

MINUTES OF MEETING

Minutes of Annual General Meeting ("AGM") held at the Springlake Function Centre, Springfield Lakes, Queensland on Friday, 3 October 2008.

PRESENT (AGM 476)

Directors: Trevor Morgan (Chairman), Phillip McHugh (Deputy Chairman), Roger Masters (Managing Director), Peter Barnes and Simon Tregoning.

Staff by Invitation: Richard Rivalland (Company Secretary), Peter McDonald (General Manager - International Business), Ben McKee (Group Operations Manager), Simon Bluck (National Sales Manager) Bill Winner (Beekeeper Services Manager), Russell Mackay (IT Manager), Annette Zbasnik (Corporate Secretary), Wendy Huggins (Administration Assistant) and Lynne De-Roule (Beekeeper Administrator).

Shareholders: 35 members & partners, as per attendance register.

OPENING & WELCOME (AGM 477)

Mr Morgan opened the meeting at 1.00pm and welcomed those present.

He also welcomed professional business advisors to the Capilano Group – Di Lohrisch of McCullough Robertson, Lawyers; John Feddema of Cranstoun & Hussein, Auditors; Maurice Francia of National Australia Bank; and Jon McPhail of St George Bank.

He also welcomed Brett Hewlett from Comvita.

IN MEMORIUM (AGM 478)

At the request of the Chairman, the meeting observed a moment's silence in remembrance of those shareholders who had passed away since the last meeting.

APOLOGIES (AGM 479)

The Chairman called for apologies from those shareholders unable to attend and these were received from Don & Lorice Keith, Ross Burney, Len & Mary Arkadieff; Fred Taylor; Marlene Nelson, John Nelson, Wayne & Nives Sawdy, Bill & Marlene Weiss, Frank & Elwyne Papworth, Robert Dewar, Noel & Barbara Bingley, Neil Peadon, Roy Barnes, Graham Manns, Ron & Dawn Rich, Trevor & Marion Weatherhead.

DECLARATION OF POLL (AGM 480)

The Chairman referred to the explanatory note accompanying the proxy forms forwarded to shareholders, and declared that voting on the resolutions dealing with the amendments to the Constitution and the Remuneration Report would be by poll.

Tellers

On a motion moved by Laurie Dewar and seconded by Phillip Elliott it was resolved that Annette Zbasnik and Wendy Huggins be appointed to count the votes.

Voting Slips

On a motion moved by Derek Brown and seconded by Neil Bingley, it was resolved that all voting slips and associated computer records be destroyed once they were counted and the poll declared.

Proxies held by directors and management

The Chairman advised the following details of proxies received by directors and management.

	Proxies received by Directors	Votes Available	Proxies received by Management	Votes Available
Voted on all Resolutions	17	192,706	3	27,347
Voted on some Resolutions	1	55,024	-	-
Not voted in any way	4	33,867	2	28,613
TOTAL PROXIES RECEIVED	22	281,597	5	55,960

FINANCIAL & STATUTORY REPORTS (AGM 481)

The Chairman then moved to the next item on the Agenda, that being the Directors' Report, Financial Statements and the Report of the Auditor for the year ended 30 June 2008.

Following is an extract of his Report tabled to the meeting:

"The next item on the Agenda is to receive the Report of the Directors, the Financial Statements and the Reports of the Auditor for the year ended 30 June 2008 which I will take as having been read. I propose to simply highlight some key points and then open the floor to questions.

The Company reported a Net Loss before Tax of \$(2.6) million for the year, before one off adjustments. Strategically, the Board has been and is working towards a business model that will respond to the significant changes to the commercial environment in which we operate. Consequently an exhaustive review of our business assets and cost structures has been undertaken and is ongoing. As part of this process the Board resolved to make additional provisions for write downs including:

- *\$1.1 million which relates to accelerated depreciation on IBCs (containers);*
- *\$720,000 relates to accelerated depreciation of surplus plant and equipment at Maryborough;*
- *redundancies of \$405,000;*
- *and \$3.6 million in the value of the Comvita Ltd shareholding. The operating loss and provisions result in a total reported net loss after tax of \$(7.4) million.*

There is no denying that these results are less than acceptable and the Board and Management are well advanced in their endeavors to improve sales, reduce operating expenses and to dispose of underutilised assets with the aim of a significant reduction of our overall debt level and improvement in profitability.

We are committed to reposition our company as a much more cost effective business without excess capacity and overheads to operate in the low margin sales environment that now exists.

Employee costs have been reduced by \$2.5m for the group this year and we can expect the full year impact to grow by a further \$1m in 2009."

He then invited shareholders to raise any issues they would like discussed from the CHL Annual Report, and also direct any questions to the Auditor, noting that these questions may only relate to the Conduct of the Audit or the Audit Report.

AMENDMENTS TO THE CONSTITUTION (AGM 482)

There being no questions, the Chairman then moved to the Resolutions dealing with the amendments to the Constitution.

Following is an extract of his Report tabled to the meeting:

“The Company is working towards the previously declared objective of significantly reducing general costs with all areas of costs under review, including the size of the Board of Directors.

Accordingly:

- *Mr Brett Heading, Independent Director, has resigned from the Board effective 2 October 2008.*
- *Mrs Rosemary Doherty, Beekeeper Director, will not stand for re-election at this AGM .*

These resignations have been given for the sole purpose of reducing the number of paid Directors on the Board and do not breach the current rules of the Constitution.

However, the Board believes a further reduction to four directors is both possible and desirable, whilst still ensuring that the Board can continue to provide strategic direction to the Company. A Constitutional change is required for this to take effect.

Should the proposed Resolution to amend the Constitution be passed, it is Peter Barnes’ intention to resign from the Board effective 31 December 2008. However, should the Resolution not be successful Peter Barnes will remain on the Board to ensure compliance with the existing Constitution.

On approval of the Resolution and following the resignation of Peter Barnes, the Board would then consist of four directors, comprising two Beekeeper Directors, an Independent Director and a Managing Director with the Beekeeper Chairman holding a casting vote.

The overall reduction in Directors would cut directors’ fees, travel and accommodation expenses by a significant amount.

Accordingly, it is proposed that the Company’s Constitution be amended, by adopting the changes set out in Annexure A to the Explanatory Memorandum.

A summary of the changes are:

- a) *The change to rule 102 will result in the current range in size for the Board (between 5 and 8) being reduced to between 3 and 5.*
- b) *Under Rule 102 the Board is currently required to have a minimum of three Beekeeper Directors. The rule change proposes that the number of Beekeeper Directors is not to be less than two, nor more than three.*
- c) *Rule 142 currently imposes no restraints on who is elected Chairman of Board meetings. The proposed rule change requires that a Beekeeper Director be elected to the position of Chairman.*
- d) *The quorum, in Rule 140 is currently three directors, two of who are Beekeeper Directors. The proposed rule change remains at three but with at least one Beekeeper Director.”*

After reasonable discussion on the Resolution, Phillip McHugh formally moved the motion and Peter Barnes seconded the motion to amend the Constitution in accordance with the details appearing in the Notice of Meeting.

He then asked shareholders to vote on the ballot paper provided.

ELECTION OF DIRECTORS (AGM 483)

The Chairman then advised that at the CBL AGM on 3 October 2008 that he was re-elected director of that company, and in accordance with the Constitution was automatically appointed director of CHL.

REMUNERATION REPORT (AGM 484)

The Chairman advised that at the CBL AGM, shareholders had resolved to support the recommendation to adopt the Remuneration Report included in the Annual Report. Accordingly he advised that the Foundation Share would be voted in favour of this resolution.

Mr Simon Tregoning then moved that the Remuneration Report be adopted in accordance with the details appearing in the Notice of Meeting.

Mr Peter Barnes then seconded the motion.

There being no questions or comments from shareholders, the Chairman asked them to vote on the ballot papers provided.

Adjournment - Counting Of Votes

The Chairman formally adjourned the meeting at 1.20pm for the counting of votes.

Resumption

The Chairman then reconvened the meeting at 1.45pm.

RESULTS OF POLL – AMENDMENTS TO CONSTITUTION (AGM 485)

At the invitation of the Chairman, the Secretary reported the results of the poll as follows:

IN FAVOUR of the motion	: 877,592
AGAINST the motion	: 544,151

The Company Secretary advised that the special resolution required a 75% majority to pass, accordingly, the Company Secretary advised that the motion was defeated.

RESULTS OF POLL – REMUNERATION REPORT (AGM 486)

At the invitation of the Chairman, the Secretary reported the results of the poll as follows:

IN FAVOUR of the motion	: 1,087,599
AGAINST the motion	: 348,024

The Company Secretary advised that the motion was passed.

CLOSURE (AGM 487)

There being no other business relating to the Annual General Meeting, the Chairman thanked shareholders for their attendance and attention to business and he then closed the meeting at 1.50pm.
