



Dairy for life

Fonterra Annual Meeting 2022

Notice of Annual Meeting
of Shareholders and Explanatory Notes

10.30am on Thursday, 10 November 2022
Rotorua Energy Events Centre
Queens Drive
Government Gardens
Rotorua 3010

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Fonterra Co-operative Group Limited Annual Meeting for 2022

Fonterra's Annual Meeting will be held at the Rotorua Energy Events Centre, Queens Drive, Government Gardens, Rotorua at **10.30am on Thursday, 10 November 2022.**

COVID-19 Implications

Fonterra intends to hold this Annual Meeting in person at the Rotorua Energy Events Centre, Queens Drive, Government Gardens, Rotorua.

However, due to the uncertainty relating to the COVID-19 pandemic, Fonterra may elect to hold this Annual Meeting as a hybrid meeting (being both in person and online) or online only meeting, depending on the COVID-19 restrictions that are in place for Thursday, 10 November 2022. 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 a hybrid or online only meeting.

This Annual Meeting will follow the Ministry of Health COVID-19 guidelines. This means that everyone attending the meeting will need to comply with the current requirements in relation to COVID-19.

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)
- 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 8, 14 and 23 only)
- A Fonterra Co-operative Council Candidate booklet (for Shareholders in Wards 8, 14 and 23 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 so that the Returning Officer receives your vote no later than **10.30am on Tuesday, 8 November 2022.**
 - 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, 8 November 2022.**
 - 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

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 by appointing a proxy or representative (who can attend the meeting in person to vote on their behalf).

All online and postal votes must be received by the Returning Officer by **10.30am on Tuesday, 8 November 2022**.

Voting Entitlements

A Shareholder's voting entitlement is based on their share-backed milksolids production. Shareholders will receive one vote for every 1,000 kilograms of milksolids supplied to Fonterra during the season ended **31 May 2022** which is backed by shares.

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 that is backed by shares. 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 2023 which is backed by shares. 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 12 October 2022** as the date for determining voting entitlements of Shareholders for this meeting.

Accordingly, those persons who are, at **5.00pm on 12 October 2022**, 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

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, 8 November 2022**.

Questions

Shareholders will be able to ask questions in person during the Annual Meeting.

Votes Required and Quorum

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 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

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

Meeting Attendees

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

Kia ora Farmer Shareholders,

Our 2022 Annual Meeting will be held at the Rotorua Energy Events Centre, Queens Drive, Government Gardens, Rotorua on Thursday 10 November 2022.

At this year's meeting Miles and I will review the Co-operative's performance in FY22, our progress towards our 2030 strategic goals, and discuss the outlook for FY23. 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 Scott St John; and
6. approve the Co-operative Council programme and budget.

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

If you can't attend the Annual Meeting, 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 voting paper in your voting pack.

I look forward to seeing as many of you as possible in Rotorua.

Ngā mihi



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, prior to the start of the meeting.

10.00am - Registration
10.30am - Welcome Welcome / Introduction – Peter McBride, Chairman of the Board
Annual Meeting Proceedings Chairman's Review Chief Executive Officer's Presentation
Approval of Remuneration of Directors, Co-operative Councillors and Directors' Remuneration Committee Members 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
Appointment of Auditor Resolution 4: Appointment of KPMG as auditor and authorisation of the Directors to fix the auditor's remuneration
Ratification of Appointment of Director Resolution 5: Ratification of appointment of Mr Scott St John
Co-operative Council Report Chairman's Review – James Barron Approval of Co-operative Council Programme and Budget Resolution 6: Approval of the Co-operative Council programme and budget
Voting Paper Collection
General Business
12.30pm - Closing (approximately)

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, 10 November 2022** at the Rotorua Energy Events Centre, Queens Drive, Government Gardens, Rotorua.

Peter McBride

Chairman, on behalf of the Board

Notice of Meeting dated 17 October 2022

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 changes to 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 changes to 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:

“That no increase of remuneration of Members of the Directors’ Remuneration Committee be approved, 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 Scott St John

To consider and, if thought fit, to resolve:

“To ratify the appointment by the Board of Mr Scott St John as a Director of the Company, under clause 12.4 of the Constitution.”

Co-operative Council Report

Chairman’s Review

Approval of Co-operative Council Programme and Budget

Resolution 6: Approval of Co-operative Council programme and budget

To receive and consider the Co-operative Council’s report on its activities during the financial year ending 31 July 2022 and its view on the alignment of Company strategy and performance to members’ expectations and aspirations; the Milk Commissioner’s report for the 2021/22 season (which is set out in the Co-operative Council’s 2022 Annual Report); and the Co-operative Council’s programme and budget for the financial year ending 31 July 2023 and, if thought fit, to resolve:

“To approve the Co-operative Council’s programme and budget for the financial year ending 31 July 2023.”

Explanatory Notes to Notice of Annual Meeting

Welcome

The Chairman will welcome Shareholders.

Annual Meeting Proceedings

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

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 August 2022 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 2021 the Committee noted that Director remuneration had not been increased since 2017. Given this, the need to attract and retain high quality governors and the substantial Director workload, the Committee recommended a larger one-off adjustment to fees. The Committee noted that smaller annual incremental increases in remuneration would be its approach going forward, subject to unique events such as those that had been experienced by Fonterra in the preceding years. The Committee recommended that the discretionary fund available for remunerating Directors for additional workload be increased to \$150,000, to allow the People, Culture and Safety Committee of the Board and the Chairman of the Board to remunerate Directors appropriately.

In 2022 the Committee reviewed remuneration practices in New Zealand and Australia. The Committee considered whether current remuneration levels were appropriate to ensure highly skilled directors were attracted and retained on the Board, given the substantial Director workload. The Committee confirmed that small incremental annual increases in fees continued to be its preferred approach. The Committee discussed the appropriate level of an increase in the current inflationary environment.

The Committee noted that the utilisation of the discretionary fund had increased in comparison to prior years. The Committee determined that \$150,000 remained appropriate for the discretionary fund.

The Committee discussed Committee Chair remuneration. The Committee determined that the fee for the Chair of the Audit, Finance and Risk Committee should be increased to reflect the significant broadening of that Committee's responsibilities, which now included oversight of risk.

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 **\$470,000** p.a. (increase of \$15,000 or ~3.3%)
- Director **\$191,000** p.a. (increase of \$6,000 or ~3.25%)
- In addition, at the discretion of the Board:
 - The Chair of each permanent Board Committee may be paid an additional **\$36,000** p.a., unless that person is the Chairman of the Board, the Chair of the Audit, Finance and Risk Committee or already in receipt of a Committee Chair allowance (increase of \$1,000 or ~2.9%).
 - The Chair of the Audit, Finance and Risk Committee may be paid an additional **\$50,000** p.a. (an increase from the standard permanent Board Committee Chair allowance).
- 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 People, Culture and Safety 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 (no change).

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 August 2022 to consider, and recommend to Shareholders, the form and amount of the remuneration to be paid to Co-operative Councillors.

In 2021 the Committee noted that Councillor remuneration had not been increased since 2017. The Committee also noted the 2020 Review of the Co-operative Council, and in particular, the recommendation regarding the remuneration of the Council Chair. As such, the Committee determined that a larger one-off adjustment was appropriate. The Committee noted that smaller annual incremental increases in remuneration would be its approach going forward, subject to unique events such as those that had been experienced by Fonterra in the preceding years.

In 2022 the Committee considered Councillor remuneration, noting that small incremental annual increases in fees continued to be their preferred approach. The Committee considered the Councillor's representative role to be an important one for the Co-operative, and that the level of the honoraria needed to be sufficient to attract and recognise Shareholders of a high calibre serving in that capacity. The Committee discussed the appropriate level of an increase in the current inflationary environment.

The Committee discussed the remuneration of the Council Chair and determined that an increase of \$10,000 would address the 2020 Review of Council recommendation, and the Council Chair role would be subject to smaller incremental annual increases going forward.

The Committee reviewed with the Chair of the Co-operative Council the allocations made from the discretionary pool in the prior year, and was 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 **\$120,000** p.a. (increase of \$10,000 or ~9.09%)
- Councillors **\$38,500** p.a. (increase of \$1,000 or ~2.67%)
- 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; 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 (removal of the \$17,500 limit per person).

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 was last increased in 2021. The Board recommends no change be made in 2022.

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. (no change)
- Member **\$1,500** p.a. (no change)

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 2022.

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 Scott St John

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 Scott St John was appointed by the Board in 2016 and reappointed in 2019, in accordance with clause 12.4 of the Constitution and his appointment is required to be ratified by Shareholders at the 2022 Annual Meeting.

The Fonterra Board has determined that Mr Scott St John qualifies as an independent Director.

Mr St John's 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 Scott St John

Mr St John was appointed to the Fonterra Board in 2016.

Mr St John was the CEO of First NZ Capital (FNZC) for 15 years, stepping down from that role in early 2017. He is the Chair of Fisher and Paykel Healthcare and serves on the Board of ANZ Bank New Zealand, Mercury NZ Limited and NEXT Foundation.

Mr St John served on the Council of the University of Auckland from 2009 to 2021, including as Chancellor from 2017 to 2021. His other previous roles have included Chairman of the Securities Industries Association, and membership of both the Capital Markets Development Taskforce and the Financial Markets Authority Establishment Board.

Approval of Co-operative Council Programme and Budget

Resolution 6: Approval of Co-operative Council programme and budget

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

- report on the activities undertaken by Council during the financial year ending 31 July 2022;
- report Council's view on the alignment of the Company's strategy and performance to members' expectations and aspirations;
- present the Milk Commissioner's report; and
- present Council's programme and budget for the current financial year to Shareholders for approval.

The Co-operative Council seeks Shareholder approval for a budget of \$2.220 million for operating costs for FY23 and \$815,000 for other costs contributed to or met by the Co-operative Council, giving a combined total of \$3.035 million, as summarised on the next page:

	FY22 Budget \$000	FY22 Actual \$000	FY23 Budget \$000
Co-operative Council operating costs:			
Councillor honoraria (refer Resolution 2 for amounts), and Council staff salaries and associated costs	1,800	1,673	1,775
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	235	121	215
Communications – including Annual Report design and print	12	10	11
Councillor Ward meetings – including travel and catering	7	10	17
Councillor training and development – including course/facilitator costs, and new Councillor introduction programme	50	16	35
Insurance and IT costs – including Councillor liability insurance and staff information technology costs	43	37	42
External analyst support: - Financial - Letter of Members' Expectations survey	125	69	125
Capital structure review costs: - Accommodation and travel for Council meetings, travel for farmer meetings - Independent legal and analytical support	25 125	4 103	0 0
Total Co-operative Council operating costs	2,422	2,043	2,220
Other costs contributed to or met by the Co-operative Council:			
<i>Connection</i> Understanding Your Co-operative Programme Governance Development Programme	180 140	81 152	230 165
<i>Guardianship</i> Fonterra Director election: - Returning Officer costs - Director candidate meetings - Independent Selection Panel and secretariat, independent agent and candidate interview expenses - Printing and mailhouse costs Professional Services - Milk Commissioner costs, fees and other costs relating to the Co-operative Council appointees to the Milk Price Panel, legal costs	130 40 135 15 152	125 0 112 24 101	125 40 130 25 100
Total other costs contributed to or met by Council	792	595	815
Combined Total	3,214	2,638	3,035

Budget

In December 2021 Fonterra Shareholders approved a budget of \$3.214 million for FY22 of which \$2.638 million (82%) was utilised.

Material variations between FY22 budgeted and actual expenditure, and FY22 actual expenditure and FY23 budgeted expenditure are explained below:

- **Councillor honoraria and staff costs:** The FY23 budget allows for the appointment of one Additional Councillor, the honoraria increases recommended by the Directors' Remuneration Committee (which are subject to Shareholder approval, refer Resolution 2), and increases in Council staff remuneration as recommended by Fonterra.
- **Co-operative Council meetings:** During FY22 only three of the five planned meetings were able to be held in person, and a number of Councillors had to join those meetings by conference call, due to Covid-19 restrictions. During FY23 Council plans to meet in person for the release of each quarter's results and at the 2022 Annual Meeting.
- **Councillor Ward meetings:** For FY22 this shows budgeted and actual costs of the twice-yearly Councillor led meetings across all Wards. For FY23 this includes the costs of these meetings and all other Councillor Ward engagements (currently these are allocated to Council meeting expenses).
- **Councillor training and development:** The FY22 budget made allowance for all Councillors to undertake externally facilitated training and development at each in person Council meeting. Covid-19 related restrictions impacted Council's meetings and as a result some of the planned sessions could not be delivered. The FY23 budget makes allowance for targeted relevant training and development.
- **Insurance and IT costs:** FY22 insurance cost increases were less than expected. Further cost increases are anticipated in FY23.
- **External analyst support:** In FY22 Council decided it would not conduct members' expectations focus groups as well as the survey, and financial analyst support costs were less than expected. For FY23 allowance has been made for focus groups and the usual level of financial analysis support.
- **Understanding Your Co-operative Programme:** Three events were planned for FY22. Due to Covid-19 restrictions only one Programme could be held in Auckland and one smaller regional event was held in Taupo. The FY23 budget allows for three Auckland-based Programmes and two regional events.
- **Director election:** The Director candidate meetings planned for late 2021 were not held due to Covid-19 challenges at the time and as the only candidates for the three vacancies were the three incumbent directors required to retire by rotation. Candidate meetings are planned for the 2022 Director election.
- **Professional expenses:** During FY22 legal costs, search agent costs relating to the appointment by Council of a new member to the Milk Price Panel and Milk Commissioner related costs were less than budgeted.

Work Programme

Council's work programme for FY23 includes the following key workstreams:

Connection

- Foster members' 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 including in the 2023 Letter of Members' Expectations
- 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

- Consult with the Board on the terms of the Flexible Shareholding Risk Management Policy
- Submit on behalf of members on the Dairy Industry Restructuring (Fonterra Capital Restructuring) Amendment Bill
- With the Board, review and refresh (as necessary) the Co-operative Philosophy including the Co-operative Principles and promote greater member understanding
- Manage the Director election in consultation with the Board, appoint the Returning Officer, and jointly with the Board appoint the Independent Selection Panel that assesses candidates who choose to stand for election as Independently Assessed Candidates
- 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
- 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
- Report to members Council's view on the extent to which members' expectations are being met
- 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 2023 Annual Meeting.

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If undelivered please return to:

The Returning Officer

Fonterra Elections 2022

PO Box 3138

Christchurch 8140

Free phone 0800 666 034

Annual Meeting Proxy Paper Information

10.30am on Thursday, 10 November 2022, Rotorua Energy Events Centre, Queens Drive, Government Gardens, Rotorua.

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, 8 November 2022.
 - 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 Tuesday, 1 November 2022.**

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, 8 November 2022.

PROXY APPOINTMENT CLOSSES AT: 10.30AM ON TUESDAY, 8 NOVEMBER 2022

Combined Annual Meeting Voting / Proxy Paper



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

1 POSTAL VOTING (INCLUDING ELECTRONICALLY) – CLOSSES AT 10.30AM ON TUESDAY, 8 NOVEMBER 2022

Either:

- (a) Post the completed "Annual Meeting 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 Tuesday, 1 November 2022.

Or

- (b) 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

2 AT THE MEETING – FROM 10.30AM ON THURSDAY, 10 NOVEMBER 2022

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.

3 BY PROXY – RECEIVED BY 10.30AM ON TUESDAY, 8 NOVEMBER 2022

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) CLOSSES AT:
10.30AM ON TUESDAY, 8 NOVEMBER 2022**

Annual Meeting Voting Paper

Use this paper to vote by post or by attending the Annual Meeting to vote in person. If voting online by way of electronic postal vote, 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 Mr Scott St John	<input type="radio"/>	<input type="radio"/>
6	Resolution 6: Approval of the Co-operative Council programme and budget	<input type="radio"/>	<input type="radio"/>

Annual Meeting Proxy Paper

10.30am on Thursday, 10 November 2022, at the Rotorua Energy Events Centre, Queens Drive, Government Gardens, Rotorua.

! 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.

A: Shareholder Details	
Name:	Supply Number:
	Party Number:

B: Appointment of Proxy
<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>
Primary Proxy: 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, 10 November 2022 and at any adjournment of that Annual Meeting.
Alternate Proxy: 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. 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:

C: Voting Instructions		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 Mr Scott St John	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6	Resolution 6: Approval of the Co-operative Council programme and budget	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Signature(s) of Shareholder(s) named in Section A (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, 8 November 2022.**

Mail by separating, folding and inserting the proxy paper into the freepost envelope provided.