

# Market Announcement

05 MARCH 2019

## **MILES HURRELL PERMANENTLY APPOINTED FONTERRA CEO**

Fonterra Co-operative Group (FCG) has announced the permanent appointment of Miles Hurrell as its Chief Executive Officer (CEO), with immediate effect.

Mr Hurrell had been the Co-operative's Interim CEO since August last year.

Fonterra Chairman, John Monaghan says the Co-operative's Board has been impressed by Mr Hurrell's leadership and commercial skills as it continued to breathe fresh air into the Co-operative.

"Miles has been performing well under difficult circumstances. Our performance is not something that will be fixed overnight. It will require the courage to make difficult decisions, be up-front with farmer-owners, unit holders and other stakeholders, and instil a culture of accountability and performance right across the organisation.

"Miles has demonstrated the wisdom, skills, experience and frankly, the backbone needed to lead. His permanent appointment will bring much needed stability to the Co-op and our people during a critical period of change.

"His work alongside the Board as we progress our portfolio review to re-evaluate our investments, major assets and partnerships; and the more recently announced full review of the Co-operative's strategy, has him uniquely qualified for the role.

Mr Hurrell said he was grateful for the Board's support and, with his senior leadership team, was looking forward to the challenge of re-setting the business so that it delivers on its commitments.

"My six months as Interim CEO have reinforced my view that, despite the challenges with our current performance, the fundamentals of this business are strong. To realise our potential we need to get the basics right and that means a full review of our strategy and ultimately, a fundamental change in direction.

"I'd like to thank the Co-op's farmer-owners and unit holders for their continued encouragement and support. It's not something that I'd ever take for granted."

Mr Hurrell first joined Fonterra in the year 2000. His 19 years' experience in the dairy industry has spanned four continents, including roles in Europe, the United States, Middle East, Africa and Russia. Before taking up the role of interim CEO, Mr Hurrell was the Co-operative's Chief Operating Officer of Farm Source – the unit responsible for working directly with the Co-op's farmer-owners.

Fonterra said Mr Hurrell will be paid a base salary of \$1.95 million, with additional short and long-term incentive payments based on the achievement of targets agreed with the Board. Mr Hurrell's total remuneration package will be reported in the Co-operative's Annual Financial Statements in September.

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