



Notice of Annual Meeting 2018

The a2 Milk Company Limited



NOTICE is hereby given that the Annual Meeting of shareholders of The a2 Milk Company Limited (the “Company”) for the year ended 30 June 2018 will be held on **Tuesday, 20 November 2018 at 11:00am Melbourne time at Arts Centre Melbourne, 100 St Kilda Rd, Melbourne, VIC, 3004, Australia.**

Shareholders will be able to:

- attend the meeting in person; or
- attend and participate at the meeting virtually via an online platform provided by the Company’s share registrar, Link Market Services Limited, at virtualmeeting.co.nz/a2MC18; or
- attend and participate in the meeting through a proxy.

Further details on how to do so are set out in this Notice of Meeting and the Virtual Annual Meeting Online Portal Guide filed on the market announcement platforms of the NZX and ASX and available on the Company’s website (<https://thea2milkcompany.com/newsroom/market-announcements/>).

To view the latest financial statements for the year ended 30 June 2018, please visit <http://thea2milkcompany.com/investor-centre/results/> and select the 2018 Annual Report within the Results section of the website.

The Explanatory Notes, which accompany this Notice of Meeting, provide more information on the resolutions which will be put before shareholders.

Getting there

By tram

Trams that stop in front of Arts Centre Melbourne, “Arts Precinct” stop number 14: 1, 3, 3a, 5, 6, 16, 64, 67 and 72.

By train

Get off at Flinders Street Station in the Melbourne CBD and walk for a few minutes along St Kilda Road, over Princess Bridge and the Yarra River.

By car

Open 24 hours a day, the Arts Centre Melbourne car park entrance is accessible from Sturt Street.

Parking fees apply.

Business

The business of the meeting is comprised of ordinary business, being:

1. Financial Statements and Reports

To receive and consider the Company's financial statements for the year ended 30 June 2018, together with the Directors' and Auditor's reports.

2. Auditor's Fees and Expenses (Resolution 1)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"That the Directors of the Company be authorised to fix the fees and expenses of the Company's auditor, Ernst & Young, for the ensuing year."

3. Election of Director – Jayne Hrdlicka (Resolution 2)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"That Jayne Hrdlicka, who was appointed a Director of the Company by the Board during the year, and who will retire at the meeting in accordance with the Company's constitution, be elected as a Director of the Company."

4. Re-election of Director – Peter Hinton (Resolution 3)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"That Peter Hinton, who will retire at the meeting by rotation in accordance with the Company's constitution, be re-elected as a Director of the Company."

5. Re-election of Director – Warwick Every-Burns (Resolution 4)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That Warwick Every-Burns, who will retire at the meeting by rotation in accordance with the Company’s constitution, be re-elected as a Director of the Company.”

6. Increase in Non-Executive Director Remuneration (Resolution 5)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That the maximum total annual remuneration pool able to be paid to non-executive Directors in their capacity as Directors of the Company and its subsidiaries be increased by NZ\$415,000 from NZ\$950,000 to a maximum of NZ\$1,365,000, to be paid and allocated amongst current and any potential new Directors (other than the Managing Director) over time as the Board considers appropriate and, for this purpose, “non-executive Director” includes the Chair in his capacity as a Director of the Company and its subsidiaries, as further described in the Explanatory Notes to this Notice of Meeting.”

Note: A voting exclusion applies to this resolution. See Item 6 of the Explanatory Notes to this Notice of Meeting.

7. General Business

To consider any other matters that may properly be brought before the meeting.

Other information

Shareholders eligible to vote

Only shareholders who hold ordinary shares in the Company as at 7:00pm Melbourne time (9:00pm New Zealand time) on Friday, 16 November 2018 will be eligible to vote at the meeting.

Virtual Annual Meeting

Shareholders (and appointed proxies) will be able to attend the meeting in person, or, alternatively, will be able to attend and participate at the meeting virtually via an online platform provided by the Company's share registrar, Link Market Services virtualmeeting.co.nz/a2MC18. Shareholders attending and participating in the meeting virtually via the online platform will be able to watch the meeting live, and vote and ask questions online, during the meeting.

The Company's New Zealand domiciled shareholders and any other shareholders not able to attend the meeting in person will be able to attend and participate in the meeting virtually. The Company would encourage shareholders unable to attend the meeting in person to make use of this technology.

More information regarding virtual attendance at the meeting (including how to vote and ask questions virtually during the meeting) is available below and in the Virtual Annual Meeting Online Portal Guide filed on the market announcement platforms of the NZX and ASX and also available on the Company's website (<https://thea2milkcompany.com/newsroom/market-announcements/>).

The Company strongly recommends that shareholders who wish to participate in the meeting virtually log in to the online portal at least 15 minutes prior to the scheduled start time for the meeting.

Attending and participating in the meeting

Attending the Virtual Annual Meeting

The Virtual Annual Meeting will be viewable from desktops and laptops.

Shareholders wishing to attend and participate in the Virtual Annual Meeting should, in advance of the meeting, ensure they have access to a compatible web browser. Details of the browsers that the platform supports are available in the Virtual Annual Meeting Online Portal Guide. Shareholders can check the current version of their web browser by going to www.whatismybrowser.com.

To attend (and vote) at the Virtual Annual Meeting, shareholders will need to have their shareholder number before proceeding. Appointed proxies will need their proxy number, which will be provided by Link Market Services prior to the meeting.

Shareholders can register on Tuesday, 20 November 2018 from 10:00am Melbourne time (12:00pm New Zealand time). This is 1 hour prior to the meeting.

To access the online platform, shareholders will need to take the following steps:

1. Open web browser virtualmeeting.co.nz/a2MC18.
2. Log in to the portal using their full name, email address, and company name (if applicable).
3. Read and accept the terms and conditions before clicking on the blue 'Register and Watch Annual Meeting' button.
4. Once logged in, a live video webcast of the meeting will appear on the left-hand side of the screen, with the meeting presentation slides appearing on the right-hand side of the screen. Keep the browser open for the duration of the meeting.
5. If the browser is closed, the session will expire. If the shareholder (or appointed proxy) attempts to log in again, they will be sent a recovery link via email for security purposes.

Other information (continued)

Asking Questions

Shareholders physically present at the meeting or attending virtually via the online platform will have the opportunity to submit questions to the Board, the Company's senior management, and the Company's auditors during the meeting.

Shareholders attending virtually via the online platform may ask questions after they have registered to vote by clicking on the 'Ask a Question' box. Shareholders will need to select the category to which the question relates (either General Business or a specific resolution), type the question in the 'Question' section, and click on the blue 'Submit Question' button. This will send the question to the Management/Board.

Shareholders wanting to ask a question prior to the meeting, to be addressed at the meeting, should email meetings@linkmarketservices.co.nz, or complete the question section on the accompanying proxy form, or submit the question online by going to vote.linkmarketservices.com/ATM, in each case by 11:00am Melbourne time (1:00pm New Zealand time) on Sunday, 18 November 2018.

The Board will endeavour to address all appropriate questions at the meeting.

Voting

To vote via the online platform during the meeting, shareholders (or appointed proxies) will need to first register to vote by clicking on the 'Get a Voting Card' box at the bottom of the webpage or below the video and entering their details in the top section of the Voting Card box. Once registered, the shareholder's voting card will appear with all of the resolutions to be voted on by the shareholders at the meeting (as set out in this Notice of Meeting). Shareholders may need to use the scroll bar on the right-hand side of the voting card to scroll up or down to view all resolutions.

Shareholders and proxies can either submit a full vote or a partial vote on each resolution by moving between the 'Full Vote' and 'Partial Vote' tabs at the top of the voting card. To submit a full vote, a shareholder may click on the 'For', 'Against' or 'Abstain' voting buttons under the 'Full Vote' tab.

To submit a partial vote, a shareholder may enter the number of votes they would like to vote for any or all resolutions under the 'Partial Vote' tab. The total number of the votes that a shareholder is entitled to vote will be displayed under each resolution. When the shareholder enters the number of votes in a certain box, it will automatically calculate the total number of votes left.

Once finished entering the votes on the resolutions, shareholders will need to scroll down and click on the 'Cast Vote' or 'Cast Partial Vote' button. Shareholders may edit their voting cards by clicking the 'Edit Card' button at any time before the voting is closed, which will be 5 minutes after the close of the meeting. At the close of the meeting, any placed but not submitted votes will be automatically submitted. The un-voted portion of the shareholders' votes (if any) will be submitted as 'No Instruction' and therefore will not be counted.

The Virtual Annual Meeting Online Portal Guide provides a separate detailed overview on how to vote and ask questions virtually during the meeting. The Virtual Annual Meeting Online Portal Guide will be filed on the market announcement platforms of the NZX and ASX and will also be able to be viewed on the Company's website (<https://thea2milkcompany.com/newsroom/market-announcements/>).

Shareholders attending the meeting in person should bring the enclosed proxy form with them to assist with shareholder registration.

Shareholders attending the meeting can also download the LinkVote App from the Apple App Store or Google Play if they would like to vote during the meeting using their mobile phone. The LinkVote App will be available for download prior to the meeting.

Shareholders can also vote prior to the meeting either by post or online, as described below under "Postal Voting" and "Online Voting".

Proxies

A shareholder entitled to attend and vote but who cannot attend the meeting (whether in person or via the online platform) is encouraged to appoint a proxy to attend and vote on that shareholder's behalf. The proxy need not be a shareholder of the Company.

To appoint a proxy, a shareholder should complete and sign the proxy form enclosed with this notice and return it to the office of the Company's share registrar, Link Market Services, by no later than 11:00am Melbourne time (1:00pm New Zealand time) on Sunday, 18 November 2018. Any proxy form received after that time will not be valid for the meeting.

Other information (continued)

Shareholders can alternatively complete the proxy form online by following the instructions on the enclosed proxy form. To securely appoint a proxy online, NZX registered holders will need their CSN/Holder number and FIN, and ASX registered holders will need their Holder number and postcode or country of residence, in order to complete the online validation process. Please contact Link Market Services if you need to obtain these details. The contact details for Link Market Services can be found on the enclosed proxy form.

Please refer to the instructions on the enclosed proxy form as to the ways in which the proxy form can be sent to Link Market Services, including instructions on how to appoint your proxy and vote online.

The Chair of the meeting may be appointed as a proxy and intends to vote any undirected/discretionary proxy in favour of each resolution (other than resolution 5).

Corporate representative and attorney appointments

A corporation which is a shareholder, or an attorney of a shareholder, may appoint a representative to attend and vote at the meeting on its behalf. Any shareholder may appoint an attorney to attend and vote at the meeting on its behalf. Notice of any such appointment should be sent to the Company's share registrar, Link Market Services, as soon as possible.

Postal voting

A shareholder is entitled to exercise his/her vote at the meeting by casting a postal vote. A postal voting form is incorporated in the proxy form.

To cast a postal vote, a shareholder should complete and sign the postal voting form enclosed with this Notice of Meeting and return it to the office of the Company's share registrar, Link Market Services, by no later than 11:00am Melbourne time (1:00pm New Zealand time) on Sunday, 18 November 2018. Any postal voting form received after that time will not be valid for the meeting. The share registrar has been authorised by the Board to receive and count postal votes at the meeting.

Please refer to the instructions on the enclosed postal voting form as to the ways in which the postal voting form can be sent to Link Market Services, including instructions on how to appoint your proxy and vote online.

Online voting

Shareholders may elect to lodge their proxy appointment or postal vote online. You will need to go to the website of our share registrar, Link Market Services: vote.linkmarketservices.com/ATM

Requisite majorities

The resolutions are ordinary resolutions requiring the approval of a simple majority of the votes of those shareholders entitled to vote and voting (in person, at the virtual meeting, by postal vote or by proxy) in order for them to be passed.

By order of the Board.

A handwritten signature in black ink, appearing to read 'Daniel', written over a horizontal line.

Chair

24 October, 2018

Explanatory notes

Item 2 – Auditor’s Fees and Expenses (Resolution 1)

Ernst & Young, the current auditor of the Company, will be automatically reappointed under the Companies Act 1993. Resolution 1 authorises the Directors to fix the fees and expenses of Ernst & Young as the Company’s auditor.

Item 3 – Election of Director – Jayne Hrdlicka (Resolution 2)

Jayne Hrdlicka was appointed as a Director by the Board, under clause 17.3(a) of the Company’s constitution, with effect from 16 July 2018.

Jayne will retire from office at the Annual Meeting and offer herself for election as required by the Company’s constitution and NZX Main Board Listing Rule 3.3.6. The other members of the Board unanimously support Jayne’s election.



Jayne Hrdlicka

Managing Director & Chief Executive Officer (CEO)

Jayne commenced her role as Managing Director and CEO of The a2 Milk Company on 16 July 2018.

Jayne has extensive international business experience in strategy formation and execution, insight into customer-centricity and innovation and importantly an understanding of operating in a disruptive environment.

Prior to joining the Company, Jayne held the position of CEO of the Jetstar Group (a wholly owned subsidiary of Qantas Limited), for more than 5 years, having previously led the business transformation of Qantas Airlines from 2010 to 2012. Jayne also served as a Non-Executive Director of Woolworths Limited from 2010 to 2016. In her earlier career, Jayne was a partner at Bain & Company in the US, where she was focused on consumer orientated businesses.

Jayne is also the current non-executive President of Tennis Australia and resides in Australia.

Jayne holds an MBA and a Bachelor of Arts in Mathematics and Economics.

Item 4 – Re-election of Director – Peter Hinton (Resolution 3)

Under the Company's constitution, Peter Hinton will be required to retire by rotation at the Annual Meeting. Peter will offer himself for re-election as a Director at the Annual Meeting, and the other members of the Board unanimously support Peter's re-election.



Peter Hinton

Independent, Non-executive Director

Peter has been a Director of the Company since 16 February 2016. He is also Chair of the Nomination Committee and a member of the Remuneration Committee.

Peter was a partner at law firm Simpson Grierson in New Zealand until December 2016 and is a highly regarded commercial lawyer, investor and businessman with substantial experience in this market and international markets.

Peter provided legal advice to the Company over many years and this background, together with his very strong commercial skills, is highly relevant and complementary to the make-up of the Board. This is particularly so given the increasing complexity of the business and the breadth of activities in international markets.

Peter holds a LLM from Harvard, a Bachelor of Commerce and a Bachelor of Laws with Honours. Peter resides in New Zealand.

Explanatory notes (continued)

Item 5 – Re-election of Director – Warwick Every-Burns (Resolution 4)

Under the Company's constitution, Warwick Every-Burns will be required to retire by rotation at the Annual Meeting. Warwick will offer himself for re-election as a Director at the Annual Meeting, and the other members of the Board unanimously support Warwick's re-election.



Warwick Every-Burns Independent, Non-executive Director

Warwick has been a Director of the Company since 23 August 2016. He is also Chair of the Remuneration Committee and a member of the Audit and Risk Management Committee.

Warwick has been a career Consumer Packaged Goods (CPG) executive of global scale. His executive roles have included a successful career with The Clorox Company of the USA as Senior Vice President, International, based in the USA and prior to that as VP Asia Pacific. His earlier roles included Managing Director of NationalPak Limited (the Glad Products Company ultimately acquired by Clorox) and a long career with Unilever PLC where he was based in Australia. More recently Warwick has been a non-executive director of one of the leading international wine companies, the ASX-listed Treasury Wine Estates.

Warwick brings a combination of international CPG executive and non-executive director experience in markets of particular relevance to the Company in China, North America and Europe. His strong skills and interest in business development in new and emerging markets, brand management and human resource management are of significant value to the Company.

Warwick resides in Australia.

Item 6 – Increase in Non-Executive Director Remuneration (Resolution 5)

In accordance with the NZX Main Board Listing Rules, the ASX Listing Rules and the Company's constitution, the maximum total annual remuneration that may be paid to Directors in their capacity as Directors of the Company and its subsidiaries taken together (the "Available Fee Pool") must be approved by shareholders by ordinary resolution.

The current Available Fee Pool of NZ\$950,000 was approved by shareholders on 22 November 2016. Resolution 5 (being item 6) proposes to increase this Available Fee Pool by NZ\$415,000 to NZ\$1,365,000. If resolution 5 is passed, the proposed new remuneration structure to apply with effect from 1 January 2019 is set out in the table on page 18.

This new fee structure is proposed as a direct result of the significant increase in Director workloads, risks and responsibilities having regard to the significant growth in the size, value and complexity of the Company's business in recent years. Since the time that the current fee pool was approved the Company's market capitalisation has increased by more than 350%. The Company's full year revenue and full year basic EPS since the 2016 financial year have also increased, by 162% and 514% respectively. In the last year, the Company has entered into a number of new markets, introduced new products, and enhanced its strategic partnerships, as further reported on in the Company's annual results for the 2018 financial year.

Explanatory notes (continued)

The proposed increase to the Available Fee Pool will provide headroom to:

- provide flexibility to gradually increase Director remuneration over time as appropriate, and as the Company continues to perform well and deliver against its strategy;
- fairly remunerate Directors, including from time to time where there are significant additional non-routine workloads for some or all Directors resulting in increased time commitment and responsibilities beyond those Directors' usual time commitment and scope of responsibilities (for example, for one-off projects or transactions);¹
- ensure that the Company can retain and continue to attract high calibre individuals with the requisite qualities and experience to provide strong governance and leadership for the Company, as it navigates the risks associated with expanding into new and more complex territories, in a competitive international environment for quality, experienced directors;
- allow for a potential increase in the total number of Non-Executive Directors in the future (should the Board determine a greater number of Directors is the optimal Board size for the Company).²

The proposed increase in the Available Fee Pool has also been set having regard to independent external advice from a leading adviser in the field of board and executive compensation, which undertook benchmarking in respect of director fees paid by comparable NZX and ASX listed businesses.

Resolution 5 expresses the Directors' remuneration as a maximum aggregate annual amount which may be divided amongst the Chair and the Non-Executive Directors, in proportions to be determined by the Board.

- ¹ While ASX Listing Rule 10.17 provides that the shareholder approved total amount of directors' fees that may be paid to non-executive directors does not include genuine "special exertion" fees paid in accordance with an entity's constitution, the NZX Main Board Listing Rules do not include an equivalent carve-out. The proposed Available Fee Pool therefore includes an allowance for such genuine special exertion fees.
- ² While the NZX Listing Rules provide that, *"in the event of an increase in the total number of Directors of the Issuer holding office, the Directors may, without the authorisation of an Ordinary Resolution of the Issuer, increase the total remuneration by such amount as is necessary to enable the Issuer to pay to the additional Director or Directors of the Issuer remuneration not exceeding the average amount then being paid to each of the other non-Executive Directors (other than the chairperson) of the Issuer"*, the ASX Listing Rules do not include an equivalent rule.

The reference to Directors' remuneration is inclusive of "directors' fees" under rule 10.17 of the ASX Listing Rules, namely, all fees payable by the Company and its subsidiaries to the Non-Executive Directors of the Company for acting as directors of the Company and any of its subsidiaries (including attending and participating in any board and committee meetings), and includes superannuation contributions for the benefit of those directors and any fees which a Non-Executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses paid in accordance with the Company's constitution – the Company's constitution permits the Board to authorise the payment of special remuneration to any Non-Executive Director who is or has been engaged by the Company to carry out any services which in the opinion of the Board is not work in the capacity as a director.

For governance purposes, the Company includes the Director-related remuneration payable to the current Chair within the Available Fee Pool, even though Mr Hearn is regarded as an Executive Director on account of his limited executive role in relation to the Group's business in Europe and the UK. Mr Hearn provides services to the Company in Europe and the UK through Lovat Partners Limited, an entity controlled by him. However, Mr Hearn is not an employee of the Company and does not otherwise receive any remuneration from the Company.

The Company's Managing Director and Chief Executive Officer, Jayne Hrdlicka, does not receive Directors' fees but is remunerated as an employee.

The table on page 18 sets out the current Director remuneration structure and the proposed Director remuneration structure effective from 1 January 2019 if resolution 5 is approved (assuming the Board size remains the same):

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	Current remuneration FY19	Proposed new remuneration (effective 1 January 2019)	Amount of increase	Percentage increase
Base fees				
Chair	\$120,000	\$165,000	\$45,000	37.5%
Deputy Chair	\$165,000	\$210,000	\$45,000	27.3%
Non-Executive Director	\$120,000	\$165,000	\$45,000	37.5%
Audit & Risk Management Committee				
Chair	\$33,000	\$35,000	\$2,000	6%
Member*	\$16,500	\$16,500	\$0	0%
Remuneration Committee				
Chair	\$33,000	\$35,000	\$2,000	6%
Member*	\$16,500	\$16,500	\$0	0%
Nomination Committee				
Chair	\$22,000	\$22,000	\$0	0%
Member*	\$11,000	\$11,000	\$0	0%
Total current remuneration FY19 (6 Directors)	\$847,500**			
Total remuneration proposed to be paid (6 Directors)	\$1,076,500***			
Current remuneration pool	\$950,000			
Proposed remuneration pool and increase	\$1,365,000****	\$415,000	43.7%	

All amounts are stated in NZD.

* There are two members on each committee, in addition to the chair of that committee. The Chair is a member of the Nomination Committee but does not receive a committee member fee in addition to his base Director fee.

** The total amount of current director remuneration for FY19 includes the Board-approved payment of \$37,500 to Jesse Wu for additional non-routine Board duties performed during the year.

*** The total amount of director remuneration proposed to be paid from 1 January 2019 (if resolution 5 is approved) includes the additional payment of \$37,500 to Jesse Wu referred to above, but does not include any other additional fees that could be paid to Non-Executive Directors for additional duties or responsibilities performed or assumed during the year.

**** Not all of the total available remuneration pool is proposed to be used in a year, reflecting the allowance for director remuneration headroom noted earlier. It should be noted however that the new cap would not cover a higher/normalised fee for any new Chair, were there to be one, who would not necessarily receive share options, as have been granted to the current Chair (which is reflected in lower cash director remuneration for the current Chair).

In accordance with the ASX Listing Rules, the Company confirms that no securities have been issued to a Non-Executive Director under rule 10.11 or 10.14 with the approval of the holders of the Company's ordinary shares at any time within the preceding 3 years.

In accordance with the NZX Main Board Listing Rules and the ASX Listing Rules, the Company will disregard any votes cast in favour of resolution 5 by or on behalf of:

- any Director of the Company; and
- any of their associated persons (as defined in the NZX Main Board Listing Rules) or associates (as defined in the ASX Listing Rules),

except where any such vote is cast by that Director (or one of their associated persons or associates) as proxy for a person who is entitled to vote, and that Director (or that associated person or associate) votes in accordance with the express instructions of that person to vote for or against a particular resolution on the proxy form or online proxy instructions. If a Director (or one of their associated persons or associates) is appointed as a discretionary proxy (that is, he or she is not instructed on how to vote) on resolution 5, that Director (or that associated person or associate) will not vote on the resolution as proxy.

Given the interests of the Chair and Non-Executive Directors, the Board does not consider it appropriate to make a recommendation in respect of voting on resolution 5.



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