and we love Qube.

Resolution 1 – Re-election of Allan Davies:

- 9. Peter Gregory:** We note that the board is largely comprised of two groups of directors. Half of the directors have had considerable service on the Board, and following the conclusion of this meeting, it will mean that there are four directors who at the end of their term will have had 14 years of service. There is another group who commenced after 2019. The ASA takes a view that it is difficult for a director to be independent after having served on a board for 10 years. We are looking at it and saying, depending on the outcome of today's election, there will be four directors who we would not see as being independent. Allan, as Chair, we are supporting your re-election, because we believe any sudden change of Chair would be very disruptive to the organisation. But we would like to ask your intention in

terms of completing your term, transferring to another Chair and what succession plans might be in place?

Allan Davies: Succession planning is top of mind with the Board and has been for some time. Last year we sought an increase in directors' total remuneration to allow for an additional director to come onto the Board before someone else comes off. Lindsay Ward has been appointed and, assuming he is voted up today, to allow, in time, someone to move off the Board. In my case, assuming I am re-elected today, my intention is to serve on the Board as long as I think it's appropriate or as long as Qube sees value in my serving on the Board. At some point in time, I will obviously have to step down. Those sorts of discussions haven't been completed at this point, but everything is under consideration.

Resolution 2 – Re-election of Alan Miles

- 10. *Peter Gregory:* Alan, it is a concern of ASA's that there is a balance of independent and non-independent directors, and as a consequence of that, we will be voting against your re-election today. I'd like to stress that it is nothing to do with your contribution to the company, or your abilities, it is purely about this balance of independent versus non-independent. In light of that comment, if you are re-elected, can I ask your intention in terms of transitioning off the Board and what your plans are in those terms? Also, if you are re-elected, will you continue on as Chair of the Safety, Health and Sustainability [SHS] Committee?**

Alan Miles (Chair of SHS Committee): My intention as it stands today is to serve the full term if I am re-elected. We are working through a number of changes to the committee. I think it was highlighted today that subject to Lindsay Ward's election, there will be a change of a committee member on the SHS Committee. My intention is that I will work with the Board and we do have a plan for transitioning into a succession plan for the Committee Chair role over the next 12 to 15 months.

Resolution 4 – Election of Lindsay Ward

- 11. *Stephen Mayne:* Could new director Lindsay Ward and the Chair comment on the recruitment process that led to his appointment to the board? Was a head hunter**

involved? Did the full board interview Lindsay and did they interview any other candidates? Did Lindsay know any of our directors before engaging with the recruitment process?

Allan Davies: I'll start with the Chair of the Nomination and Remuneration Committee [NRC]. Jackie, would you like to make a comment, please?

Jackie McArthur (Chair of the NRC): It was a multi-stage process that was a credit to all involved. In the first instance, we went to two recruitment agencies and we chose one recruitment agency. That recruitment agency then compiled a long list of more than twenty-five candidates that met a matrix of skills and needs that the entire Board were involved in consolidating. I, as the Chair of the NRC, took that to the external head hunter, if you like, and from that we went from a long list to a short list. Out of that short list the Board put forward four individuals that met the criteria, and we had in the end, I think five directors, including Paul Digney, interview the four candidates. Out of the four candidates we came down to two and hopefully we are welcoming the successful candidate to the Board today.

Allan Davies: In relation to the question regarding knowledge of Lindsay, despite the fact that I've been in mining a long time, I had never actually met Lindsay before. The answer to that part of the question is zero. Lindsay, you might like to comment on the process.

Lindsay Ward (Director): The process was very thorough. I went through about half a dozen different interviews. As Jackie said, I met with a number of people on the Board. Most of those meetings were in person and I certainly did not have any relationship with any of the directors on the Board up until the point of my appointment.

Resolution 7 - Approval of Performance Rights under the LTI Plan to the MD

- 12. Stephen Mayne (Online shareholder attendee):** Could the CEO summarise his past LTI grants as to whether they have vested or lapsed? Also, has he ever sold any ordinary shares in the company or bought any on market without relying on an incentive scheme to build his equity position? Please don't say look it up in the annual report and through ASX announcements. It's complicated over many years and the CEO could factually summarise the situation in 30 seconds.

Paul Digney: I haven't sold a share for a long time. I can't remember the last time I sold a share and I don't intend to sell any shares.