

# Fonterra Annual Meeting 2021

## Notice of Annual Meeting of Shareholders and Explanatory Notes

10.30am on Thursday, 9 December 2021  
ILT Stadium Southland  
Surrey Park Sports Centre  
18 Surrey Park Road  
Invercargill



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# Fonterra Co-operative Group Limited

## Annual Meeting for 2021

Fonterra's Annual Meeting will be held as a hybrid meeting so that Shareholders may either attend at the ILT Stadium Southland, Surrey Park Sports Centre, 18 Surrey Park Road, Invercargill at **10.30am on Thursday, 9 December 2021** or virtually using the instructions set out below under the heading 'Virtual Meeting'.

### COVID-19 Implications

Fonterra intends to hold this Annual Meeting as a hybrid meeting so that Shareholders can attend either:

- in person at the ILT Stadium Southland, Surrey Park Sports Centre, 18 Surrey Park Road, Invercargill; or
- virtually, using the instructions set out below under the heading 'Virtual Meeting'.

However, due to the current uncertainty relating to the COVID-19 pandemic, Fonterra may elect to hold this Annual Meeting as an online only meeting, depending on the COVID-19 restrictions that are in place for Thursday, 9 December 2021. Fonterra will provide Shareholders with as much notice as is reasonably practicable, by way of an announcement to the NZX and an email to Shareholders, if the meeting is to be held as an online only meeting.

This Annual Meeting will follow the Ministry of Health COVID-19 guidelines. This means that everyone attending the meeting in person will need to comply with the current government requirements in relation to the hosting of meetings. These are presently to scan in using the COVID-19 tracer app and to follow all requirements around wearing face coverings and social distancing. If you are feeling unwell or have been to any COVID-19 locations of interest, we strongly recommend you join the meeting virtually.

### Virtual Meeting

To attend the meeting and participate online use the following link to the virtual meeting platform:

<https://edge.media-server.com/mmc/go/Fonterra-Meeting>

Shareholders attending and participating in the meeting virtually via the online platform will be able to watch the Annual Meeting, vote and ask questions during the meeting. Shareholders participating online will be required to enter their name, contact number and supply number(s) for verification purposes.

More information regarding virtual attendance at the meeting (including how to vote and ask questions virtually during the meeting) is available here:

[www.fonterra.com/online-meeting-guide](http://www.fonterra.com/online-meeting-guide)

### Annual Meeting Documents

Each Shareholder has been sent:

- This Notice of Meeting booklet, which includes:
  - Letter from the Chairman
  - Notice of Meeting (including the text of the matters to be voted on by Shareholders) (Part One)
  - Explanatory Notes regarding each of the matters to be voted on by Shareholders (Part Two)
  - Governance and Representation Review related Amendments to the Co-operative Council By-laws (Part Three)
  - 2020 Review of Council related Amendments to the Constitution and Explanatory Notes (Part Four)
- A Fonterra Board of Directors Election Voting Paper
- A Fonterra Board of Directors Candidate booklet
- A Fonterra Co-operative Council Voting Paper (for Shareholders in Wards 10, 13 and 19 only)
- A Fonterra Co-operative Council Candidate booklet (for Shareholders in Wards 10, 13 and 19 only)
- A Fonterra Directors' Remuneration Committee Voting Paper
- A Fonterra Directors' Remuneration Committee Candidate booklet
- A combined Annual Meeting Voting Paper/Proxy Form. Use this Voting Paper/Proxy Form:
  - To vote online or by post by 1pm on Tuesday, 7 December 2021.
  - If you are attending the Annual Meeting to vote in person.
  - If you are unable to attend the Annual Meeting, and you do not wish to vote online or by post, you can appoint a proxy to attend and vote on your behalf by completing the Proxy Form and returning it to the address specified on the freepost envelope included in the voting pack or otherwise set out on the form, so that the Returning Officer receives it no later than **10.30am on Tuesday, 7 December 2021**.
  - If you are a company or other body corporate, you can appoint a representative to attend and vote on your behalf by completing the Proxy Form.

Further instructions are on the back of the Annual Meeting Voting Paper/Proxy Form and on page 2 of this Notice of Meeting.



## Voting

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Shareholders can vote on the matters to be considered at the Annual Meeting **online** or by **post**. The instructions on how to vote in this manner can be found on the Annual Meeting Voting Paper/Proxy Form.

electionz.com Limited has been authorised by the Board to receive, at the address specified on the freepost envelope included in the voting pack or otherwise set out on the Voting Paper, and count, all **online** and **postal votes**.

For the Annual Meeting Shareholders can also vote by attending the meeting in person or virtually, or by appointing a proxy or representative (who can attend the meeting in person or online to vote on their behalf).

All online and postal votes must be received by the Returning Officer by **1.00pm on Tuesday, 7 December 2021**.

## Voting Entitlements

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A Shareholder's voting entitlement is based on their milksolids production. Shareholders will receive one vote for every 1,000 kilograms of milksolids supplied to Fonterra during the season ended **31 May 2021**.

If a Shareholder did not supply last season but now owns an existing farm that supplied last season, the voting entitlement will be based on that farm's supply last season or on the Board's estimate of milksolids production for this season. In the case of a dry farm conversion and farm amalgamations/ divisions, voting entitlement is based on one vote for every estimated 1,000 kilograms of milksolids to be supplied during the season ended 31 May 2022. Milk supplied on Contract Supply and milk which is not backed by shares or counting vouchers is excluded from milksolids production when calculating voting entitlements.

In accordance with the Companies Act 1993, the Board has fixed **5.00pm on 11 November 2021** as the date for determining voting entitlements of Shareholders for this meeting.

Accordingly, those persons who are, at **5.00pm on 11 November 2021**, registered as Shareholders will be entitled to vote at the Annual Meeting in respect of the shares registered in their name on that date backed by production.

A Shareholder's voting entitlement for a farm is shown on the Voting Paper enclosed for that farm with this pack. If a Shareholder appoints a proxy or representative, the proxy or representative will exercise that Shareholder's voting entitlement as described above.

## Proxies or Representatives

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Instructions to appoint a proxy or representative are outlined in this Notice of Meeting and the Combined Annual Meeting Voting/Proxy Paper. The Returning Officer will contact each proxy or representative ahead of the Annual Meeting to provide them with the necessary information required to enable them to participate in and vote during the Annual Meeting.

You may appoint the Chairman of the meeting or any director, or any other person, as your proxy (a proxy need not be a Shareholder). Where a Shareholder does not name a person as their proxy but otherwise completes the proxy form in full, or where a Shareholder's named proxy does not attend the meeting, the Chairman of the meeting will act as that Shareholder's proxy and will vote in accordance with that Shareholder's express direction.

The Chairman intends to vote any discretionary proxies, for which they have authority to vote, in favour of the resolutions.

All proxy or representative appointments must be received by the Returning Officer by **10.30am on Tuesday, 7 December 2021**.

## Questions

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Shareholders will be able to ask questions in person or, for those attending online, via the online platform during the Annual Meeting. We encourage Shareholders to submit questions as early as possible to ensure that as many questions as possible are received and addressed at the appropriate time during the meeting.

## Votes Required and Quorum

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The ordinary resolutions will be passed if they are approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the resolutions.

The special resolutions will be passed if they are approved by a majority of 75% or more of the votes of those Shareholders entitled to vote and voting on the resolutions.

The quorum for the meeting is present if not fewer than 50 Shareholders have cast postal votes (including by electronic means) or are present in person or by a representative, who between them hold or represent the holder or holders of not less than two per cent of the voting rights entitled to be exercised on the resolutions to be considered at the meeting.

There are no voting restrictions on the resolutions to be considered at the meeting.

## Results of Voting

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The results of voting at the Annual Meeting will be posted on NZX, the Farm Source website and our My Co-op app as soon as vote counting is complete and the Chairman has declared the results.

## Meeting Attendees

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The Annual Meeting is held for the benefit of Shareholders and their authorised proxies and representatives. Fonterra management will also be in attendance, as well as the auditors and invited members of the media.



# Chairman's Letter

Dear farmers,

Our 2021 Annual Meeting will be held at the ILT Stadium Southland, Surrey Park Sports Centre, 18 Surrey Park Road, Invercargill on Thursday 9 December 2021. Due to the current COVID-19 restrictions, this meeting will be held as a hybrid meeting and Shareholders will be able to attend the meeting online.

At this year's meeting Miles and I will review the Co-operative's performance and direction, including our long-term strategy to 2030 which we announced in September. Shareholders are also being asked to vote on six ordinary business resolutions to:

1. approve the remuneration of Shareholder Elected Directors;
2. approve the remuneration of Co-operative Councillors;
3. approve the remuneration of the Directors' Remuneration Committee members;
4. approve the appointment of the Auditor;
5. ratify the appointment of an Appointed Director, Mr Clinton Dines; and
6. approve the Co-operative Council programme and budget.

Each of these ordinary resolutions require more than 50 per cent votes cast in favour on it to be passed.

There are also three special resolutions which Shareholders will be asked to vote on, to:

1. approve Milk Price Panel related amendments to the Constitution;
2. approve Governance and Representation Review related amendments to the Constitution and the Co-operative Council By-laws; and
3. approve 2020 Council Review related amendments to the Constitution and Co-operative Council By-laws.

Each of these special resolutions require at least 75 per cent votes cast in favour on them to be passed.

Immediately following the conclusion of the Annual Meeting, we will begin the Special Meeting to consider changes to our Capital Structure. A separate booklet containing the Notice of Special Meeting is also enclosed. It includes an overview of the recommended changes and details of the associated special resolution that Shareholders are being asked to vote on at the Special Meeting.

If you can't attend the Annual Meeting or Special Meeting in person or online, you can cast your vote online, by post, or by way of proxy. Further instructions on how to vote by all of these methods can be found on the respective voting papers in your voting pack.

I look forward to seeing as many of you as possible in Invercargill and online.



**Peter McBride**  
Chairman

# Fonterra Co-operative Group Limited

## Annual Meeting Agenda

Below is the proposed programme for the Annual Meeting. Shareholders should note that the order may change at the discretion of the Chairman. Shareholders should allow sufficient time to register their attendance upon arrival, or to login to the virtual meeting platform, prior to the start of the meeting.

<b>10.00am - Registration</b>
<b>10.30am - Welcome</b> Welcome / Introduction – Peter McBride, Chairman of the Board
<b>Annual Meeting Proceedings</b> Chairman's Review Chief Executive Officer's Presentation
<b>Approval of Remuneration of Directors, Co-operative Councillors and Directors' Remuneration Committee Members</b> Directors' Remuneration Committee Review – Glenn Holmes, Chair of the Directors' Remuneration Committee Resolution 1: Approval of remuneration of Shareholder Elected Directors Resolution 2: Approval of remuneration of Co-operative Councillors Resolution 3: Approval of remuneration of Members of Directors' Remuneration Committee
<b>Appointment of Auditor</b> Resolution 4: Appointment of KPMG as auditor and authorisation of the Directors to fix the auditor's remuneration
<b>Ratification of Appointment of Director</b> Resolution 5: Ratification of appointment of Clinton Dines
<b>Approval of Milk Price Panel related Amendments to the Constitution</b> Resolution 6: Approval of Milk Price Panel related amendments to the Constitution
<b>Approval of Governance and Representation Review related Amendments to the Constitution and the Co-operative Council By-laws</b> Resolution 7: Approval of Governance and Representation Review related amendments to the Constitution and the Co-operative Council By-laws
<b>Approval of 2020 Review of Council related Amendments to the Constitution and the Co-operative Council By-laws</b> Resolution 8: Approval of 2020 Review of Council related amendments to the Constitution and the Co-operative Council By-laws
<b>Co-operative Council Report</b> Chairman's Review – James Barron Approval of Co-operative Council Programme and Budget Resolution 9: Approval of the Co-operative Council programme and budget
<b>Voting Paper Collection</b>
<b>General Business</b>
<b>1.00pm - Closing (approximately)</b>

# Notice of Annual Meeting of Shareholders of Fonterra Co-operative Group Limited

Notice is given that the Annual Meeting of the Shareholders of Fonterra Co-operative Group Limited ("Company") will be held on **Thursday, 9 December 2021** at the ILT Stadium Southland, Surrey Park Sports Centre, 18 Surrey Park Road, Invercargill. Shareholders can also attend the meeting virtually using the instructions set out under the heading 'Virtual Meeting'.

Peter McBride

**Chairman, on behalf of the Board**

**Notice of Meeting dated 16 November 2021**

## Business

Welcome/Introduction

## Annual Meeting Proceedings

Chairman's Review

Chief Executive Officer's Presentation

## Remuneration of Directors, Co-operative Councillors and Directors' Remuneration Committee Members

Directors' Remuneration Committee Review

### Resolution 1: Approval of remuneration of Shareholder Elected Directors

To consider the remuneration of Shareholder Elected Directors recommended by the Directors' Remuneration Committee and, if thought fit, to resolve:

*"To approve the remuneration of Shareholder Elected Directors, as recommended by the Directors' Remuneration Committee."*

### Resolution 2: Approval of remuneration of Co-operative Councillors

To consider the remuneration of Co-operative Councillors recommended by the Directors' Remuneration Committee and, if thought fit, to resolve:

*"To approve the remuneration of Co-operative Councillors, as recommended by the Directors' Remuneration Committee."*

### Resolution 3: Approval of remuneration of members of the Directors' Remuneration Committee

To consider the remuneration of members of the Directors' Remuneration Committee recommended by the Board and, if thought fit, to resolve:

*"To approve the remuneration of members of the Directors' Remuneration Committee, as recommended by the Board."*

## Appointment of Auditor

### Resolution 4: Appointment of KPMG as auditor and authorisation of the Directors to fix the auditor's remuneration

To consider the appointment of KPMG as auditor of the Company and authorisation of the Directors to fix the auditor's remuneration and, if thought fit, to resolve:

*"To appoint KPMG as auditor of the Company until the conclusion of the Company's next Annual Meeting and authorise the Directors to fix the auditor's remuneration."*

## Ratification of Appointment of Director

### Resolution 5: Ratification of appointment of Mr Clinton Dines

To consider and, if thought fit, to resolve:

*"To ratify the appointment by the Board of Mr Clinton Dines as a Director of the Company, under clause 12.4 of the Constitution."*

## Approval of Milk Price Panel related Amendments to the Constitution

### Resolution 6: Approval of Milk Price Panel related amendments to the Constitution

To consider and, if thought fit, to resolve as a special resolution which, if passed, will be effective on and from the date that the corresponding amendments have been made to the Fonterra Shareholders' Market Rules:

*"To approve the proposed amendments to the Constitution of the Company, as set out in the section headed 'Resolution 6' of Part Two of the Notice of Meeting."*



## Approval of Governance and Representation Review related Amendments to the Constitution and the Co-operative Council By-laws

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### **Resolution 7: Approval of Governance and Representation Review related amendments to the Constitution and the Co-operative Council By-laws**

To consider and, if thought fit, to resolve as a special resolution:

*“To approve:*

- (a) the proposed amendments to the Constitution of the Company, as set out in the section headed ‘Resolution 7’ of Part Two of the Notice of Meeting; and*
- (b) the proposed amendments to the By-laws of the Co-operative Council, as set out in Part Three of the Notice of Meeting.”*

## Approval of 2020 Review of Council related Amendments to the Constitution and the Co-operative Council By-laws

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### **Resolution 8: Approval of 2020 Review of Council related amendments to the Constitution and the Co-operative Council By-laws**

To consider and, if thought fit, to resolve as a special resolution:

*“To approve:*

- (a) the proposed amendments to the Constitution of the Company, as set out in Part Four of the Notice of Meeting; and*
- (b) the proposed amendments to the By-laws of the Co-operative Council, as set out the section headed ‘Resolution 8’ of Part Two of the Notice of Meeting.”*

## Co-operative Council Report

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Chairman's Review

### **Approval of Co-operative Council Programme and Budget**

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#### **Resolution 9: Approval of Co-operative Council programme and budget**

To receive and discuss the Co-operative Council report (including the Milk Commissioner's report) for 2020/21 (contained in the Co-operative Council's 2021 Annual Report to Shareholders) and the Co-operative Council's programme and budget for the current financial year and, if thought fit, to resolve:

*“To approve the Fonterra Co-operative Council's programme and budget for the financial year ending 31 July 2022.”*

# Explanatory Notes to Notice of Annual Meeting

## Welcome

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The Chairman will welcome Shareholders.

## Annual Meeting Proceedings

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### Remuneration of Directors, Co-operative Councillors and Directors' Remuneration Committee Members

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#### Resolution 1: Approval of remuneration of Shareholder Elected Directors

In accordance with clause 34.1 of the Company's Constitution, the Directors' Remuneration Committee ("Committee") met in July 2021 to consider, and recommend to Shareholders, the form and amount of the Shareholder Elected Directors' remuneration. The Committee comprises six elected Shareholders and is chaired by Mr Glenn Holmes.

In 2017 the Committee noted that market data showed that remuneration levels for Directors had increased significantly since the Fonterra Directors' remuneration was last increased in 2013, and recommended an increase to the remuneration level for Directors. The Committee also recommended that a discretionary pool of \$75,000 be available for remunerating Directors for additional workload, to be allocated at the discretion of the Appointments and Remuneration Committee of the Board and the Chairman of the Board.

In 2018 and 2019 the Committee considered workload expectations and market trends and recommended no change to Director remuneration. In 2019 the Committee noted that the discretionary pool of fees put in place in 2017 had been used for the first time to remunerate a Director \$25,000 for additional workload.

In 2020 the Committee recommended no change to Director remuneration due to the significant economic uncertainty as a result of the COVID-19 pandemic. The Committee noted that the \$75,000 discretionary pool of fees had been utilised for the second time, and recommended removal of the limit of \$25,000 per Director.

In 2021 the Committee reviewed remuneration practices in New Zealand and Australia. The Committee noted that Director remuneration had not been increased since 2017. The Committee considered whether current remuneration levels were appropriate, given the substantial Director workload, to ensure highly skilled directors were attracted and retained on the Board.

The Committee noted that a number of companies paid different fee amounts to the Chairs of Board Committees, to remunerate for differing workload expectations, and also remunerated Directors for membership of Board Committees. The Committee acknowledged that workloads varied between

the Board Committees. They also observed that Directors' workloads were often also increased by other activities such as stakeholder engagement, noting the current example of the Capital Structure consultation. The Committee noted the challenge in determining Director workload, given the varying activities undertaken by Appointed Directors and Shareholder Elected Directors, and Directors based in New Zealand versus those based offshore.

The Committee discussed the discretionary fund and considered whether an increase would be appropriate. The Committee determined that an increase in the discretionary fund was preferable to the implementation of Committee membership fees, as the fund allowed the Appointments and Remuneration Committee of the Board and the Chairman of the Board the flexibility to remunerate Directors based on their particular duties, workload and responsibilities.

Given that the last increase to Director remuneration had been in 2017, the need to attract and retain high quality governors and the substantial Director workload, the Committee determined that a larger one off adjustment was appropriate. The Committee noted that smaller annual incremental increases in remuneration would be the Committee's recommended approach going forward, subject to unique events such as those that had been experienced by Fonterra in the preceding years.

The Committee's recommendation to Shareholders in relation to the remuneration of Shareholder Elected Directors is:

That the remuneration for the Shareholder Elected Directors be approved at the following amounts from the date of this Annual Meeting:

- Chairman **\$455,000** p.a. (increase of \$25,000)
- Director **\$185,000** p.a. (increase of \$10,000)

In addition, at the discretion of the Appointments and Remuneration Committee of the Board and the Chairman of the Board, the Chair of each permanent Board Committee may be paid an additional **\$35,000** p.a., unless that person is the Chairman of the Board or already in receipt of a Committee Chair allowance (no change).

- Discretionary Pool

Up to **\$150,000** per annum (in aggregate), be provided for fees for Directors to be remunerated for additional duties, workload and responsibilities; such fees to be allocated at the discretion of the Appointments and Remuneration Committee of the Board and the Chairman of the Board and the tabling of details of such fee payments to the Directors' Remuneration Committee annually (increase of \$75,000).

The Committee has also approved the expense reimbursement policy for both Directors and Co-operative Councillors, whereby actual and reasonable expenses associated with their positions are reimbursed. It has also approved, and regularly monitors, the reimbursement of reasonable travel expenses for Directors' spouses/partners.

## **Resolution 2: Approval of remuneration of Co-operative Councillors**

In accordance with By-law 3.1 of the Co-operative Council By-laws, the Directors' Remuneration Committee met in July 2021 to consider, and recommend to Shareholders, the form and amount of the remuneration to be paid to Co-operative Councillors.

In 2017 the Committee recommended an increase to the Co-operative Councillor honoraria, which had remained unchanged since 2013. The Committee noted that the number of Council wards had been reduced to 25 from the date of the 2017 Annual Meeting.

In 2018 and 2019 the Committee recommended that the Co-operative Councillor honoraria remained unchanged. The Committee noted that the role of Deputy Chair had been disestablished in 2019.

The Committee recommended no change to Co-operative Councillor remuneration in 2020, given the significant economic uncertainty as a result of the COVID-19 pandemic and the review of the Co-operative Council that was underway at the time.

The Committee considers the Councillor's representative role to be an important one for the Co-operative, and that the level of the honoraria needs to be sufficient to attract and recognise Shareholders of a high calibre serving in that capacity.

The Committee noted the 2020 review of the Co-operative Council, and in particular, the recommendation regarding the remuneration of the Council Chair.

Given that the last increase to Co-operative Councillor remuneration had been in 2017, the Committee determined that a larger one off adjustment was appropriate. The Committee noted that smaller annual incremental increases in remuneration would be the Committee's recommended approach going forward, subject to unique events such as those that had been experienced by Fonterra in the preceding years.

The Committee reviews with the Chair of the Co-operative Council the allocations made from the discretionary pool in the prior year, and is comfortable that the pool was utilised in a reasonable manner consistent with the intent of the recommendation.

The Committee's recommendation to Shareholders in relation to the remuneration of Co-operative Councillors is:

That the honoraria for the Co-operative Councillors and the Chairman of the Council be approved at the following amounts from the date of this Annual Meeting:

- Chair **\$110,000** p.a. (increase of \$10,000)
- Councillors **\$37,500** p.a. (increase of \$2,500)
- Discretionary Pool

Up to **\$100,000** per annum (in aggregate), be provided for additional honoraria of Co-operative Councillors (excluding the Chairman of the Co-operative Council) who have additional responsibilities including as Council committee chairpersons, project leaders for Council workstreams, observers on Board committees, or representing the Council at its request on external committees (in each case not to exceed \$17,500 per annum per person); such provisions to be allocated in whole or part at the discretion of the Chairman of the Co-operative

Council and the tabling of details of such honoraria payments to the Directors' Remuneration Committee annually (no change to the amount of the current pool arrangement).

## **Resolution 3: Approval of remuneration of members of the Directors' Remuneration Committee**

In accordance with clause 34.1 of the Company's Constitution, the Board met to consider, and recommend to Shareholders, the form and amount of the remuneration to be paid to members of the Directors' Remuneration Committee. The Directors' Remuneration Committee comprises six elected Shareholders.

The Board noted that the Directors' Remuneration Committee members' honoraria had not been increased since 2017.

The Board's recommendation to Shareholders in relation to the remuneration of members of the Directors' Remuneration Committee is that the remuneration be set at the following amounts from the date of this Annual Meeting:

- Chairman **\$2,500** p.a. (an increase from \$2,000 p.a.)
- Member **\$1,500** p.a. (an increase from \$1,000 p.a.)

Furthermore, members of the Directors' Remuneration Committee are entitled to be paid for reasonable expenses incurred in connection with the business of the Committee, in line with the policy for remuneration of Directors and Co-operative Councillors.

## **Appointment of Auditor**

### **Resolution 4: Appointment of KPMG as auditor and authorisation of the Directors to fix the auditor's remuneration**

The Companies Act 1993 requires the Company to appoint an auditor. Section 207S of the Companies Act 1993 provides that the fees and expenses of an auditor appointed at an Annual Meeting can be fixed in the manner determined at that meeting.

KPMG has audited the Company's financial statements for the year ended 31 July 2021.

The Directors recommend that KPMG be appointed as auditor for the coming year. The Directors recommend that Shareholders authorise the Board to fix the auditor's remuneration.

## **Ratification of Appointment of Director**

### **Resolution 5: Ratification of appointment of Mr Clinton Dines**

The Company's Constitution requires that the Shareholders of the Company ratify the appointment of each Director appointed by the Board in accordance with clause 12.4 of the Constitution. This is to take place at the first Annual Meeting of the Company following that Director's appointment and, where the appointment is for a term exceeding three years, shall be ratified by Shareholders every three years.

Mr Clinton Dines was appointed by the Board in accordance with clause 12.4 of the Constitution and his appointment is required to be ratified by Shareholders at the 2021 Annual Meeting.

The Fonterra Board has determined that Mr Clinton Dines qualifies as an independent Director.



Mr Dines' remuneration and benefits, as with all of the Appointed Directors, are determined by the Board in accordance with section 161 of the Companies Act and are not subject to Resolution 1. However, the Fonterra Board remunerates Appointed Directors at the same level as Shareholder Elected Directors.

Details of his qualifications and experience are set out below.

### Mr Clinton Dines

Mr Dines was appointed to the Fonterra Board in 2015.

Mr Dines lived and worked in China for 36 years, 21 of which as President of BHP Billiton's China business. He has extensive experience as an executive in China and Asia businesses and has had an active career as a Non-Executive Director, currently serving on the Boards of the Port of Newcastle, Sky Renewables Pty Limited and Zanaga Iron Ore Company Limited.

Mr Dines was Executive Chairman of Caledonia Asia from 2010 to 2013, an investment group in Asia, and is a Partner in Moreton Bay Partners, a strategic advisory firm based in Brisbane. He is an Adjunct Professor at Griffith University's Asia Institute and is a Member of the Griffith University Council. Mr Dines has extensive experience as a senior executive in China and Asia businesses, including global manufacturing and commodity businesses.

## Approval of Milk Price Panel related Amendments to the Constitution

### Resolution 6: Approval of Milk Price Panel related amendments to the Constitution

Resolution 6 is a special resolution required by section 106(1)(a) of the Companies Act 1993.

The Dairy Industry Restructuring Amendment Act 2020 amended the Dairy Industry Restructuring Act 2001 ("DIRA"), among other things, to require Fonterra to appoint one member of the Milk Price Panel ("Panel") who is nominated by the responsible Minister under the DIRA (currently the Minister of Agriculture) on the same terms and conditions as the other Panel members, effective from 1 June 2021. The Minister's nominee must be "independent" for the purposes of DIRA.

The Company's Constitution (clause 10.3) and the Fonterra Shareholders' Market ("FSM") Rules (Rule 1.8.2) set out certain requirements applying to the Panel, including that:

- it must comprise five members;
- not less than 50% must be "independent";
- the Co-operative Council is entitled to appoint up to two members (at least one of whom must be independent); and
- the remaining members are appointed by the Board.

Currently the Panel has five members:

- Mr Scott St John, an independent Appointed Director (appointed to the Panel in 2017)
- Mr Bruce Hassall, an independent Appointed Director (appointed to the Panel in 2017)
- Mr Brent Goldsack, a Shareholder Elected Director (appointed to the Panel in 2017)

- Mr Andrew Wallace, a nominee of the Co-operative Council who is independent (appointed to the Panel in 2016)
- Mr Bill Donaldson, a nominee of the Co-operative Council (appointed to the Panel in 2014)

The Board recommends that the Company's Constitution is amended to increase the size of the Panel to six members to accommodate the Minister of Agriculture's nominee as an additional member to the Panel in order that the number of Panel positions held by the Fonterra Directors and Co-operative Council nominees remain unchanged.

The proposed amendment to clause 10.3(c) of the Constitution to give effect to this is set out below. The changes being made are those in mark up. That is, where a matter is deleted it is shown as being struck out and where a matter is inserted it is shown as being underlined.

### 10.3(c) The Panel must at all times comply with the following requirements:

- (i) it must comprise ~~five~~ six members;
- (ii) ~~not less than 50%~~ a majority of the members must qualify for appointment as "independent" ("independent") members (within the meaning of any applicable enactment or, if there is no applicable enactment, as determined by the Board from time to time);
- (iii) the Shareholders' Council is entitled to appoint up to two members (at least one of whom must be independent); ~~and the remaining members shall be appointed by the Board; and~~
- (iv) one member of the Panel must be the person (who must be independent) nominated by the responsible Minister for appointment as a member of the Panel under subsection 150E(1A) of the Dairy Industry Restructuring Act 2001 so long as such provision remains in force;
- (v) the remaining members shall be appointed by the Board; and
- ~~(iv)~~ (vi) the chairman of the Panel must be independent and shall have no casting vote.

Resolution 8 (discussed below) separately proposes, amongst other things, an amendment to the Constitution that would change all references to "Shareholders' Council" in the Constitution to "Co-operative Council". Upon approval of such amendment, the reference in clause 10.3(c)(iii) to "Shareholders' Council" will change to "Co-operative Council".

Fonterra has requested NZX that the corresponding FSM Rule 1.8.2 that sets out the size and membership composition of the Panel also be amended, subject to Shareholder approval of the proposed amendments to clause 10.3(c) of the Constitution.

A solicitor's opinion regarding the Constitution of the Company, as required under Rule 1.11.1 of the FSM Rules, has been provided to NZX. As the proposed amendment will alter Part A of the Company's Constitution, the approval of the amendment by a majority of 50 per cent or more of members of the Co-operative Council is required under clause 18.1 of the Constitution. This approval was received on 7 October 2021 and had the unanimous support of the Co-operative Council.

On 22 September 2021 the Board of Fonterra approved the changes to the Constitution of the Company as outlined in Resolution 6, subject to Shareholders' approval. The Board recommends that Shareholders vote to support the amendments proposed in Resolution 6.

If Resolution 6 is passed by the requisite majority of 75 per cent or more of votes cast by Shareholders entitled to vote and voting on the resolution, the Constitution will be amended as set out above only upon the FSM Rules being amended to be consistent with this change.

If Resolution 6 is not passed then the recommended changes will not take effect. Voting against Resolution 6 will not prevent the Fonterra Board from having to appoint the Minister's nominee to the Panel (as this requirement is mandated under DIRA). The Board will formally appoint the Minister's nominee to the Panel following the Annual Meeting and the Company will announce this appointment once it has occurred. If Resolution 6 is not passed the Board of Fonterra will either have to appoint the Minister's nominee in place of one of the Fonterra independent Appointed Directors or, with the approval of the Co-operative Council, the independent appointee of the Co-operative Council on the Panel.

## Approval of Governance and Representation Review related Amendments to the Constitution and the Co-operative Council By-laws

### Resolution 7: Approval of Governance and Representation Review related amendments to the Constitution and the Co-operative Council By-laws

Resolution 7 is a special resolution required by section 106(1)(a) of the Companies Act 1993 and clause 16.7 of the Constitution of the Company.

In February 2021 a joint Committee of the Board and Co-operative Council was established to undertake the five year review of the 2016 Governance and Representation changes. After consideration of farmer feedback, and consultation with the Fonterra Board, the Co-operative Council, the Independent Selection Panel and the Returning Officer, the Committee put forward a number of recommendations.

The recommendations included:

- Giving the Co-operative Council the ability to appoint up to three additional Councillors with full voting rights, who do not have to be qualified under the Constitution to be a Councillor, if the breadth of diversity across the Co-operative is not represented around the Co-operative Council table – whether by skill set, farm size, supply relationship (e.g. Shareholder, sharemilker, MyMilk supplier), generation (e.g. young farmers or those new to the industry), gender (e.g. female farmers), ethnicity (e.g. Māori farmers) or otherwise.
- The removal of the current requirement for Co-operative Council endorsement of re-standing Councillors, to be consistent with the Director election process.

To take effect, these recommendations require changes to the Constitution of the Company and the By-laws of the Co-operative Council.

## Constitution of the Company

The proposed amendments to the Constitution to give effect to these recommendations are set out below. The changes being made are those in mark up. That is, where a matter is deleted it is shown as being struck out and where a matter is inserted it is shown as being underlined:

**16.1 Establishment of Shareholders' Council:** Subject to casual vacancies there shall be a Shareholders' Council of not fewer than 25 Ward Councillors and up to three Appointed Councillors, which shall be elected or appointed in accordance with the by-laws of the Shareholders' Council. The Shareholders' Council shall have the following functions:

*Please note that no amendments are proposed to the Shareholders' Council functions listed in clause 16.1(a) to (q) in this Resolution 7. Proposed amendments to clause 16.1(a) to (q) are the subject of Resolution 8.*

**16.4 Election and Appointment of Councillors:** Subject to the provisions of this clause 16, the manner in which Councillors are nominated, elected, appointed and removed ~~by the respective Wards~~ shall be governed by the by-laws of the Shareholders' Council. Every election of Councillors shall be held, and every appointment of Councillors shall be made, in the manner for the time being approved pursuant to this clause. The Shareholders' Council at the date of this Constitution shall continue in office.

**16.5 Qualifications of Councillors:** No person may be elected or hold office as a Councillor unless he or she:

- (a) is a person who would be qualified for election as a Director in terms of clause 12.3, provided that this requirement shall not apply to persons who are appointed by the Shareholders' Council to hold office as an Appointed Councillor pursuant to the by-laws of the Shareholders' Council;
- (b) is not during their tenure as a Councillor, a Director or executive of the Company or the Milk Commissioner; and
- (c) has signed a Confidentiality Deed and Indemnity in the form determined by the Board relating to information he or she receives in his or her capacity as a Councillor.

*Inclusion of the following definitions in clause 48.1:*

**"Appointed Councillor"** has the meaning set out in the by-laws of the Shareholders' Council.

**"Ward Councillor"** has the meaning set out in the by-laws of the Shareholders' Council.

Resolution 8 (discussed below) separately proposes, amongst other things, an amendment to the Constitution that would change all references to "Shareholders' Council" in the Constitution to "Co-operative Council". Upon approval of such amendment, the references in clause 16 and the associated definitions to "Shareholders' Council" will change to "Co-operative Council". If the amendments proposed in Resolution 8 are approved, the clause numbers referred to in Resolution 7 will change so that clause 16.1 becomes clause 16.2, clause 16.4 becomes clause 16.8 and clause 16.5 becomes clause 16.9.

A solicitor's opinion regarding the Constitution of the Company, as required under Rule 1.11.1 of the Fonterra Shareholders' Market rules, has been provided to NZX.

### By-laws of the Co-operative Council

The proposed amendments to the By-laws of the Co-operative Council to give effect to these recommendations are set out in Part Three of this Notice of Meeting. The opportunity has also been taken to propose the following additional amendments to the By-laws:

- To amend the rotation of Councillors so that if a Councillor retires before the end of their three-year term, then the Councillor elected in their place will automatically have a three-year term from election, without Council having to formally amend the rotation Schedule to effect that. Previously the Co-operative Council has had newly elected Councillors being up for re-election after only one or two years (clauses 1.6 and 1.7).
- To ensure the consistency of language used in the By-laws (e.g. the inclusion of references to "hold office" and "longer" in clauses 1.6(a) and (b)).
- To recognise online voting (clause 1.9).
- To remove references to facsimile voting and notices being sent by facsimile.

Resolution 8 (discussed below) separately proposes, amongst other things, an amendment to the By-laws that would change all references to "Shareholders' Council" in the By-laws to "Co-operative Council". Upon approval of such amendment, the references in the By-laws to "Shareholders' Council" will change to "Co-operative Council".

On 22 October 2021 the Board of Fonterra approved the changes to the Constitution of the Company as outlined in Resolution 7, subject to Shareholders' approval. The Board recommends that Shareholders vote to support the amendments proposed in Resolution 7.

On 26 October 2021 the Co-operative Council endorsed the changes to the Constitution of the Company and approved the Co-operative Council By-laws, subject to Shareholders' approval. The Co-operative Council recommends that Shareholders vote to support the amendments.

If Resolution 7 is passed by the requisite majority of 75 per cent or more of votes cast by Shareholders entitled to vote and voting on the resolution, the Constitution and the Co-operative Council By-laws will be amended as set out above and in Part Three of this Notice of Meeting. If the Resolution is not passed then the recommended changes will not take effect. This will mean that the Co-operative Council will not have the ability to appoint up to three additional Councillors, and will still be required to endorse re-standing Councillors.

## Approval of 2020 Review of Council Amendments to the Constitution and the Co-operative Council By-laws

### Resolution 8: Approval of 2020 Review of Council related amendments to the Constitution and the Co-operative Council By-laws

Resolution 8 is a special resolution required by section 106(1)(a) of the Companies Act 1993 and clause 16.7 of the Constitution of the Company.

In 2020, following concern about the effectiveness of the Shareholders' Council (as it was then known) and growing disconnect between what Fonterra farmers believed Council's functions were and what is set out in the Fonterra Constitution, a Steering Group was established to undertake a review of Council's role and functions. The Steering Group members were four Fonterra farmer Shareholders, two Councillors, two Board members and an independent chair. The Steering Group sought Fonterra farmer views on Council's core functions, considered Council's view on the areas that Council believed would benefit from discussion and consultation, analysed the key issues raised by Fonterra farmers and Council, identified options to address them, and then consulted with the Board, Council and Fonterra farmers on those issues and options. After considering all feedback, the Steering Group issued its final report in October 2020, putting forward 27 recommendations (the "Recommendations").

The Recommendations can be found in the Council's 2021 Annual Report, and online at <https://nzfarmsource.co.nz/business/advice-support/shareholders-council/shc-review>. Together the Recommendations comprise a significant reset to Council, to better meet the interests of Shareholders and other members of the wider Fonterra Co-operative community, and require changes to Council's role, functions and operating framework. While most of the Recommendations can be implemented within the current Constitution, the Steering Group concluded that Council should seek Shareholder approval of amendments to clause 16 of Part A of the Constitution in order to embed the changes to the functions and operating framework contained in the Recommendations.

### Constitution of the Company

The proposed amendments to the Constitution to give effect to the Recommendations are set out in Part Four of this Notice of Meeting, with explanatory notes. The opportunity has also been taken to propose further amendments to the Constitution, which are also set out in Part Four of this Notice of Meeting with explanatory notes.

A solicitor's opinion regarding the Constitution of the Company, as required under Rule 1.11.1 of the Fonterra Shareholders' Market Rules, has been provided to NZX. As the proposed amendment to change all references to "Shareholders' Council" to "Co-operative Council" will alter Part A of the Company's Constitution, the approval of those amendments by a majority of 50 per cent or more of members of the Co-operative Council is required under clause 18.1 of the Constitution. This approval was received on 1 November 2021 and had the unanimous support of the Co-operative Council. Amendments to clause 16 of the Constitution do not require the support of the Co-operative Council.



## By-laws of the Co-operative Council

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The proposed amendments to the By-laws of the Co-operative Council to reflect Recommendation 5 to rename the Council as the *Co-operative Council* are:

- To change all references to “Shareholders’ Council” to “Co-operative Council”.

The Co-operative Council has approved the amendments to the Co-operative Council By-laws and has proposed the changes to the Constitution of the Company, subject to Shareholders’ approval. The Co-operative Council recommends that Shareholders vote to support the amendments to the Constitution and the Co-operative Council By-laws, as outlined in Resolution 8.

The Board has reviewed the proposed changes to the Constitution of the Company as outlined in Resolution 8, and recommends that Shareholders vote to support the amendments.

If Resolution 8 is passed by the requisite majority of 75 per cent or more of votes cast by Shareholders entitled to vote and voting on the resolution, the Constitution and the Co-operative Council By-laws will be amended as set out above. If Resolution 8 is not passed then some of the Recommendations may not be able to be given effect to, as they would not be embedded in the Constitution of the Company, which creates the Co-operative Council. In addition, the By-laws will not have been amended.

If the amendments proposed in Resolution 7 are approved, clause 16 of the Constitution will be amended as set out in Resolution 7. If the amendments proposed in Resolution 8 are **also** approved, both the amendments in Resolutions 7 and 8 will be made to clause 16 of the Constitution. If only one of the two Resolutions 7 and 8 are passed, only the amendments made by the Resolution which is passed will be made to clause 16. If neither Resolution 7 nor 8 is passed, no amendment will be made to clause 16 of the Constitution.

## Approval of Co-operative Council Programme and Budget

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### Resolution 9: Approval of Co-operative Council programme and budget

Under this item of business the Chairman of the Co-operative Council will, in accordance with the requirements of the Company’s Constitution:

- present the Co-operative Council’s programme and budget for the current financial year to Shareholders for approval;
- report on the activities of the Co-operative Council in the preceding financial year;
- report on the Co-operative Council’s view as to the Company’s direction, performance and operations for the preceding financial year;
- present the Milk Commissioner’s Report for the preceding financial year; and
- comment on other Company and dairy industry matters.

Shareholders are then asked to approve the programme and budget of the Co-operative Council for the financial year ending 31 July 2022 (FY22).

The Co-operative Council seeks Shareholder approval for a budget of \$2.422 million for operating costs for FY22 and \$792,000 for other costs contributed to or met by the Co-operative Council, giving a combined total of \$3.214 million, as summarised below:

	FY21 Budget \$000	FY21 Actual \$000	FY22 Budget \$000
<b>Co-operative Council operating costs:</b>			
Councillor honoraria (refer Resolution 2 for amounts), and Council staff salaries and associated costs	1,650	1,646	1,800
Co-operative Council meetings – including accommodation and travel for Council meetings, Board/Board Committee meetings, and meetings with external stakeholders, and Diligent meeting papers software costs Note: Excludes meetings relating to the capital structure review which are separately listed below	200	235	235
Communications – including Annual Report design and print	13	12	12
Councillor Ward meetings – including travel, accommodation and catering	68	4	7
Councillor training and development – including course/facilitator and travel costs, and new Councillor introduction programme	70	0	50
Insurance and IT costs – including Councillor liability insurance and staff information technology costs	24	33	43
2020 review of Council – Steering Group costs including fees paid to independent Chair, Steering Group travel and meeting costs, report design, and costs of farmer consultation meetings	75	87	0
External analyst support: • financial • Letter of Members' Expectations survey design and analysis	100	162	125
Capital structure review costs: • accommodation and travel for Council meetings, travel for farmer meetings • independent legal and analytical support	0 0	41 14	25 125
<b>Total Co-operative Council operating costs</b>	<b>2,200</b>	<b>2,234</b>	<b>2,422</b>
<b>Other costs contributed to or met by the Co-operative Council:</b>			
<i>Connection</i> Contribution to costs of MyConnect conference Understanding Your Co-operative Programme Governance Development Programme	160 170 100	0 158 139	0 180 140
<i>Guardianship</i> Fonterra Director election: • Returning Officer costs • Director candidate meetings • Independent Selection Panel and secretariat, independent agent and candidate interview expenses • Candidate booklet printing costs Professional services - Milk Commissioner costs, fees and other costs relating to the Co-operative Council appointees to the Milk Price Panel, legal costs	170 45 185 - 125	124 40 122 13 74	130 40 135 15 152
<b>Total other costs contributed to or met by the Co-operative Council</b>	<b>955</b>	<b>680</b>	<b>792</b>
<b>Combined Total</b>	<b>3,155</b>	<b>2,914</b>	<b>3,214</b>

## Budget

In November 2020 Fonterra Shareholders approved a budget of \$3.155 million for FY21 of which \$2.914 million (92%) was utilised.

Material variations between FY21 budgeted and actual expenditure, and FY21 actual spend and FY22 budgeted spend, are summarised as follows:

- Councillor honoraria, and Council staff salaries and associated costs: The increased budget for FY22 allows for:
  - the Honoraria increases recommended by the Directors' Remuneration Committee, which are subject to approval by Shareholders (refer Resolution 2);
  - the appointment of one Additional Councillor (subject to approval by Shareholders of Resolution 7) should Council determine to make such an appointment due to the breadth of diversity across the Co-operative not being represented within the Co-operative Council at the conclusion of the 2021 Council elections; and
  - increases in staff costs, as recommended by Fonterra for FY22, and to enable strengthening of Council secretariat's analytical capability as recommended by the Steering Group following the 2020 review of Council.
- Co-operative Council Meetings: FY21 costs exceeded budget notwithstanding Council met less frequently in person than it has in past years. The FY22 budget contemplates full Council will meet in person four times during the year. Usual allowance has been made for other costs, as summarised.
- Councillor Ward meetings: The costs of holding twice-yearly meetings across the 25 Wards were significantly less than budgeted.
- Councillor training and development: During FY21 this was internally facilitated, time-constrained by workstreams and limited by COVID-19 restrictions. The FY22 budget will enable all 25 Councillors to undertake targeted relevant training and development which is considered imperative to Council effectively fulfilling its functions.
- Insurance and IT costs: Costs exceeded budget due to premium increases. A further increase in premium is expected in FY22.
- 2020 review of Council: Costs for the review were incurred during FY20 (\$54,000) and FY21. FY21 costs exceeded budget due to higher costs than expected being incurred for the farmer consultation meetings.
- External analyst support: Council commissioned external support for financial analysis and to survey members to inform the first Letter of Members' Expectations. The level of support and analysis required for that Letter, and therefore costs, exceeded budget. For FY22, allowance has been made for quarterly financial analysis support and a reduced level of support (compared to 2021) to inform the 2022 review and refresh of the Letter of Members' Expectations.
- Capital structure review: No allowance for costs was included in the FY21 budget as the timing of Council's involvement was not known when the budget was developed. FY21 costs were incurred from May 2021. The FY22 budget is based on the assumption the Board's preferred option will be finalised and put to members at the 2021 Special Meeting with limited (if any) Council consultation and independent external support required after that.
- My Connect conference: In line with Recommendation 16 from the 2020 review of Council, Council ceased its involvement in organising and funding the My Connect conference, leaving this instead to Fonterra management to deliver.
- Understanding Your Co-operative Programme: Three events were held during FY21, attended by 261 members. Three events are planned for FY22.
- Governance Development Programme: This programme is a joint Co-operative Council and Board initiative, with costs shared equally between Council and the Board. Due to COVID-19 restrictions, a significant proportion of the 2020 intake programme costs were incurred in FY21. There were fewer participants in the 2021 intake resulting in a greater proportion of the total programme cost being funded by Council and the Board, than by participant contributions. The 2020 Alumni workshop had to be deferred to the end of 2020 due to COVID-19 restrictions and the 2021 event was moved to June 2021. As a result, FY21 costs include two Alumni events rather than the one that was budgeted for.
- Director election: The FY21 reduction in Returning Officer costs reflects the re-allocation of Returning Officer costs that do not relate to the Director or Directors' Remuneration Committee elections to Fonterra head office, which manages the Annual Meeting, Council and other elections that the Returning Officer also supports.
- Professional services: FY21 costs were less than budgeted due to there being no disputes considered by the Milk Commissioner and lower legal costs incurred than budgeted for. FY22 costs include allowances for Milk Commissioner costs for consideration of disputes, legal costs, and search agent and other costs relating to Council's appointment of a new independent member to the Milk Price Panel following the retirement of the current independent appointee.



## Work Programme

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Council's work programme for FY22 includes the following key workstreams:

### Connection

- Foster member engagement with their Co-op through Ward meetings
- Further develop Council's understanding of members' interests, needs, views and expectations through survey and meetings
- Represent members' interests, needs, views and expectations to the Board
- Provide regular feedback to members on how their interests, needs, views and expectations have been represented and are being met
- When the Board or Management wish to consult with members on decisions which have the potential to affect members interests in their Co-operative, engage with the Board and/or management as part of that consultation
- Deliver the Understanding Your Co-operative Programme

### Guardianship

- Capital structure review
- Appoint a new independent member to the Milk Price Panel following the retirement of the current independent appointee
- Milk Commissioner appointment / re-appointment (the current term of appointment ends on 31 May 2022)
- Review and refresh (as necessary) the Co-operative philosophy to ensure it reflects members' overall interests, and promote greater member understanding of it
- Manage the Director election in consultation with the Board, and appoint the Returning Officer and Council's independent appointee to the Independent Selection Panel
- Represent members' interests in relation to changes to the terms and conditions of supply and the operation of the Fonterra Shareholders' Fund and the Fonterra Shareholders' Market
- Foster Councillor succession
- Administer the Governance Development Programme

## Accountability

- Meet with the Board each quarter to discuss reports on consolidated and key business unit operations, including actual achievements compared to the Board's key measures for performance, and any identified risks to the Company's ongoing performance
- Monitor information provided by the Company to members and assist members to understand the implications of that information to them
- Seek Board explanation of and responsibility for the Company's strategy and performance
- Communicate to members on the extent to which their expectations are being met / Report on how members' interests, needs, views and expectations align with Board strategy and Co-op performance
- Represent members' interests in relation to Milk Price Manual changes and governance

Council will report to members at least quarterly, including through its Quarterly Updates, Annual Report and at the 2022 Annual Meeting.

# Governance and Representation Review related Amendments to the Co-operative Council By-laws

The amendments to the Co-operative Council By-laws marked up in this Part Three relate to Resolution 7. The amendments to the Co-operative Council By-laws proposed under Resolution 8 are limited to changing all references to “Shareholders’ Council” to “Co-operative Council”.

## 1. ELECTION AND APPOINTMENT OF COUNCILLORS

- 1.1 **Number of Ward Councillors and Wards:** Subject to casual vacancies, the number of Ward Councillors and Wards shall be not fewer than 25.
- 1.2 **Representation of Wards:** Subject to casual vacancies, each Ward is entitled to be represented by at least one Ward Councillor.
- 1.3 **Election by Shareholders:** Subject to clause 1.1, a person may be elected or removed as a Ward Councillor to represent a Ward at any time by an Election.
- 1.4 **Appointed Councillors:** The Shareholders’ Council may appoint up to three additional persons as Councillors with full voting rights if the Shareholders’ Council determines (at its sole and absolute discretion) that the breadth of diversity across the Company’s Members is not represented (whether by skill set, farm size, supply relationship, generation, gender, ethnicity or otherwise) within the Shareholders’ Council. Appointed Councillors will not represent a particular Ward and may be persons who are not qualified in terms of clause 12.3 of the Constitution but must in all other respects be qualified under the Constitution to be a Councillor. Subject to section 3 of these By-laws, the terms of appointment of Appointed Councillors will be determined by the Shareholders’ Council (at its sole and absolute discretion) and will be reviewed at least every three years. Appointed Councillors may not hold office for longer than nine years.
- ~~1.4~~ **Existing Ward Councillors:** The persons elected as Ward Councillors at the date of these By-laws to represent a Ward shall continue in office.
- ~~1.5~~ **Rotation of Ward Councillors:** Schedule 1 sets out the year in which an Election is to be held in each Ward for the rotation of Ward Councillors, on the basis that an Election is to be held in each Ward at intervals of approximately 3 years. Following each Election (including an Election where a Ward Councillor is elected unopposed) Schedule 1 will automatically update to reflect the year in which the next Election is expected to be held in that Ward, which will be in approximately three years from the last Election in that Ward. The Council may from time to time amend Schedule 1 or adopt a new Schedule 1. On the date of each annual meeting of the Company the Ward Councillors in the Wards subject to rotation in that year in accordance with Schedule 1 shall duly retire. A Ward Councillor retiring by rotation is eligible for re-election, provided that:
  - (a) Ward Councillors may not servehold office for longer than nine years (or, where the Election cycle in a Ward is such that the period between the time a Ward Councillor was first elected and the second Election in that Ward is greater than nine years, for longer than the date of the third Election since that Ward Councillor was first elected) unless the Council resolves (by 75% majority in accordance with clause 5.8), for reasons of continuity or experience, to approve the Ward Councillor standing for re-election for a fourth term; and
  - (b) Ward Councillors shall not hold office for morelonger than 12 years (or, where the Election cycle in a Ward is such that the period between the time a Ward Councillor was first elected and the fourth Election in that Ward is greater than 12 years, for longer than the date of the fourth Election since that Ward Councillor was first elected).
- ~~1.6~~ **Endorsement on re-election:** In the case of a Councillor standing for re-election, the Council shall determine (by 75% majority in accordance with clause 5.8), and communicate to Shareholders, whether it supports the Councillor’s re-election:
- 1.7 **Casual vacancies:** If the position of a Ward Councillor (“Vacating Councillor”) becomes vacant in any Ward, the Shareholders’ Council may (at its sole and absolute discretion):
  - (a) hold an Election to fill that vacancy, in which case the person elected shall hold office until the date on which the Vacating Councillor was due to retire by rotation pursuant to clause 1.5 of the annual meeting of the Company that occurs in approximately 3 years in accordance with clause 1.6, at which time that person shall be eligible for re-election; or
  - (b) may appoint a person who is qualified under the Constitution to be a Councillor to fill that casual vacancy, in which case the person appointed shall hold office from the date of appointment until the next Election scheduled under clause ~~1.5~~ 1.5.6 for any Ward (whether or not the Ward in which the casual vacancy has been filled is due for rotation under clause ~~1.5~~ 1.5.6), at which time an Election to fill the vacancy shall be held at which that person shall be eligible for ~~re~~ election. The person elected at the next Election under clause ~~1.5~~ 1.5.6 shall hold office until the date on which the Vacating Councillor was due to retire by rotation pursuant to for approximately 3 years from that Election in accordance with clause ~~1.5~~ 1.5.6.

1.8 **Vacation of office:** A Councillor ceases to be a Councillor if ~~he or she~~they:

- (a) ~~retires are a Ward Councillor and retire~~ by rotation pursuant to clause ~~1.51.6~~ and ~~is~~are not re-elected or deemed to have been re-elected; or
- (b) ~~is~~are a Ward Councillor and ~~are~~ removed from office by an Ordinary Resolution of the Shareholders in the Ward represented by that ~~Ward~~ Councillor; or
- (c) ~~are an Appointed Councillor and their appointment is terminated in accordance with their terms of appointment or they are removed from office by an Ordinary Resolution of Shareholders; or~~
- (~~e~~)(d) ~~dies~~die or ~~becomes~~become mentally disordered or subject to a property order or personal order made under the Protection of Personal and Property Rights Act 1988; or
- (~~d~~)(e) ~~resigns~~resign by written notice delivered to the Company at its address for service or at its registered office (such notice to be effective at the time when it is so received unless a later time is specified in the notice); or
- (~~e~~)(f) ~~becomes~~become disqualified from being a Councillor pursuant to the Constitution; or
- (~~f~~)(g) ~~becomes~~become bankrupt or ~~makes~~make an arrangement or composition with ~~his or her~~their creditors generally; or
- (~~g~~)(h) ~~has~~have for more than three months been absent without approval of the Shareholders' Council from meetings of the Shareholders' Council held during that period.

1.9 **Removal of Ward Councillors:** For the purpose of clause 1.8(b), the Shareholders' Council shall, on written request from Shareholders of a Ward representing not less than 10% of the Shareholders of that Ward in number, put a resolution to the Shareholders of that Ward that a ~~Ward~~ Councillor representing that Ward be removed from office. Voting on the resolution shall be carried out by postal ~~and electronic~~ vote on the same basis as an Election, with such changes as may be determined appropriate by the Shareholders' Council.

1.10 **Removal of Appointed Councillors:** ~~For the purpose of clause 18.1(c), the Shareholders' Council shall, on written request from Shareholders holding Shares carrying together not less than 5% of the voting rights entitled to be exercised on a vote on the resolution, put a resolution to all Shareholders entitled to vote that an Appointed Councillor be removed from office. Voting on the resolution shall be carried out by postal and electronic vote on the same basis as an Election, with such changes as may be determined appropriate by the Shareholders' Council.~~

~~1.10.11~~ **Timing of retirement, removal and appointment:** If:

- (a) a ~~Ward~~ Councillor retires on the date of the annual meeting of the Company and is not re-elected or deemed to be re-elected in accordance with these By-laws, the ~~Ward~~ Councillor shall remain in office until, and ~~his or her~~their retirement shall take effect at, the close of that annual meeting;
- (b) a person who is not already a ~~Ward~~ Councillor is elected as a ~~Ward~~ Councillor pursuant to an Election by rotation scheduled under clause ~~1.51.6~~, that person shall take office as a ~~Ward~~ Councillor at the close of the annual meeting following that Election;
- (c) a person who is not already a ~~Ward~~ Councillor is elected as a Councillor pursuant to an Election scheduled otherwise than under clause ~~1.51.6~~, that person shall take office as a ~~Ward~~ Councillor at 5pm on the date on which the result of that Election is declared by the chairperson of the Company;
- (d) a ~~Ward~~ Councillor is removed from office under clause 1.8(b), the removal shall take effect at 5pm on the date on which the result of the ~~postal~~ vote on that removal is declared by the chairperson of the Company;
- (e) ~~a person is appointed as an Appointed Councillor pursuant to clause 1.4, that person shall take office as an Appointed Councillor at 5pm on the date on which that appointment commences;~~
- (f) ~~an Appointed Councillor's appointment terminates in accordance with their terms of appointment, the termination shall take effect at 5pm on the date of termination;~~
- (g) ~~an Appointed Councillor is removed from office under clause 1.8(c), the removal shall take effect at 5pm on the date on which the result of the vote on that removal is declared by the chairperson of the Company.~~

## 2. ELECTION PROCEDURES ~~FOR WARD COUNCILLORS~~

2.1 **Nomination:** No person may be elected as a ~~Ward~~ Councillor to represent a Ward by an Election pursuant to clause 1.3 unless:

- (a) not more than four months nor fewer than two months before the annual meeting of the Company or, in respect of an Election scheduled otherwise than under clause ~~1.51.6~~, the date of the Election, that person qualifies to be appointed as a Councillor in terms of the Constitution; and
- (b) that person has been nominated by two or more Shareholders in that Ward (not including the person being nominated) by written notice to the Returning Officer accompanied by the consent in writing of that person to the nomination.

The requirements of clause 2.1(b) do not apply to a Councillor who is retiring on the date of the annual meeting of the Company or the date of the Election and is standing for re-election.

- 2.2 **Delivery of notice:** Notice of every valid nomination of a Ward Councillor to represent a Ward received by the Returning Officer before the closing date for nominations shall be sent by the Returning Officer to all Shareholders in that Ward together with voting papers and, for an Election scheduled under clause ~~1-51.6~~, at the same time the postal ballot for the election of Directors is sent to Shareholders.
- 2.3 **Electing by voting paper:** Every Election of Shareholders of a Ward to elect a Ward Councillor or Ward Councillors to represent that Ward shall be exercised by voting paper. The voting paper shall be in such form as the Returning Officer may approve from time to time.
- 2.4 **Two voting papers per Election:** On an Election to elect a Ward Councillor or Ward Councillors (in the case of Wards that have two Ward Councillors and the Returning Officer has advised on the voting paper that two Ward Councillors are to be elected on that Election) to represent a Ward each Shareholder in that Ward shall have two separate voting papers. Each Shareholder may transfer one voting paper to the Sharemilker with whom the Shareholder has entered into a sharemilking agreement in relation to the farm dairy to which the voting papers relate. For the avoidance of doubt, voting entitlement in respect of Ward Councillors is not related to Milksolids production.
- 2.5 **Return of voting papers:** No voting paper is effective in relation to an Election of a Ward Councillor or Ward Councillors to represent a Ward unless the voting paper is received by the Returning Officer at the Company's registered office, or at such other address (including any electronic address) as is specified for that purpose on the voting paper, not later than the time specified on the voting paper. Voting papers may be returned to the Returning Officer by:
- (a) post; or
  - ~~(b) facsimile; or~~
  - ~~(c)~~(b) by electronic means, if appropriate provision for electronic voting has been determined.
- 2.6 **Scrutineer:** One person appointed by the Returning Officer shall act as scrutineer.
- 2.7 **Counting of votes:** Voting papers shall be opened or accessed, and voting papers validated to ensure that each Shareholder has cast only the number of votes to which they are entitled. Voting preferences may be entered at any time into the STV Software System but counting shall not commence until after the closing time for receiving voting papers. After this closing time, the Returning Officer will supervise the counting of all voting papers after rejecting all invalid voting papers. The Returning Officer will ascertain the result for the election and report the results to the chairperson of the Company.
- 2.8 **Retention of voting papers:** All voting papers must be secured by the Returning Officer in the presence of the scrutineer if they choose to be present and kept for a period of not fewer than 30 days after the closing time for receiving voting papers, after which time they may be destroyed by the Returning Officer.
- 2.9 **Declaration of result:** A declaration by the chairperson of the Company that a particular person or persons has or have been elected by a certain majority is conclusive evidence of that fact.
- 2.10 **Secrecy:** The Returning Officer, any person involved in counting voting papers, the chairperson of the Company and the scrutineer must keep secret and confidential, except as provided in these By-laws, any fact directly or indirectly coming to their knowledge in respect of any Election.
- 2.11 **Validity of voting paper:** No voting paper will be deemed invalid because of want of form or other technicality provided the Returning Officer is satisfied that the intention of the Shareholder or Sharemilker, as the case may require, is clear and unequivocal. The decision of the Returning Officer in any such matter is final. No voting paper will have any effect if it arrives at the registered office of the Company or at such other address (including any electronic address) as is specified on the voting paper, after the time specified on the voting paper or if the Shareholder or Sharemilker, as the case may require, votes for more candidates than the number advised by the Returning Officer on the voting paper. If the Returning Officer has issued a duplicate voting paper in respect of an original voting paper then the original voting paper to which the duplicate voting paper relates will be invalid.
- 2.12 **Death or Withdrawal of Candidate:** If a nominated candidate dies, or advises the Returning Officer in writing of ~~his or her~~their intention to withdraw from an Election, after the time fixed for receiving nominations and before the time fixed for the closing date for the return of voting papers, the Election will not be cancelled. The next highest polling candidate is deemed to be the successful candidate.
- 2.13 **Candidates may stand for Election of Directors:** For the avoidance of doubt a candidate in an Election may (provided that the candidate has not, at any time following the date of the annual meeting immediately preceding the relevant election of Directors, held office as a Councillor) also be a candidate in an election of Directors held at the same time, but if that candidate is elected as a Director then the votes for that person in the Election shall be disregarded and if there is no other candidate in the Election a casual vacancy in terms of clause 1.7 shall be deemed to have arisen.
- ### 3. REMUNERATION AND OTHER BENEFITS OF COUNCILLORS
- 3.1 **Power to authorise:** The Shareholders' Council may not authorise any payment or other benefit to or in respect of a Councillor in ~~his or her~~their capacity as such, without the prior approval of the Shareholders by Ordinary Resolution, except as provided in this section 3. The Directors' Remuneration Committee shall consider and recommend the form and amount of Councillors' remuneration to the Shareholders for their approval.



- 3.2 **Payment of expenses:** Notwithstanding the provisions of clause 3.1, Councillors are entitled to be reimbursed, on presentation of accounts, for all reasonable expenses including travelling, accommodation and other expenses properly incurred by them in attending meetings of:
- (a) the Shareholders' Council;
  - (b) any committee of the Shareholders' Council;
  - (c) Shareholders;
  - (d) the Ward which the Ward Councillor represents; or
  - (e) otherwise properly incurred in connection with the business of the Shareholders' Council.
- 3.3 **Special remuneration:** The Board may authorise the Company to pay special remuneration to any Councillor who is, or has been, engaged by the Company or the Shareholders' Council (with the prior approval of the Board) to carry out work in a capacity other than that of Councillor.

#### 4. FUNCTIONS OF SHAREHOLDERS' COUNCIL

- 4.1 **Exercise of functions by Shareholders' Council:** The Shareholders' Council is responsible for performing the functions required by the Constitution to be performed by the Shareholders' Council. Those functions are to be performed by, or under the direction or supervision of, the Shareholders' Council.
- 4.2 **Delegation of powers:** The Shareholders' Council may delegate to a committee of the Shareholders' Council, a Councillor or, with the agreement of the chief executive of the Company, an employee of the Company.
- 4.3 **Ratification by Shareholders:** The Shareholders may ratify the purported exercise of a power by a Councillor, a delegate of Shareholders' Council or the Shareholders' Council. The purported exercise of a function or power that is ratified under this clause is deemed to be, and always to have been, a proper and valid exercise of that function or power.
- 4.4 **Attributes and capabilities list:** The Council shall adopt and maintain a list of the attributes and capabilities that it considers should be represented on the Council, and ensure that such list is communicated to Shareholders together with the voting papers for each Election.
- 4.5 **Appointment to Independent Selection Panel:** The Council shall appoint an independent member (who may not be a Councillor) to the Independent Selection Panel.

#### 5. PROCEEDINGS OF SHAREHOLDERS' COUNCIL

- 5.1 **Alternative forms of meeting:** A meeting of the Shareholders' Council may be held either:
- (a) by a quorum of the Councillors, being assembled together at the place, date and time appointed for the meeting; or
  - (b) by means of audio, or audio and visual, communication by which all Councillors participating and constituting a quorum can simultaneously hear each other throughout the meeting.
- 5.2 **Procedure:** Except as provided in these By-laws, the Shareholders' Council may regulate its own procedure.
- 5.3 **Notice of meeting:** The following provisions apply in relation to meetings of the Shareholders' Council (except where otherwise agreed by at least 75% of Councillors in relation to any particular meeting or meetings):
- (a) Not fewer than two days' notice of a meeting shall be given to each Councillor (other than a Councillor who has waived that right).
  - (b) Notice to a Councillor of a meeting may be:
    - (i) given to the Councillor in person by telephone or other oral communication;
    - (ii) delivered to the Councillor;
    - (iii) posted to the address given by the Councillor to the Company for such purpose; or
    - ~~(iv) sent by facsimile transmission to the facsimile telephone number given by the Councillor to the Company for such purpose; or~~
    - ~~(v)~~(iv) sent by electronic means in accordance with any request made by the Councillor from time to time for such purpose.
  - (c) A notice of meeting shall specify the date, time and place of the meeting and, in the case of a meeting by means of audio, or audio and visual, communication, the manner in which each Councillor may participate in the proceedings of the meeting.
  - (d) A notice of meeting given to a Councillor pursuant to this clause is deemed to be given:
    - (i) in the case of oral communication, at the time of notification;
    - (ii) in the case of delivery, by handing the notice to the Councillor or by delivery of the notice to the address of the Councillor;
    - (iii) in the case of posting, three days after it is posted;

(iv) ~~in the case of facsimile transmission, when the Company receives a transmission report by the sending machine which indicates that the facsimile was sent in its entirety to the facsimile telephone number given by the Councillor;~~

(iv)(v) in the case of electronic means, at the time of transmission.

- 5.4 **Councillor may convene meeting:** Without limiting the provisions of clauses 5.2 or 5.3, a Councillor has the right at any time to convene a meeting of the Shareholders' Council, or to require an employee of the Company to convene a meeting of the Shareholders' Council, at the registered office of the Company or at the place where the meetings of the Shareholders' Council for the time being are customarily held, by giving not fewer than seven days' written notice signed by or on behalf of the Councillor to each of the other Councillors stating the date, time and place of the meeting and the matters to be discussed.
- 5.5 **Waiver of notice irregularity:** An irregularity in the giving of notice of a meeting is waived if each of the Councillors either attends the meeting without protest as to the irregularity or agrees (whether before, during or after the meeting) to the waiver.
- 5.6 **Quorum:** A quorum for a meeting of the Shareholders' Council is 75% of the Councillors. No business may be transacted at a meeting of the Shareholders' Council if a quorum is not present.
- 5.7 **Chairperson:** The Councillors may elect one of their number as chairperson of the Shareholders' Council and determine the period for which ~~he or she is~~they are to hold office. If no chairperson is elected or if, at a meeting of the Shareholders' Council, the chairperson is not present within 15 minutes after the time appointed for the commencement of the meeting, the Councillors present may choose one of their number to be chairperson of the meeting.
- 5.8 **Voting:** Every Councillor has one vote. The chairperson does not have a casting vote. A resolution of the Shareholders' Council is passed if it is agreed to by all Councillors present without dissent, or if 75% of the votes cast on it are in favour of the resolution. A Councillor present at a meeting of the Shareholders' Council is presumed to have agreed to, and to have voted in favour of, a resolution of the Shareholders' Council unless ~~he or she~~they expressly ~~dissent~~dissents from or ~~vote~~votes against, or expressly ~~abstains~~abstain from voting on, the resolution.
- 5.9 **Written resolution:** A written resolution, signed or assented to by 75% of the Councillors is as valid and effective as if passed at a meeting of the Shareholders' Council. Any such resolution may consist of several documents (including ~~facsimile~~electronic or other similar means of communication) in similar form, each signed or assented to by one or more Councillors. A copy of any such resolution shall be entered in the records of the Shareholders' Council. The Shareholders' Council shall, within seven days after any resolution is passed in accordance with this clause, send a copy of the resolution to each Councillor who has not signed or assented to the resolution.
- 5.10 **Committees:** A committee of Councillors shall, in the exercise of the powers delegated to it, comply with any procedural or other requirements imposed on it by the Shareholders' Council. Subject to any such requirements, the provisions of these By-laws relating to proceedings of the Shareholders' Council apply, with appropriate modification, to meetings of a committee of Councillors.
- 5.11 **Validity of actions:** The acts of a person as a Councillor are valid even though the person's appointment was defective or the person is not qualified for appointment.
- 5.12 **Minutes:** The Shareholders' Council shall ensure that minutes are kept of all proceedings at meetings of the Shareholders' Council. Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

## 6. DEFINITIONS AND INTERPRETATION

6.1 **Definitions:** In these By-laws, unless the context otherwise requires:

"**Act**" means the Companies Act 1993.

"**Appointed Councillor**" means a person appointed in accordance with clause 1.4 of these By-laws.

"**Board**" means Directors who number not fewer than the required quorum, acting together as a board of Directors.

"**By-laws**" means these By-laws, as altered from time to time.

"**Company**" means Fonterra Co-operative Group Limited.

"**Constitution**" means the constitution of the Company, as altered from time to time.

"**Co-operative Companies Act**" means the Co-operative Companies Act 1996.

"**Councillor**" means a person elected or appointed as a Ward Councillor or an Appointed Councillor~~councillor of the Shareholders' Council~~, in accordance with the Constitution and these By-laws.

"**Director**" means a person elected or appointed as a director of the Company in accordance with the Constitution.

"**Election**" means an election to elect a Ward Councillor as a representative of a Ward in accordance with the procedures in these By-laws.

"**Member**" means a Shareholder who is supplying Milk to the Company, a Sharemilker or contract milker of a Shareholder who is supplying Milk to the Company, and other persons supplying Milk to the Company or any of its subsidiaries in New Zealand, under the standard Terms and Conditions of the Company or any of its subsidiaries.

“month” means calendar month.

“**Ordinary Resolution**” means a resolution that is approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the question.

“**person**” includes an individual, partnership, firm, company, body corporate, corporation, association, organisation, trust, a state or government or any agency thereof, a municipal, local or regional authority, and any other entity or organisation, whether incorporated or not (in each case whether or not having a separate legal personality).

“**Returning Officer**” means the person appointed to that position by the Board from time to time for the purposes of these By-laws.

“**Shareholders’ Council**” means the Councillors who number not fewer than the required quorum, acting together as the Shareholders’ Council.

“**STV Software System**” means the Choice Plus Pro Version 2.1 software developed by Voting Solutions and/or such other hardware and software used from time to time for the purpose of counting votes pursuant to these By-laws.

“**Voting Paper**” means a voting paper, ~~a facsimile copy of a voting paper~~, and, if appropriate provision for electronic voting has been determined, an electronic document or electronic message that is designed to enable a voter to record ~~his or her~~ their vote at an election and transmit it electronically for counting; ~~and any copy of that document or message (with or without the voters vote recorded)~~; and any record of that document or message with the voter’s vote recorded.

“**Ward Councillor**” means a person elected or appointed to represent a Ward in accordance with clauses 1.3 or 1.7 of these By-laws.

**6.2 Interpretation:** In these By-laws, unless the context otherwise requires:

- (a) the table of contents, headings, and descriptions relating to sections of the Act and Co-operative Companies Act, are inserted for convenience only and shall be ignored in construing these By-laws;
- (b) the singular includes the plural and vice versa;
- (c) reference to any legislation or to any provision of any legislation (including regulations and orders) includes:
  - (i) that legislation or provision as from time to time amended, re-enacted or substituted;
  - (ii) any statutory instruments, regulations, rules and orders issued under that legislation or provision;
- (d) “written” and “in writing” include any means of representing or reproducing words, figures and symbols in a tangible and visible form;
- (e) words and expressions defined or explained in the Act, Co-operative Companies Act or the Constitution have the same meaning in these By-laws;
- (f) words and expressions cognate with words or expressions defined in these By-laws have meanings corresponding to those of the defined words and expressions; and
- (g) references to clauses and sections (other than sections of the Act or the Co-operative Companies Act) are references to clauses and sections in these By-laws, unless stated otherwise.

**6.3 Constitution to prevail: If there is any conflict between:**

- (a) a provision in the Constitution and a provision in these By-laws, the Act or the Co-operative Companies Act which is expressly permitted to be altered by the Constitution; or
- (b) a word or expression defined or explained in the Constitution, the Act or the Co-operative Companies Act and a word or expression defined or explained in these By-laws, the provision, word or expression in the Constitution prevails.

### Schedule 1: Retirement of Councillors

Ward	District	Year of retirement
1	Northern Northland	2021
2	Central Northland	2022
3	Southern Northland	<del>2020</del> 2023
4	Waikato West	2023
5	Hauraki	2022
6	Piako	<del>2020</del> 2023
7	Waipa	2021
8	South Waikato	2022
9	King Country	2022
10	Northern Bay of Plenty	2021
11	Eastern Bay of Plenty	2022
12	Central Plateau	<del>2020</del> 2023
13	Central Taranaki	2021
14	Coastal Taranaki	2022
15	Southern Taranaki	2022
16	Central Districts <del>west</del> West	2021
17	Hawke's Bay	2022
18	Wairarapa	<del>2020</del> 2023
19	Tasman / Marlborough	2021
20	North Canterbury	2022
21	Central Canterbury	2021
22	South Canterbury	2021
23	Otago	2022
24	Eastern Southland	<del>2020</del> 2023
25	Western Southland	2021



# 2020 Review of Council related Amendments to the Constitution and Explanatory Notes

The amendments to the Constitution marked up in this Part Four and the associated Explanatory Notes relate to Resolution 8. The Milk Price Panel related amendments to the Constitution proposed under Resolution 6 and the Governance and Representation Review related amendments to the Constitution proposed under Resolution 7 are each separately provided for in Part Two of the Notice of Meeting.

The changes being made are those in mark up. That is, where a matter is deleted it is shown as being struck out and where a matter is inserted it is shown as being underlined.

Amendments to Constitution	Explanatory Notes
<b>16 SHAREHOLDERS' FONTERRA CO-OPERATIVE COUNCIL</b>	Name changes throughout as the Fonterra Shareholders' Council has been renamed 'Fonterra Co-operative Council' reflecting Recommendation 5.
<b>16.1 Establishment of <u>Shareholders' Co-operative Council</u>: <u>Clause 16 establishes the Co-operative Council. While the Co-operative Council is not a separate legal entity, it shall, so far as is practicable, operate as an independent body within the organisational framework of the Company. This clause 16 does not alter the Directors' duty to act in the best interest of the Company notwithstanding the Co-operative Council's role, functions or powers as set out in this clause 16 and such duty will apply notwithstanding anything to the contrary in this clause.</u></b>	This new clause recognises that, to represent members' interests objectively and transparently, Council needs to operate, and be seen by members to operate, independently of the Board.
<b>16.2 <u>Membership of the Co-operative Council</u>: Subject to casual vacancies there shall be a <u>Shareholders' Co-operative</u> Council of not fewer than 25 Councillors which shall be elected <u>or appointed</u> in accordance with the by-laws of the <u>Shareholders' Co-operative</u> Council. <u>The Shareholders' Council shall have the following functions:</u></b>	The addition of the words 'or appointed' recognises that Council may appoint a person to fill a casual vacancy under clause 1.7(b) of its By-laws. If the separate proposed changes to clause 16.1 in Resolution 7 are passed at the Annual Meeting, those amendments will be made to this clause 16.2.
<b>16.3 <u>Role</u>: <u>The role of the Co-operative Council is to support Shareholders' democratic control of their Company and to actively represent and seek to protect Members' interests as owners, investors, suppliers and members of the Fonterra co-operative community.</u></b>	This new clause reflects: <ul style="list-style-type: none"> <li>Recommendation 1 - amend the Constitution to include a role description, and</li> <li>that Council's role should be to actively represent the interests of all members of the Co-operative.</li> </ul> The wording incorporates the Steering Group's explanation of Council's role (see page 8, Final Report and Recommendations), amended to recognise that shareholders have democratic control via their voting entitlements. A new definition for 'Members' has been added to clause 48.1 and is set out below.
<b>16.4 <u>Functions</u>: <u>The Co-operative Council shall have the following functions:</u></b>	The functions have been re-ordered – those relating to Connection are listed first, then Accountability and then Guardianship.
<b>(a) <u>fostering Member engagement with the Company;</u></b>	This reflects Recommendation 6.
<b>(b) <u>understanding and representing to the Board the interests, needs, views and expectations of Members;</u></b>	This reflects Recommendation 10.

Amendments to Constitution	Explanatory Notes
<p>(c) <del>(e)</del> subject to any applicable legislative or regulatory requirement and to the Market Rules, receiving <del>from</del> and <del>commenting on reports from</del> <u>discussing with</u> the Board, <del>at least four times each financial year, reports</del> on the Company's consolidated and key business unit operations. <del>at least four times each Season; s</del>Such reports <del>will to</del> include a commentary on actual achievements compared with the Board's <del>statement of intentions</del> <u>key measures</u> for the <del>Company's</del> performance <del>and operations of the Company for that Season, and the Company's key performance indicators and any identified risks to the Company's on-going performance.</del> The reports and discussions will only utilise publicly available information or information which is not Inside Information. The Co-operative Council will report to Members on those engagements;</p>	<p>The amendments reflect:</p> <ul style="list-style-type: none"> <li>• Recommendation 12 - that the Co-operative Council should focus engagements with the Board on critical members' interests and needs, and report transparently to members on those engagements.</li> <li>• Recommendation 13 – to cease Councillors' access to confidential information to ensure Council can be independently objective.</li> </ul> <p>Changes have been made to refer to 'the Board's key measures' and 'any identified risks', in place of the annual 'statement of intentions' and the 'Company's key performance indicators', to recognise the longer-term outlook of members, as reflected in the Letter of Members' Expectations.</p> <p>A definition for "Inside Information" will be added to cause 48.1 (see below).</p>
<p>(d) <u>monitoring information provided by the Company to Members and assisting Members to understand the implications of that information to them;</u></p>	<p>This amendment reflects a core aspect of the Accountability function, which is to ensure that Members are fully informed by Fonterra about the Company's performance.</p>
<p>(e) <u>seeking Board explanation of, and responsibility for, the Company's strategy and performance;</u></p>	<p>This reflects Recommendation 12.</p> <p>The Steering Group's definition of accountability (page 13, Final Report) has been adopted.</p>
<p>(f) <del>(g)(v) communicating with and commenting to Shareholders and Sharemilkers</del> <u>Members on Company and dairy industry matters; how the Co-operative Council represents Members' interests, in accordance with protocols agreed between the Board and the Shareholders' Council;</u></p>	<p>Council's role in relation to wider dairy industry matters is now set out in new paragraph (i) below.</p>
<p>(g) <del>(a) working with the Board to develop as joint guardians of the Company's co-operative philosophy, as expressed in the Company's Co-operative Principles, Purpose Statement and Values. Either the Board or Council may, from time to time, require that the co-operative philosophy is reviewed. In this context guardianship includes:</del></p> <p>(i) <u>considering the extent to which the co-operative philosophy reflects Members' overall interests; and</u></p> <p>(ii) <u>ensuring that the co-operative philosophy is not changed except with the consent of the Co-operative Council and the Board;</u></p>	<p>The amendments reflect that the co-operative philosophy exists and clarify where it is expressed. Definitions of "Co-operative Principles", "Purpose Statement" and "Values" will be added to clause 48.1 (see below, where the related explanatory note sets out the current wording of the Co-operative Principles, Purpose Statement and Values).</p> <p>Recommendation 14 was to assign Council lead responsibility for guardianship of the co-operative philosophy. The current approach of joint guardianship between Board and Council on the co-operative philosophy has been retained, reflecting "You, me, us, together".</p> <p>The requirement for consent to any changes reflects existing clause 16.1(c) which will be deleted – see the deletion after paragraph (j) below.</p>
<p>(h) <u>consulting with the Board and/or management on decisions which have the potential to affect Members' interests in their co-operative;</u></p>	<p>This reflects Recommendation 17.</p>

Amendments to Constitution	Explanatory Notes
(i) <del>advocating publicly, after consultation with the Board, on Members' collective behalf on matters relating directly to their interests in their co-operative and, when it considers it appropriate, on matters relating to the dairy industry;</del>	This reflects Recommendation 18. The wording also clarifies Council's role in relation to wider dairy industry matters, currently in clause 16.1(g)(v) which will be deleted (see paragraph (f) above).
(j) <del>(b)</del> adopting from time to time such written procedures as the <del>Shareholders' Co-operative</del> Council thinks fit for holding a postal ballot of Shareholders for the election and removal of Directors pursuant to clause 12.2;	Name change only.
(c) <del>approving the Company's mission statement and values as proposed by the Board. After such approval, the Company's mission statement and values may not be changed by the Board except with the consent of the Shareholders' Council;</del>	Replaced by paragraph (g) above.
(d) <del>receiving from the Board and reviewing the Board's statement of intentions for the performance and operations of the Company for each Season;</del>	Deleted. Amended paragraph (c) above requires the Board's reports to Council to include commentary on actual achievements compared to the Board's key measures for the Company's performance. Moving beyond measures 'for each Season' recognises members' longer-term outlook as reflected in the Letter of Members' Expectations.
(f) <del>representing the views of Shareholders;</del>	Covered in new paragraph (b) above.
(k) <del>(h)</del> administering training programmes for prospective Directors and <del>for</del> Councillors, and providing to <del>Shareholders</del> <del>Members</del> learning and development opportunities with a view to facilitating informed and participating <del>Shareholders</del> <del>Members</del> ;	Amended to recognise Council delivers training programmes for existing Councillors.
(l) <del>(i)</del> consulting with the Board in relation to specific projects or activities, if <del>it</del> <del>the Co-operative Council</del> considers that the projects or activities warrant discussion; (m) considering and, in consultation with the Board, proposing to Shareholders changes to this Constitution; (n) consulting with the Board in relation to the operation of the Fonterra Shareholders' Market and any Authorised Fund; (o) consulting with the Board in relation to any changes to the Milk Price Manual and the Milk Price Principles; (p) appointing any Valuer and procuring that any such Valuer acts in accordance with the provisions of this Constitution; <del>and</del>	Name change only.

Amendments to Constitution	Explanatory Notes
<p>(q) in relation to the Milk Commissioner:</p> <ul style="list-style-type: none"> <li>(i) appointing the Milk Commissioner in accordance with clause 17.1;</li> <li>(ii) giving such assistance to the Milk Commissioner concerning the performance of its duties as shall seem expedient to the <u>Shareholders' Co-operative</u> Council;</li> <li>(iii) receiving reports from the Milk Commissioner on the status and outcome of concerns or complaints referred to it;</li> <li>(iv) receiving and considering recommendations from the Milk Commissioner for changes to the by-laws of the Milk Commissioner;</li> <li>(v) monitoring the by-laws of the Milk Commissioner and subject to clause 17 from time to time amending or fixing the by-laws of the Milk Commissioner;</li> <li>(vi) receiving <del>and, if thought fit, approving</del> the report of the Milk Commissioner for each Season;</li> <li>(vii) <del>considering and, if thought fit, approving a draft financial budget prepared by including provision for the costs of the Milk Commissioner for each financial year for each upcoming Season, which is to then be incorporated into in the</del> <u>Shareholders' Co-operative</u> Council budget;</li> <li>(viii) suspending or removing the Milk Commissioner; and</li> <li>(ix) at any time and from time to time obtaining additional money for the purposes of the Milk Commissioner by levying the Company, the amount of any such levy being determined by the Milk Commissioner and approved by the <u>Shareholders' Co-operative</u> Council, which shall be due and payable by the Company four weeks after a notice in writing requesting the money has been given to the Company by the <u>Shareholders' Co-operative</u> Council: <u>and</u></li> </ul>	<p>Amended to reflect:</p> <ul style="list-style-type: none"> <li>• Council does not approve the Milk Commissioner's report – that report is accepted as received and included in Council's Annual Report.</li> <li>• Council no longer receives a draft budget from the Milk Commissioner. This reflects that it is not feasible for the Milk Commissioner to predict with any accuracy the number or complexity of matters that may be referred to the Commissioner in any year. Council will continue to include provision for the costs of the Milk Commissioner in Council's budget which is put to shareholders for approval. That provision is based on Council's estimate of costs taking into consideration recent years' costs.</li> </ul>
<p><del>(r) (g) preparing the Shareholders' Council's programme and budget for each Season financial year and, at each annual meeting of the Company:</del></p> <ul style="list-style-type: none"> <li><del>(i) presenting that programme and budget to Shareholders for approval;</del></li> <li>(ii) reporting on the activities of the <u>Shareholders' Co-operative</u> Council in the preceding <u>Season financial year</u>;</li> <li>(iii) reporting <u>on the view of the Shareholders' Co-operative Council on the alignment of Company strategy and performance to Members' expectations and aspirations, as to the Company's direction, performance and operations</u> including a commentary on actual achievements compared with the Board's <u>key measures for the Company's performance statement of intentions for the performance and operations of the Company the most recently completed Season</u>;</li> <li><del>(iiiiv)</del> presenting the Milk Commissioner's report for the most recently completed Season provided that, at the Milk Commissioner's discretion, the Milk Commissioner may present that report; <u>and</u></li> <li><del>(iv) presenting the Co-operative Council's programme and budget for the current financial year to Shareholders for approval.</del></li> </ul>	<p>Amended to:</p> <ul style="list-style-type: none"> <li>• remove duplicate wording</li> <li>• re-order paragraphs sequentially by year, and</li> <li>• reflect the changes made to paragraph (c) above.</li> </ul>
<p><b>16.5 Powers:</b> <u>The Co-operative Council shall have the following powers:</u></p>	<p>A new clause has been created to separate these powers from Council's functions.</p>



Amendments to Constitution	Explanatory Notes
<p>(a) <del>16.1(j)</del> recommending to the Board, if <del>it</del><u>the Co-operative Council</u> decides <del>(by a majority of 75% or more of Councillors)</del> that circumstances have arisen which require a report, the commissioning <u>by the Company</u> of a special report (whether internal or independent) on specific projects or activities as identified by the <u>Shareholders'Co-operative</u> Council;</p>	<p>Additional wording inserted to clarify:</p> <ul style="list-style-type: none"> <li>the level of Councillor support required, and</li> <li>that the report would be commissioned by the Company.</li> </ul>
<p>(b) <del>16.1(k) recommending to the Shareholders, if it</del><u>the Co-operative Council</u> decides <del>(by a majority of 75% or more of Councillors)</del> that circumstances have arisen which require a report, the commissioning <u>by the Co-operative Council</u> of a special report <del>(whether internal or independent)</del> on specific projects or activities as identified by the <u>Shareholders'Co-operative</u> Council; <u>and</u></p>	<p>Amended to enable Council to commission this report. Council can already refer to shareholders the sorts of 'circumstances' contemplated by this clause under the next paragraph (c)(iv).</p>
<p>(c) <del>16.1(f)</del> calling a special meeting of Shareholders, if the <u>Shareholders'Co-operative</u> Council has serious concerns about:</p> <ul style="list-style-type: none"> <li>(i) the Company's compliance with the co-operative philosophy <u>referred to in clause 16.4(g)</u>; or</li> <li>(ii) whether the Company is achieving <del>its</del><u>the</u> purpose <u>set out in clause 1.2 of this Constitution</u> of maximising the wealth of its Shareholders; or</li> <li>(iii) the achievement of the <u>Board's Company's</u> key performance <del>indicators</del><u>measures for the Company</u>; <u>or</u></li> <li>(iv) <u>the alignment of the Board's strategy or key performance measures to Members' expectations and aspirations, as set out in the then current Letter of Members' Expectations</u>; or</li> <li>(iv) any other material issue which the <u>Shareholders'Co-operative</u> Council considers has <u>or may have</u> a detrimental effect on the Company,</li> </ul> <p>and the calling of that meeting is supported by a majority of 75% or more of Councillors.;</p>	<p>Amended:</p> <ul style="list-style-type: none"> <li>to clarify that the 'purpose' referred to in (ii) is the purpose stated in clause 1.2 of the Constitution, as distinct from the Co-operative's purpose statement. Any serious concerns about that latter purpose statement fall within the preceding (i) as it is part of the co-operative philosophy</li> <li>to reflect in (iii) the new wording in clause 16.4(c)</li> <li>to include new (iv), and</li> <li>in (v) to enable Council to act proactively, not just reactively.</li> </ul> <p>A definition for "Letter of Members' Expectations" will be added to clause 48.1 (see below).</p>
<p><del>16.62</del> <b>Wards:</b> Pursuant to determinations of the <u>Shareholders'Co-operative</u> Council:</p> <ul style="list-style-type: none"> <li>(a) the area covered by the operations of the Company in New Zealand is divided into Wards; and</li> <li>(b) the number of Councillors by whom each Ward is entitled to be represented is set.</li> </ul> <p><del>16.73</del> <b>Review of Wards:</b> The <u>Shareholders'Co-operative</u> Council shall from time to time review the Ward boundaries and Ward representation and determine whether they should be changed. The <u>Shareholders' Co-operative</u> Council may then change the Ward boundaries and representation having regard, with respect to each Ward, to the number of Shareholders, the amount of Milksolids supplied and communities of interest, provided that:</p> <ul style="list-style-type: none"> <li>(a) a minimum of one and no more than two Councillors shall be allocated to each Ward; and</li> <li>(b) the <u>Shareholders' Co-operative</u> Council shall not reduce the number of Wards below 25.</li> </ul> <p><del>16.84</del> <b>Election of Councillors:</b> Subject to the provisions of this clause 16, the manner in which Councillors are nominated, elected and removed by the respective Wards shall be governed by the by-laws of the <u>Shareholders' Co-operative</u> Council. Every election of Councillors shall be held in the manner for the time being approved pursuant to this clause. The <u>Shareholders' Co-operative</u> Council at the date of this Constitution shall continue in office.</p>	<p>Name change only.</p> <p>If the separate proposed changes to clause 16.4 in Resolution 7 are passed at the Annual Meeting, those amendments will be made to this clause 16.8.</p>

Amendments to Constitution	Explanatory Notes
<p><b>16.95 Qualifications of Councillors:</b> No person may be elected or hold office as a Councillor unless he or she:</p> <ul style="list-style-type: none"> <li>(a) is a person who would be qualified for election as a Director in terms of clause 12.3;</li> <li>(b) is not during their tenure as a Councillor, a Director or executive of the Company or the Milk Commissioner; and</li> <li>(c) has signed a Confidentiality Deed and Indemnity in the form determined by the Board relating to information he or she receives in his or her capacity as a Councillor.</li> </ul> <p><b>16.106 Councillors to be bound by Constitution:</b> If a Councillor is not a Shareholder, that Councillor shall, before taking office, execute a document agreeing to be bound by the provisions of this Constitution.</p> <p><b>16.117 By-laws of Shareholders' Co-operative Council:</b> Subject to this clause 16, the <u>Shareholders' Co-operative</u> Council has the rights, powers, duties and obligations set out in the by-laws of the <u>Shareholders' Co-operative</u> Council. The <u>Shareholders' Co-operative</u> Council may with the approval of Shareholders by Special Resolution amend the by-laws of the <u>Shareholders' Co-operative</u> Council from time to time.</p> <p><b>16.128 Indemnity for Councillors:</b> Each Councillor shall be granted an indemnity by the Company in respect of liability to any person other than the Company or a related company. The indemnity will be for any act or omission of the Councillor in his or her capacity as a Councillor and for costs incurred by the Councillor in defending or settling any claim or proceeding relating to any such liability. The indemnity will not cover criminal liability or liability in respect of a breach of any duty owed by the Councillor to the Company. The form of the indemnity will be determined by the Board.</p> <p><b>16.139 Power to retain advisers:</b> The <u>Shareholders' Co-operative</u> Council shall, for the purpose of performing its functions, have power to retain such legal, accounting, financial and other advisers as the Chairperson of the <u>Shareholders' Co-operative</u> Council acting reasonably deems fit.</p>	<p>If the separate proposed changes to clause 16.5 in Resolution 7 are passed at the Annual Meeting, those amendments will be made to this clause 16.9.</p>
<p><b>16.140 Board to Provide Information to Shareholders' Co-operative Council:</b> The Board will, subject to all relevant legislative and regulatory requirements and to the Market Rules, <u>including by only disclosing information which is not Inside Information:</u></p> <ul style="list-style-type: none"> <li>(a) provide the level of information to the <u>Shareholders' Co-operative</u> Council that enables the <u>Shareholders' Co-operative</u> Council to fully perform its roles, <del>duties</del> and functions <u>and exercise its powers</u> as envisaged by <del>the Company's this</del> Constitution. <del>In addition the Board will, subject to legislative and regulatory requirements and the Market Rules; and</del></li> <li>(b) consult with the <u>Shareholders' Co-operative</u> Council in relation to matters on which consultation is contemplated in clause 16.14, including the terms of the Risk Management Policy adopted from time to time by the Board (and on any changes thereto) in relation to an Authorised Fund, and the Board will take all practical steps to facilitate such consultation.</li> </ul> <p>To the extent that information is provided to the <u>Shareholders' Co-operative</u> Council it shall be subject to the Confidentiality Deed and Indemnity referred to in clause 16.95(c) of this Constitution being entered into by each Councillor.</p>	<p>Amended to:</p> <ul style="list-style-type: none"> <li>clarify that Inside Information will not be disclosed, which is consistent with Recommendation 13 (noted above) to cease Councillors' access to confidential information</li> <li>reflect new clause 16.5 above which separates Council's powers from its functions</li> <li>remove repetitive wording, and</li> <li>update clause references.</li> </ul> <p>A definition for "Inside Information" will be added to clause 48.1 (see below).</p> <p>If the separate proposed changes to clause 16.10 in Resolution 1 to be considered at the Special Meeting which follows the Annual Meeting are passed, and the proposed changes to this clause are passed at the Annual Meeting, the amendments proposed to clause 16.10 in Resolution 1 at the Special Meeting will be made to renumbered clause 16.14(b) in addition to the amendments shown here.</p>

Amendments to Constitution	Explanatory Notes
<p>16.151 <b>Working Interface between Board and Shareholders' Co-operative Council:</b> The Board and the Shareholders' Co-operative Council will comply with the document entitled "Fonterra Board, Executive and Shareholders' Co-operative Council and Management wWorking iInterface" agreed between the Board and the Shareholders' Co-operative Council from time to time, <u>which shall include a consultation framework.</u></p>	<p>Amended to:</p> <ul style="list-style-type: none"> <li>reflect the Co-operative Council's name change</li> <li>refer to the current title of the working interface document, and</li> <li>stipulate that the working interface document is to include a consultation framework.</li> </ul>
<p><b>Consequential Amendments</b></p> <p>Add the following definitions in clause 48.1:</p> <p><b>"Co-operative Principles"</b> means the Company's co-operative principles from time to time, which are set out in the annual report of the Co-operative Council.</p> <p><b>"Inside Information"</b> has the meaning ascribed to that term in the Financial Markets Conduct Act 2013.</p> <p><b>"Letter of Members' Expectations"</b> means the letter from the Co-operative Council to the Board from time to time setting out the expectations of Members, which is set out in the annual report of the Co-operative Council.</p> <p><b>"Member"</b> means a Shareholder who is supplying Milk to the Company, a Sharemilker or contract milker of a Shareholder who is supplying Milk to the Company, and other persons supplying Milk to the Company or any of its subsidiaries in New Zealand, under the standard Terms and Conditions of the Company or any of its subsidiaries.</p> <p><b>"Purpose Statement"</b> means the Company's purpose statement from time to time, which is set out in the annual report of the Co-operative Council.</p> <p><b>"Values"</b> means the Company's values from time to time, which are set out in the annual report of the Co-operative Council.</p>	<p>As at 1 November 2021, the Co-operative Principles are:</p> <ol style="list-style-type: none"> <li>Shares in Fonterra Co-operative Group can only be acquired by persons supplying milksolids to Fonterra.</li> <li>Fonterra supplying shareholders agree to the dual commitment to supply milk and invest capital</li> <li>Supplying shareholders must comply with the Co-operative Share standard in respect of their milksolids supplied.</li> <li>Control of Fonterra is exercised by its supplying shareholders who have voting rights in proportion to their total milksolids supplied.</li> <li>Financial benefits and obligations that arise from selling milk are allocated to supplying shareholders in proportion to their total milksolids supplied.</li> <li>Financial benefits and obligations that arise from invested capital are allocated to shareholders in proportion to their shareholding.</li> </ol> <p>The definition of "Member" reflects Recommendation 3.</p> <p>As at 1 November 2021, the Purpose Statement is:</p> <p>Our Co-operative, Empowering people To create goodness for generations. You, me, us together Tātou, tātou</p> <p>As at 1 November 2021, the Values are:</p> <p>Do what's right – We act with care, empathy and respect and we hold ourselves and others to high standards.</p> <p>Challenge boundaries – We are progressive, open-minded and always eager to uncover new ways of working to benefit everyone in our Co-op.</p> <p>Co-operative spirit – We pitch in and work as one connected team to create goodness together.</p> <p>Make it happen – We deliver on our commitments and live all our values in everything we do.</p>
<p><u>References to "Shareholders' Council" to be changed to "Co-operative Council" throughout.</u></p>	



If undelivered please return to:

The Returning Officer

Fonterra Elections 2021

PO Box 3138

Christchurch 8140

Free phone 0800 666 034



# Annual Meeting Proxy Paper Information

10.30am on Thursday, 9 December 2021, ILT Stadium Southland, Surrey Park Sports Centre, 18 Surrey Park Road, Invercargill. Shareholders can also attend the meeting virtually using the instructions in the Notice of Meeting.

## HOW TO COMPLETE THE PROXY PAPER AND APPOINT A PROXY

1. **Appoint a proxy:** Provide the full name and address of your chosen proxy in the space provided for "Primary Proxy" in the box labelled "Appointment of Proxy" in the Annual Meeting Proxy Paper. A proxy need not be a Shareholder.  
The Chairman of the Meeting is willing to act as your primary proxy. If you wish to appoint the Chairman of the Meeting you can simply write "Chairman of the Meeting".  
It is recommended that you appoint an alternate proxy as well, in case your primary proxy is unable to attend on the day of the Annual Meeting. Please provide the full name and address of your alternate proxy in the space labelled "Alternate Proxy" in the box labelled "Appointment of Proxy".  
Where a Shareholder does not name a person as their proxy but otherwise completes the proxy form in full, or where a Shareholder's named proxy (and any alternate, if one has been appointed) does not attend the meeting, the Chairman of the meeting will act as that Shareholder's proxy and will vote in accordance with their express direction. The Chairman intends to vote any discretionary proxies, for which they have authority to vote, in favour of the resolutions.  
Please note: You do NOT need to appoint an alternate proxy if the Chairman of the Meeting is your primary proxy.
2. **Instruct your proxy how to vote:** You can instruct your proxy how to vote by placing a tick in either the "For" or "Against" box in the box labelled "Voting Instructions". If you wish for your proxy to vote as she/he determines place a tick in the "Proxy Discretion" box. Your proxy CANNOT change the direction of your vote if you instruct them how to vote in this manner. If you do not expressly direct your proxy on how to vote by placing a tick a box, then your proxy cannot vote.
3. **Sign the form:** Each Shareholder must sign the "Annual Meeting Proxy Paper":
  - Individuals/Sole Proprietors: the Shareholder must sign the Annual Meeting Proxy Paper.
  - Companies: a duly authorised representative of the Company must sign the Annual Meeting Proxy Paper.
  - Joint Shareholders (including trusts, partnerships and estates): it is your responsibility to ensure that the person(s) signing the Annual Meeting Proxy Paper is/are authorised to sign on behalf of, and bind, all joint holders.
  - Attorneys: if the Annual Meeting Proxy Paper is signed under a power of attorney, it must be accompanied by a signed certificate of non-revocation of the power of attorney. The power of attorney under which the paper is signed must be sent with the paper if the power of attorney has not been previously produced to the Company.
4. **Return the form:** Return the Annual Meeting Proxy Paper as soon as possible. It must be received by the Returning Officer no later than 10.30am on Tuesday, 7 December 2021.
  - Mail by separating, folding and inserting the proxy paper into the freepost envelope provided.

To ensure your Annual Meeting Proxy Paper reaches the Returning Officer before the close of voting please **post no later than Wednesday, 1 December 2021**.

## HOW TO APPOINT A CORPORATE REPRESENTATIVE

In the case of a Shareholder that is a company or other body corporate, a representative can be appointed to attend the Annual Meeting by completing the proxy form. In this form, proxy can mean proxy or representative appointed for a company or other body corporate or entity.

## REVOKING YOUR APPOINTMENT

A Shareholder can still attend, even if they have appointed a proxy (although Shareholders attending virtually will not be able to vote if a proxy has been appointed). If you change your mind on the appointment of a proxy or representative, you can revoke the appointment by written notice to the Company. Such notice must be received at the registered office of the Company - Fonterra Annual Meeting, Fonterra Co-operative Group Limited, Private Bag 92032, Auckland 1142 no later than 10.30am on Tuesday, 7 December 2021.

**PROXY APPOINTMENT CLOSING AT: 10.30AM ON TUESDAY, 7 DECEMBER 2021**

# Combined Annual Meeting Voting / Proxy Paper



YOU CAN VOTE IN **ONE** OF THE FOLLOWING WAYS:

1

## POSTAL VOTING (INCLUDING ELECTRONICALLY) – CLOSING AT 1.00PM ON TUESDAY, 7 DECEMBER 2021

Either:

- (a) Post the completed "Annual Meeting Voting Paper" to [electionz.com](https://electionz.com) in the freepost reply envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please post no later than Wednesday, 1 December 2021.

Or

- (b) Electronically via Farm Source website at: [www.nzfarmsource.co.nz](https://www.nzfarmsource.co.nz)

- Login using your Farm Source login and password.
- Follow the voting links from the homepage.
- Enter your Personal Identification Number (PIN) and password – see below.

IMPORTANT: By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

PIN

PASSWORD

2

## AT THE MEETING – FROM 10.30AM ON THURSDAY, 9 DECEMBER 2021

If you plan to attend the meeting in person, bring this form with you.

Voting instructions:

- Indicate your vote with a tick
- When advised by the Chairman of the Meeting, pass the completed Voting Paper to an official of the meeting.

If you plan to attend the meeting virtually, please vote via the virtual meeting platform:

<https://edge.media-server.com/mmc/go/Fonterra-Meeting>

- Login using name, contact number and supply number(s)
- Follow the voting links from the homepage.
- Enter your Personal Identification Number (PIN) and password – see above.

3

## BY PROXY – RECEIVED BY 10.30AM ON TUESDAY, 7 DECEMBER 2021

Appoint a person to attend the Annual Meeting and vote on your behalf. A proxy need not be a Shareholder.

**Please only use one of these voting methods**

For enquiries phone the ELECTION HELPLINE: 0800 666 034

**POSTAL VOTING (INCLUDING ELECTRONICALLY) CLOSING AT: 1.00PM ON TUESDAY, 7 DECEMBER 2021**

FONTERRA ANNUAL MEETING 2021

# Annual Meeting Voting Paper

Use this paper to vote by post or by attending the Annual Meeting to vote in person. If voting online, either by way of electronic postal vote or online at the meeting, refer to instructions above.

Supply No.:	
Details of person completing this Voting Paper:	
First Name:	
Surname:	
Signature:	

Indicate your vote with a tick ✓		FOR	AGAINST
1	Resolution 1: Approval of remuneration of Shareholder Elected Directors	<input type="radio"/>	<input type="radio"/>
2	Resolution 2: Approval of remuneration of Co-operative Councillors	<input type="radio"/>	<input type="radio"/>
3	Resolution 3: Approval of remuneration of Members of Directors' Remuneration Committee	<input type="radio"/>	<input type="radio"/>
4	Resolution 4: Appointment of KPMG as auditor and authorisation of the Directors to fix the auditor's remuneration	<input type="radio"/>	<input type="radio"/>
5	Resolution 5: Ratification of appointment of Clinton Dines	<input type="radio"/>	<input type="radio"/>
6	Resolution 6: Approval of Milk Price Panel related amendments to the Constitution	<input type="radio"/>	<input type="radio"/>
7	Resolution 7: Approval of Governance and Representation Review related amendments to the Constitution and the Co-operative Council By-laws	<input type="radio"/>	<input type="radio"/>
8	Resolution 8: Approval of 2020 Review of Council related amendments to the Constitution and the Co-operative Council By-laws	<input type="radio"/>	<input type="radio"/>
9	Resolution 9: Approval of the Co-operative Council programme and budget	<input type="radio"/>	<input type="radio"/>

FONTERRA ANNUAL MEETING 2021

# Annual Meeting Proxy Paper

10.30am on Thursday, 9 December 2021, ILT Stadium Southland, Surrey Park Sports Centre, 18 Surrey Park Road, Invercargill. Shareholders can also attend the meeting virtually using the instructions in the Notice of Meeting.

! Only use this proxy paper if you **do not** plan to attend the meeting but wish to be represented by a proxy holder at the meeting. This paper can also be used by a Shareholder that is a company or other body corporate to appoint a representative. There are no voting restrictions on the resolutions to be considered at the meeting.

<b>A: Shareholder Details</b>	
Name:	Supply Number:
	Party Number:

<b>B: Appointment of Proxy</b>
<i>If you wish to appoint someone as your proxy, insert their full name and address below. The Chairman of the Meeting is willing to act as a proxy.</i>
<b>Primary Proxy:</b> I/We appoint:
Full name of your proxy:
Full address of your proxy:
as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting of Shareholders to be held at 10.30am on Thursday, 9 December 2021 and at any adjournment of that Annual Meeting.
<b>Alternate Proxy:</b> <i>You do not need to appoint an alternate proxy but it is recommended that you do so, unless you are appointing the Chairman of the Meeting as proxy. The Chairman of the Meeting is willing to act as an alternate proxy.</i> If the person I/we have appointed is unable to be my/our proxy then I/we appoint:
Full name of your alternate proxy:
Full address of your alternate proxy:

<b>C: Voting Instructions</b>		FOR	AGAINST	PROXY DISCRETION
You only need to complete this section if you want to instruct your proxy holder how to vote.				
1	Resolution 1: Approval of remuneration of Shareholder Elected Directors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	Resolution 2: Approval of remuneration of Co-operative Councillors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	Resolution 3: Approval of remuneration of Members of Directors' Remuneration Committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4	Resolution 4: Appointment of KPMG as auditor and authorisation of the Directors to fix the auditor's remuneration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5	Resolution 5: Ratification of appointment of Clinton Dines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6	Resolution 6: Approval of Milk Price Panel related amendments to the Constitution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7	Resolution 7: Approval of Governance and Representation Review related amendments to the Constitution and the Co-operative Council By-laws	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8	Resolution 8: Approval of 2020 Review of Council related amendments to the Constitution and the Co-operative Council By-laws	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9	Resolution 9: Approval of the Co-operative Council programme and budget	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<b>Signature(s) of Shareholder(s) named in Section A</b> (Please see signing instructions on the next page.)	
By signing this form, I/we warrant and undertake that I/we are authorised to sign on behalf of, and bind, the Shareholder(s) named in Section A.	
Name of Shareholder:	Signature:
Full name and title of signatory:	Date:
Name of Shareholder:	Signature:
Full name and title of signatory:	Date:
Name of Shareholder:	Signature:
Full name and title of signatory:	Date:

If you are appointing a proxy, return this paper as soon as possible. It must be received by the Returning Officer no later than **10.30am Tuesday, 7 December 2021.** Mail by separating, folding and inserting the proxy paper into the freepost envelope provided.

# Fonterra Online Meeting Guide 2021



## Before you begin

Ensure your operating system (desktop, mobile) and browser is supported:

Browsers	Desktop operating systems	Mobile operating systems
<ul style="list-style-type: none"><li>Google Chrome (two latest versions)</li><li>Microsoft Internet Explorer 11</li><li>Microsoft Edge (two latest versions)</li><li>Firefox (two latest versions)</li><li>Safari (two latest versions)</li></ul>	<ul style="list-style-type: none"><li>Windows 7 (latest service pack)</li><li>Windows 8.1 (latest service pack)</li><li>Windows 10 (latest version)</li><li>OS X 10.11 El Capitan</li><li>macOS 10.12 Sierra</li><li>macOS 10.13 High Sierra</li></ul>	<ul style="list-style-type: none"><li>iOS 10 and above</li><li>Android 4.4 and above</li></ul>

To access the meeting online click on the link below, or copy and paste the link to your browser:

<https://edge.media-server.com/mmc/go/Fonterra-Meeting>

A screenshot of the Fonterra Meeting 2021 registration form. The form is displayed on a blue background with a white header. The header includes the Fonterra logo and the text 'Dairy for life'. The main title of the form is 'Fonterra Meeting 2021'. The form contains several input fields: 'First name \*', 'Last name \*', 'Contact Number \*', 'Supply Number (if applicable)', 'Proxy Name (if applicable)', and 'Organisation (if applicable)'. Each field has a corresponding label and a small asterisk indicating it is mandatory. There is a 'Submit' button at the bottom left of the form. The date and time '12/09/2021 10:00am' are displayed in the top right corner of the form area.

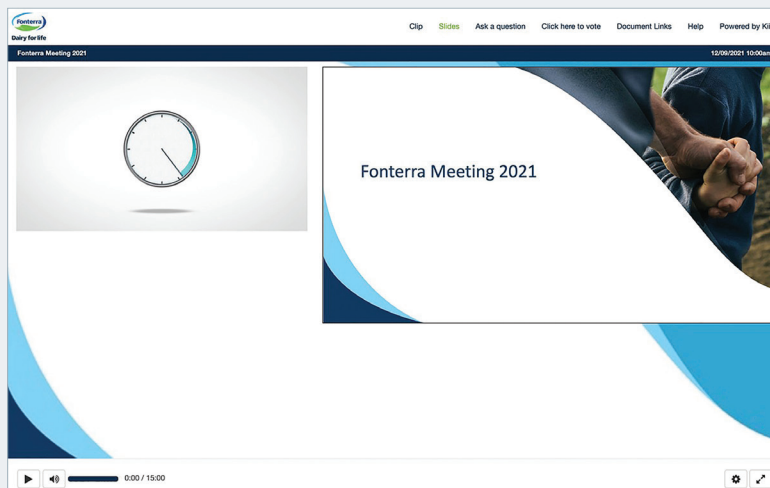
Enter your First Name, Last Name, and Contact Number. These fields are mandatory.

Please enter your Supply Number(s).

If you are a Proxy, enter your name.

If you are an invitee from another organisation, enter the name of the company.

Click on "Submit"



The video stream will appear in the left hand screen and begin to play automatically. This will be live once the meeting begins. If it does not play automatically, click on the “play” icon in the bottom left corner of the screen to begin. The volume control is next to this. The PowerPoint presentation will appear in the right hand screen.

## How to vote

If you have not already voted and wish to vote during the meeting, click on “Click here to vote” in the top menu bar. This will open a new tab in your browser taking you to the Electionz voting page.

You will need your Personal Identification Number (PIN) and password from your voting pack.

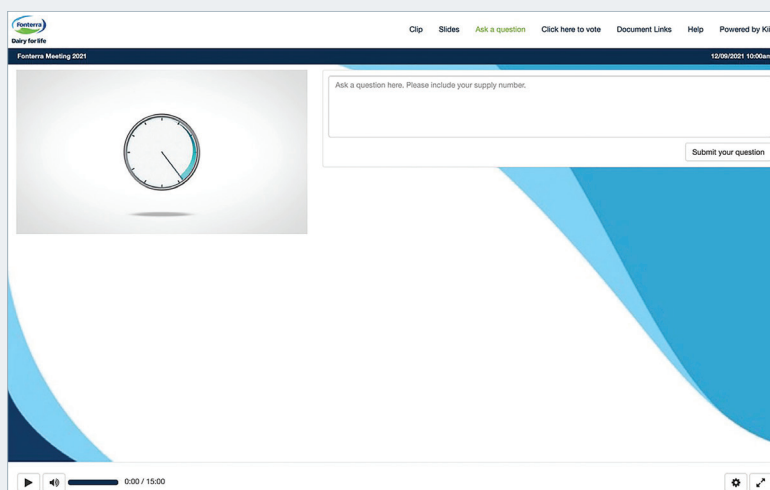
By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this Shareholder.

The password is case sensitive and must be entered as it appears on your voting paper.

The Chairman will announce to the meeting when online voting on the resolutions opens and closes. After voting online, you do not need to submit your Voting Paper and it can be destroyed.

## Asking a Question

In the top menu bar, click on “Ask a question”.



Enter your question and Supply Number(s) in the box on the right of the viewing panel and click “Submit your question” to send. Click on “Slides” in the top menu bar to return to the PowerPoint presentation.

## Technical Help

Click on the “Help” button in the top menu bar or phone support will be available on the day of the event and throughout the meeting by calling 09 300 3069.

## Document Links

Meeting Guide, Notice of Annual Meeting and Notice of Special Meeting documents can be accessed by clicking Document Links in the top menu bar.



# Fonterra Elections 2021

## Board of Directors

Candidate Profiles





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## NOTE ON CANDIDATE STATEMENTS

Each Candidate Profile Statement contains a maximum of 1,000 words (excluding the Candidate Interest Statement) provided by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited note that 'shareholdings' in Fonterra or other companies disclosed by candidates may include shares held by third parties in which candidates have a relevant interest as defined by the Financial Markets Conduct Act 2013.

Any emphasis (including capitalisation, italics, bolding, underscoring and bullet points) has been added by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited accept no responsibility for the content, or accuracy of the content, contained in Statements supplied by candidates.

Warwick Lampp, Returning Officer – 2021 Fonterra Elections  
Freephone 0800 666 034  
[iro@electionz.com](mailto:iro@electionz.com)

# Key information – 2021 election

## Number of vacancies to be filled



There are three candidates:

Independently Assessed Candidates

- Leonie Guiney
- Peter McBride
- John Nicholls

Votes may be cast via post or online and must be received by 1.00pm on Tuesday, 7 December.

## Voting entitlements

Voting entitlements are calculated on the basis of milksolids production for each farm for the last season (2020/2021) or, in the case of dry farm conversions and farm amalgamations/divisions, the estimated milksolids production for this season (2021/2022).

Every shareholder who is supplying milk to Fonterra this season has one vote for every 1,000 kilograms of milksolids.

Milk supplied on Contract Supply and milk which is not backed by shares is excluded from milksolids production when calculating voting entitlements.

## Voting system

The Director election uses First Past the Post Majority voting. This year, each shareholder may vote in favour of up to three candidates.

As there is an equivalent number of candidates to the vacancies, candidates must gain more than 50% support of votes cast to be elected. If one or more candidates in an uncontested election do not achieve that threshold, a second election will not be held. The Fonterra Constitution and Election Rules require that the Board must appoint a farmer director to fill a casual vacancy that will continue for six months or more and the Board may not appoint any of the unsuccessful candidates who stood in the uncontested election.

## Lost or damaged voting papers

Replacement Voting Papers are available to shareholders who did not receive their Voting Paper or spoil or damage it. These are available from the Returning Officer until the close of voting at 1.00pm on Tuesday, 7 December 2021.

Replacement Voting Papers will be posted directly to shareholders. They cannot be collected by candidates or their assistants for distribution to shareholders.

Completed replacement Voting Papers must be returned to the Returning Officer by 1.00pm on Tuesday, 7 December 2021.

## Required attributes

There are certain attributes that the Board considers that all of Fonterra's Directors must be able to demonstrate:

- Understanding of and commitment to the highest standards of governance including an understanding of the collective group decision making processes adopted by the Fonterra Board.
- Understanding of and empathy with the Co-op and its farmer owners.
- Ability and knowledge to comprehend the wider commercial and economic framework in which Fonterra operates.
- Broad governance experience.
- Proven track record of creating shareholder value.
- Global perspective.
- Time available to undertake a Director's responsibilities.
- Sound judgement.
- Ability to apply strategic thought to important issues.
- Ability and willingness to constructively question, challenge and critique and, where appropriate, offer alternative viewpoints.
- Unquestioned honesty and integrity.

See page 3 for more information.

## Targeted skills

Based on the 2021 Skills Matrix (see page 5), the Board's current priorities, and the external operating environment, the Board prioritised the following skills to be targeted in the 2021 Director election:

- In depth dairy farming experience.
- Effective leadership.
- Customer/consumer experience.
- Global manufacturing/commodity experience.
- Global experience/understanding.
- Corporate sustainability and responsibility expertise.
- Innovation and research & development.

See page 3 for more information.

# Fonterra Director Candidate Webinar Meetings

Fonterra shareholders have the opportunity to hear from and question the Director candidates at three online webinar meetings. This year the usual in-person meetings throughout the country will not be held due to the uncertainties of COVID-19 restrictions.

Chaired by a Co-operative Councillor, the webinar meetings will be a panel discussion where candidates first have an allotted time to introduce themselves and then answer questions from the audience.

The dates of the webinar meetings are listed. Fonterra shareholders can join a webinar by registering via the Farm Source website or the My Co-op app.

Date	Time
Thursday 25 November	7.00PM – 9.00PM
Monday 29 November	11.00AM – 1.00PM
Thursday 2 December	7.00PM – 9.00PM

# Attributes and Skills

All of our Directors must believe in and value the Co-operative and be able to demonstrate that they have the attributes and skills needed to deliver governance at a level expected for a globally competitive New Zealand dairy co-operative.

Directors on most boards operate within a band of governance experience, from the most experienced through to those who are newer to the particular role, organisation or industry. Over time, newer directors gain more experience and this helps ensure that there is succession on a board as well as a range of views and perspectives.

In order to attract the best candidates for our Board, we will need to access the attributes and skills that we know are in our farmer shareholder base that will result in the right balance of experience and ability on the Board over time. It is important for potential candidates and for all our farmer shareholders to be clear on what is required of our Board to deliver the necessary performance and to set up our Co-operative for success in the future.

We have identified a list of attributes (described below) that each Director of our Co-operative must be able to demonstrate. For some of these attributes, a Director will continue to develop expertise but it is important that they are able to show that they have the attribute and the ability to keep developing in their role as Directors of our Co-operative.

In addition to these required attributes, our Board requires a set of skills to deliver good governance. There is no expectation that each Director will have all of these skills but it is important that they are appropriately represented across the Board. Some Directors will have strengths in some of the skills while others might be still developing them or will be able to rely on fellow Directors to provide guidance and expertise in particular areas.

It is also important that the skills required for our Board take into account the types of opportunities and challenges that the Co-operative will face in the future, and ensure we are developing the skills that may not be needed currently but will be critical going forward.

This means that the search for skills on the Board should always be looking to extend and build on current expertise. The Fonterra Board Skills List (described on page 4) should never show that all skills are currently being delivered – it works best when it shows the aggregate skills that are shared across the Board as well as the skills that will be needed to deliver on the strategy in coming years. This has resulted in a balanced mix of skills related to the current requirements of the Co-operative, which will continue to be enhanced to match Fonterra's future requirements.

A Director needs to demonstrate each of the attributes but does not need to be able to demonstrate each of the skills. The key requirement for a Director is that they are able to meet the governance requirements at the level required for our Co-operative. From time to time, we will identify particular skills that may be needed on the Board.

## Required attributes

There are certain attributes that the Board considers that all of our Directors must be able to demonstrate. These are as follows:

- (a) Understanding of and commitment to the highest standards of governance including an understanding of the collective group decision making processes adopted by the Fonterra Board.
- (b) Understanding of and empathy with the Co-operative and its farmer owners.
- (c) Ability and knowledge to comprehend the wider commercial and economic framework in which Fonterra operates.
- (d) Broad governance experience.
- (e) Proven track record of creating shareholder value.
- (f) Global perspective.
- (g) Time available to undertake a Director's responsibilities.
- (h) Sound judgement.
- (i) Ability to apply strategic thought to important issues.
- (j) Ability and willingness to constructively question, challenge and critique and, where appropriate, offer alternative viewpoints.
- (k) Unquestioned honesty and integrity.

## Targeted skills

Based on the 2021 Skills Matrix (see page 5), the Board's current priorities, and the external operating environment, the Board has prioritised the following skills to be targeted in the 2021 Director election:

- (a) In depth dairy farming experience.
- (b) Effective leadership.
- (c) Customer/consumer experience.
- (d) Global manufacturing/commodity experience.
- (e) Global experience/understanding.
- (f) Corporate sustainability and responsibility expertise.
- (g) Innovation and research & development.

## Skills list

Our strength as a co-operative relies on us being able to maximise the opportunity for our farmer shareholders to move from their farming businesses to the board room.

An appreciation of the experience and skills required to make that transition and access to adequate training are essential for any farmer shareholder who wants to become a Fonterra Director.

We expect our Board to have access to Directors with on-farm dairy knowledge based on having run or owned a dairy operation as a member of our dairy Co-operative, who are well versed in what drives Fonterra's Farmgate Milk Price and profitability in our global Co-operative, and who demonstrate strong co-operative values.

For a number of Directors' elections, we have used a skills list made up of the skills the Board requires to govern Fonterra. This skills list has been updated regularly and is published in the documents for the Director election each year. The list has also been used to help with the selection and appointment of our Appointed Directors. In addition to keeping the skills list updated, the Board has considered the relative weighting of how much of each skill is needed on the Fonterra Board. This weighting can be used to establish how much of each skill we need on the Board over time (i.e. how many Directors need to exhibit each skill and to what level).

Skill Category	Definition
In depth dairy farming experience	Has deep 'on farm' dairy experience, having run or owned dairy operations as a member of our dairy Co-operative.
Dairy industry/understand value drivers of milk price/profit	Well versed in and has a strong understanding of what drives Fonterra's milk price and of the profit drivers of the Co-operative.
Financial experience	Has strong financial skills and knowledge gained through business management, or is a highly experienced auditor, or has functional expertise in a senior financial position to make them a qualified financial expert.
Risk management experience	Has had senior level experience in, or governed organisations that have significant risk management frameworks including health and safety and reputational risk management.
Global manufacturing/commodity experience	Has experience running manufacturing assets in order to maximise financial return/or experience at a senior executive or governance level in a global commodity business.
Customer/consumer experience	Has had a senior level executive or governance role in a customer-oriented, B2B, retail or consumer goods company with significant local, regional or global brands.
Effective leadership	Demonstrated governance leadership experience. Has had executive or governance experience in strategy oversight, stakeholder management and human resource/people management, in particular, experience in environments that value and demonstrate diversity of thinking and diversity of approach.
Commercial/value creation track record	Has functional experience as CEO of a large operating business or has been the primary person responsible for driving significant value creation of either a private or public organisation, including developing strategy and leading implementation.
Global experience/understanding	Has a deep understanding of international issues, has had on the ground experience in Asia or other emerging markets, or has a proven global mindset.
Technology strategy and governance	Has knowledge and experience in the governance, strategic use and risk management of technology including information systems.
Corporate sustainability and responsibility expertise	Has knowledge and a strong understanding of corporate sustainability including the management of social, environmental and economic factors and their contribution to long-term value creation.
Innovation and Research & Development	Has experience in or a strong understanding of the management or governance of research and development and applied innovation.



## Skills Matrix

The Fonterra Board has produced a Skills Matrix which shows for each skill:

- the aggregate skills of the current Board
- the required and desired levels of that skill across the whole Board.

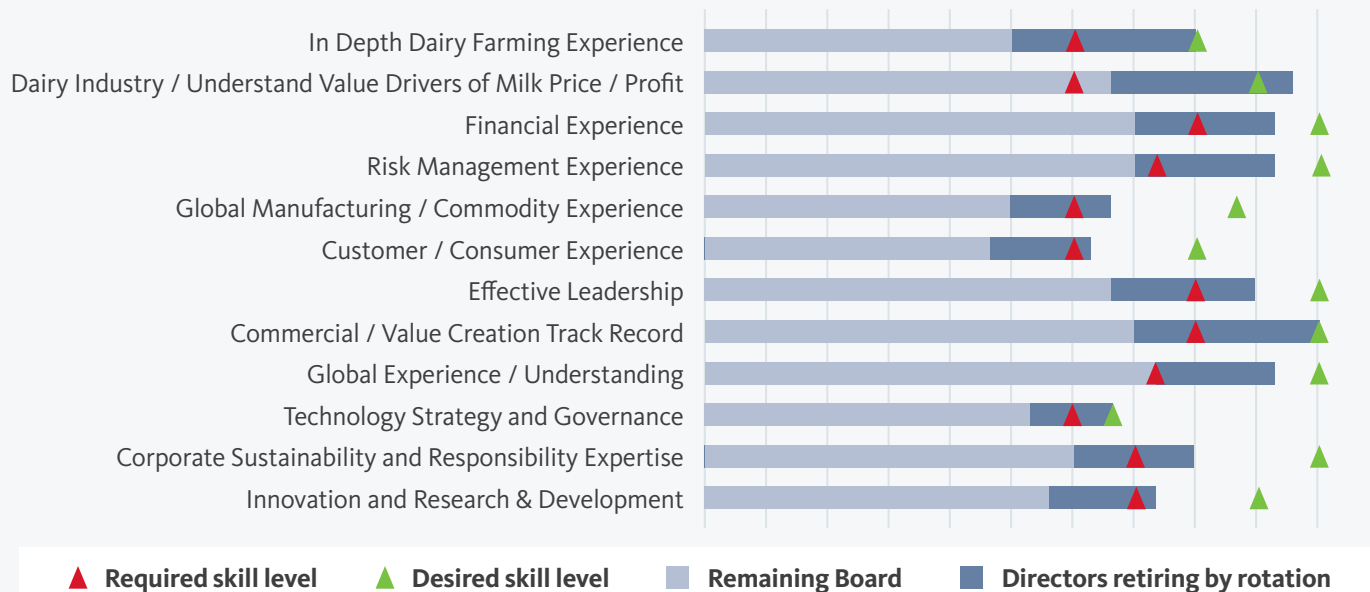
The Board has determined these required and desired levels based on the right mix of skills to govern Fonterra currently, the present composition of the Board and the future strategic needs of the business.

The Skills Matrix uses blue horizontal bars to show the current aggregated skill of the Board. The whole of each blue bar represents the current Board's aggregated level for each skill, and the darker shading within those bars represents the skills of the directors who are retiring by rotation in the current year.

The lighter shading represents the skills of directors who are not retiring in 2021.

The Skills Matrix (below) shows the skills that the Board is looking for over time, and should be used as guidance. The Skills Matrix was provided to the Independent Selection Panel to assist them as they assessed the best candidates for the Board, and it is included in voting packs as guidance for shareholders when making their voting decisions.

### 2021 Skills Matrix – Aggregated Skills of Existing Fonterra Board



### Director Tenure - 1 November 2021

0-2 Years = 2 Directors	2-4 Years = 5 Directors	4-6 Years = 4 Directors	6+ Years = 0 Directors
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# The Independent Selection Panel

## Overview

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The role of the Independent Selection Panel (Panel) is to rigorously assess and evaluate potential candidates and then to shortlist and recommend the best candidates to Fonterra's shareholders.

The Panel's assessment process is designed to provide candidates with a confidential, rigorous and totally independent assessment of their skills and experience against the skills required by the Board in any year, and to provide shareholders with independent and comprehensive information about recommended candidates.

The Panel assessment process is open to all intending Director candidates.

The Panel's assessment reports on each Independently Assessed Candidate can be found with the Candidate Profile Statements on the following pages.

## Panel membership

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- Tony Carter, Independent Chair appointed by the Panel members
- Joan Withers, Independent Member appointed by the Board
- Rob Campbell, Independent Member appointed by the Council

## Panel Biographies

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### Chair: Antony (Tony) Carter

Tony is presently Chairman of My Food Bag Limited, TR Group and Datacom Group Limited. He is currently a Director of Vector Limited and was previously Director and Chairman at Air New Zealand Limited and at Fisher and Paykel Healthcare Limited and was a Director of Fletcher Building Limited and ANZ Bank New Zealand Limited.

Tony has had extensive experience in co-operatives, having previously served as a Director and Chairman of Mitre 10 New Zealand Limited and as Chief Executive of Foodstuffs (South Island) Limited from 1995 to 2001. In 2001 he was appointed as Managing Director of Foodstuffs (Auckland) Limited and Managing Director of Foodstuffs (New Zealand) Limited until he retired in December 2010.

Tony attended the University of Canterbury where he studied chemical engineering, graduating with a Bachelor in Engineering with honours and a Masters in Engineering. He then went on to study at Loughborough University of Technology in the United Kingdom and graduated with a Master of Philosophy degree. Tony was appointed a Companion of the New Zealand Order of Merit in the 2020 New Year's Honours List for his services to business governance. He is a Chartered Fellow of the Institute of Directors and was awarded Chairperson of the Year in the Deloitte Top 200 Awards in 2014.

### Joan Withers

Joan has been a professional Director for more than 20 years and spent over 25 years working in the media industry, previously holding CEO positions at The Radio Network and Fairfax Media.

Her current governance roles are Chair of The Warehouse Group Limited and Director of ANZ Bank New Zealand Limited, SKY Network Television Limited and Origin Energy Limited.

Joan has previously held Chair positions at Mercury NZ Limited, TVNZ and Auckland International Airport Limited and was on the advisory board of The Treasury.

Joan is a Trustee of the Louise Perkins Foundation and is Chair of a steering committee working to increase the percentage of South Auckland Māori and Pacific Island students taking up roles in the health sector.

She holds a Master's Degree in Business Administration from The University of Auckland. Joan is also a University of Auckland Distinguished Alumni (2015). In 2015 she was named Supreme Winner in the Women of Influence Awards and was named as Chairperson of the Year at the Deloitte Top 200 Management Awards.

### Rob Campbell

Rob is a professional Director and investor with over 40 years' experience in investment management and corporate governance.

His current directorships include Chair, Interim Board of Health NZ as well as Chair of Skycity Entertainment Group Limited, Tourism Holdings Limited, NZ Rural Land Limited, Ara Ake Limited and WEL Networks Limited.

Rob holds the degrees of Bachelor of Arts with First Class Honours in Economic History and Political Science, and Master of Philosophy in Economics. He was also Senior Scholar in his final year at Victoria University and a member of the University's Professorial Board.

Rob was made a Companion of the New Zealand Order of Merit in the 2020 New Year's Honours List for services to governance and business. In 2017 he was awarded the NZ Shareholders' Association Beacon Award and Chairperson of the year in the Deloitte Top 200 Awards. Rob is a Chartered Fellow of the Institute of Directors.

# 2021 Report of Independent Selection Panel

## Introduction

This report sets out the 2021 process undertaken by the Independent Selection Panel (Panel) to:

- Rigorously assess and evaluate potential Elected Director candidates under the Independent Assessment Process and make recommendations to Shareholders of the Elected Director candidates to stand for election at the upcoming Fonterra 2021 election of directors; and
- Rigorously assess and evaluate incumbent directors standing for re-election in the 2021 election of directors who elected to participate in the Independent Assessment Process.

The Panel was formed in 2016 by the Fonterra Board of Directors and the Fonterra Co-operative Council to provide intending candidates with a confidential, rigorous and totally independent assessment of their skills and experience against the attributes and skills required by the Fonterra Board in any year; and to provide Shareholders with independent and comprehensive information about recommended candidates. The membership and operations of the Panel are independent of the Fonterra Board and Fonterra Co-operative Council.

A joint committee of the Fonterra Board and Fonterra Co-operative Council was established in March 2019 to review the director election process, following which changes were made to improve the independence and transparency of the 'Independent Assessment Process'.

The Panel Members for 2021 are as follows:

- Tony Carter, Independent Chair appointed by the Panel members
- Joan Withers, Independent Member appointed by the Fonterra Board
- Rob Campbell, Independent Member appointed by the Fonterra Co-operative Council

The objectives of the Panel are:

- To have high quality Elected Director candidates nominated for election to the Fonterra Board; and
- That Shareholders will be better informed in the electoral process.

## 2021 Process Undertaken by the Panel

The Panel met in August to:

- Elect the Chair of the Panel and note the re-appointment of the representative Panel members by the Fonterra Board and Fonterra Co-operative Council;
- Appoint an independent secretariat to assist the Panel;
- Appoint an independent search agent to support the assessment of intending Independently Assessed Candidates;
- Consider and note the required attributes and skill requirements for director candidates, as set by the Fonterra Board;

- Review and recommend minor amendments to its Terms of Reference;
- Agree the 2021 Panel Search Brief; and
- Agree the timetable to be followed in respect of the 2021 election process.

At the close of the nominations process for Independently Assessed Candidates the Panel was advised by the Returning Officer that the three incumbent directors who are eligible for re-election were all electing to participate in the Independent Assessment Process. These are Peter McBride, Leonie Guiney and John Nicholls. No other candidates put themselves forward for the Independent Assessment Process.

Following review of the nominations received and an initial interview and reference checking process conducted by the Panel's independent search agent, the Panel interviewed each of the incumbent directors that applied under the 2021 Independent Assessment Process. The Panel instructed the independent search agent to arrange interviews with the incumbent directors and those interviews were all conducted on Monday 4 October. Due to COVID restrictions all the interviews were conducted via Zoom, with time being allowed for deliberation after each interview, and following conclusion of all interviews.

During the selection process, the Panel undertook a rigorous assessment of each of the incumbent director candidate's attributes, skills and experience relative to those identified in the 2021 Candidate Handbook published by Fonterra, with particular regard given to the seven targeted skills identified. Following the Independent Assessment Process, confidential feedback was provided to each of the incumbent directors who participated in the process, and they have each confirmed that they would stand for re-election in the 2021 election process. To assist Shareholders in the 2021 director elections, the Panel has prepared candidate assessments of each of the incumbent directors standing for re-election relative to the skills and attributes set out in the 2021 Candidate Handbook. These summaries are included in these Voting Papers.

## Declaration of Association

From time to time, Panel members may interview and assess intending candidates they have worked with in the past or have a continuing business relationship with, and it is the intention of the Panel to make any such associations known to shareholders to ensure full transparency.


This year none of the Panel members have worked with or have a continuing business relationship with any of the incumbent directors standing for re-election and nominating to participate in the Independent Assessment Process.

Yours faithfully

**Independent Selection Panel**



Tony Carter



Joan Withers



Rob Campbell



## Leonie GUINEY

### INDEPENDENTLY ASSESSED CANDIDATE

Mobile: 027 293 3228

Email: lffoster@xtra.co.nz

## Independent Selection Panel (ISP) Assessment - Incumbent Director

Leonie Guiney is a shareholder of multiple farming companies, including a commercial property company and a trust. The business supplies 1.4 million kgs of milksolids to Fonterra from dairy farms in South Canterbury.

She has served twice on the Fonterra Board – for three years between 2014 and 2017, before returning as an elected 'non-assessed' candidate in 2018. She is currently the Chair of the Board's Safety and Risk Committee and also serves on the Divestment Review Committee, Co-operative Relations Committee and Capital Structure Committee.

Leonie is a former self-employed farm business consultant in New Zealand and Ireland and has written extensively on industry issues as a correspondent for international publications.

Returning to NZ in 2000, she lectured in Dairy Production at Lincoln University, joined FarmRight consultancy and contracted to BNZ on strategic planning and wealth creation for farmers. She has a degree in Agricultural Science from Massey University.

With her husband Kieran, the couple embarked on two large sharemilking jobs following a period of contract milking and then made their first farm purchase in 2005, winning Canterbury Sharemilker of the Year 12 months later.

The family continued to buy and convert farms and won the Low Input Dairy Business of the Year award in 2014. Their own sharemilkers are now award winners.

### Panel's assessment of Leonie's capabilities relative to 2021 Attributes:

The Panel respected Leonie's deep commitment to the highest standards of governance, which had been very publicly demonstrated in previous years, through her challenge to the Fonterra Board on its accounts and during the Trading Among Farmers (TAF) discussions, where she had taken a strong and contrary stance.

It was recognised that Leonie is entirely unafraid to be a fighter for what she believes is right and it was noted by Panel members that her governance position in the past had proved to be correct, which spoke to the quality of her judgement, questioning capability and understanding of Fonterra's wider commercial and economic framework.

The Panel Chair summarised her behavioural style as the 'constructive cynic', which he commented was valuable in governance. It was further observed however, that her challenger stance did not tip over into the disruptive

without good reason. In addition, at interview, Leonie well-articulated her ongoing development of a more nuanced and sophisticated mode of Board expression and described how she had invested considerable energy in re-building relationships with Board members.

The Panel took the view that she had a very high empathy with the Co-op, to the extent that she views the organisation as an extension of her own successful business and affords it equal passion and commitment. She has an excellent track record of shareholder value creation, both indirectly through her years of dairy industry consulting, and directly, through her own farming business and in her contribution to the improved Fonterra financial performance along with others. She has acquired some global perspective through time spent working in Ireland and living in France in particular. Her honesty and integrity are unquestioned.

It should be noted that Leonie deliberately strictly limits her governance roles to Fonterra alone to ensure she has the time to fully contribute.

### Panel's assessment of Leonie's capabilities relative to 2021 Skills:

The Panel acknowledged Leonie's strong leadership capability through the operation of her own business, significant breadth of learnings from her previous consulting experience and through her role on the Fonterra Board, where (as previously mentioned), she had demonstrated passion, conviction and discipline in holding the Board to account. It was noted that she continued to closely follow the Co-op's key metrics and consistently held a longer-term view of the organisation. Her significant dairy farming experience was acknowledged.

She has some global manufacturing/commodity understanding through her time working with Golden Vale co-operative in Ireland along with some customer understanding acquired in the same setting, although she has no executive experience in a customer-oriented business. She views Fonterra's farmer-shareholders as customers of the organisation and takes her fiduciary duties to them very seriously. She has developed more of an understanding of the global consumer through her Board role but acknowledged this was a developing area. The Panel took the view that she had very solid to extensive financial experience and acumen, noting that she talked extremely fluently about the Co-op's balance sheet position and demonstrated a strong understanding of milk price drivers.

Her understanding of risk in the context of the Co-op was also extensive and continued to deepen through her role as Chair of the Board's Safety and Risk Committee.

Her extensive contribution to commercial and value creation formed the backdrop to her interview. Her limited understanding of technology strategy and governance was noted.

She demonstrated some understanding of sustainability issues, R&D and innovation, although this area was not recognised to be out of the ordinary and was considered to be a development area for her and others.

In summary, the Panel considered Leonie to be an impressive interviewee and a formidable Board member.

They found her to be articulate and intelligent in her answers and assessed her to be a deep, analytical thinker who brought a real diversity of thought to the Fonterra Board. Her courage in the governance context was also recognised and admired, along with her broad understanding of the relationships within the Board and between the Board and other stakeholders, such as the Co-operative Council.

## Candidate Profile Statement

**My objective is for a strong Fonterra, that makes prudent choices with shareholder capital, in the long-term interests of Fonterra's owners. This would see NZ dairy farmers choosing to contribute both milk and capital to a co-operative that maintains a comparative advantage onshore and offshore.**

I bring a significant owner's interest to my role. A lifetime working with farmers in and outside NZ, brings empathy and a clear understanding of our competitive place in the world.

*I believe Fonterra's strategy should reflect and exploit our NZ on farm comparative advantages.*

**I am a co-operative advocate. Well governed co-operatives prioritise producers, respect their past and work for inter-generational success.**

None of my above objectives has changed since my first election. Shareholders will be the judge of whether Fonterra is changing.

*Governance is strategic oversight, with clarity on what to measure your people and success by.*

These are the most important things to get right, and when we do, a director's role is not complex.

I've served on Fonterra's Board since 2014. For some years we were not getting this right.

My challenge of Fonterra's strategy and governance in the past are well known. This culminated in my opportunity to stand for the Board in 2017 being removed. That year, serving on the Audit and Finance Committee I did not approve the 2017 accounts owing to issues I had with Fonterra's methodology in calculating net interest bearing debt and assumptions on net tangible asset backing. Decisions flowing from that were, in my opinion, putting Fonterra at risk. Subsequently, Fonterra took major write downs on those assets.

Incentives driving to short term earnings targets encourage unfortunate behaviours. Any company that pays out all its earnings while delaying dealing with problems, drives price up in the short term, but fails the future and its shareholders. **Fonterra's unique strengths remain.** Protecting the co-ops strength as a price setter in NZ, and also focusing management priority on the longer term and growing our strengths, will see Fonterra succeed.

It's not what we say but what we do that reveals our conviction.

Today I am part of a Board that's realigning Fonterra strategy and management's incentives with the risk appetite of our owners, refocused on selling well our NZ milk, reducing debt, and is guiding management to prioritise and focus on owning assets that align with our strengths. The dissenting voice is now valued. Structural change will ensure the future uncertain milk supply is our strength rather than our problem.

The Safety and Risk Committee I Chair now has metrics in place that inform risk adjusted decision making. More conservative gearing and dividend policy have resulted from positive Board culture.

Experience has taught me risk is managed by understanding advantage, the price you pay for assets, management accountability, and balance sheet management.

Success comes not from predicting the future but from in creating people and businesses that can thrive despite what will be an unpredictable future. The COVID-19 supply chain disruption has illustrated how superbly positioned Fonterra is. NZ providence can be marketed by anyone, but not *Fonterra* NZ providence. Our ability to manage risk on behalf of our *customers* via multiple plants, multiple channels and partnerships in shipping and distribution make us increasingly indispensable to them.

We don't want illusions of grandeur, just to connect our shareholders with our customers.



Just 5 % of world milk is produced off grass. It has unique and marketable characteristics in functionality, nutrition and low relative GHG impact. Only Fonterra can offer these characteristics at scale. Add our positive environmental attributes and capability on farm to ride cycles, and Fonterra's differentiating advantages are formidable – provided we retain the trust of our shareholders and customers.

## Background

Mother of four, I'm married to Kieran.

Most of my career has been helping farmers clarify business objectives and successfully ride dairy cycles. Five years working in the Irish dairy industry crystallised for me where our competitive advantages lie.

I lectured in Dairy Production at Lincoln, joined FarmRight consultancy and contracted to BNZ on strategic planning for farmers.

I presented at Parliament to Select Committee on TAF in 2012.

The Co-operative, and sharemilking enabled Kieran and my growth from careers outside farming to a multiple farm business. The Co-operative's delivery of the value earned from milk back to the producer, and its management of risk on our behalf via scale, multiple processing sites, diversified sales channels and supply chain partnerships enabled our use of debt and partnerships to grow.

We've built our business on knowledge that:

- Farming the pasture curve is our advantage
- Disciplined capital allocation, targeting a margin over interest cost, grows equity
- Building leaders within the business serves us and them as they grow with us

We supply 1.4 million fully shared kgs of milksolids to Fonterra from five dairy farms, expanding recently (2020) in South Canterbury. Systems are simple, replicable and quality of our people such, that we've lived a year offshore while our farms operated successfully. We now have three 50/50 sharemilkers, a variable order and contract milker.

All our people understand the key drivers of consistent profitability in our cyclical business. They respect capital.

I influence Fonterra to apply similar principles because Fonterra's success is critical to our success.

I am prepared to articulate a researched alternative view. Better outcomes come from informed debate, which is encouraged by our Chairman, giving me confidence in Fonterra's future.

Guided by clarity on why and for whom Fonterra exists, I'm deeply grateful for your trust in re-electing me in 2018.

I remain constructively dissatisfied with Fonterra's performance and would appreciate your vote to continue to serve.

## Committees

Past: Audit and Finance Committee

Current: Safety and Risk Committee (Chair), Divestment Review Committee, Co-operative Relations Committee, Capital Structure Committee

## Qualifications

BAGSci, Massey

The Leading Board, Co-operative Governance, IOD Corporate Governance

China study Tour 2013

Co-operative governance member engagement in Holland 2013

North American tour economics of confinement and pasture systems

Speaker to Irish Positive farmers Conference, Australian Large Herds, NZ/Ireland Pasture Summit, Agritech NZ UK

Canterbury Sharemilker of the Year 2006

Low input Dairy Business of the year 2014

## Candidate Interest Statement

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Listed below are the details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the “Fonterra Group”) (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group.

I am a supplying shareholder of Fonterra (in my name) jointly and with associated persons (as defined in the Financial Markets Conduct Act 2013) as follows:

- |   |                             |                 |
|---|-----------------------------|-----------------|
| • 36705 KJ & LF Guiney, Shamrock Fern Dairies Ltd | Co-operative shares 268,663 | Vouchers 68,072 |
| • 36800 KJ & LF Guiney, Shamrock Fern Dairies Ltd | Co-operative shares 340,000 |                 |
| • 36789 KJ & LF Guiney, Hillcrest Dairy Ltd       | Co-operative shares 160,681 | Vouchers 37,867 |
| • 36707 Wimborne Dairy Farm Ltd                   | Co-operative shares 260,422 | Vouchers 62,865 |
| • 36699 Greenburn Dairy Farm Ltd                  | Co-operative shares 169,058 | Vouchers 38,396 |

I am a Director and shareholder of:

- Shamrock Fern Dairies Ltd ; Hillcrest Dairy Ltd ; Wimborne Dairy Farm Ltd (KJ & LF Guiney, RD Smith) ; Greenburn Dairy Farm Ltd (KJ & LF Guiney, RD Smith); Bobby Square Ltd

I am a shareholder of:

- Foxburn Ltd

To the best of my knowledge and belief the disclosures set out above are full and complete.



## Peter McBRIDE

### INDEPENDENTLY ASSESSED CANDIDATE

Mobile: 021 481 907

Email: [peterm@trinitylands.co.nz](mailto:peterm@trinitylands.co.nz)

### Independent Selection Panel (ISP) Assessment - Incumbent Director

Peter McBride is a highly respected, longstanding leader and current Chair of the Fonterra Board. He also has a high-profile in the kiwifruit industry, having been elected to the Zespri board at the age of 38 and serving as Chair for six years until 2019. He has significant commercial, global experience and an intuitive understanding of trade and customer relationships in the primary sector. Peter also has a deep connection to the land and dairy farming, having been raised on a dairy farm in Waikato and continues his dairy interests to the present day.

Following university, he spent four years managing properties in the horticulture sector before switching to dairy and assuming contract milking and 50/50 share milking roles in the South Waikato for nine years.

He is now Chief Executive of the large-scale, dairying and kiwifruit business, Trinity Lands, which is mostly based in the same region. It produces 7 million kgs of milksolids per year from 15,000 cows on 21 dairy farms, alongside 180 hectares of kiwifruit. He and his wife Linda have a farm in Tokoroa, where they farm 1,000 cows on 330 hectares of land.

He is passionate about the co-operative model and believes he has the credibility, energy and commitment to make a significant contribution to New Zealand Agribusiness and to Fonterra.

#### Panel's assessment of Peter's capabilities relative to 2021 Attributes:

The Panel appreciated that as Fonterra's current Board Chair, Peter has had the opportunity to acquire an extensive understanding of the decision-making process of the Fonterra Board and was in the position to effectively orchestrate constructive dialogue. As such, they judged his governance level, understanding of the Co-op and its commercial and economic framework as impressive.

He articulated pride of, and commitment to, the organisation and whilst his previous governance experience had been largely in the horticultural sector, the Panel recognised the breadth and depth of his experiences in that context and his performance in response to turbulent times as Chair of Zespri, for example.

The Panel also assessed Peter's understanding of Fonterra's wider commercial and economic frameworks, and his judgment and strategic thinking, as being his greatest strengths and viewed these as core to his value-add to the

Fonterra Board. He spoke convincingly about commercial performance and strategy, and he has presided over a period of significant financial improvement for the Co-op, whilst humbly acknowledging the work of the previous Chair in this recent success.

He has worked in a primary and export-led sector which had contributed to his global perspective, and it was accepted that the global pandemic's travel restrictions had slowed the development of his and others understanding in this area.

His questioning capability was acknowledged, along with his understanding of the time commitment required of a Fonterra Board Chair. His honesty and integrity was unquestioned.

Overall, the Panel observed that Peter was a deep thinker with an authentic empathy for farmers. Panel members expressed the view that he held what they saw as the 'total package' of attributes desired by the Co-op, performing his Chair role with clarity, calm and confidence.

#### Panel's assessment of Peter's capabilities relative to 2021 skills:

The Panel viewed Peter's leadership skills as outstanding and highly intuitive. In the context of farming and the dairy industry, he has a solid track record, having grown up on a farm and spending almost a decade in contract milking and share milking. Panel members also recognised that his role as Chief Executive of the large-scale, dairying and kiwifruit business, Trinity Lands, gave him a keen understanding of contemporary industry issues. They expressed the view that he was acutely aware of the current operational challenges and opportunities at the Co-op and would have a natural empathy with the Executive management team.

As might be expected of a Fonterra Board Chair, he also has a detailed understanding of the complex drivers of the milk price. However, the Panel also valued Peter's self-awareness and humility of approach in his journey to understand the deep complexity of Fonterra as an organisation.

Peter is very brand focused and seeks to influence to build marketing capacity at the Co-op. He takes pride in Zespri's journey towards becoming an effective, global consumer brand in China and one of the top five brands in most of its major overseas markets. Highly commercial, he has a high regard for effective marketing and innovation. He travelled widely with Zespri, meeting a network of overseas

marketing managers, listening to full briefings and visiting key customers. He has maintained his roles on Zespri's China Advisory Board and Global Supply Advisory Board.

Peter also demonstrated a clear understanding of the Co-op's commitment to sustainability and the \$1bn capital investment into initiatives over the coming decade, along with the ramping up of capital investment into innovation and R&D.

It was noted that risk is an area in which Peter has a strong and active interest and he served on the Audit & Risk Committee at Zespri for several years. It was also acknowledged that he has solid financial literacy and acumen and has been instrumental in the allocation of capital to support Fonterra's strategy, for example, the

commitment to sustainability initiatives and research & development. It was accepted that he had some understanding of technology and accompanying strategy and governance.

In summary, the Panel described Peter as ideally suited to lead the Fonterra Board – both modern and democratic in his approach. They recognised his strong skillset and relevant experience but highlighted particularly his astute people management skills. Peter demands high performance of Board members but also shows patience during the decision-making process, ensuring directors have time to reflect and consider. He is resilient in the face of public criticism, calling upon his strong values-set as the basis for his conviction.

## Candidate Profile Statement

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My wife Linda and I live near Tauranga in the BOP and we have four adult children. Our dairy farm is near Tokoroa in the South Waikato and we have horticultural interests in the BOP and South Auckland regions. I am also the CEO of Trinity Lands, a large business in the South Waikato that has significant dairy interests across 21 farms and I have been in the role for the past 4.5 years.

I started my Governance career with Zespri in 2002 and was a director up until 2019, having been Chairman for the last 6 years of my time there. Whilst this was a pivotal role for me, I also have wider governance experience. I have been on the Fonterra Board for 3 years now and served as Chairman for the last 12 months.

### ATTRIBUTES:

I believe I have the attributes necessary to be an effective Fonterra Director. I understand the role and responsibility of a Director, the importance of mutual respect, consensus and binding decision making. I have a proven track record of leading through a crisis and extremely complex difficult situations and of understanding and driving sustainable value for both farmers and shareholders. I have a strategic and global mindset, very focused on performance. My understanding of and commitment to the Co-operative ethos is clearly demonstrated through my long-term commitment to the businesses I have been, and are currently involved with.

### TARGETED SKILLS:

**In Depth Dairy Farming Experience** – I grew up on a dairy farm and have had significant dairy involvement over many years at both an operational and governance level. Having worked through the industry as a contract milker, sharemilker and as a current farm owner. I am also the CEO of a significant dairy business and an incumbent Fonterra Director.

**Effective Leadership** – Effective Governance is all about leadership, it's also about values. The tone of an organisation is set from the top and that is defined by its leadership. The Chairman plays a critical role in supporting both the Board and Management; to this end empowerment of others and clearly understanding roles and responsibilities leads to improved performance and accountability. It takes courage to be an effective leader, and for me personally it is deeply philosophical and driven by purpose.

**Corporate Sustainability and Responsibility** – I am acutely aware of the responsibilities of directors in this very important space and the topic is much broader than is often perceived; none more so than in a regulated, rural co-operative environment.

**Global Experience / Understanding** – Having travelled extensively over the last 20 years with a particular interest in markets, but also in agribusiness meeting with farmers and growers, I have developed a good understanding of global business. I have travelled frequently to China, Japan, Taiwan, Korea, SE Asia, Europe, USA, Brazil and Chile. This has given me a strong understanding of the social and business cultures in those markets.

**Financial Experience** – I have previous and current experience as both a member of audit and finance committees of significant corporate businesses, and also reporting to such committees. In my current management roles, I have responsibility for over \$600 million of agribusiness assets. I am financially literate and I understand effective risk management.

**R&D and Innovation** – This is a topic I am passionate about and had previous governance experience and direct involvement with over 17 years as a Director of Zespri. Effective innovation is critical to the long-term success of Fonterra and our farmer suppliers. It's important that innovation is across the business, decentralised, consumer oriented and commercially lead. R&D is also fundamental to protecting our core business in Ingredients and Manufacturing, as well as shareholder wealth creation through the development and monetisation of Intellectual Property.

**Global Customer / Consumer Experience** – In a previous governance role I was involved with the oversight of \$165 million in direct consumer and trade marketing. I have a good understanding of the strategy and key performance measures that are required in relation to effective marketing and building brands. Fonterra has a significantly more complex consumer business, with multiple brands, segments and SKU's. The ongoing challenge for Fonterra as it refines its consumer strategy is to continue to target resources where it has a deemed comparative advantage and to continue to evolve its channel strategy at pace. A deep understanding of consumer insights and trends is critical to success, and an industry that has a strong customer focus and consumer orientation will ultimately be more successful.

**When I stood for the Board three years ago I made a couple of observations in my candidate profile statement:**

- It is critical for NZ farmers that the dairy industry has a successful Co-op leading it, that is an absolute non-negotiable. There are many complex issues facing the business, least of all environmental sustainability, risk of diminishing supply, capital structure and efficacy and increased competition.
- Fonterra has some key challenges to re-establish its relationships with the NZ Government, the NZ public and indeed to win back the hearts and minds of its own shareholders and farmers. We want to be proud of our vocation and our company.

We have made significant progress in a number of key areas, but still have work to do. Clearly the issues raised above are a subset of broader issues we have grappled with as a Co-operative over the past few years. Of utmost importance to me is continuing to rebuild your trust and confidence in Fonterra. I am really pleased we have delivered strong results and clearly articulated our strategy -including a set of transparent targets across the next decade. We are also confronting the challenge of how we sustain a New Zealand farmer owned Co-operative long into the future, and our capital structure proposal at the 2021 Special Meeting is the most profound decision we will make as farmers in more than a decade.

Finally, it's a privilege to serve you as a Fonterra Director and as Chairman. I am humbly seeking your continued support.

## Candidate Interest Statement

Listed below are the details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a supplying shareholder of Fonterra via my shareholding in Crocodile Farm Limited, which holds 509,730 shares. I am also a Director of Crocodile Farm Limited.
- I am Chief Executive Officer of supplying shareholder Trinity Lands Ltd, which holds 5,750,386 shares and 882,462 vouchers.
- I am a shareholder of Pokai Farm Limited as an Independent Trustee of Ian Elliott Family Trust and MA Elliott Family Trust, which holds 350,329 shares.
- I am a shareholder of Kennedy Farm Limited as an Independent Trustee of Ian Elliott Family Trust and MA Elliott Family Trust, which holds 479,875 shares.

To the best of my knowledge and belief the disclosures set out above are full and complete.





# John NICHOLLS

## INDEPENDENTLY ASSESSED CANDIDATE

Mobile: 027 541 6117

Email: john@rylib.co.nz

## Independent Selection Panel (ISP) Assessment - Incumbent Director

John Nicholls is a dairy farmer of over 25 years in the South Wairarapa and Mid-Canterbury and the force, with his family, behind Rylib Group. For the past three years he has served as a Fonterra Elected Director and he is a current member of the Co-operative Relations Committee, Safety and Risk Committee, Disclosure Committee, and the Capital Structure Committee. Previously he served on the Fonterra Co-operative Council. Outside of the co-operative, John has led MHV Water, New Zealand's largest intergenerational irrigation co-operative, as Board Chair for seven years through a period of significant change. He is involved as a governor and advisor to various other local entities. John is mentoring the next generation of farmers, including his own son. John graduated from Massey University in 1990 with a degree in Agriculture and a postgraduate diploma in Agricultural Science. The Nicholls family business, the Rylib Group, currently employs 35 staff, milking more than 5,000 cows and producing 2.5 million kgs of milksolids. The Group's mission is based on family values and a commitment to people and culture, service to the wider community, environmental excellence and profitable growth.

### Panel's assessment of John's capabilities relative to 2021 Attributes:

The Panel found John's commitment to a broad concept of high governance standards convincing and recognised his leadership of a highly successful business, in addition to his other governance roles. He has very strong relationships with farmers and his passion and empathy for the Co-op were clear and unquestioned. The Panel also acknowledged that his deep connections and relationships with the shareholder base and his understanding of the role of the Co-operative Council to the organisation, were a core contribution and constituted added value.

Whilst fully acknowledging the success of his judgement in relation to his own business, at interview, Panel members took the view that John could have articulated a clearer sense of the strategic direction for the Co-op. It was accepted that he was unafraid to critique and question and had a good understanding of the time commitment required of a Fonterra director, as might be expected from an incumbent Board member.

Given John's tenure on the Board and his previous position on the Co-operative Council, the Panel also felt that he could aspire to Chair one of the Board Committees and actively seek mentorship and learning opportunities to facilitate his ability to offer this further service to his Board responsibilities.

The Panel acknowledged his contribution to delivering shareholder value and the acquisition of some global perspective. His honesty and integrity were unquestioned.

Overall, Panel members expressed the view that John had clear strengths and weaknesses in relation to the attributes identified by Fonterra this year.

### Panel's assessment of John's capabilities relative to 2021 skills:

John's in-depth dairy farming experience and pragmatic understanding of contemporary industry issues were fully recognised by the Panel. His leadership in this context, his stance as a continuing champion for New Zealand's dairy industry and as a contributor to an improved Board culture at Fonterra, were accepted. It was commented that overlaid with this grassroots appeal, he had demonstrated a commitment and willingness to build more productive relationships around the Board table, utilising his personable communication style.

It was further acknowledged that his strong, personal connections and influence were of high value to the organisation, and he has a strong track record of value creation both within his own business and in terms of his contribution to the Co-op's improved financial performance.

His understanding of global manufacturing/commodity experience and his global understanding more generally, were more limited, although these appeared to be developing and he had the opportunity, pre-pandemic, to participate in some short, overseas trips with Fonterra which had exposed him to issues such as sustainable packaging and the conversion of coal-fired production plants to renewables for example. He also has some knowledge of foreign markets, singling out South Korea in particular, as a growing market for dairy products and he particularly raises his appreciation of geo-political risk in the international context.

The Panel felt that he articulated a reasonably good understanding of the sustainability imperative, citing 'people, planet, profit' as a guiding mantra in this regard, however, members took the view that he could develop more depth of understanding in this area. With respect to R&D and innovation, he appeared to have taken a keen interest in the development of alternative proteins and had given some thought to the impact of this trend on Fonterra.

The Panel accepted his solid skillset in the financial area and his high engagement with the Co-op's risk management

framework, particularly with respect to safety. It was noted that his technology strategy and governance experience was limited.

In summary, the Panel unanimously expressed the view that John offered a solid skillset, but this was the least strong against Fonterra's Targeted Skills list for 2021 compared to the other two candidates.

## Candidate Profile Statement

I am seeking another term as a Fonterra director so that we can continue what we've started.

Over the last three years we've reset the strategy, culture and balance sheet of Fonterra. Now we must build on that foundation to set Fonterra up for the future – to continue to build trust, to deliver consistently strong results and to create future value. We must strive to create a great co-op for ourselves, for the generations that follow us and for all New Zealand.

### Governance Experience

I have served on the Fonterra Board since 2018 and am a member of the Co-operative Relations Committee, Safety and Risk Committee, Disclosure Committee, and the Capital Structure Committee.

Outside of Fonterra I have;

- Led MHV Water as Chair for seven years (through a period of significant change),
- Been involved as a Governor and Advisor to various other local entities,
- Previously served on the Fonterra Co-operative Council.

(MHV Water is a co-operatively owned irrigation scheme supplying water and environmental services to 58,000 hectares of farmland in the Ashburton District).

### Achievements and Future Focus

Fonterra today is in a much better place than when I joined the Board.

As previously stated, we've reset the strategy and balance sheet and we're now back on the path towards delivering what is important to our owners and our nation. There are still many challenges and opportunities in front of us and we need to build on the foundation to meet the future head on.

The achievements of the past few years are the result of a Board and Management Team working together to achieve the outcomes we needed to get Fonterra back on track. I am honoured to have been part of the team that has achieved that and to have played my part in the collective decisions of the Board which directed those actions.

We have turned the balance sheet around with key divestments of DFE Pharma, Tip Top, Beingmate and China farms and the sale of other non-performing assets and businesses. Over three years we've reduced debt by almost 40%, from a peak of \$6.2 billion. Every business investment is a balance between risk and reward and we've made the tough calls to cut our losses.

A stronger balance sheet gives us more choices. We've pulled payments forward to the 15th of the month, tidied up our advance policy and simplified our payment terms. We've started the important conversation around capital structure to ensure a financially sustainable co-op going forward.

With the debt repayment we've been able to lift after-tax profits by 110%, but financially we've still got work to do. Despite selling non-performing businesses, our return on capital has barely changed and remains around 6.5% - we should be striving to achieve better than 8.5%. We have reduced costs by 10% but that's not enough given the businesses we've sold. We still need a determined focus on efficient execution and cost management.

There's a lot of change on the horizon and we've just released our Long-Term Aspirational Plan.

Milk growth has stopped as environmental and climate change rules impact on farm. Those same rules are also impacting Fonterra's operations and, while the changes they require are the right thing to do, they are driving up costs within Fonterra and on-farm.

Milk is the gold standard for nutrition, but alternative protein technologies like fermentation are rapidly improving and, along with the rise of plant-based milks, will shift the balance in demand for cows' milk. We are involved in some of this work as we need to remain close to it to seize opportunities and to help shape the future of our industry.

Our strategy seeks to prioritise investments in market sectors and innovations that can create sustainable value from our New Zealand milk. Global trends show demand for milk remaining strong, and our aim must always be to capture superior value for your milk. We already have many fantastic businesses doing this well.

Locally we're working hard to bring balance to Government policy – to ensure that Government aspirations recognise the efforts being made on-farm and provide time for the science to catch-up.

Fonterra is a remarkable business and as shareholders we can all be proud of what it has achieved, the potential it has to achieve even more, and the leadership role it plays in New Zealand. To deliver on its ongoing potential, we need a Board that is not afraid to face up to the issues and decisions needed to be made. It takes a lot more courage to take decisions or bring issues to you that we know will not be popular than it does to sugar-coat things or not face up to them in the first place.

I'm a proud member of the Fonterra Board. We have an exceptional Board, with a strong and positive culture which continues to drive performance and accountability while keeping its eyes on the horizon to create long term value.

## About Me

I'm a dairy farmer, whose livelihood depends on the monthly milk cheque.

I graduated from Massey University in 1990 with a Degree in Agriculture and Post Graduate Diploma in Agricultural Science. After a brief OE and a short time working in the Agri-services sector, I started my career in Dairy Farming in 1996 with Kelly and I converting a Sheep Farm in South Wairarapa. In 2005 we shifted our focus to Mid Canterbury and currently employ 35 staff, milking over 5000 cows and producing 2.5 million kgs of milksolids.

We are a family-values based business - committed to our people and culture, our wider community, environmental excellence and growth. My philosophy on farm, and in business, is to drive profitable performance through applying sound business judgement to all that I do – to invest wisely, to move quickly and to be disciplined in operational execution and cost management.

With your support, we can continue the journey we have started – to protect all that is good about Fonterra and help it strive for greatness.

## Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group.

I am a supplying shareholder of Fonterra (in my name) jointly and with associated persons (as defined in the Financial Markets Conduct Act 2013) as follows:

• Ma Taua Dairies Ltd	456,000 Co-operative shares	Vouchers 114,225
• Delarbe Farm Ltd	262,000 Co-operative shares	Vouchers 64,000
• Fairmont Farm Ltd	326,000 Co-operative shares	Vouchers 102,535
• Mahanga Dairies Ltd	395,000 Co-operative shares	Vouchers 12,000
• Kairoa Dairies Ltd	374,000 Co-operative shares	Vouchers 11,000
• Akitu Dairies Ltd	265,000 Co-operative shares	Vouchers 48,000
930 units in the Fonterra Shareholders' Fund		

I am a shareholder of D & D Dairies Limited as a Trustee of G&K Duckett Trust, which holds 137,164 shares.

To the best of my knowledge and belief the disclosures set out above are full and complete.



If undelivered please return to:

The Returning Officer

Fonterra Elections 2021

PO Box 3138

Christchurch 8140

Free phone 0800 666 034

## Election of THREE (3) Directors

### YOU CAN VOTE IN ONE OF THE FOLLOWING WAYS:

**1**

#### ONLINE VOTING

Electronically via Farm Source website at:  
**www.nzfarmsource.co.nz**

- Login using your Farm Source login and password.
- Follow the voting links from the homepage.
- Enter your Personal Identification Number (PIN) and password – see below.

**IMPORTANT:** By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

**PIN**
**PASSWORD**
**OR**
**2**

#### POSTAL VOTING

Post the completed "Voting Paper" to *electionz.com* in the freepost reply envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please post no later than Wednesday, 1 December 2021.

***Please only use one of these voting methods***

For enquiries phone the ELECTION HELPLINE: 0800 666 034

#### First Past the Post Majority Voting

This is a First Past the Post Majority vote to elect THREE (3) Directors.

To be elected to the Board a candidate must obtain more than 50% support of votes cast.

If one or more candidates do not achieve more than 50% support, a second election will not be held.

The Fonterra Constitution and Election rules require that the Board must appoint a farmer director to fill a casual vacancy that will continue for six months or more and the Board may not appoint any of the unsuccessful candidates who stood in the uncontested election.

#### Postal Voting Instructions

- You are encouraged to cast a vote (either YES or NO) for **each** and **every** candidate.
- Vote by placing a tick "✓" in the YES or NO circle next to the name of each candidate.

YES	NO	VOTE HERE
<input type="radio"/>	<input type="radio"/>	<b>Leonie GUINEY</b> Independently Assessed Candidate
<input type="radio"/>	<input type="radio"/>	<b>Peter McBRIDE</b> Independently Assessed Candidate
<input type="radio"/>	<input type="radio"/>	<b>John NICHOLLS</b> Independently Assessed Candidate



**Leonie GUINEY**  
Independently Assessed Candidate



**Peter McBRIDE**  
Independently Assessed Candidate



**John NICHOLLS**  
Independently Assessed Candidate

**VOTING CLOSSES AT:  
1.00PM ON TUESDAY, 7 DECEMBER 2021**





Dairy for life

# **Fonterra Elections 2021**

## **Directors' Remuneration Committee**

### **Candidate Profiles**



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## NOTE ON CANDIDATE STATEMENTS

Each Candidate Profile Statement contains a maximum of 400 words (excluding the Candidate Interest Statement) provided by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited note that 'shareholdings' in Fonterra or other companies disclosed by candidates may include shares held by third parties in which candidates have a relevant interest as defined by the Financial Markets Conduct Act 2013.

Any emphasis (including capitalisation, italics, bolding, underscoring and bullet points) has been added by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited accept no responsibility for the content, or accuracy of the content, contained in Statements supplied by candidates.

Warwick Lampp, Returning Officer – 2021 Fonterra Elections  
Freephone 0800 666 034  
[iro@electionz.com](mailto:iro@electionz.com)

# Key information – 2021 Election

## Number of vacancies to be filled



There are four candidates – Stephen Silcock, Richard Stalker, Conall Buchanan and Harry Rich.

Votes may be made via post or online and must be received by 1.00pm on Tuesday, 7 December.

## Voting entitlement

Voting entitlements are calculated on the basis of milksolids production for each farm for the last season (2020/2021) or, in the case of dry farm conversions and farm amalgamations/divisions, the estimated milksolids production for this season (2021/2022).

Every shareholder who is supplying milk to Fonterra this season has one vote for every 1,000 kilograms of milksolids.

Milk supplied on Contract Supply and milk which is not backed by shares is excluded from milksolids production when calculating voting entitlements.

## Skills and attributes

To be able to effectively work as part of a committee that gathers and reviews information pertaining to remuneration, candidates need to have:

- Research and evaluation skills
- A good understanding of the current business environment
- The ability to seek advice from others
- Integrity and high ethical standards
- An understanding of financial detail
- Analytical decision making skills
- The ability to work as part of a team
- Effective communication skills.

## Voting system

The Directors' Remuneration Committee Election uses First Past the Post voting.

Each shareholder may vote for up to (but not more than) two candidates.

The two candidates with the highest number of votes will be elected to the Directors' Remuneration Committee. In the event of a tied vote the outcome will be determined by lot by the Returning Officer.

## Lost or damaged voting papers

Replacement Voting Papers are available to shareholders who did not receive their Voting Paper or spoil or damage it. These are available from the Returning Officer until the close of voting at 1.00pm on Tuesday, 7 December 2021.

Replacement Voting Papers will be posted directly to shareholders. They cannot be collected by candidates or their assistants for distribution to shareholders.

Completed replacement Voting Papers must be returned to the Returning Officer by 1.00pm on Tuesday, 7 December 2021.

## About the Directors' Remuneration Committee

The Directors' Remuneration Committee comprises six Fonterra shareholders elected on a national basis by shareholders.

The Directors' Remuneration Committee considers and recommends to shareholders the form and amount of remuneration to be paid to the Elected Directors and Co-operative Councillors. The Committee makes this recommendation to shareholders for their approval at the Fonterra Annual Meeting.

The Committee does not make any recommendation in respect of Appointed Directors. Their remuneration is authorised by the Fonterra Board of Directors.

In proposing the remuneration of Directors and Councillors, the Committee must review all relevant information including:

- Workload
- Time spent on company business
- Annual movements in remuneration for similar national and international companies





# Stephen SILCOCK

## MORRINSVILLE

Mobile: 027 472 3927

Email: ssilcock@xtra.co.nz

### INTRODUCTION

Stephen and Annette Silcock have been farming just north of Morrinsville for 46 years and have been heavily involved in their community for all that time, taking leadership roles and contributing in many sporting, cultural and educational organisations.

Stephen has completed 46 years as a volunteer fire fighter at Tahuna, and Annette continues as a Primary School Teacher in a leadership role in Morrinsville. We are proud parents of three adult children and soon to be six grandchildren.

### BACKGROUND

I have been a member of the Directors' Remuneration Committee since 2016, and am seeking support from shareholders to serve one more term.

Previous to the formation of Fonterra I was a Director of the Morrinsville Thames Valley Dairy Company. This gave me great insight and appreciation that supports the need for sound governance as a key ingredient for any successful enterprise.

Subsequent roles in both industry and farming organisations has furthered my knowledge of matters relating to our industry, and has enhanced by ability to think critically on all matters affecting us as Fonterra Farmers.

As a Councillor representing Morrinsville on the inaugural Co-operative Council, and through my continued active interest in our co-operative, I believe I have gained an in depth understanding and appreciation of Fonterra's journey so far.

### STATEMENT

Setting remuneration for Fonterra Directors is not an exact science, but requires pragmatic judgement taking a number of varied factors into consideration. These include, but are not limited to, our unique construct as a milk co-operative, trends in remuneration of Directors across similar enterprises and the relevance of our independent Appointed Directors sitting at the Board table.

The level of remuneration should always be centred around recognising what is appropriate to attract and retain the best skilled and qualified Directors for our co-operative.

I believe I have made a worthwhile contribution over the past 6 years to the deliberations of the Directors' Remuneration Committee by working productively as part of a team, and by ably expressing my own judgement whilst taking due consideration of the views of others.

Thank you for your support.

## Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a shareholder and Director of Newton Lee Willows Limited which is a supplying shareholder of Fonterra and holds 202,907 shares.
- I am a shareholder of Rimu SA which is a company in Chile that owns farms and supplies milk to Prolesur, a subsidiary of Fonterra Group.

To the best of my knowledge and belief the disclosures set out above are full and complete.



## Richard STALKER

### RANGIORA

Mobile: 027 643 6079

Email: richstalker@xtra.co.nz

**My reason for standing for the Directors' Remuneration Committee is to ensure that directors and Fonterra Co-operative Councillors are rewarded fairly for the work they do, and that their remuneration is in line with the purpose and values of Fonterra and our co-operative ethos.**

The attributes I bring to this role include a relentless commitment to fairness and transparency, and an ability to work with others constructively, while at the same time providing a healthy amount of challenge and critical thinking.

Over the last four years, I have greatly increased my understanding of our co-operative through being part of the Fonterra Purpose Review Group, the Fonterra Governance Development Programme and through continual interactions with farmers, the Fonterra Co-operative Council, and many of our directors. I have also been fortunate to have had a really good look into Fonterra management, both at head office and regional level. I am also part of the Silver Fern Farms extended governance development group.

Our family converted to dairy in the late 1880's, and we have supplied our co-operative and its forerunners for over 130 years. I have also engaged with many co-operative members throughout New Zealand while supporting Fonterra, and have also have gained an understanding of our shareholders through 20 years as a veterinarian in the Waikato, South Canterbury, Mid and North Canterbury and Hawkes Bay.

We farm in many various capacities. This includes as an owner, as a 50:50 sharemilker and we also lease land from many land owners. We farm on the town boundary of Rangiora, and we very much farm in the public spotlight.

I have a keen interest in community and co-operative governance.

I would like to be part of the Fonterra Directors' Remuneration Committee to make sure the Committee considers all possible options when setting remuneration for directors and councillors.

**This role interests me because the culture and performance of our co-operative is set from the top, and how we remunerate our directors sets the tone for the rest of our co-operative.**

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a shareholder and Director of Keswick Farm Dairies Limited, which is a supplying shareholder of Fonterra and holds 248,812 shares.
- We are 4 years into a 6 year share up over time agreement with Fonterra, and have a further 41,188 shares to meet the current share standard of 290,000 kilograms of milksolids.
- For our sharemilking position, the land owner is represented by Geoff Spark, who is also our local Fonterra Co-operative Councillor. We supply 295,000 kilograms of milksolids through this arrangement.
- I provide contract management and people and culture services to VetEnt, who interact with Fonterra in their capacity as a nationwide veterinary services provider.
- I am a shareholder in LIC, Farmlands, Ravensdown, Ballance and Silver Fern Farms Ltd.

To the best of my knowledge and belief the disclosures set out above are full and complete.





## Conall BUCHANAN

### PAEROA

Mobile: 027 688 9984

Email: c.r.buchanan@xtra.co.nz

Conall Buchanan would bring specific, relevant experience to the Directors' Remuneration Committee and deep understanding of both our industry, and governance, to the role.

Conall chaired the Directors' Remuneration Committee of Manuka S.A. for 11 years. His career has been associated with the dairy industry; achieving farm ownership through sharemilking. He also spent time developing a large multi-farm enterprise in Chile and then engaged in corporate advisory work back in New Zealand.

Conall and his wife now run their own 1100 cow operation on the Hauraki Plains. He currently Chairs the Waikato Farmers Trust, Audit and Risk Committee of the Hauraki District Council and Paeroa College Board of Trustees.

Past relevant roles include; Founding member of the Fonterra Co-operative Council (2001 – 2005), National Chair Sharemilker Section, and a number of community/industry positions. He is currently a National Judge of Responsible Dairying for the NZ Dairy Industry Awards.

Qualifications;

- Institute of Directors, Certificate of Company Direction
- Kellogg's Rural Leadership Programme
- GSE (Group Study Exchange) to UK
- Massey University, Bachelor of Agriculture

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a director and shareholder of C&ER Buchanan Ltd which is a supplying shareholder of Fonterra and holds 200,459 shares and 29,154 vouchers.
- I am a director and shareholder of C&ER Buchanan Ltd which has a 50/50 sharemilking agreement with a supplying shareholder of Fonterra.
- I am a National judge of the Responsible Dairying section of the New Zealand Dairy Industry Awards, of which Fonterra is a significant sponsor.

To the best of my knowledge and belief the disclosures set out above are full and complete.



## Harry RICH

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### HUNTLY

Mobile: 0274 459 994

Email: [office@richmcc.co.nz](mailto:office@richmcc.co.nz)

Harry Rich, is a professional Agri business Manager and Dairy Farm owner. With previous experience as the General Manager of a large South Waikato Corporate Dairy Farming business, equity owner of a 2200 cow dairy farm in the North Waikato, and a former board member of a Vet club. As well as running his own dairy farm, he provides Farm advisory and management services in the Waikato.

Standing for the Directors' Remuneration Committee is an opportunity to give back to our co-operative. Applying my values of honesty and integrity and utilising the skills I process of critical thinking, analysis and working positively in a team.

As well as holding agricultural qualifications gained in the UK, Harry graduated from the Dairy NZ Enhancing Governance Course and is also a member of New Zealand Institute of Primary Industry Management.

### Candidate Interest Statement

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Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am an associated person (as defined in the Financial Markets Conduct Act 2013) as a shareholder and director of Rich & McCallum Ltd which is a supplying shareholder of Fonterra and holds 60,125 Fonterra shares.

To the best of my knowledge and belief the disclosures set out above are full and complete.



If undelivered please return to:

The Returning Officer

Fonterra Elections 2021

PO Box 3138

Christchurch 8140

Free phone 0800 666 034

## Election of TWO (2) Committee members

YOU CAN VOTE IN ONE OF THE FOLLOWING WAYS:

**1**

### ONLINE VOTING

Electronically via Farm Source website at:  
**[www.nzfarmsource.co.nz](http://www.nzfarmsource.co.nz)**

- Login using your Farm Source login and password.
- Follow the voting links from the homepage.
- Enter your Personal Identification Number (PIN) and password – see below.

**IMPORTANT:** By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

PIN

PASSWORD

**OR**

**2**

### POSTAL VOTING

Post the completed "Voting Paper" to *electionz.com* in the freepost reply envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please post no later than Wednesday, 1 December 2021.

***Please only use one of these voting methods***

For enquiries phone the ELECTION HELPLINE: 0800 666 034

### First Past the Post Voting

This is a First Past the Post vote to elect two (2) members of the Directors' Remuneration Committee.

The two candidates with the highest number of votes will be elected.

### Postal Voting Instructions

- You may select a maximum of **TWO (2)** candidates. If you select more than two candidates, all your votes will be invalid.
- You can select fewer than two candidates.
- Vote by placing a tick "✓" in the circle next to the name of each candidate you wish to vote in favour of.



**VOTE HERE**



**Stephen SILCOCK**



**Richard STALKER**



**Conall BUCHANAN**



**Harry RICH**

**VOTING CLOSSES AT:  
1.00PM ON TUESDAY, 7 DECEMBER 2021**





Dairy for life

# Fonterra Elections 2021

## Co-operative Council

Candidate Profiles  
Ward 10 - Northern Bay of Plenty





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## NOTE ON CANDIDATE STATEMENTS

Each Candidate Profile Statement contains a maximum of 400 words (excluding the Candidate Interest Statement) provided by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited note that 'shareholdings' in Fonterra or other companies disclosed by candidates may include shares held by third parties in which candidates have a relevant interest as defined by the Financial Markets Conduct Act 2013.

Any emphasis (including capitalisation, italics, bolding, underscoring and bullet points) has been added by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited accept no responsibility for the content, or accuracy of the content, contained in Statements supplied by candidates.

Warwick Lampp, Returning Officer – 2021 Fonterra Elections  
Freephone 0800 666 034  
[iro@electionz.com](mailto:iro@electionz.com)

# Key information – 2021 election

## Ward 10 - Northern Bay of Plenty

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There are two candidates – David Beuth and Don Hammond.  
Votes may be cast via post or online and must be received by 1.00pm on Tuesday, 7 December.

### Voting entitlement

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Voting for Co-operative Councillors is on the basis of two votes per shareholder. Both votes may be used by the shareholder, or one may be given to a sharemilker. Votes are not weighted by milksolids production.

### Voting system

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The Co-operative Council elections are held on a Ward basis using Single Transferable Voting.

## Lost or damaged Voting Papers

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Replacement Voting Papers are available to shareholders who did not receive their Voting Paper or spoil or damage it. These are available from the Returning Officer until the close of voting at 1.00pm on Tuesday, 7 December 2021.

Replacement Voting Papers will be posted directly to shareholders. They cannot be collected by candidates or their assistants for distribution to shareholders.

Completed voting papers must be received by the Returning Officer by 1.00pm on Tuesday, 7 December 2021.

# Key qualities and capabilities of a Councillor

The key capabilities required to successfully fulfil a Councillor's representation role are set out to below. A Co-operative Councillor is also expected to be willing to continually develop their capabilities around business understanding, communication and interpersonal skills, and teamwork.

- Honesty and integrity
- Courage to question/challenge the status quo
- In-depth farming knowledge
- An understanding of Fonterra's business
- Awareness of the regulatory frameworks in which the Co-operative operates
- An understanding of and empathy with the Co-operative
- An understanding of the key drivers of wealth - milk price and profit
- Business acumen - financial literacy and ability to think strategically
- Communication skills (including presentation/public speaking capability)
- Interpersonal skills (approachable nature, empathy with fellow farmers)
- Time available to undertake a Councillor's responsibilities
- A commitment to on-going training including building broad-based Co-operative and governance knowledge to enhance their effectiveness in the role.

Councillors are expected to commit an average of one day per week to their role.

# The role of Council

There are 25 Co-operative Councillors representing Fonterra members in 25 Wards throughout New Zealand.

Council's functions are set out in Fonterra's Constitution. These functions, and the activities undertaken to perform them, can be summarised under three main themes:

## Connection

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- The primary role of Council is to connect members to their Co-operative
- Engagement activities within each Ward aim to build a comprehensive understanding of members' interests, needs, views and expectations and to provide members with regular feedback on Council's representation of these to the Board
- Councillors receive calls and emails from members and hold Ward meetings, and may be asked to represent Council at field days and other events
- Councillors are expected to report in a timely manner on the feedback and themes they hear
- Council arranges educational programmes for members, such as the Understanding Your Co-operative Programme (which Councillors host) and the Governance Development Programme.

## Accountability

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- Council seeks to ensure Co-operative members are fully informed about their Co-operative's performance
- Councillors meet with the Board at least four times each financial year to seek explanation on how well recent performance is meeting members' expectations, whether Fonterra is 'on-track' for meeting its strategic objectives, and what new and/or emerging challenges Fonterra is facing and addressing
- Council seeks to hold the Board to account by seeking from the Board explanation of and responsibility for Fonterra's strategy and performance
- Councillors refer to publicly available information and Council commissions external advisors to provide independent analysis
- Council regularly submits questions to the Board
- Council regularly and transparently reports back to members on its engagements with the Board, including the Board's explanations.

## Guardianship

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- Council acts as the guardian of the Co-operative Philosophy, including the Co-operative Principles, Purpose Statement and Values
- Council is also the primary channel for consultation when Fonterra is considering policy or operational changes that may affect members
- Council advocates publicly on members' collective behalf on matters relating directly to members' interests in the Co-operative
- Council also:
  - manages the Director election process in consultation with the Board
  - appoints the Milk Commissioner
  - consults with the Board in relation to the operation of the Fonterra Shareholders' Market and the Fonterra Shareholders' Fund
  - consults with the Board in relation to any changes to the Milk Price Manual and Principles
  - has four Councillor observers attend meetings of the Board's Co-operative Relations Committee.

Council has the power to:

- consider and, in consultation with the Board, propose to shareholders changes to the Constitution
- recommend the commissioning of a special report on specific projects or activities
- call a special meeting of shareholders, in certain circumstances.

In carrying out its representation role, Council represents the interests of all members of the Co-operative, who include shareholders, sharemilkers, farmers supplying MyMilk, and those farmers who supply milk to the Co-operative in New Zealand on a non-share backed basis.

Each Councillor is assigned to one of three committees - Connection, Accountability or Guardianship. However all Councillors are expected to participate fully in all Council activities.

# Council Wards

- 1 Northern Northland
- 2 Central Northland
- 3 Southern Northland

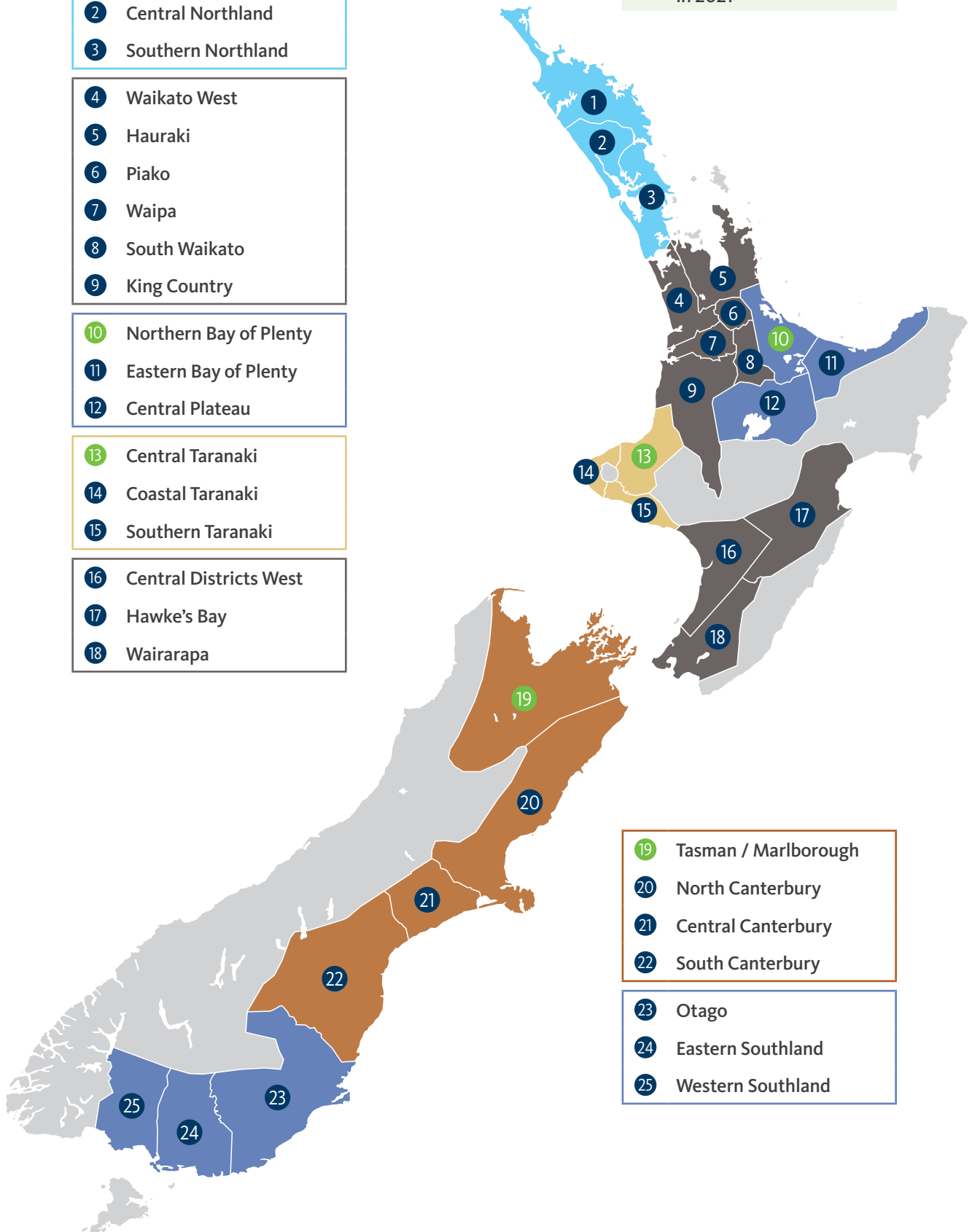
- 4 Waikato West
- 5 Hauraki
- 6 Piako
- 7 Waipa
- 8 South Waikato
- 9 King Country

- 10 Northern Bay of Plenty
- 11 Eastern Bay of Plenty
- 12 Central Plateau

- 13 Central Taranaki
- 14 Coastal Taranaki
- 15 Southern Taranaki

- 16 Central Districts West
- 17 Hawke's Bay
- 18 Wairarapa

Wards going to election in 2021



- 19 Tasman / Marlborough
- 20 North Canterbury
- 21 Central Canterbury
- 22 South Canterbury

- 23 Otago
- 24 Eastern Southland
- 25 Western Southland



## David BEUTH

---

### ROTORUA

Mobile: 027 332 5005

Email: [beuth@xtra.co.nz](mailto:beuth@xtra.co.nz)

Kia Ora

My name is David Beuth and I'd appreciate your support for a position of Fonterra Co-operative Council in Ward 10.

My wife Clare and I have been on our Mamaku Dairy farm for the last 18 years, building it up to a self-contained 200 hectare farm with a 40 hectare runoff. We milk 500 cows on a once-a-day system. Our one full time employee has been with us for 7 years.

I have just left the Livestock Improvement shareholder council after 9+ years. During my time there I was also the Deputy Chairman for 3 years. This role has given me a good understanding around Governance and Management of co-operatives and being able to challenge the status-quo when meeting with the Board of Directors.

I was a Fonterra Networker until this group was wound up and I now feel it is time to put my name forward for the Fonterra Co-operative Council. I have previously attended the Understanding Your Co-operative programme and are generally involved with most Fonterra meetings. I have a good understanding of the challenges that everyday farmers face and with a farm in the Rotorua Lakes catchment I also have an eye to the future for dairy farming.

Thank you for your support.

### Candidate Interest Statement

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Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a supplying shareholder of Fonterra DA & CM Beuth sn:78532 and hold 142,483 Fonterra shares.

To the best of my knowledge and belief the disclosures set out above are full and complete.





## Don HAMMOND

### ROTORUA

Mobile: 027 488 5940

Email: don@hrml.co.nz

I have proudly represented the Northern BOP Ward for the past 5 years and seen considerable change in both Fonterra and the Council. Despite some poor years, our industry is again showing its strength and ability to meet challenges.

Council's role is to ensure the Board remains focused on strategy and remains informed of issues directly impacting farmers. Additionally, Council takes the views of farmer owners of Fonterra to Government and other forums as required.

On Council, I have been involved in developing our submissions on Dairy Industry Restructuring Act 2001 (DIRA), been a member of the Governance Development Programme Committee, been involved in Understanding Your Co-operative Programmes, am on the Governance Development Committee, a Trustee of Fonterra Farmer Custodian Trust and Director of Fonterra Farmer Custodian Limited, a member of the Connection Committee and a Council attendee of the Co-operative Relations Committee with the Board.

Currently, Council is heavily involved in working with the Board to ensure Owners views of the proposed Capital Structure changes are heard and understood. This critical piece of work is to ensure we have the right structure to take the Co-op into the future.

Our Co-operative is essential to each of us as dairy farmers and the NZ Dairy industry. A strong united Co-op is our only opportunity to meet the global and internal challenges we face. Our costs are rising (and we do not control these) so we must get better returns for our milk if we are to remain profitable.

Looking ahead key issues facing Fonterra and Council are our ability to adjust to the rapidly changing environment we operate in. This includes environmental, climate, market and political changes both here in NZ and overseas. Meeting these challenges and succeeding is essential. My background across government, business, forestry and farming provides me a unique perspective on how many of these moving parts interconnect and where opportunities for us as farmers lie. Fonterra cannot be all things to all people so we must choose where we can win and bring value back to our owners – the Fonterra shareholders here in NZ. That is my focus for the coming Council term.

My focus on Council has been those areas that are future focused, the Co-operative Relations Committee, Understanding Your Co-operative Programme and Governance Development Programme Committee so we have a strong Co-op, owned by farmers who understand and value being in the Co-op and led by capable people.

I humbly ask for your support in working towards this goal.

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a supplying shareholder of Fonterra in my name jointly with associated persons (as defined by the Financial Markets Conduct Act 2013) and hold 316,382 Fonterra shares.
- I hold 5,046 units in the Fonterra Shareholders' Fund.
- My family trust (D & A Trust) holds 19,200 units in the Fonterra Shareholders' Fund.

To the best of my knowledge and belief the disclosures set out above are full and complete.



If undelivered please return to:

The Returning Officer

Fonterra Elections 2021

PO Box 3138

Christchurch 8140

Free phone 0800 666 034

FONTERRA ELECTIONS 2021

# Co-operative Council Election

## VOTING PAPER 1



For the Co-operative Council Election you have received two Voting Papers for each farm that you own in Ward 10.

Votes for the Co-operative Council Elections are on a per farm basis, not on milksolids production.

- You are automatically entitled to two votes. You may use your two votes in the following ways:**
1. If you want BOTH YOUR votes to be the same just complete and return VOTING PAPER 1.
  2. If you want your two votes to be different, or give the second vote to your sharemilker, tick the blue box below.
- ☐ I want my two votes to be different and have completed both Voting Papers / I have given Voting Paper 2 to my sharemilker to complete.

### WARD 10 - NORTHERN BAY OF PLENTY

Election of ONE (1) Councillor

YOU CAN VOTE IN ONE OF THE FOLLOWING WAYS:

1

#### ONLINE VOTING

Electronically via Farm Source website at:  
**www.nzfarmsource.co.nz**

- Login using your Farm Source login and password.
- Follow the voting links from the homepage.
- Enter your Personal Identification Number (PIN) and password – see below.

IMPORTANT: By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

PIN	PASSWORD
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OR

2

#### POSTAL VOTING

Post the completed “Voting Paper” to *electionz.com* in the freepost reply envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please post no later than Wednesday, 1 December 2021.

**Please only use one of these voting methods**

For enquiries phone the ELECTION HELPLINE: 0800 666 034

VOTING CLOSES AT:  
**1.00PM ON TUESDAY, 7 DECEMBER 2021**

FONTERRA ELECTIONS 2021

# Co-operative Council Election

## VOTING PAPER 2



### WARD 10 - NORTHERN BAY OF PLENTY

Election of ONE (1) Councillor

YOU CAN VOTE IN ONE OF THE FOLLOWING WAYS:

1

#### ONLINE VOTING

Electronically via Farm Source website at:  
**www.nzfarmsource.co.nz**

- Login using your Farm Source login and password.
- Follow the voting links from the homepage.
- Enter your Personal Identification Number (PIN) and password – see below.

IMPORTANT: By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

PIN	PASSWORD
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OR

2

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**Please only use one of these voting methods**

For enquiries phone the ELECTION HELPLINE: 0800 666 034

VOTING CLOSES AT:  
**1.00PM ON TUESDAY, 7 DECEMBER 2021**

- #### Postal Voting Instructions
- (Please read carefully)*
- Please rank the candidates you wish to vote for in your order of preference by clearly writing a “1” beside the name of the candidate you most prefer and a “2” beside the name of your second most preferred candidate.
  - You can rank as many or as few candidates as you wish, **though your vote is most effective if you rank all candidates.**
  - You can only write one number “1” and one number “2” and you must not give the same ranking to more than one candidate.
  - **Do not** vote with a cross “X” or a tick, “✓”.
  - If you make a mistake, cross it out and write the correct number next to it.

**NUMBER HERE** Ensure each number is written neatly inside the voting box next to each candidate.

David BEUTH

Don HAMMOND

- #### Postal Voting Instructions
- (Please read carefully)*
- Please rank the candidates you wish to vote for in your order of preference by clearly writing a “1” beside the name of the candidate you most prefer and a “2” beside the name of your second most preferred candidate.
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**NUMBER HERE** Ensure each number is written neatly inside the voting box next to each candidate.

David BEUTH

Don HAMMOND





Dairy for life

# Fonterra Elections 2021

## Co-operative Council

Candidate Profiles  
Ward 13 - Central Taranaki





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LEANNE BLAKELOCK	4
ADAM PEARCE	5

## NOTE ON CANDIDATE STATEMENTS

Each Candidate Profile Statement contains a maximum of 400 words (excluding the Candidate Interest Statement) provided by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited note that 'shareholdings' in Fonterra or other companies disclosed by candidates may include shares held by third parties in which candidates have a relevant interest as defined by the Financial Markets Conduct Act 2013.

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The Returning Officer and Fonterra Co-operative Group Limited accept no responsibility for the content, or accuracy of the content, contained in Statements supplied by candidates.

Warwick Lampp, Returning Officer – 2021 Fonterra Elections  
Freephone 0800 666 034  
[iro@electionz.com](mailto:iro@electionz.com)



# Key information – 2021 election

## Ward 13 - Central Taranaki

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There are three candidates – Karyn Johnson, LeAnne Blakelock and Adam Pearce.

Votes may be cast via post or online and must be received by 1.00pm on Tuesday, 7 December.

### Voting entitlement

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Voting for Co-operative Councillors is on the basis of two votes per shareholder. Both votes may be used by the shareholder, or one may be given to a sharemilker. Votes are not weighted by milksolids production.

### Voting system

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The Co-operative Council elections are held on a Ward basis using Single Transferable Voting.

## Lost or damaged Voting Papers

---

Replacement Voting Papers are available to shareholders who did not receive their Voting Paper or spoil or damage it. These are available from the Returning Officer until the close of voting at 1.00pm on Tuesday, 7 December 2021.

Replacement Voting Papers will be posted directly to shareholders. They cannot be collected by candidates or their assistants for distribution to shareholders.

Completed voting papers must be received by the Returning Officer by 1.00pm on Tuesday, 7 December 2021.

# Key qualities and capabilities of a Councillor

The key capabilities required to successfully fulfil a Councillor's representation role are set out to below. A Co-operative Councillor is also expected to be willing to continually develop their capabilities around business understanding, communication and interpersonal skills, and teamwork.

- Honesty and integrity
- Courage to question/challenge the status quo
- In-depth farming knowledge
- An understanding of Fonterra's business
- Awareness of the regulatory frameworks in which the Co-operative operates
- An understanding of and empathy with the Co-operative
- An understanding of the key drivers of wealth - milk price and profit
- Business acumen - financial literacy and ability to think strategically
- Communication skills (including presentation/public speaking capability)
- Interpersonal skills (approachable nature, empathy with fellow farmers)
- Time available to undertake a Councillor's responsibilities
- A commitment to on-going training including building broad-based Co-operative and governance knowledge to enhance their effectiveness in the role.

Councillors are expected to commit an average of one day per week to their role.

# The role of Council

There are 25 Co-operative Councillors representing Fonterra members in 25 Wards throughout New Zealand.

Council's functions are set out in Fonterra's Constitution. These functions, and the activities undertaken to perform them, can be summarised under three main themes:

## Connection

- The primary role of Council is to connect members to their Co-operative
- Engagement activities within each Ward aim to build a comprehensive understanding of members' interests, needs, views and expectations and to provide members with regular feedback on Council's representation of these to the Board
- Councillors receive calls and emails from members and hold Ward meetings, and may be asked to represent Council at field days and other events
- Councillors are expected to report in a timely manner on the feedback and themes they hear
- Council arranges educational programmes for members, such as the Understanding Your Co-operative Programme (which Councillors host) and the Governance Development Programme.

## Accountability

- Council seeks to ensure Co-operative members are fully informed about their Co-operative's performance
- Councillors meet with the Board at least four times each financial year to seek explanation on how well recent performance is meeting members' expectations, whether Fonterra is 'on-track' for meeting its strategic objectives, and what new and/or emerging challenges Fonterra is facing and addressing
- Council seeks to hold the Board to account by seeking from the Board explanation of and responsibility for Fonterra's strategy and performance
- Councillors refer to publicly available information and Council commissions external advisors to provide independent analysis
- Council regularly submits questions to the Board
- Council regularly and transparently reports back to members on its engagements with the Board, including the Board's explanations.

## Guardianship

- Council acts as the guardian of the Co-operative Philosophy, including the Co-operative Principles, Purpose Statement and Values
- Council is also the primary channel for consultation when Fonterra is considering policy or operational changes that may affect members
- Council advocates publicly on members' collective behalf on matters relating directly to members' interests in the Co-operative
- Council also:
  - manages the Director election process in consultation with the Board
  - appoints the Milk Commissioner
  - consults with the Board in relation to the operation of the Fonterra Shareholders' Market and the Fonterra Shareholders' Fund
  - consults with the Board in relation to any changes to the Milk Price Manual and Principles
  - has four Councillor observers attend meetings of the Board's Co-operative Relations Committee.

Council has the power to:

- consider and, in consultation with the Board, propose to shareholders changes to the Constitution
- recommend the commissioning of a special report on specific projects or activities
- call a special meeting of shareholders, in certain circumstances.

In carrying out its representation role, Council represents the interests of all members of the Co-operative, who include shareholders, sharemilkers, farmers supplying MyMilk, and those farmers who supply milk to the Co-operative in New Zealand on a non-share backed basis.

Each Councillor is assigned to one of three committees - Connection, Accountability or Guardianship. However all Councillors are expected to participate fully in all Council activities.



## Karyn JOHNSON

### STRATFORD

Mobile: 027 325 9518 or 06 762 2793

Email: dakmfarms@xtra.co.nz

Hello, I am asking for your support and vote in the upcoming Fonterra Co-operative Council elections for Central Taranaki. My husband Daryl and I are dairy farming in the Pukengahu district east of Stratford, milking 450 cows, and have three grown children Patrick, Abbey and Sam. We have been actively involved in the dairy industry for many years being involved in the Fonterra Westpac Dairy Excellence Awards, Ballance Farm Environmental Awards, previously as Fonterra networkers and are currently involved in DairyNZ's Flexible Milking project entering our third season of fulltime 3:2 milking.

Off farm until recently I have been a registered nurse working part-time as an ED Clinical Nurse Specialist in our small local rural hospital and we are also actively involved in the Taranaki Rural Support Trust and local community.

I am passionate about the dairy industry and have great pride in Fonterra's Co-operative story. Integral to Fonterra's success is a strong Co-operative Council that actively promotes farmers engagement and advocates the farmer's voice. I firmly believe that engaged farmers are integral to Fonterra long-term success not just in producing quality milk but by having a voice that helps shape and lead discussions around the vision and provision of a high quality, sustainably and ethically produced food source for the world.

I believe as a Councillor I possess the necessary financial literacy and business acumen to provide strong critical analysis in reviewing both the strategy and financial performance of the company, ensuring a strong and focused business that maximizes the return to its farmers both for current and future generations. In an increasing and ever-changing regulatory environment our industry is facing some significant challenges in our immediate future. The collective strength of the industry comes from sharing a common vision as together we are much more than the sum of our individual parts, therefore it is critical for Council to listen, engage and reflect the views of its farmers to the Co-operative in a constructive dialogue ensuring we continue to achieve our shared goals.

Please do not hesitate to contact me with any questions in the lead up to the election on 027 325 9518 or 06 7622793.

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a supplying shareholder of Fonterra as a trustee of Dakm Farms Trusts Partnership and hold 169,193 Fonterra shares. To the best of my knowledge and belief the disclosures set out above are full and complete.



## LeAnne BLAKELOCK

### INGLEWOOD

Mobile: 021 755 897

Email: [leanne@2icltd.co.nz](mailto:leanne@2icltd.co.nz)

Since graduating from Victoria University with a Bachelor of Commerce and Administration (majoring in Accounting,) I went on to become a chartered accountant. Throughout my career I have specialised in rural accounting in a variety of settings as well as gaining vast experience in senior positions in public practice, not-for-profit, local government and corporate sectors.

Together with my partner Ian, we share-milk 400 cows in Inglewood as part of an equity partnership with my parents. I split my time between my accounting office in the town of Inglewood, life on farm and volunteering for a few local charities, particularly at board level.

I have stepped back from day-to-day farming yet still enjoy the practical side which enables me to work with my rural clients to find solutions and planning for their own farms.

I completed the AgriWomen's Development Trust "It's all about you Course" in 2019 which set me on the path to wanting to do more to represent the rural sector. I am in the process of completing the Fonterra Governance Development Programme this year and have enjoyed the challenge and the learning from this executive course as well as having the opportunity to be inspired by a fantastic array of people from all over the country. The course has provided the foundations of understanding the mechanics of the Co-operative in comparison to the corporate business sector I have previously operated in and given me a broad understanding of the drivers and considerations at hand. It has reminded me of my love of learning and I am now at a good place in my life to be able to move forward with this.

Personality wise, I enjoy meeting people and connecting with them. I would like to stand for council to continue the hard work put in following the Co-operative Council Review in reframing the role. I wish to further create connections for members and a point of contact with a relatable and listening ear in a way that demystifies some of the jargon that may seem foreign to life on farm. I want to ensure accountability and guardianship of the co-operative philosophy "Good Together."

I am extremely passionate about the dairy industry and excited about the opportunities ahead in producing some of the worlds finest and most trusted dairy products. I believe this is something all Fonterra suppliers can take great pride in.

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a supplying shareholder of Fonterra, as I am a director and shareholder of Summitt Holdings Limited which holds 147,901 Co-operative shares and 537 units in the Fonterra Shareholders' Fund.
- I am a trustee and beneficiary of the Leian Trust which is a shareholder of Summitt Holdings Limited.
- I am a beneficiary of Blakelock Family Trust which is a shareholder of Summitt Holdings Limited.
- Summitt Holdings Limited has a trading account with Farm Source.
- I am a director and shareholder of Summitt Agriculture Limited (a sharemilking company) which has a trading account with Farm Source.
- I am a beneficiary of LeAnne Blakelock Trust which is a shareholder of Summitt Agriculture Limited.

To the best of my knowledge and belief the disclosures set out above are full and complete.



## Adam PEARCE

### LEPPERTON

Mobile: 027 474 5315

Email: [ajtjpearce@gmail.com](mailto:ajtjpearce@gmail.com)

My wife (Taryn) and I along with our 3 children own a small dairy farm in Lepperton, North Taranaki on which we currently milk 200 Autumn Calving cows as well as lease a couple of small neighbouring properties bringing our total milking platform up to 65 hectares.

We are relatively new farm owners, only purchasing our farm 5 years ago. Our farm ownership journey started with 4 years managing/contract milking in Inglewood, followed by 6 years 50/50 on the family farm.

Whilst we are fairly new farm owners/shareholders I believe we currently have a great Co-operative that needs to be carefully guarded to ensure it remains strong for current and future generations.

Along with keeping the Board in check with the Co-op's principles, I believe it is the Co-operative Councillor's role to keep us farmers connected to the Co-op and ensure that our opinions are heard. It is through our retiring councillor where I gained my passion for the role after he encouraged us to attend the "Fonterra Understanding Your Co-operative" course in 2019.

Coming from a family that has been farming in Taranaki for just under 70 years, I consider it a privilege that I can ask for your vote for Co-operative Council to represent Ward 13 as a committed fellow Fonterra farmer that will bring strong representation and advocacy for our ward.

I look forward to meeting more of you and hearing your views of the Co-op.

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a supplying shareholder of Fonterra as a director and shareholder of Welvarrt Farming Company Limited and hold 107,114 Fonterra shares.

To the best of my knowledge and belief the disclosures set out above are full and complete.



# Council Wards

- ① Northern Northland
- ② Central Northland
- ③ Southern Northland

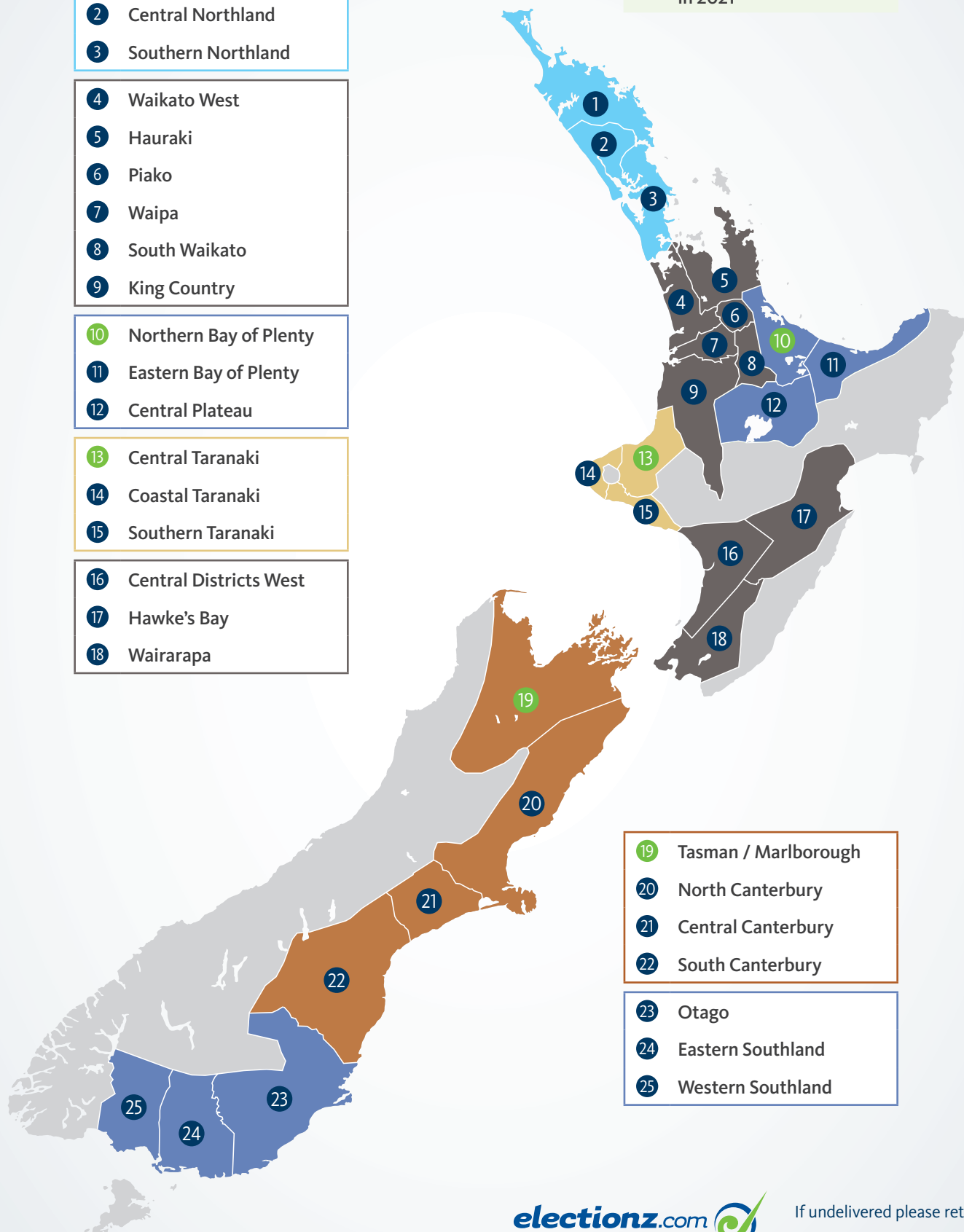
- ④ Waikato West
- ⑤ Hauraki
- ⑥ Piako
- ⑦ Waipa
- ⑧ South Waikato
- ⑨ King Country

- ⑩ Northern Bay of Plenty
- ⑪ Eastern Bay of Plenty
- ⑫ Central Plateau

- ⑬ Central Taranaki
- ⑭ Coastal Taranaki
- ⑮ Southern Taranaki

- ⑯ Central Districts West
- ⑰ Hawke's Bay
- ⑱ Wairarapa

● Wards going to election in 2021



- ⑲ Tasman / Marlborough
- ⑳ North Canterbury
- ㉑ Central Canterbury
- ㉒ South Canterbury

- ㉓ Otago
- ㉔ Eastern Southland
- ㉕ Western Southland

FONTERRA ELECTIONS 2021

# Co-operative Council Election

## VOTING PAPER 1



For the Co-operative Council Election you have received two Voting Papers for each farm that you own in Ward 13.

Votes for the Co-operative Council Elections are on a per farm basis, not on milksolids production.

- You are automatically entitled to two votes. You may use your two votes in the following ways:**
1. If you want BOTH YOUR votes to be the same just complete and return VOTING PAPER 1.
  2. If you want your two votes to be different, or give the second vote to your sharemilker, tick the blue box below.
- ☐ I want my two votes to be different and have completed both Voting Papers / I have given Voting Paper 2 to my sharemilker to complete.

### WARD 13 - CENTRAL TARANAKI

Election of ONE (1) Councillor

YOU CAN VOTE IN ONE OF THE FOLLOWING WAYS:

1

#### ONLINE VOTING

Electronically via Farm Source website at:  
**www.nzfarmsource.co.nz**

- Login using your Farm Source login and password.
- Follow the voting links from the homepage.
- Enter your Personal Identification Number (PIN) and password – see below.

IMPORTANT: By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

#### Postal Voting Instructions

*(Please read carefully)*

- Please rank the candidates you wish to vote for in your order of preference by clearly writing a “1” beside the name of the candidate you most prefer, a “2” beside the name of your second most preferred candidate and a “3” beside the name of your third most preferred candidate.
- You can rank as many or as few candidates as you wish, **though your vote is most effective if you rank all candidates.**
- You can only write one number “1”, one number “2” and one number “3” and you must not give the same ranking to more than one candidate.
- **Do not** vote with a cross “X” or a tick, “✓”.
- If you make a mistake, cross it out and write the correct number next to it.

NUMBER HERE	Ensure each number is written neatly inside the voting box next to each candidate.
<input type="text"/>	Karyn JOHNSON
<input type="text"/>	LeAnne BLAKELOCK
<input type="text"/>	Adam PEARCE

OR

2

#### POSTAL VOTING

Post the completed “Voting Paper” to *electionz.com* in the freepost reply envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please post no later than Wednesday, 1 December 2021.

**Please only use one of these voting methods**

For enquiries phone the ELECTION HELPLINE: 0800 666 034

VOTING CLOSSES AT:  
**1.00PM ON TUESDAY, 7 DECEMBER 2021**

FONTERRA ELECTIONS 2021

# Co-operative Council Election

## VOTING PAPER 2



### WARD 13 - CENTRAL TARANAKI

Election of ONE (1) Councillor

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1

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- Enter your Personal Identification Number (PIN) and password – see below.

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OR

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NUMBER HERE	Ensure each number is written neatly inside the voting box next to each candidate.
<input type="text"/>	Karyn JOHNSON
<input type="text"/>	LeAnne BLAKELOCK
<input type="text"/>	Adam PEARCE





Dairy for life

# Fonterra Elections 2021

## Co-operative Council

Candidate Profiles  
Ward 19 - Tasman / Marlborough





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## NOTE ON CANDIDATE STATEMENTS

Each Candidate Profile Statement contains a maximum of 400 words (excluding the Candidate Interest Statement) provided by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited note that 'shareholdings' in Fonterra or other companies disclosed by candidates may include shares held by third parties in which candidates have a relevant interest as defined by the Financial Markets Conduct Act 2013.

Any emphasis (including capitalisation, italics, bolding, underscoring and bullet points) has been added by the candidate.

The Returning Officer and Fonterra Co-operative Group Limited accept no responsibility for the content, or accuracy of the content, contained in Statements supplied by candidates.

Warwick Lampp, Returning Officer – 2021 Fonterra Elections  
Freephone 0800 666 034  
[iro@electionz.com](mailto:iro@electionz.com)

# Key information – 2021 election

## Ward 19 - Tasman / Marlborough

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There are three candidates – Deborah Rhodes, Simon Tripe and Jeremy Savage.

Votes may be cast via post or online and must be received by 1.00pm on Tuesday, 7 December.

## Voting entitlement

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Voting for Co-operative Councillors is on the basis of two votes per shareholder. Both votes may be used by the shareholder, or one may be given to a sharemilker. Votes are not weighted by milksolids production.

## Voting system

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The Co-operative Council elections are held on a Ward basis using Single Transferable Voting.

## Lost or damaged Voting Papers

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Replacement Voting Papers are available to shareholders who did not receive their Voting Paper or spoil or damage it. These are available from the Returning Officer until the close of voting at 1.00pm on Tuesday, 7 December 2021.

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# Key qualities and capabilities of a Councillor

The key capabilities required to successfully fulfil a Councillor's representation role are set out to below. A Co-operative Councillor is also expected to be willing to continually develop their capabilities around business understanding, communication and interpersonal skills, and teamwork.

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- Courage to question/challenge the status quo
- In-depth farming knowledge
- An understanding of Fonterra's business
- Awareness of the regulatory frameworks in which the Co-operative operates
- An understanding of and empathy with the Co-operative
- An understanding of the key drivers of wealth - milk price and profit
- Business acumen - financial literacy and ability to think strategically
- Communication skills (including presentation/public speaking capability)
- Interpersonal skills (approachable nature, empathy with fellow farmers)
- Time available to undertake a Councillor's responsibilities
- A commitment to on-going training including building broad-based Co-operative and governance knowledge to enhance their effectiveness in the role.

Councillors are expected to commit an average of one day per week to their role.



# The role of Council

There are 25 Co-operative Councillors representing Fonterra members in 25 Wards throughout New Zealand.

Council's functions are set out in Fonterra's Constitution. These functions, and the activities undertaken to perform them, can be summarised under three main themes:

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- Council seeks to ensure Co-operative members are fully informed about their Co-operative's performance
- Councillors meet with the Board at least four times each financial year to seek explanation on how well recent performance is meeting members' expectations, whether Fonterra is 'on-track' for meeting its strategic objectives, and what new and/or emerging challenges Fonterra is facing and addressing
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- Council acts as the guardian of the Co-operative Philosophy, including the Co-operative Principles, Purpose Statement and Values
- Council is also the primary channel for consultation when Fonterra is considering policy or operational changes that may affect members
- Council advocates publicly on members' collective behalf on matters relating directly to members' interests in the Co-operative
- Council also:
  - manages the Director election process in consultation with the Board
  - appoints the Milk Commissioner
  - consults with the Board in relation to the operation of the Fonterra Shareholders' Market and the Fonterra Shareholders' Fund
  - consults with the Board in relation to any changes to the Milk Price Manual and Principles
  - has four Councillor observers attend meetings of the Board's Co-operative Relations Committee.

Council has the power to:

- consider and, in consultation with the Board, propose to shareholders changes to the Constitution
- recommend the commissioning of a special report on specific projects or activities
- call a special meeting of shareholders, in certain circumstances.

In carrying out its representation role, Council represents the interests of all members of the Co-operative, who include shareholders, sharemilkers, farmers supplying MyMilk, and those farmers who supply milk to the Co-operative in New Zealand on a non-share backed basis.

Each Councillor is assigned to one of three committees - Connection, Accountability or Guardianship. However all Councillors are expected to participate fully in all Council activities.



## Deborah RHODES

### GOLDEN BAY

Mobile: 027 458 8234

Email: deborahrhodes1968@gmail.com

I am a hands-on dairy farmer based in Collingwood, Golden Bay, with my husband Tim and our three teenagers. We are second career people and came into the industry 2010 as farm workers. I also reared calves and measured pastures for farm owners before coming to Golden Bay.

I grew up in Richmond when it was more rural than today, trained as a Nurse in Nelson and Marlborough and was pleased to return to the region that I love and know well.

We bought a small dairy farm in 2014 and milk 130 cows. The farm's story was recently told in a Stuff article, depicting the life of the original owner and his design for operating. I too, believe in the simplicity of farming that produces from the low hanging fruit of good soil and sunshine, but in today's world that has become harder. We must collaborate well with each other as neighbours and peers, continue to share how we find solutions, and keep adapting.

Cooperating locally, listening actively and being an authentic representative living in our region is what I can offer with experience, like in previous roles:

- School bus transport advocate
- Community Arts Council Chairperson
- School Board Trustee
- Drought Feed organiser

I have demonstrated honest hard work and connection to our diverse local community with integrity and without judgement. The Co-operative Councillor must be able to connect on all these different levels and I believe these values are essential to maintaining a healthy world view. I have:

- the courage to challenge
- the business knowledge to notice gaps that are left unexplained
- a passion for our dairy to be created from the best environment to earn us full value returns
- been on the 2021 Fonterra Governance Programme in a small class of 12
- learned much more depth about accountabilities to keep our cooperative current and future proofed

I am ready and qualified to hear you as shareholders and represent your messages with clarity and precision upwards to the Fonterra Board of Directors.

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a supplying shareholder of Fonterra (as Rhodes Farming Partnership) jointly with Associated Persons (as defined in the Financial Markets Conduct Act 2013) and hold 52,498 shares and 123 units in the Fonterra Shareholders' Fund.

To the best of my knowledge and belief the disclosures set out above are full and complete.



## Simon TRIPE

### BLenheim

Mobile: 021 680 171

Email: [simon.tripe@live.com](mailto:simon.tripe@live.com)

I am 46 years old and married with two children aged 18 and 20. I grew up on our family dairy farm in Koromiko, my wife grew up on a dairy farm in upstate New York and I have experienced farming over there on our travels. Outside of farming I am keen on fishing and boating and have explored a lot of Fiordland with my camera. I am a rural firefighter and have been the Brigade Controller for several years. I was also Chairperson of our school board while my children were at primary school.

My wife and I became shareholders of our family farm in 2001, this was also the year that we were married and our first born arrived. Fonterra was also formed at this time so I have been involved as a shareholder since the beginning. Prior to Fonterra I often attended our smaller Co-op meetings, this led to a lot of discussions leading up to the subsequent mergers.

I am standing for the Co-operative Council because I am and have always been passionate about our Co-op. I am proud of the fact that New Zealand's largest company is owned by everyday New Zealand farming families who all have a passion for what they do. I feel that it is important that our company keeps the connection back to our shareholder base. The Co-operative Council is a great link to the Fonterra Board from us down on the farm. By putting my hand up to be part of the Co-operative Council I feel that I am doing my part in helping with the future of our company.

It is very easy to sit back and accept what the Fonterra Board and management are doing. I probably have been guilty of this in the past. More recently I have spent more time thinking about this. It is important to challenge decisions and make sure they are truly justified. I am able to look at things critically and I feel that I would be an asset to the Fonterra Co-operative Council.

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a shareholder and Director of Waitohi Valley Farms Ltd which holds 139,399 shares in Fonterra.

To the best of my knowledge and belief the disclosures set out above are full and complete.



## Jeremy SAVAGE

### GOLDEN BAY

Mobile: 027 433 1069

Email: jeremy@mrb.co.nz

Together Rachel and I own a 350 cow dairy farm in Hamama, Golden Bay. We currently reside in Ashburton, and will be transitioning to live more in Takaka. I have been a Registered Farm Management Consultant, NZIPIM (Reg), with Macfarlane Rural Business, Ashburton for over 25 years. This role integrates science, finance, people and governance to achieve family business and agribusiness goals. Through this role, I have worked with farming families, equity partnerships, New Zealand's major dairy farming business and international agribusinesses.

#### Relevant Experience:

Executive member, New Zealand Institute of Primary Industry Management, 6 years.

Chair Person, Ashburton College Board of Trustees, 3 years.

Manager, South Island Dairy Demonstration Centre (SIDDC), (incorporates LUDF).

Directorships with equity partnerships and family farming businesses.

#### Qualifications:

Bachelor Agricultural Science (Hons).

Registered Farm Management Consultant, New Zealand Institute of Primary Industry Management (NZIPIM).

Fonterra Governance Development program, 2018 – 2019.

Agri One, Massey University. *Farm Succession and Governance Development Program*.

The Tasman / Marlborough ward represents one of Fonterra's heritage areas for milk production. Family farm ownership, length of tenure in families and the demands this creates for farming families are becoming unique in the Fonterra shareholder base. In these areas we note a high number of farmers ceasing dairy farming. Maintaining relevance and a voice for dairy farming families in these areas is becoming more important.

With experience on both sides of the board table, I have recognised the importance for sound governance in agribusiness. I have spent the last decade developing, studying and honing governance skills with farming business and industry good organisations.

With my role as a consultant, working with top, forward thinking farmers and institutions, I have been instrumental in developing positive change. I have an appreciation of what works on farm. How to integrate good science, farm management principles and the farmers hard work to deliver sustainable, profitable milk in balance with farmers goals. Increasingly, the customer and public are looking inside our farm gate, and having a greater say on how we can farm, and what are appropriate farm practices. It is important that we have a balanced conversation, and the outcomes and expectations are fair, reasonable and workable for the farmer. Fonterra have taken a greater role in this area with the Co-operative Difference which I endorse. However, we need to ensure this is a measured and workable approach. I have the skills, knowledge and experience to contribute in this space.

### Candidate Interest Statement

Listed below are details of all business, investment and other relationships I have with Fonterra Co-operative Group Limited and its subsidiaries (the "Fonterra Group") (including as a supplying shareholder), or with any third party that transacts with the Fonterra Group or carries on business in competition with the Fonterra Group:

- I am a supplying shareholder of Fonterra as Director and shareholder of Maratoa Limited which holds 155,021 shares.
- I am a Director of Spotswood Plains Ltd, which recently became a supplying shareholder to Fonterra, and does not currently hold any shares.
- I am a 0.51% shareholder in Canterbury Grasslands Ltd which supplies milk to Fonterra and Synlait.

To the best of my knowledge and belief the disclosures set out above are full and complete.

# Council Wards

- ① Northern Northland
- ② Central Northland
- ③ Southern Northland

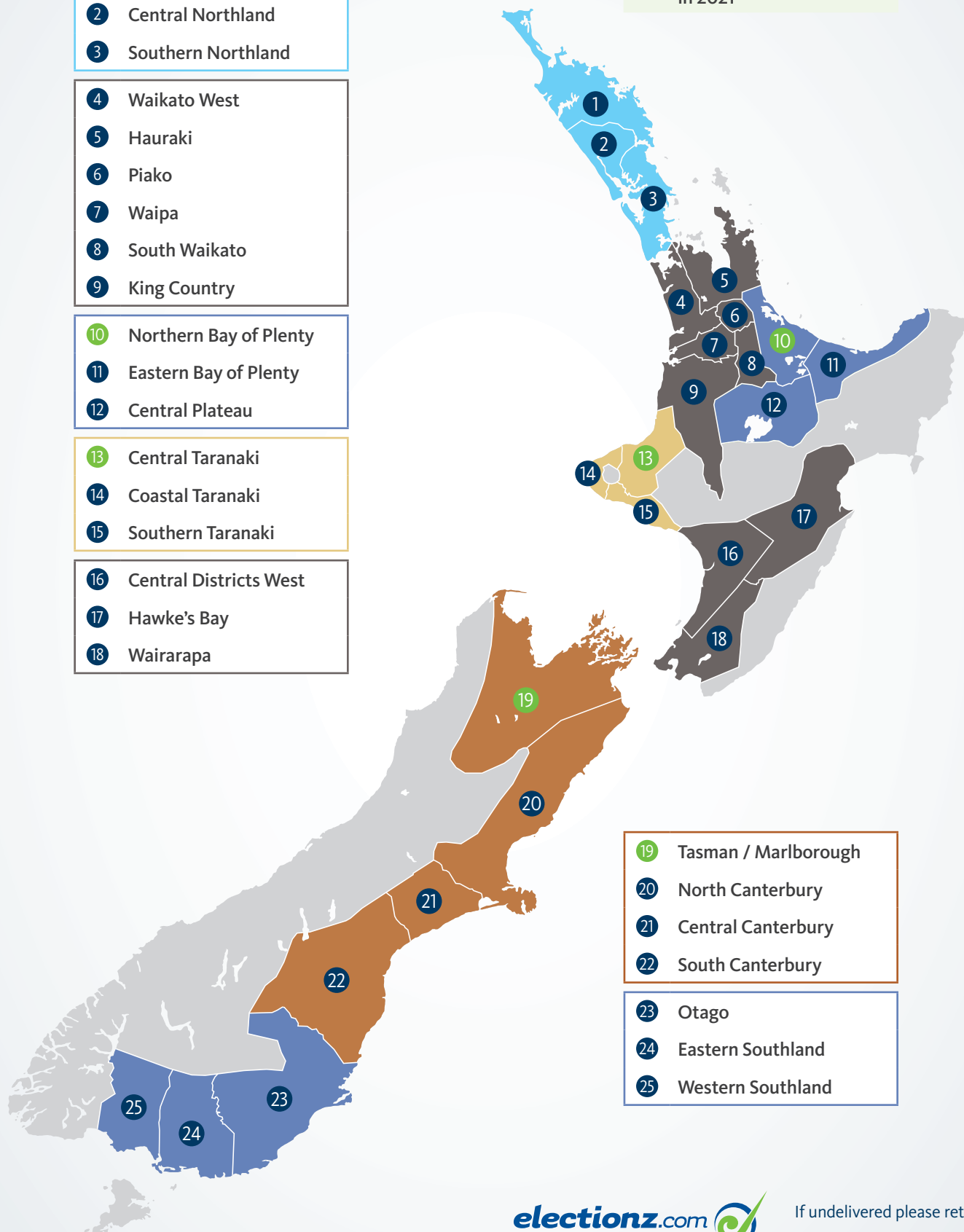
- ④ Waikato West
- ⑤ Hauraki
- ⑥ Piako
- ⑦ Waipa
- ⑧ South Waikato
- ⑨ King Country

- ⑩ Northern Bay of Plenty
- ⑪ Eastern Bay of Plenty
- ⑫ Central Plateau

- ⑬ Central Taranaki
- ⑭ Coastal Taranaki
- ⑮ Southern Taranaki

- ⑯ Central Districts West
- ⑰ Hawke's Bay
- ⑱ Wairarapa

● Wards going to election in 2021



- ⑲ Tasman / Marlborough
- ⑳ North Canterbury
- ㉑ Central Canterbury
- ㉒ South Canterbury

- ㉓ Otago
- ㉔ Eastern Southland
- ㉕ Western Southland



FONTERRA ELECTIONS 2021

# Co-operative Council Election

## VOTING PAPER 1



For the Co-operative Council Election you have received two Voting Papers for each farm that you own in Ward 19.

Votes for the Co-operative Council Elections are on a per farm basis, not on milksolids production.

**You are automatically entitled to two votes. You may use your two votes in the following ways:**

1. If you want BOTH YOUR votes to be the same just complete and return VOTING PAPER 1.
2. If you want your two votes to be different, or give the second vote to your sharemilker, tick the blue box below.

☐ I want my two votes to be different and have completed both Voting Papers / I have given Voting Paper 2 to my sharemilker to complete.

**WARD 19 - TASMAN / MARLBOROUGH**  
Election of ONE (1) Councillor

YOU CAN VOTE IN ONE OF THE FOLLOWING WAYS:

1

### ONLINE VOTING

Electronically via Farm Source website at:  
**www.nzfarmsource.co.nz**

- Login using your Farm Source login and password.
- Follow the voting links from the homepage.
- Enter your Personal Identification Number (PIN) and password – see below.

IMPORTANT: By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

PIN

PASSWORD

OR

2

### POSTAL VOTING

Post the completed “Voting Paper” to *electionz.com* in the freepost reply envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please post no later than Wednesday, 1 December 2021.

*Please only use one of these voting methods*

For enquiries phone the ELECTION HELPLINE: 0800 666 034

VOTING CLOSSES AT:  
**1.00PM ON TUESDAY, 7 DECEMBER 2021**

FONTERRA ELECTIONS 2021

# Co-operative Council Election

## VOTING PAPER 2



For the Co-operative Council Election you have received two Voting Papers for each farm that you own in Ward 19.

Votes for the Co-operative Council Elections are on a per farm basis, not on milksolids production.

**You are automatically entitled to two votes. You may use your two votes in the following ways:**

1. If you want BOTH YOUR votes to be the same just complete and return VOTING PAPER 1.
2. If you want your two votes to be different, or give the second vote to your sharemilker, tick the blue box below.

☐ I want my two votes to be different and have completed both Voting Papers / I have given Voting Paper 2 to my sharemilker to complete.

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For enquiries phone the ELECTION HELPLINE: 0800 666 034

VOTING CLOSSES AT:  
**1.00PM ON TUESDAY, 7 DECEMBER 2021**

NUMBER HERE

Ensure each number is written neatly inside the voting box next to each candidate.

Deborah RHODES

Simon TRIPE

Jeremy SAVAGE

NUMBER HERE

Ensure each number is written neatly inside the voting box next to each candidate.

Deborah RHODES

Simon TRIPE

Jeremy SAVAGE