



Market Announcement

20 SEPTEMBER 2019

INDEPENDENT DIRECTOR SIMON ISRAEL TO RETIRE FROM BOARD

Fonterra Co-operative Group Limited has announced that after more than six years as an Independent Director, Simon Israel has decided he will step down from the Fonterra Board at its Annual Meeting on the completion of his current term of appointment.

Fonterra says Mr Israel's decision is in support of planned succession and the need to phase the refresh of the Co-operative's Independent Directors.

Mr Israel was appointed to the Board in 2013 and is currently a member of Fonterra's Appointments and Remuneration Committee. Based in Singapore, Mr Israel has contributed valuable insights from his 39 years of business experience in Asia, leading businesses and as a Chairman and Company Director. He is currently the Chairman of Singapore Telecommunications and Chairman of Singapore Post.

In a note to the Co-operative's farmer-owners today, Fonterra Chairman John Monaghan said, "Internationally respected Directors of Simon's calibre aren't easy to come by. He has been a real asset on our Board over the past six years and I would like to thank Simon for his significant contribution to the Board and our Co-operative."

Fonterra said succession planning was a priority for its Board and it has open discussions within its Board on development and succession. Those conversations include professional development, diversity, level of connection back to the farm, skills and experience on the Board, and the appropriate length of term for all Independent and Farmer Directors – including the Chairman.

Fonterra said those conversations are well progressed in all aspects.

A replacement for Mr Israel will be brought onto the Board at an appropriate time and farmer-owners would have the opportunity to ratify that appointment at the 2020 Annual Meeting.

Mr Monaghan added that he himself was due to retire by rotation at the 2020 Annual Meeting.

"Having seen through the introduction of our new strategy, operating model, and with our divestment and debt reduction efforts well progressed, I will be working with the Board in 2020 to facilitate Chair succession. The timeline for that succession will be agreed by the Board nearer to the time."

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