

Fonterra Annual Meeting 2024



Notice of Hybrid Annual Meeting of Shareholders and Explanatory Notes



For personal use only

10.30am on Thursday, 14 November 2024

The Devon Hotel
390 Devon Street East
New Plymouth
Taranaki

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Fonterra Co-operative Group Limited

2024 Annual Meeting

Fonterra's Annual Meeting will be held as a **hybrid meeting** at **10.30am on Thursday, 14 November 2024**. Shareholders may either attend in person at **The Devon Hotel, 390 Devon Street East, New Plymouth, Taranaki** or **join online** using the instructions set out below.

Annual Meeting documents

Each shareholder has been sent:

- This Notice of Meeting booklet, which includes:
 - a letter from the Chair;
 - the Notice of Meeting (including the text of the matters to be voted on by shareholders) (Part One); and
 - 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 16 and 17 only).
- A Fonterra Co-operative Council Candidate Booklet (for shareholders in Wards 16 and 17 only).
- A combined Annual Meeting Voting/Proxy Paper. Use this Voting/Proxy Paper:
 - To vote **online** or by **post** so that the Returning Officer receives your vote no later than **10.30am on Tuesday, 12 November 2024**.
 - If you are attending the Annual Meeting in person, 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 Voting/Proxy Paper 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, 12 November 2024**.
 - If you are a company or other body corporate, you can appoint a representative to attend and vote on your behalf by completing the Voting/Proxy Paper.

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

Note: Shareholders without voting entitlements have only been sent this Notice of Meeting booklet.

How to join online

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

<https://fonterra.brandlive.com/Fonterra-Co-operative-Group-Annual-Meeting/en>

Shareholders may attend and participate in the meeting virtually via the online platform and will be able to vote and ask questions during the meeting. Shareholders will be required to enter their name and email address.

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-2024

Questions

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 online as early as possible to ensure that as many questions as possible are received and addressed at the appropriate time during the meeting.

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.

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/Proxy Paper.

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 Annual Meeting Voting/Proxy Paper, and count, all online and postal votes.

Shareholders can also vote by attending the meeting in person or online, 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 **10.30am on Tuesday, 12 November 2024**.

Voting entitlements

A shareholder's voting entitlement is based on their share backed milk supply.

'Supplying Shareholders' receive one vote for every 1,000 kilograms of milksolids backed by shares that they supplied to Fonterra during the season ended 31 May 2024. The voting entitlement of 'Secondary Shareholders' is based on share backed milk supply, up to the 'agreed percentage' in relation to Fonterra's share standard for the relevant supplying farm. By way of example:

- if a Supplying Shareholder supplied 100,000 kilograms of milksolids but held only 75,000 shares, they would have only 75 votes, whereas if they held 100,000 shares they would have 100 votes; and
- if the 'agreed percentage' for a Secondary Shareholder is 50% and the supplying farm supplied 100,000 kilograms of milksolids but the Secondary Shareholder held only 45,000 shares, they would have only 45 votes, whereas if they held 50,000 shares they would have 50 votes.

If a Supplying Shareholder did not supply last season but now owns an existing farm that supplied last season, the voting entitlement for that Supplying Shareholder and any Secondary Shareholder 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 2025. Milk supplied on Contract Supply and milk which is not backed by shares is excluded from milksolids production when calculating voting entitlements.

In accordance with the Companies Act 1993, the Board has fixed **5.00pm on Wednesday, 16 October 2024 (the Voting Entitlement Time)** as the date for determining voting entitlements of shareholders for this meeting.

Accordingly, those persons who are, at the Voting Entitlement Time, registered as shareholders will be entitled to vote at the Annual Meeting in respect of their supply, as noted above, backed by shares registered in their name at the Voting Entitlement Time.

A shareholder's voting entitlement (as at the date of printing) is shown on their Annual Meeting Voting/Proxy Paper, which is enclosed with this pack (if applicable). If a shareholder appoints a proxy or representative, the proxy or representative will exercise that shareholder's voting entitlement as described above.

Shareholder questions or requests for corrections relating to voting entitlements should be sent to electionz.com (email: info@electionz.com or phone: +64 3 377-3530).

Proxies or representatives

Instructions to appoint a proxy or representative are outlined in this Notice of Meeting and the 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 Chair 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 Annual Meeting Voting/Proxy Paper in full, or where a shareholder's named proxy does not attend the meeting, the Chair of the meeting will act as that shareholder's proxy and will vote in accordance with that shareholder's express direction.

The Chair 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, 12 November 2024**.

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 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

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 Chair has declared the results.

Chair's Letter

Kia ora tātou

Our 2024 Annual Meeting will be held as a hybrid meeting at 10.30am on Thursday, 14 November 2024. Shareholders may either attend in person at The Devon Hotel, 390 Devon Street East, New Plymouth, Taranaki, or join the meeting online.

At this year's meeting, Miles and I will review the Co-operative's performance in 2024 and discuss the outlook for 2025 and beyond.

We will also spend time discussing the revised strategic direction and associated financial settings, which were shared with our farmer owners in September.

As always, there will be time for you to ask questions about these topics, or any other matter of interest during General Business.

This year, shareholders are being asked to vote on six ordinary business resolutions to:

1. approve changes to the remuneration of Elected Directors;
2. approve changes to the remuneration of Co-operative Councillors;
3. approve changes to the remuneration of the Directors' Remuneration Committee members;
4. approve the appointment of the auditor;
5. ratify the appointment of Mr Alistair Field as an Appointed Director; and
6. approve the Co-operative Council programme and budget.

Each of these ordinary resolutions requires more than 50% of votes cast in favour on it to be passed. There are also two special resolutions which shareholders are being asked to vote on, to:

1. approve amendments to the Constitution relating to Permitted Transferees; and
2. approve amendments to the By-laws of the Co-operative Council.

Each of these special resolutions requires more than 75% of votes cast in favour of it to be passed.

If you can't attend the Annual Meeting in person or online and are eligible to vote, 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 (if applicable).

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

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 Chair. 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 - Peter McBride, Chair of the Board

Annual Meeting Proceedings

Chief Executive Officer's presentation

Chair's review

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

Directors' Remuneration Committee review – Conall Buchanan, Chair of the Directors' Remuneration Committee

Resolution 1: Approval of changes to the remuneration of Elected Directors

Resolution 2: Approval of changes to the remuneration of Co-operative Councillors

Resolution 3: Approval of no change to the remuneration of members of the 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 Alistair Field

Amendments to the Constitution relating to the Permitted Transferees

Resolution 6: Approval of amendments to the Constitution relating to Permitted Transferees

Co-operative Council report

Chair's review – John Stevenson

Amendments to the By-laws of the Co-operative Council

Resolution 7: Approval of amendments to the By-laws of the Co-operative Council

Co-operative Council programme and budget

Resolution 8: Approval of the Co-operative Council programme and budget

Voting paper collection

General business

12.45pm - Closing (approximately)

PART ONE

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 (the **Company**) will be held as a hybrid meeting at **10.30am on Thursday, 14 November 2024**. Shareholders may either attend in person at The Devon Hotel, 390 Devon Street East, New Plymouth, Taranaki or join online using the instructions set out in this Notice of Meeting.

Peter McBride

Chair, on behalf of the Board

Notice of Meeting dated 21 October 2024

Business

Welcome

Annual Meeting proceedings

Chief Executive Officer's presentation

Chair's review

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

Directors' Remuneration Committee review

Resolution 1: Approval of changes to the remuneration of Elected Directors

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

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

Resolution 2: Approval of changes to the remuneration of Co-operative Councillors

To consider changes to 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 changes to the remuneration of members of the Directors' Remuneration Committee

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

"To approve the changes to 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 Alistair Field

To consider and, if thought fit, to resolve:

"To ratify the appointment by the Board of Mr Alistair Field as a Director of the Company, under clause 12.4 of the Constitution."

Amendments to the Constitution relating to Permitted Transferees

Resolution 6: Approval of amendments to the Constitution relating to Permitted Transferees

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

"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."

Co-operative Council report

Chair's review

Amendments to the By-laws of the Co-operative Council

Resolution 7: Approval of amendments to the By-laws of the Co-operative Council

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

"To approve the proposed amendments to the By-laws of the Co-operative Council, as set out the section headed 'Resolution 7' of Part Two of the Notice of Meeting."

Co-operative Council programme and budget

Resolution 8: 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 2024 and its view on the alignment of Company strategy and performance to members' expectations and aspirations; the Milk Commissioner's report for the 2023/24 season (which is set out in the Co-operative Council's 2024 Annual Report); and the Co-operative Council's programme and budget for the financial year ending 31 July 2025 and, if thought fit, to resolve:

"To approve the Co-operative Council's programme and budget for the financial year ending 31 July 2025."

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PART TWO

Explanatory Notes to Notice of Annual Meeting

Welcome

The Chair will welcome shareholders.

Annual Meeting proceedings

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

Resolution 1: Approval of changes to the remuneration of Elected Directors

In accordance with clause 34.1 of the Company's Constitution, the Directors' Remuneration Committee (**DRC**) met in July 2024 to consider, and recommend to shareholders, the form and amount of the Elected Directors' remuneration. The DRC comprises six elected shareholders and is chaired by Mr Conall Buchanan.

The DRC reviewed remuneration practices in New Zealand and Australia. The DRC considered whether current remuneration levels were appropriate to ensure highly skilled Directors were attracted and retained on the Board, noting the substantial Director workload. The DRC confirmed that small incremental annual increases in fees continued to be its preferred approach, rather than having periods of no increase followed by large uplifts. The DRC determined that the appropriate level of an increase to recommend was approximately 3%.

The DRC reviewed the allocations made from the discretionary pool in the prior year, and was comfortable that the pool was utilised in a reasonable manner.

The DRC recommended that the following changes to the remuneration of Elected Directors be approved from the date of this Annual Meeting:

- **Chair:** Increase of \$14,000 (being ~2.89%) to **\$498,000 p.a.**
- **Elected Director:** Increase of \$5,500 (being ~2.80%) to **\$202,000 p.a.**
- In addition, at the discretion of the Board:

- **The Chair of each permanent Board Committee (unless that person is the Chair of the Board, the Chair of the Audit, Finance and Risk Committee or already in receipt of a Committee Chair allowance):** Increase of \$1,500 (being ~4.05%) to **\$38,500 p.a.**

- **The Chair of the Audit, Finance and Risk Committee:** Increase of \$1,500 (being ~2.91%) to **\$53,000 p.a.**

- **Discretionary pool:** Increase of **\$50,000 p.a.** (being ~33.33%) to **\$200,000 p.a.** in aggregate. The discretionary pool is provided 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 Chair of the Board).

The DRC 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 changes to the remuneration of Co-operative Councillors

In accordance with By-law 3.1 of the Co-operative Council By-laws, the DRC met in July 2024 to consider, and recommend to shareholders, the form and amount of the remuneration to be paid to Co-operative Councillors.

The DRC considered Councillor remuneration, noting that small incremental annual increases in fees continued to be its preferred approach, rather than having periods of no increase followed by large uplifts. The DRC determined that the appropriate level of an increase to recommend was approximately 3%.

The DRC reviewed the allocations made from the discretionary pool in the prior year, and was comfortable that the pool was utilised in a reasonable manner.

The DRC recommended that the following changes to the remuneration of Co-operative Councillors be approved from the date of this Annual Meeting:

- **Chair:** Increase of \$4,000 (being ~3.23%) to **\$128,000 p.a.**
- **Councillor:** Increase of \$1,250 (being ~3.14%) to **\$41,000 p.a.**
- **Discretionary pool:** No change from up to **\$100,000 p.a.** in aggregate. The discretionary pool is provided for additional honoraria of Co-operative Councillors (excluding the Chair 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 Chair of the Co-operative Council).

Resolution 3: Approval of changes to the 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 DRC. The DRC comprises six elected shareholders.

The Board noted that the DRC members' honoraria was last increased in 2021.

The Board recommended that the following changes to the remuneration of members of the DRC be approved from the date of this Annual Meeting:

- **Chair:** increase of \$500 to **\$3,000 p.a.**
- **Member:** increase of \$300 to **\$1,800 p.a.**

Members of the DRC are also entitled to be paid for reasonable expenses incurred in connection with the business of the DRC, 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 (the **Companies Act**) requires the Company to appoint an auditor. Section 207S of the Companies Act 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 2024.

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 Alistair Field

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.

As previously announced to NZX, Mr Alistair Field was appointed by the Board with an effective date of 1 November 2024. In accordance with clause 12.4 of the Constitution, his appointment is required to be ratified by shareholders at the 2024 Annual Meeting.

The Fonterra Board has determined that Mr Alistair Field qualifies as an independent Director.

Mr Alistair Field'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 Elected Directors.

Details of Mr Field's qualifications and experience are set out below.

Alistair Field

Mr Field is based in Australia and has 30 years of experience in the mining, metals, manufacturing and logistics sectors. He is currently a Non-Executive Director of BlueScope Steel Limited and Alcoa Corporation and previously served on the board of Alumina Limited, which is now a wholly owned subsidiary of Alcoa Corporation.

Prior to commencing his governance career Mr Field held the position of Chief Executive Officer and Managing Director of ASX listed Sims Limited, based in the United States and Australia. Prior to joining Sims Limited, he held a number of senior leadership positions including as Director of the Patrick Terminal & Logistics division of Asciano Limited and as Chief Operating Officer of Rio Tinto's Bauxite and Alumina Division.

Amendments to the Constitution relating to Permitted Transferees

Resolution 6: Approval of amendments to the Constitution relating to Permitted Transferees

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

Background

Flexible Shareholding came into effect on 28 March 2023. Under Flexible Shareholding, ceasing farmers are able to transfer their shares to 'Permitted Transferees' as a new type of shareholder.

The Constitution provides that a ceased shareholder may only transfer shares to a Permitted Transferee within certain timeframes - either during the first complete season after their cease application is accepted and becomes effective ('one season rule'), or at any other time during the Reduction Period in the event of the death of the shareholder, of any member of a partnership, direct or indirect shareholder, or trustee of the shareholder.

Feedback received since the implementation of Flexible Shareholding is that the one season rule for Permitted Transferee applications is insufficient time for ceased farmers to evaluate and make fundamental decisions on the longer-term structure of their affairs, and for parties involved in the application process to complete the necessary steps to enable share transfers to occur.

The Board recommends that the Company's Constitution is amended to remove the timing requirements for Permitted Transferee applications from the Constitution in favour of these operational requirements being maintained within the Rules for Shareholding. The Rules for Shareholding can be found within the Flexible Shareholding section of the Fonterra website.

The amended Rules for Shareholding (which will accompany any Constitutional amendment), will extend the timing window for Permitted Transferee applications, enabling these to be completed for up to three complete seasons from ceasing, alongside a new ability for the Co-operative to apply discretion in extenuating circumstances.

It should be noted that the Rules for Shareholding may be amended from time to time by the Board in consultation with the Co-operative Council, including to reduce the timing window for Permitted Transferee applications.

Proposed amendments

The proposed amendments to clause 3.10(l) of the Constitution to give effect to this are set out below 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:

3.10 (l) notwithstanding subclauses (d) to (k) of this clause 3.10, a Shareholder whose application (or deemed application) under clause 3.10(a) has been accepted by the Board may (subject to any limitations in, and otherwise in accordance with, any rules established by the Board from time to time) transfer Co-operative Shares to one or more persons who have been approved by the Company and who are (and remain) related to or associated with that Shareholder, as determined in accordance with those rules (each a "Permitted Transferee");

~~(i) during the first complete Season after the Season in which the Shareholder's application is accepted; or~~

~~(ii) at any other time during the Reduction Period in the event of the death of the Shareholder or of any member of a partnership, direct or indirect shareholder, or trustee of the Shareholder;~~

and any such person or persons to whom Co-operative Shares are transferred ~~in accordance with subclauses (i) or (ii) above~~ must continue to comply with the Reduction Maximum throughout the remaining Reduction Period as if they were the transferring Shareholder (in each case subject to any re-determination in accordance with clauses 3.10(f) and 3.10(k)), but in proportion to the number of the transferor's Co-operative Shares transferred to them, and must otherwise continue to comply with the rules established by the Board from time to time for Permitted Transferees; and

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% 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 2024.

The Board of Fonterra has 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% or more of votes cast by shareholders entitled to vote and voting on the resolution, the Constitution will be amended as set out above. The Rules for Shareholding will extend the timeframe for Permitted Transferee applications to be completed for up to three complete seasons from ceasing, and provide discretion for the Co-operative to extend or waive the timing requirements in extenuating circumstances.

If Resolution 6 is not passed, then the recommended changes will not take effect. In which case, any ceasing farmer seeking to utilise the Permitted Transferee regime will be required to submit their application and complete their transfer of shares to Permitted Transferees within the stipulated timeframe currently provided in the Constitution.

Amendments to the By-laws of the Co-operative Council

Resolution 7: Approval of amendments to the By-laws of the Co-operative Council

Resolution 7 is a special resolution required by clause 16.11 of the Constitution of the Company.

Background

The Co-operative Council (**Council**) is proposing amendments to the By-Laws of the Co-operative Council (**By-laws**) in relation to the Ward Councillor vacancy process. The Council has also taken the opportunity to propose additional amendments to the By-laws for clarification, to provide consistency in approach, or to reflect changes that have already been made elsewhere.

If the position of a Ward Councillor becomes vacant in any Ward (this could occur, for example, if a Councillor resigns due to illness or retires from dairy farming at the end of a season) a 'casual vacancy' occurs. In these circumstances the By-laws require the Council to hold a special election or appoint an individual to fill the vacancy. The Council recommends that the By-laws are amended to provide that if a casual vacancy occurs within six months of the annual Council election cycle (which usually commences in September) then the Council has the option to decide not to hold a special election or make an appointment, but to fill the vacancy through the annual election cycle. This would avoid additional election costs in holding a separate election or, if no separate election is held, means that shareholders would elect their Ward representative rather than an appointment being made by the Council. The Council therefore recommends that clause 1.7 of the By-laws is amended as set out below.

The Council also recommends that clause 1.11 is amended to clarify that if an Appointed Councillor is elected as a Ward Councillor then their retirement as an Appointed Councillor will take effect contemporaneously with when they take office as a Ward Councillor.

The additional amendments to the By-laws proposed by the Council:

- Clarify that only shareholders who supply milk to the Co-operative receive voting papers for Council Ward elections (clause 2.4).
- Provide consistency across the Director election, and the elections of members of the Directors' Remuneration Committee and trustees of the Fonterra Farmer Custodian Trust, so that the Returning Officer declares the results of all Fonterra elections, and reflect the single transferable vote (STV) voting process (clause 2.9).
- Reflect changes made in 2022 to the appointment of members of the Independent Assessment Panel (all three members are jointly appointed by the Board and Council) and in 2023 to the name of the Panel (clause 4.5).
- Provide a reference to the role of the Independent Assessment Panel, which is to assess intending candidates who put themselves forward for election as a Director under the Independent Assessment Process (clause 6.1).

Proposed amendments

The proposed amendments to the By-laws are set out below 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:

1.7 **Casual vacancies:** If the position of a Ward Councillor (“Vacating Councillor”) becomes vacant in any Ward, the Co-operative 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 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) 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 1.6 for any Ward (whether or not the Ward in which the casual vacancy has been filled is due for rotation under clause 1.6), at which time an Election to fill the vacancy shall be held at which that person shall be eligible for election. The person elected at the next Election under clause 1.6 shall hold office for approximately 3 years from that Election in accordance with clause 1.6; or
- (c) determine not to fill the vacancy if the vacancy arises within six months of the next Election scheduled under clause 1.6 for any Ward (whether or not the Ward in which the casual vacancy arises is due for rotation under clause 1.6) at which time an Election to fill the vacancy shall be held.

1.11 **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 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 1.6, 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 1.6, 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 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 elected as a Ward Councillor, their appointment as an Appointed Councillor shall terminate on taking office as a Ward Councillor;

~~(g)~~(h) 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.

2.4 **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 that is supplying Milk to the Company shall have two separate voting papers. Each such 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.

2.9 **Declaration of result:** A declaration by the ~~chairperson of the Company~~ Returning Officer that a particular person or persons has or have been elected by a certain majority is conclusive evidence of that fact.

4.5 **Appointment to of Independent Selection Assessment Panel:** The Council shall jointly appoint with the Board an independent member (who may not be a Councillor) to the Independent Selection Assessment Panel.

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

“Independent Assessment Panel” has meaning set out in the Rules for Election of Directors, as altered from time to time.

“Rules for Election of Directors” means the rules approved by the Co-operative Council from time to time in accordance with clause 12.2 of the Constitution.

The Co-operative Council has approved the amendments to the Co-operative Council By-laws, subject to shareholders’ approval. The Co-operative Council recommends that shareholders vote to support the amendments to the Co-operative Council By-laws, as outlined in Resolution 7.

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 Co-operative Council By-laws will be amended as set out above. If Resolution 7 is not passed then the Co-operative Council By-laws will not have been amended and the recommended changes will not take effect. This will mean that the Co-operative Council will be required to hold a special election or appoint an individual to fill any casual vacancy that arises.

Co-operative Council programme and budget

Resolution 8: 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 2024;

- 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 \$2.505 million for operating costs for FY25 and \$865,000 for other costs contributed to or met by the Co-operative Council, giving a combined total of \$3.370 million, as summarised below:

	FY24 Budget \$000	FY24 Actual \$000	FY25 Budget \$000
Co-operative Council operating costs:			
Councillor honoraria (refer Resolution 2 for amounts), and Council staff salaries and associated costs	1,970	1,931	2,040
Co-operative Council meetings – including accommodation and travel for Council meetings, Board/Board Committee meetings, and meetings with external stakeholders	200	199	200
Communications – including Annual Report design and print	13	13	13
Councillor Ward meetings – including travel and catering	18	17	18
Councillor training and development – including course/facilitator costs, and new Councillor introduction programme	15	10	15
Insurance and IT costs – including Councillor liability insurance and staff information technology costs	60	38	39
External analyst support:	95	71	180
- Financial			
- Letter of Members' Expectations survey			
Total Co-operative Council operating costs	2,371	2,279	2,505
Other costs contributed to or met by the Co-operative Council:			
Connection			
Understanding Your Co-operative Programme	250	58	200
Governance Development Programme	110	84	100
Accountability			
External analyst – financial markets research and analysis required by the Dairy Industry Restructuring Act 2001	100	104	105
Guardianship			
Fonterra Director election:			
- Returning Officer costs	133	123	125
- Director candidate meetings	35	33	35
- Independent Assessment Panel and secretariat, independent agent and candidate interview expenses	141	127	115
- Printing and mailhouse costs	33	28	30
Professional Services - Milk Commissioner costs, fees and other costs relating to the Co-operative Council appointees to the Milk Price Panel, legal costs	123	90	155
Total other costs contributed to or met by the Co-operative Council	925	647	865
Combined Total	3,296	2,926	3,370

Budget

In November 2023, Fonterra shareholders approved a budget of \$3.296 million for FY24. Actual costs incurred were \$2.926 million (89% of budget).

Material variations between FY24 budgeted and actual expenditure, and FY24 actual expenditure and FY25 budgeted expenditure, are explained below:

- **Councillor honoraria and staff costs:** Council staff salaries include an incentive component based on Fonterra's actual achievement against key measures. Variations therefore arise between budgeted and actual incentive payments. The FY25 budget includes the honoraria increases recommended by the Directors' Remuneration Committee (which are subject to shareholder approval, refer to Resolution 2), increased payments to Councillors who take on additional responsibilities, and increases in Council staff salaries as recommended by Fonterra.
- **Councillor training and development:** The FY24 budget made allowance for externally facilitated training which was not utilised as some Council development was facilitated by Fonterra management. The FY25 budget makes allowance for some relevant externally facilitated training.
- **Insurance and IT costs:** The FY24 budget included an allowance to fill a potential gap in insurance cover which did not eventuate. The FY25 budget allows for a 3% premium increase.
- **External analyst support:** Council's external financial analyst (Northington Partners) provides independent analysis each quarter of Fonterra's performance (which is budgeted under 'Co-operative Council operating costs') and the twice-yearly independent financial markets research and analysis required by the Dairy Industry Restructuring Act 2001 (which is budgeted under 'Other costs contributed to or met by the Co-operative Council - Accountability'). The Council budget apportions Northington Partners' total costs between these two workstreams. The FY25 budget includes an additional \$100,000 allowance for independent analysis of the potential divestment of some or all of Fonterra's global Consumer business and integrated businesses of Fonterra Oceania and Fonterra Sri Lanka announced on 16 May 2024.
- **Understanding Your Co-operative Programme:** The FY24 budget contemplated three Understanding Your Co-operative Programme events. Only one event was held due to the Fonterra MyConnect conference in May 2024, which Council encouraged Co-op members to attend. The FY24 budget had allowed for three two-day Behind the Farm Gate events, which were shortened to one day events. The FY25 budget allows for three Understanding Your Co-operative Programme events in Auckland and three one-day regional Behind the Farm Gate events co-hosted with the Farm Source team.
- **Governance Development Programme:** This Programme is a joint initiative between the Board and Council, and costs are shared 50:50. FY24 costs were less than budgeted largely due to slightly reduced numbers of participants than allowed for and lower travel, accommodation and catering costs than budgeted. The FY25 budget allows for those variable costs to return to expected usual levels.

- **Elections:** FY24 costs were less than budgeted reflecting the number of Director candidates and that the Directors' Remuneration Committee election was uncontested. The FY25 budget reflects a reduction in some costs following the Independent Assessment Panel appointing a new independent agent.
- **Professional Services:** During FY24 Milk Commissioner costs for considering shareholder complaints and disputes were less than budgeted, and no legal costs were incurred by Council. The FY25 budget includes the usual allowance for Milk Commissioner costs for considering complaints and disputes, the new observer appointment made by Council to the Milk Price Panel and for additional legal costs expected to be incurred including for advice associated with the potential divestment of some or all of Fonterra's global Consumer business and integrated businesses of Fonterra Oceania and Fonterra Sri Lanka announced on 16 May 2024.

Work programme

Council's work programme for FY25 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 2024 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

- Represent members' interests in relation to the May 2024 announced strategic reset and potential divestment of some or all of Fonterra's global Consumer business and integrated businesses Fonterra Oceania and Fonterra Sri Lanka
- Submit on behalf of members on the expected periodic review of the Dairy Industry Restructuring Act 2001
- Promote greater member understanding of Fonterra's Co-operative Philosophy, including the Co-operative Principles
- Manage the Director and Directors' Remuneration Committee elections in consultation with the Board, appoint the Returning Officer, and jointly with the Board appoint the Independent Assessment Panel that assesses Director 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
- Jointly with the Board, formally review the 2021 Governance and Representation Review recommendations
- 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
- Meet with the auditor to discuss their audit engagement and reports
- 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 2025 Annual Meeting.

For personal



Dairy for life

For personal use only



If undelivered please return to:

The Returning Officer
Fonterra Elections 2024
PO Box 3138
Christchurch 8140
Free phone 0800 666 034

fonterra.com

Annual Meeting Proxy Paper Information

10.30am on Thursday, 14 November 2024, at The Devon Hotel, 390 Devon Street East, New Plymouth, Taranaki. Shareholders can also attend the meeting online 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 Chair of the meeting is willing to act as your primary proxy. If you wish to appoint the Chair of the meeting you can simply write "Chair of the meeting".

Where a shareholder does not name a person as their proxy but otherwise completes the Annual Meeting Proxy Paper in full, or where a shareholder's named proxy (and any alternate, if one has been appointed) does not attend the meeting, the Chair of the meeting will act as that shareholder's proxy and will vote in accordance with their express direction. The Chair intends to vote any discretionary proxies, for which they have authority to vote, in favour of the resolutions (except in the case of shareholder proposals).

Please note: You do NOT need to appoint an alternate proxy if the Chair 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 who wishes to appoint a proxy 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 Annual Meeting Proxy Paper is signed must be sent with the Annual Meeting Proxy 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, 12 November 2024.

- Mail by separating, folding and inserting the Annual Meeting Proxy Paper into the freepost envelope provided.

We recommend that you post your Annual Meeting Proxy Paper by no later than Wednesday, 6 November 2024 so that it is received by the Returning Officer before the close of appointment.

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 Annual Meeting Proxy Paper. In this form, proxy can mean proxy or representative appointed for a company or other body corporate.

REVOKING YOUR APPOINTMENT

A shareholder can still attend, even if they have appointed a proxy (although shareholders attending online 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, 12 November 2024.

! PROXY APPOINTMENT CLOSSES AT: 10.30AM ON TUESDAY, 12 NOVEMBER 2024

Combined Annual Meeting Voting/Proxy Paper



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

OPTION 1: **POSTAL VOTING (INCLUDING ELECTRONICALLY) – CLOSSES AT 10.30AM ON TUESDAY, 12 NOVEMBER 2024**

Either:

- (a) Post the completed "Annual Meeting Voting Paper" to the Returning Officer in the freepost reply envelope provided.
To ensure your Annual Meeting Voting Paper reaches the Returning Officer before the close of voting please post no later than Wednesday, 6 November 2024.

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 Annual Meeting Voting Paper and it can be destroyed.

PIN	Password
-----	----------

OR

OPTION 2: **AT THE MEETING – FROM 10.30AM ON THURSDAY, 14 NOVEMBER 2024**

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 Chair of the meeting, pass the completed Annual Meeting Voting Paper to an official of the meeting.

If you plan to attend the meeting online, please vote via the virtual meeting platform:
<https://fonterra.brandlive.com/Fonterra-Co-operative-Group-Annual-Meeting/en>

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

OR

OPTION 3: **BY PROXY – RECEIVED BY 10.30AM ON TUESDAY, 12 NOVEMBER 2024**

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, 12 NOVEMBER 2024

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 on reverse.

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

		Indicate your vote with a tick ✓	FOR	AGAINST
1	Resolution 1: Approval of changes to the remuneration of Elected Directors		<input type="radio"/>	<input type="radio"/>
2	Resolution 2: Approval of changes to the remuneration of Co-operative Councillors		<input type="radio"/>	<input type="radio"/>
3	Resolution 3: Approval of changes to the remuneration of members of the 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 Alistair Field		<input type="radio"/>	<input type="radio"/>
6	Resolution 6: Approval of amendments to the Constitution relating to Permitted Transferees		<input type="radio"/>	<input type="radio"/>
7	Resolution 7: Approval of amendments to the By-laws of the Co-operative Council		<input type="radio"/>	<input type="radio"/>
8	Resolution 8: Approval of the Co-operative Council programme and budget		<input type="radio"/>	<input type="radio"/>

Annual Meeting Proxy Paper

10.30am on Thursday, 14 November 2024, at The Devon Hotel, 390 Devon Street East, New Plymouth, Taranaki. Shareholders can also attend the meeting online using the instructions in the Notice of Meeting.

! Only use this Annual Meeting 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

If you wish to appoint someone as your proxy, insert their full name and address below. The Chair of the meeting is willing to act as a proxy.

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, 14 November 2024 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 Chair of the meeting as proxy. The Chair 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

Complete this section to instruct your proxy holder how to vote.

		FOR	AGAINST	PROXY DISCRETION
1	Resolution 1: Approval of changes to the remuneration of Elected Directors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	Resolution 2: Approval of changes to the remuneration of Co-operative Councillors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	Resolution 3: Approval of changes to the remuneration of members of the 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 Alistair Field	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6	Resolution 6: Approval of amendments to the Constitution relating to Permitted Transferees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7	Resolution 7: Approval of amendments to the By-laws of the Co-operative Council	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8	Resolution 8: 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 reverse.)

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 on Tuesday, 12 November 2024.

Mail by separating, folding and inserting the Annual Meeting Proxy Paper into the freepost envelope provided.

Fonterra Online Meeting Guide 2024



Before you begin

The online meeting is viewable from any computer, tablet or smart phone with an internet connection.

Ensure your browser is compatible. Supported browsers are:

- Chrome: Version 107 and later
- Edge: Version 107 and later
- Safari: Version 16 and later
- Firefox: Version 104 and later

If you are experiencing any playback issues please ensure your browser is updated to the latest version.

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

<https://fonterra.brandlive.com/Fonterra-Co-operative-Group-Annual-Meeting/en>



To join or register for the online meeting please enter your full name and email address. These fields are mandatory. Please also include the names of any additional viewers from your device.

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

Once all details are entered, click on "Submit".

You may pre-register for the Annual Meeting. Once you click "Submit" you will be sent an email to the email address you provided. This will include a link to access the online meeting.



Once the Annual Meeting begins the video stream will begin to play automatically. If it does not, refresh your browser and the player will restart. The volume control is on the bottom left of the player window.



How to vote

If you are eligible to vote, have not already voted and wish to vote during the Annual Meeting, click on the 'Voting' tab on the menu bar, then on 'Click here to vote'. This will open a new tab in your browser taking you to the electionz.com voting page.

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

By entering the PIN and password for a shareholder, you warrant and undertake that you are authorised to exercise the vote of that shareholder.

Your PIN and password will not expire, so you can log in as often as you like to complete your voting.

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

The Chair will announce when online voting on the resolutions opens and closes during the Annual Meeting. 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 'Q&A', then on 'Ask a Question'. Enter your question along with your supply number/s at the bottom of the page. Click on 'Ask' to submit your question.

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 Annual Meeting by calling 09 300 3069.

Document Links

The Meeting Guide and Notice of Meeting can be accessed by clicking "Documents" in the top menu bar.

Fonterra Elections 2024 Board of Directors

Candidate Profiles



For personal use only



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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 – 2024 Fonterra Elections
Freephone 0800 666 034
iro@electionz.com

Key information – 2024 election

There are two candidates:

Independently Assessed Candidates

- John Nicholls
- Peter McBride

Votes may be cast via post or online and must be received by 10.30am on Tuesday, 12 November 2024.

Voting entitlements

Voting entitlements are calculated on the basis of share-backed milksolids production for each farm for the last season (2023/2024) or, in the case of dry farm conversions and farm amalgamations/divisions, the estimated milksolids production for this season which is backed by shares.

“Supplying Shareholders” will receive one vote for every 1,000 kilograms of milksolids backed by shares that they supplied to Fonterra during the season ended 31 May 2024. A “Secondary Shareholder’s” voting entitlement is based on share backed milk supply, up to the ‘agreed percentage’ in relation to Fonterra’s share standard for the supplying farm.

Majority voting

This year, each shareholder may vote in favour of up to two candidates.

As this is an uncontested election (an equivalent number or fewer candidates than vacancies), each candidate must gain more than 50% support of votes cast in respect of that candidate to be elected. If one or more candidates does not achieve that threshold, a second election will not be held.

The Board may fill any such vacancy by appointing a ‘farmer’ director for the period up to the end of the next Annual Meeting. The Board must appoint if a vacancy will continue for six months or more. The Board may not appoint any of the unsuccessful candidates who stood in the uncontested election.

Number of vacancies to be filled



Fonterra’s Board is currently comprised of up to seven Elected Directors and four Appointed Directors. From the conclusion of the 2024 Annual Meeting, the number of directors on Fonterra’s Board will reduce from 11 to nine. The current balance between Elected Directors and Appointed Directors will be maintained, with a composition of six Elected Directors and three Appointed Directors.

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 10.30am on Tuesday, 12 November 2024.

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 10.30am on Tuesday, 12 November 2024.

Fonterra Director Candidate Online Meetings

Fonterra shareholders have the opportunity to meet and ask questions of the Director candidates at two online meetings.

Chaired by the Fonterra Co-operative Council, these meetings provide a setting in which candidates meet with and answer questions from Fonterra shareholders with a focus on explaining how their governance skills and attributes meet the requirements of the Co-operative.

The format of the meetings will be that of a panel discussion whereby candidates are first provided an allotted time to introduce themselves before the Chair takes questions from shareholders and moderates.

The dates for the online meetings are set out below. Fonterra shareholders can join an online meeting by registering via the Farm Source website or the My Co-op app.

Date	Time
Thursday, 7 November	7.00pm – 8.30pm
Friday, 8 November	12.00pm – 1.30pm

Attributes and Skills

Required attributes

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

- (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 and to actively contribute to, and positively influence, Board discussions.
- (j) Ability and willingness to constructively question, challenge and critique in an open-minded way, and offer, and respect, diverse and alternative viewpoints.
- (k) Unquestioned honesty and integrity.

Targeted skills

Based on the 2024 Skills Matrix (see page 5), the Board's current priorities, and the external operating environment, the Board has provided the following skills to be targeted in the 2024 Director Election:

- (a) In Depth Dairy Farming.
- (b) Financial Acumen.
- (c) Manufacturing / Commodity Experience.
- (d) Customer Experience.
- (e) Effective Leadership.
- (f) Global Experience.
- (g) Technology.

In 2024, the Board has targeted a similar set of skills to last year given that the needs of the business in terms of required and desired levels of each skill have not changed substantially. The Board considered the revised strategic direction in determining the targeted skills. Given the skill set of the Directors retiring in 2024, Effective Leadership is a new targeted skill and In Depth Dairy Farming continues to be a targeted skill. Innovation was removed from the list of targeted skills in 2024, given the aggregated skill level on the remaining Board.

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 above) 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 Matrix (described on page 5) 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, and should never show that all skills are currently being delivered. The Board Skills List (described below) shows 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.

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	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	A strong understanding of what drives Fonterra’s milk price and of the profit drivers of the Co-operative.
Financial Acumen	Strong financial skills and knowledge gained through business management, or as a highly experienced auditor, or a functional expert in a senior financial position.
Risk Management	Senior level experience in, or governance of, organisations that have significant risk management and control frameworks including health and safety, cybersecurity and climate related risks.
Manufacturing / Commodity Experience	Experience at a senior executive or governance level in a commodity/manufacturing business.
Customer Experience	Senior level executive or governance experience in a customer-oriented business to business (B2B) company with significant local, regional or global brands.
Effective Leadership	Senior executive or governance experience in leadership roles including strategy oversight, stakeholder management and people leadership, including experience in environments that value and demonstrate diversity of thinking and approach.
Global Experience	Deep understanding of international issues and the macro-political and economic environment, through experience working in multiple geographies, and a proven global mindset.
Technology	Knowledge and experience in the governance, strategic use and risk management of technology including information systems, transforming and disruptive technologies and cyber risk.
Sustainability	Commitment to and a strong understanding of sustainability including the management of social, environmental and economic factors and their contribution to long-term value creation.
Innovation	Experience in, or a strong understanding of, research and development and applied innovation, including in relation to nutrition science.

Skills Matrix

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

- the aggregate skills of the Board; and
- 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 skills of the Board. The whole of each blue bar represents the Board's aggregated level for each skill, and the darker shading within those bars represents the skills of Directors who are retiring in the current year (including those who are eligible for re-election), and the skills of the Appointed Directors who have retired or will retire from the Board in the current year.

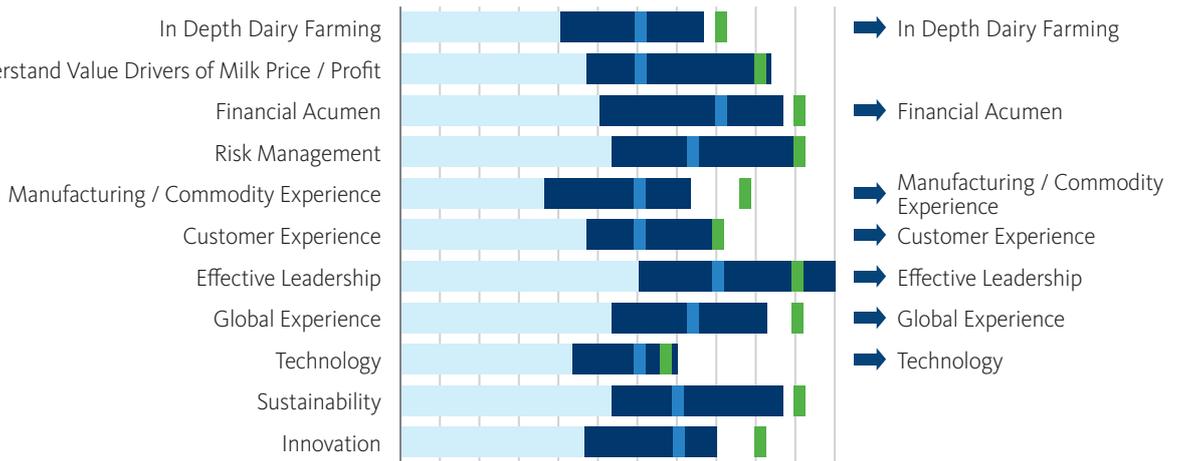
The lighter shading represents the skills of Directors who are not retiring in 2024.

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 Assessment Panel to assist them as they assessed the best candidates for the Board, and is included in voting packs as guidance for shareholders when making their voting decisions.

2024 Skills Matrix and Targeted Skills

Aggregated Skills of Existing Fonterra Board

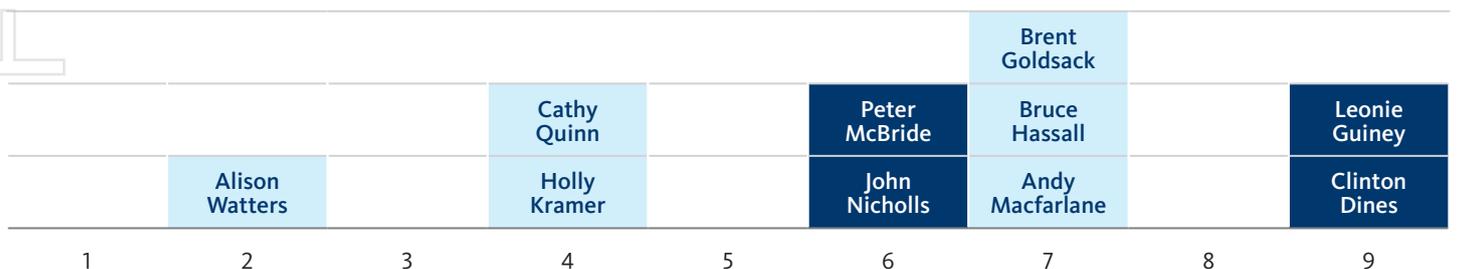
Targeted skills



● Required skill level
 ● Desired skill level
 ● Remaining Board
 ● Retiring Directors

Director Tenure

Years on the Board at the conclusion of the 2024 Annual Meeting



● Retiring Directors
 ● Remaining Board

The Independent Assessment Panel

Overview

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

The Panel process is designed 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 Board in any year, and to provide shareholders with independent and comprehensive information about recommended candidates.

The Independent Assessment Panel process is open to all intending Director Candidates who opt to go through the Independent Assessment Process.

Panel Membership

The Independent Assessment Panel Members are as follows:

- Dame Joan Withers, Independent Chair appointed by the Panel members
- Patrick Strange, Independent Member
- Mark Verbiest, Independent Member

Panel Biographies

Chair: Dame Joan Withers

Dame 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.

Dame 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.

Dame Joan is a Trustee of the Louise Perkins Foundation and was previously Chair of a steering committee working to increase the percentage of South Auckland Maori 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. Dame 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. In the 2024 King's Birthday Honours, she was appointed a Dame Companion of the New Zealand Order of Merit, for services to business, governance and women.



Patrick Strange

Patrick grew up on a dairy farm in Te Aroha in the Waikato. He is currently a director at Transgrid in Australia. Patrick retired from the Board of Auckland International Airport Limited in October 2024, which he had chaired since 2018. His previous governance experience also includes directorships at the NZX, NSW Networks, Essential Energy, Worksafe New Zealand, Mercury NZ Limited, and Chorus – which he chaired until retiring in 2022.

Patrick was named Chairperson of the Year for 2021 at the Deloitte Top 200 Awards.

Prior to focusing on governance, Patrick's management career included Chief Executive roles at Transpower, Mercury Energy, and Vector.



Mark Verbiest

Mark is currently Chair of Meridian Energy and Summerset Group Holdings. He is an experienced professional company director with over a decade of experience. A lawyer by training, Mark spent many years in private practice as partner of a large national law firm. He subsequently joined the senior executive team at Telecom New Zealand as Group General Counsel, also having executive responsibility for other corporate groups as well as two business units.

Mark has previously been Chair of Freightways, Spark, Transpower NZ, Willis Bond Capital and a director of a number of other companies and entities, including ANZ Bank, the inaugural board of the Financial Markets Authority and the advisory board to NZ Treasury.

In 2022 Mark was named Chairperson of the Year at the Deloitte Top 200 Awards, and in 2023 was awarded the Beacon Award for Corporate Governance by the NZ Shareholders' Association.



Independent Secretariat

The Panel appoints an independent secretariat to carry out the administration functions. Wendy Chen of Juno Legal fulfilled this role in 2024.

2024 Report of Independent Assessment Panel

Introduction

This report sets out the 2024 process undertaken by the Independent Assessment 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 2024 election of directors; and
- Rigorously assess and evaluate incumbent directors standing for re-election in the 2024 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 2024 are as follows, all of whom are appointed jointly by the Fonterra Board and the Fonterra Co-operative Council:

- Dame Joan Withers, Independent Member and Chair appointed by the Panel members
- Patrick Strange, Independent Member
- Mark Verbiest, Independent Member

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.

2024 Process Undertaken by the Panel

In June, by circular resolution, the Panel agreed to:

- Elect the Chair of the Panel and note the re-appointment / new appointment of the representative Panel members by the Fonterra Board and Fonterra Co-operative Council;
- Appoint an independent secretariat to assist the Panel;
- Consider and note the required attributes and skill requirements for director candidates, as set by the Fonterra Board;
- Review its Terms of Reference;
- Agree the 2024 Panel Search Brief;
- Agree the timetable to be followed in respect of the 2024 election process; and
- Appoint an independent search agent to support the assessment of intending Independently Assessed Candidates.

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 two candidates that applied under the 2024 Independent Assessment Process, together with the two incumbent directors standing for re-election who had elected to participate in the Independent Assessment Process.

All four interviews were carried out in person. Time was allowed for deliberation after each interview and following conclusion of all interviews.

During the short-listing and selection process, the Panel undertook a rigorous assessment of each candidate's attributes, skills and experience relative to those identified in the 2024 Candidate Handbook published by Fonterra, with particular regard given to the seven targeted skills identified.

The Panel considers that the interview process was conducted in such a way that each candidate had the same opportunity to demonstrate why their attributes and skills meant they should be recommended by the Panel to shareholders for consideration as a director of Fonterra.

Following the Independent Assessment Process, confidential feedback was provided to all candidates who participated in the process.

The incumbent directors who are eligible for re-election this year, Peter McBride and John Nicholls, both confirmed they would stand for re-election in the 2024 election process.

The Panel unanimously agreed that the other two intending candidates were not suitable to put forward to shareholders for election.

To assist shareholders when deciding which candidates to vote for in the 2024 director elections, the Panel has prepared an assessment summary of the incumbent directors standing for re-election, relative to the skills and attributes set out in the 2024 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.

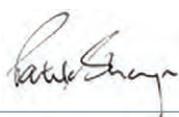
This year the Panel did not have any associations to declare regarding any of the candidates.

Yours faithfully

Independent Assessment Panel



Dame Joan Withers (Chair)



Patrick Strange



Mark Verbiest

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John NICHOLLS

INDEPENDENTLY ASSESSED CANDIDATE

Mobile: 027 541 6117

Email: john@rylib.co.nz

Panel Recommendation Report - John Nicholls

John Nicholls has been a dairy farmer for over 28 years in the South Wairarapa and Mid-Canterbury and with his family owns and operates Rylib Group. For the past six years he has served as a Fonterra Elected Director and he is currently Chair of the Co-operative Relations Committee, a member of the Disclosure Committee and a Fonterra appointed director of FSF Management Company Limited. Previously he served on the Fonterra Co-operative Council.

Outside of the Co-operative, John led MHV Water, New Zealand's largest intergenerational irrigation co-operative, as Board Chair for 11 years until 2023, including through a period of significant change. He is involved as a governor and advisor to various other local entities.

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 kilograms 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 2024 Attributes:

The Panel noted that John Nicholls has been on the Fonterra Board since 2018 and has clearly learned an enormous amount during this time around strong and effective governance. John has been part of a cohesive and well-functioning Board and is very committed to the highest governance standards both through his Fonterra role and the other governance roles he has held.

The Panel was impressed by John's understanding of, and empathy for, the Co-operative. He and his wife began farming in Wairarapa in the 1990's with 400 cows; today their family farms comprise over 5,000 cows in Canterbury. John has grown his own farming operations but has also been a very active participant in the Co-operative for many years, including serving as a Fonterra Co-operative Councillor from 2009 to 2011.

The Panel noted that he chairs the Co-operative Relations Committee, and is a member of the Disclosure Committee of the Fonterra Board and a Fonterra appointed Director of Fonterra Shareholders' Fund. He has previously been a member of the Fonterra Board's Capital Structure Committee and the Safety and Risk Committee.

John is a real thinker about the issues facing the Co-operative. He is aware of the pressures around emissions and how the Co-operative needs to respond to those. In particular he has made a real effort to travel so that he understands Fonterra's customers and the wider commercial and economic environment. In addition to John's Fonterra Board experience, he has also sought to broaden his experience by joining other boards. He chaired MHV Water, one of New Zealand's largest irrigation cooperatives, for many years. He has also been an Advisory Board Chair to a private company.

John has proven his ability to create shareholder value in his own business. He has also been part of a Fonterra Board that has reformed the capital structure, paid down debt and returned to paying dividends. As noted, John has made a real effort to gain a global perspective. He has visited key customers in the US and Asia. John is very committed to the Co-operative and has the time to devote to the Board.

The Panel considers John displays sound judgement. He also possesses good EQ and an ability to interact well with a wide range of stakeholders. In terms of his strategic capacity, John thinks deeply about the issues facing Fonterra. Although he is largely self-taught in this area, he has focused on his continued professional development and gained a tremendous amount through his time on the Fonterra Board.

John is always constructive but is not afraid to question and probe where required. He respects diverse opinions and will always hear people out. John presented with a high degree of honesty and integrity and, in particular, a passion for his Co-operative.

Panel's Assessment of John's Capabilities Relative to 2024 Skills:

Noting the targeted skills for 2024, the Panel was impressed by John's in-depth dairy farming experience. His own business now produces 2.5 million kilograms of milksolids per annum. He has also benefited from his time on the Fonterra Board in this regard.

John does not have a functional finance background beyond running his private farming business and described the steep learning curve new directors experience when joining the Fonterra Board. He has taken deliberate steps to further up-skill himself as a governor, particularly in the areas of capital structuring and debt management.

John does not have a manufacturing background, but this is an area of particular interest for him. The Panel noted he has grown his manufacturing experience, including visiting most of Fonterra's manufacturing sites in New Zealand and many in Australia. He is passionate about manufacturing and seeking ways it can be improved and streamlined to generate value for the Co-operative through a governance lens. He demonstrated real commitment and good understanding in this area. John also devotes time to support management in meeting with key large customers.

John presents as a strong leader within the Co-operative. He is perceptive with good stakeholder engagement capability. The

Panel noted that in his Chair role at MHV Water he displayed leadership, bringing two organisations and two boards together and restructuring the governance of the organisations successfully. John is curious, very interested in Fonterra's international markets and customers and works hard in his role. Technology is not an area of strength for John, although it is very much an area of interest.

In summary the Panel felt John has continued to grow and strengthen his capabilities since he was last assessed in 2021. He now presents with a strong all-round skillset and a passion to contribute to what will be his last term on the Board.

Candidate Profile Statement

I am proud to be a dairy farmer, a Fonterra shareholder and am privileged to be a strong advocate for farmers at the Fonterra Board table.

This is an exciting time to be a dairy farmer in New Zealand. The world is changing rapidly - geopolitical risks, climate change, energy availability and customer sentiments are increasingly volatile and have the potential to disrupt international food markets. More than ever, global customers are recognising and valuing Fonterra's ability to sustainably produce high quality dairy products.

The ongoing success of Fonterra is critical. It is our connection to the marketplace - striving to deliver the best possible milk price, anticipating future market trends and communicating these back to us so that we can prepare our businesses to respond. A strong co-op operates on our behalf and protects our investment on farm to ensure that we are sustainable for future generations.

I have served on the Fonterra Board for six years and am seeking your support to serve for another three. As a dairy farmer, the livelihood of my family and I is dependent on the milk cheque each month. I have deliberately simplified my other business interests and my farming operations to prioritise my role as a Fonterra Director.

My Vision

There has been a massive amount of energy spent getting Fonterra right sized and back to its core vision to deliver value for our owners. I believe we've got the best management team in place. We've simplified the business globally, repaired the balance sheet and introduced a flexible capital structure for you, our supplying shareholders.

We've put more focus into our debt and dividend policies, recognising that Fonterra is an extension of the farm and our balance sheet can't be viewed in isolation from that. We've worked hard to deliver on the potential of the Co-op for the good of you and all of New Zealand.

We have a strong foundation, but there is more to do. We need to be relentless in our pursuit of continuous improvement. We need to operate with excellence, to leverage science to continue to drive product innovation and to remain champions at marketing New Zealand dairy, all the while maintaining our culture, ethos and connection to nature and building deeper partnerships with our key customers.

Global customers are valuing the unique benefits that NZ dairy brings to the world. However, business is changing at a rapid rate. To take advantage of the opportunities this creates we need to be more nimble and to be able to respond in months instead of years. I look forward to seeing our culture enhanced to become more dynamic, agile and innovative.

We need to become more customer centric – developing not only deep insights but also partnerships and connections with our customers, so that we can share in their success and cement our place as their preferred long term dairy supplier.

We must continue to earn the trust and support of you, our shareholders. As a co-operative, we have a complex relationship with you as our owners and suppliers. We must ensure that you are highly valued and that we continue to openly discuss the issues that matter. We need to consistently assess our appetite for risk to ensure we have this calibrated correctly and that the investments we make are in alignment with these risks. We need to have a strong all-encompassing package for you as suppliers. The New Zealand dairy market is very competitive and the dynamics are changing. Capital for processing capacity used to be the constraint as the industry was growing, but now it is accessing milk. As a Co-op, we need your milk!

We must accelerate our adoption of technology and enhance our digital footprint to support business agility and create deeper transparency from farm to market.

We must build for the future while balancing the needs of today. We need Fonterra to be a resilient for us to pass the opportunities we have had onto the next generation. It is imperative that the future farmer will instinctively know that the co-op is the natural home for their milk. We need Fonterra to succeed and we need the co-operative spirit of NZ dairy farming to thrive with it.

What I Bring

I am an experienced governor, having served Fonterra for six years. I am chair of the Co-operative Relations Committee, a member of the Disclosure Committee, Fonterra appointed Director of the Fonterra Shareholders' Fund, past member of the Capital Structure Committee and also of the Safety and Risk Committee.

Outside of Fonterra, I held various other governance roles which included leading MHV Water as Chair for eleven years. During this time, we invested in large scale water storage, upgraded our delivery infrastructure, consolidated neighbouring irrigation companies and renewed our discharge resource consents.

As a Massey Graduate of 1990, with a Degree in Agriculture and Post Graduate Diploma in Agricultural Science I cut my teeth dairy farming in the Wairarapa before moving to Canterbury in 2005 with my family. Currently alongside my adult children we run our dairy operation employing 35 staff, milking 5,000 cows and producing 2,500,000 kilograms of milksolids.

My philosophy is to drive profitable performance through sound business judgement, to invest wisely, to move quickly and to be disciplined in operational execution and cost management. I hold strong family values; I am committed to our people and culture, our wider community and to environmental excellence.

I am proud to be a Fonterra director and along with the current Board am focused on the refreshed strategy that both maximises the milk price and continues to create value for all owners. I respectfully seek your support to remain as a director of this incredible organisation.

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) through the following entities:

- I am a director and shareholder of Ma Taua Dairies Limited, which is a supplying shareholder of Fonterra and holds 456,000 shares.
- I am a director and shareholder of Delarbe Farm Limited, which is a supplying shareholder of Fonterra and holds 262,000 shares.
- I am a director and shareholder of Fairmont Farm Limited, which is a supplying shareholder of Fonterra and holds 326,000 shares.
- I am a director and shareholder of Mahanga Dairies Limited, which is a supplying shareholder of Fonterra and holds 395,000 shares.
- I am a director and shareholder of Kairoa Dairies Limited, which is a supplying shareholder of Fonterra and holds 374,000 shares.
- I am a director and shareholder of Akitu Dairies Limited, which is a supplying shareholder of Fonterra and holds 270,000 shares.

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: peter.mcbride@fonterra.com

Panel Recommendation Report - Peter McBride

Peter McBride is a highly respected, proven leader who has been Chair of the Fonterra Board since 2020. He also has extensive experience in the kiwifruit industry, including being on the Board of Zespri for many years and chairing that Board 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 to have dairy interests to the present day.

Following university, Peter 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.

Until earlier this year Peter was Chief Executive of the large-scale, dairying and kiwifruit business, Trinity Lands, and he is now a Director on the Board. It produces 8 million kilograms of milksolids per year from 16,000 cows on 23 dairy farms, alongside 180 hectares of kiwifruit. He and his wife Linda have a farm in Tokoroa, where they farm 970 cows on 330 hectares of land. Peter has recently become Chair of Sydney Markets Limited, the largest wholesale fruit, vegetable and flower markets in Australia.

Peter is passionate about the co-operative model and continues to have 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 2024 Attributes:

As was the case when Peter was last assessed in 2021, the Panel appreciates that as Fonterra's current Board Chair Peter has had the opportunity to acquire an extensive understanding of both the decision-making processes of the Fonterra Board and the business itself. This experience has been further strengthened by another three years chairing the business.

Peter has a very strong understanding of governance standards and the highest standards of governance built up over his time as Chair of both Zespri and Fonterra, two of New Zealand's largest exporters. Peter is a consensus-led Chair who always seeks to listen first.

Peter has strong empathy for the Co-operative and its farmer ownership, not only through his chair role but also through his role

as CEO of Trinity Lands until earlier this year. He was born on a dairy farm, spent his early life contract milking and share milking and owns his own dairy farm. Peter has a strong understanding of Fonterra's international markets and a good understanding of the risks and opportunities in front of the Co-operative.

Since the Panel last saw Peter in 2021, he has continued to broaden his governance experience. He has recently taken up a role as Chair of Sydney Markets, effectively another co-operative which runs the Sydney produce markets. This is giving him valuable international board experience. In the view of the Panel Peter has created significant shareholder value in his time on both the Fonterra and Zespri Boards. He successfully navigated the Zespri Board through the PSA crises, learning a lot along the way. As Chair of Fonterra, Peter has led the capital restructure and significantly reduced the Co-operative's debt.

Peter has demonstrated strong judgement throughout his governance career and is possessed of a high degree of "common sense". He has a way of really cutting through to the heart of an issue. Peter likes to let the Board conversation flow and is a very good listener. He has a strong understanding of the role of board versus management and an excellent grasp of the strategic opportunities and challenges that are facing Fonterra.

Lastly, Peter is undoubtedly a man of high integrity and honesty and he is very committed to the Co-operative.

Panel's assessment of Peter's capabilities relative to 2024 Skills:

In terms of the 2024 targeted skills, Peter has extensive and in depth dairy farming experience including for many years having been the CEO of one of Fonterra's largest milk suppliers. Whilst he does not have a functional finance background, Peter has an excellent financial understanding of the core financial drivers in primary production, built up during his time chairing major, complex global businesses such as Fonterra and Zespri. He has successfully led Fonterra's capital restructure.

The Panel noted that Peter does not have a manufacturing background, however as Chair of Fonterra, he has obviously greatly strengthened his knowledge in this area. He has also been a significant supplier to Fonterra's manufacturing operations for many years. Peter does engage with Fonterra's key customers as required

but also rightly recognised that this is largely a role for management and the executive.

The Panel considers Peter brings strong and effective leadership. He took up the leadership of the Co-operative when it was going through a difficult period and, together with others, has shown strong leadership. This has resulted in the return of capital to the farmer shareholders, Fonterra again paying dividends, and a stronger balance sheet.

Peter is continuing to strengthen his global experience, in particular through extending his governance career into Australia through his chairmanship of Sydney Markets. As Chair of Fonterra he regularly engages in important international markets such as China, South East Asia and Europe. Of all the targeted skills, technology is not a particular strength of Peter's, although he has, through his board roles, been developing his experience in the governance of major IT projects.

Candidate Profile Statement

It's been a privilege to serve on the Board of Fonterra for the past six years, including the past three and a half years as Chairman. As a governance team we have achieved a lot over that period, first restablisising our Co-op, then returning it to its current position of strength.

I'm proud of the contribution I have made to that collective effort and seek your continued support for another term.

The Co-op asks a lot from its farmers and I am grateful for the confidence you have shown in the Board over the past three years. With your support, we've made a number of significant changes. Not all of them were painless, but they were absolutely necessary as we continue to evolve the Co-op.

I'm seeking a third term as a Director because I'm excited at the opportunities the Co-op has in front of it. Our refreshed strategy, strong fundamentals and the strength of our balance sheet have us well-positioned as we seek to remain globally competitive in a world where customer and consumer demands are rapidly changing.

In my opinion, continuity of leadership is important to maintaining our momentum. I also believe I have the necessary personal attributes and skills that the Fonterra Board is seeking in 2024.

Since last standing as a Director, I have enhanced my governance experience by taking up the role of Chairman at Sydney Markets. I have also joined the Board of Trinity Lands as a director, having retired as its CEO earlier this year. On balance, these changes have given me additional capacity to focus on my directorships.

I have a deep affinity with farmers, having started in the industry as a contract milker and sharemilker, before going on to farm ownership. Our family dairy farm is near Tokoroa in the South Waikato and we have horticultural interests in the Bay of Plenty and South Auckland regions.

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.

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 director and shareholder of Crocodile Farm Limited, a supplying shareholder of Fonterra which holds 509,730 shares.
- I am a director and shareholder of Karaka Gold Limited, which holds 129,713 units.
- I am a director of Trinity Lands Limited, which is a supplying shareholder of Fonterra and holds 7,970,000 shares.
- I am the Fonterra Board appointee for Fonterra Farmer Custodian Limited and the Fonterra Farmer Custodian Trust.

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



Dairy for life

For personal use only



If undelivered please return to:

The Returning Officer
Fonterra Elections 2024
PO Box 3138
Christchurch 8140
Free phone 0800 666 034

fonterra.com

Voting Paper

Election of TWO (2) Directors

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

OPTION 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

OPTION 2: POSTAL VOTING

Post the completed "Voting Paper" to the Returning Officer 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, 6 November 2024.

Please only use one of these voting methods

For enquiries phone the ELECTION HELPLINE: **0800 666 034**

Majority Voting

This is a majority vote to elect TWO (2) Directors.

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

If either candidate does not achieve more than 50% support, a second election will not be held.

The Board must appoint a farmer director to fill a casual vacancy that will continue for six months or more, and 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



John NICHOLLS

Independently Assessed Candidate



Peter McBRIDE

Independently Assessed Candidate

! VOTING CLOSSES AT: 10.30AM ON TUESDAY, 12 NOVEMBER 2024

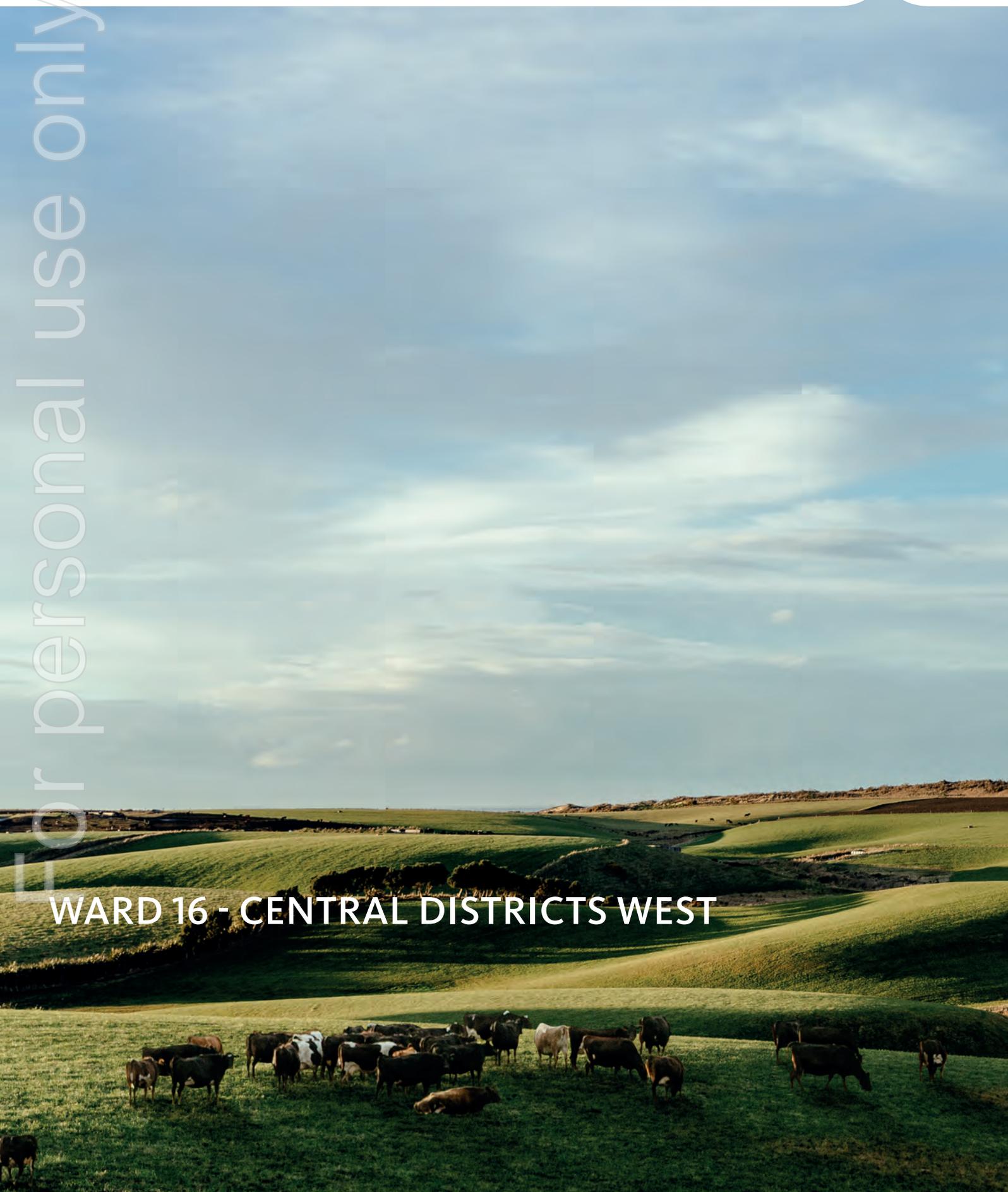
Fonterra Elections 2024 Co-operative Council

Candidate Profiles



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WARD 16 - CENTRAL DISTRICTS WEST



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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 – 2024 Fonterra Elections
Freephone 0800 666 034
iro@electionz.com

Key information – 2024 election

Ward 16 - Central Districts West

There are two candidates – Megan Cushnahan and Hamish Easton.

Votes may be cast via post or online and must be received by 10.30am on Tuesday, 12 November 2024.

Voting entitlement

Voting for Co-operative Councillors is on the basis of two votes per shareholder who is entitled to vote in a Ward election. 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

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 10.30am on Tuesday, 12 November 2024.

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 10.30am on Tuesday, 12 November 2024.

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

Council's role, functions and powers are set out in Fonterra's Constitution.

Council's role is to support shareholders' democratic control of their Co-operative and to actively represent and seek to protect members' interests as owners, investors, suppliers and members of the Fonterra Co-operative community.

Council's functions, and the activities undertaken to perform them, can be summarised under three main themes: Connection, Accountability and Guardianship.

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

- Along with the Board, 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, being shareholders supplying milk to the Co-operative, their sharemilkers and contract milkers, and other persons supplying milk to the Co-operative in New Zealand under standard terms and conditions of supply.

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.



Megan CUSHNAHAN

LEVIN

Mobile: 027 838 1631

Email: meganzhood@hotmail.com

My family has farmed in the Horowhenua district for over a century, and like many of you, we strive to leave our land and business in better shape for the next generation. To achieve this, we need a Co-operative that supports our progress and values. That's why I'm standing for re-election as your Ward 16 Central Districts West Co-operative Councillor.

I am a hands-on dairy farmer from Koputaroa, Horowhenua and hold an Honours degree in plant science, and a PhD in precision agriculture from Massey University. I bring a blend of practical farming experience, business skills, and scientific expertise to Council. I have been proud to serve the farmers of the region for the past three years and have enjoyed receiving your views and strongly advocating on your behalf. My current term on the Fonterra Co-operative Council and governance roles, such as serving on Plunket's Regional Board, have honed my advocacy and communication skills around the Council table.

Farming is my family's life and livelihood. I have two kids who love the farm, and I work hard to ensure they can continue our farming legacy if they wish. I understand the importance of a strong Fonterra for farmers, shareholders, and local communities and I'm committed to ensuring your voice is heard and Fonterra continues to thrive.

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 beneficiary of Roma Trust, a supplying shareholder of Fonterra which holds 29,000 shares.

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



Hamish EASTON

FOXTON

Mobile: 021 114 3303

Email: hceaston@icloud.com

I have been involved in dairy farming fulltime for the last twenty-two years, managing and running my farm near Foxton for the last fourteen years. Throughout this time, I have gained a strong understanding of the operational challenges and opportunities that both Farmers and our Co-operative members face. I am dedicated to optimising farm productivity and sustainability, which I have implemented within my own farm gate.

I believe in the co-operative principle in bringing together our collective capital to process our milk which reduces our individual risk; to achieve two things, the maximum price for our milk and a return on capital we have invested.

Fonterra has many opportunities and challenges, one of which, is its move out of their consumer business and focus on business-to-business relationships, this will represent a significant change to their strategy. It is my aim to engage on behalf of suppliers to fully understand what is proposed and relay that back in a way that is transparent and comprehensive. Equally I would express to Fonterra the needs and concerns of you, the suppliers, by being open to feedback from Farmers within my region.

Although I have been aware of most challenges that Farmers face, my recent engagement with the dairy community, through my role as the local Dairy Chair in Federated Farmers, has given me valuable insights into the wider concerns and aspirations of fellow Farmers. In representing you on the Co-operative Council, I hope to contribute to shaping how Fonterra serves us as suppliers and shareholders.

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 Easton Farming Limited, which is a supplying shareholder of Fonterra and holds 275,773 shares.

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

Council Wards

For personal use only

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

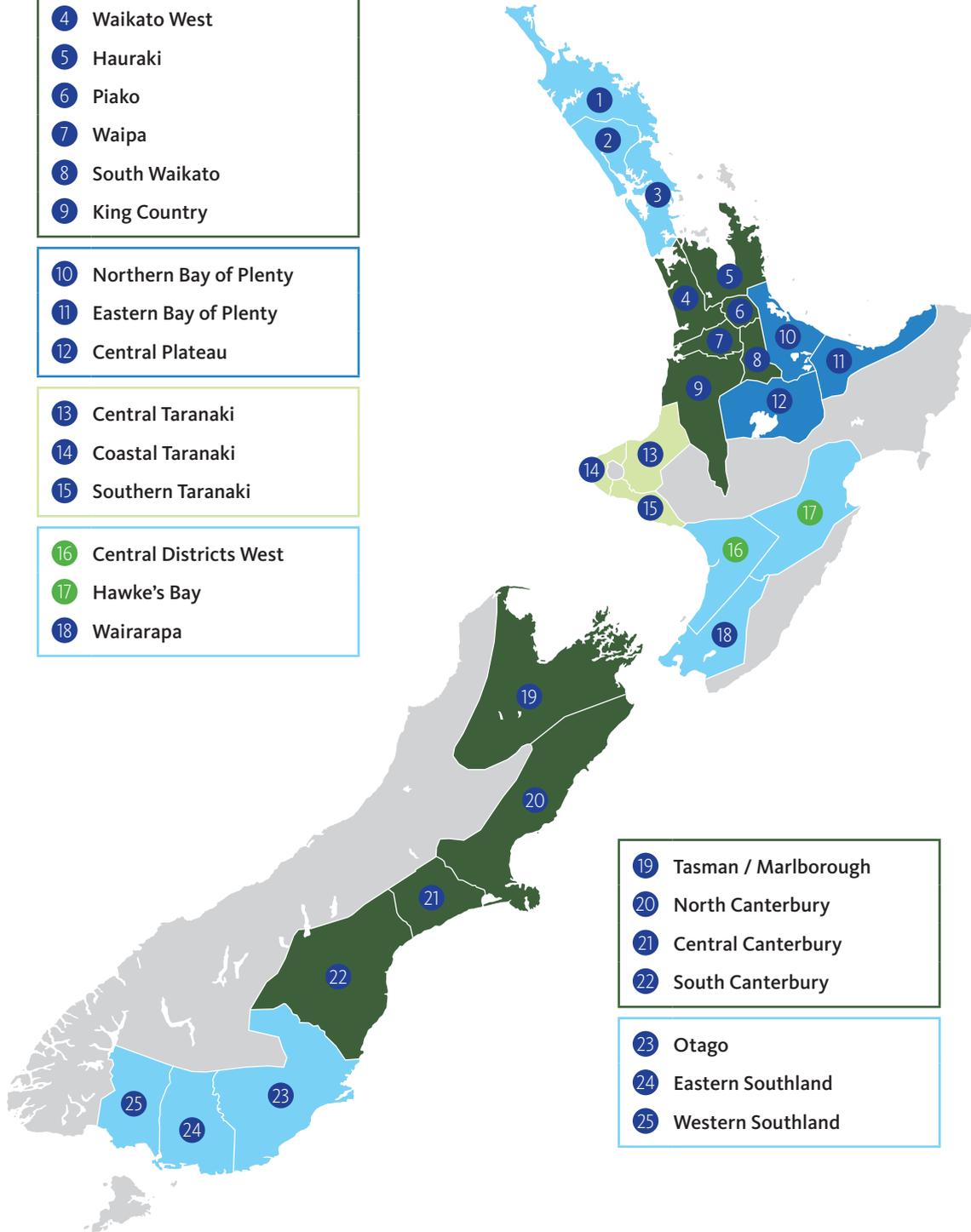
- 4 Waikato West
- 5 Hauraki
- 6 Piako
- 7 Waipa
- 8 South Waikato
- 9 King Country

- 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 2024



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

- 23 Otago
- 24 Eastern Southland
- 25 Western Southland



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Fonterra Elections 2024
PO Box 3138
Christchurch 8140
Free phone 0800 666 034

fonterra.com

Fonterra Elections 2024

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 16.
 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 green circle 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 16 - CENTRAL DISTRICTS WEST

Election of ONE (1) Councillor

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

OPTION 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

OPTION 2: POSTAL VOTING

Post the completed "Voting Paper" to the Returning Officer 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, 6 November 2024.

Please only use one of these voting methods

For enquiries phone the ELECTION HELPLINE: 0800 666 034

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 both 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.

Megan CUSHNAHAN

Hamish EASTON

Fonterra Elections 2024

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 16.
 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.
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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 16 - CENTRAL DISTRICTS WEST

Election of ONE (1) Councillor

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Megan CUSHNAHAN

Hamish EASTON

! VOTING CLOSSES AT: 10.30AM ON TUESDAY, 12 NOVEMBER 2024

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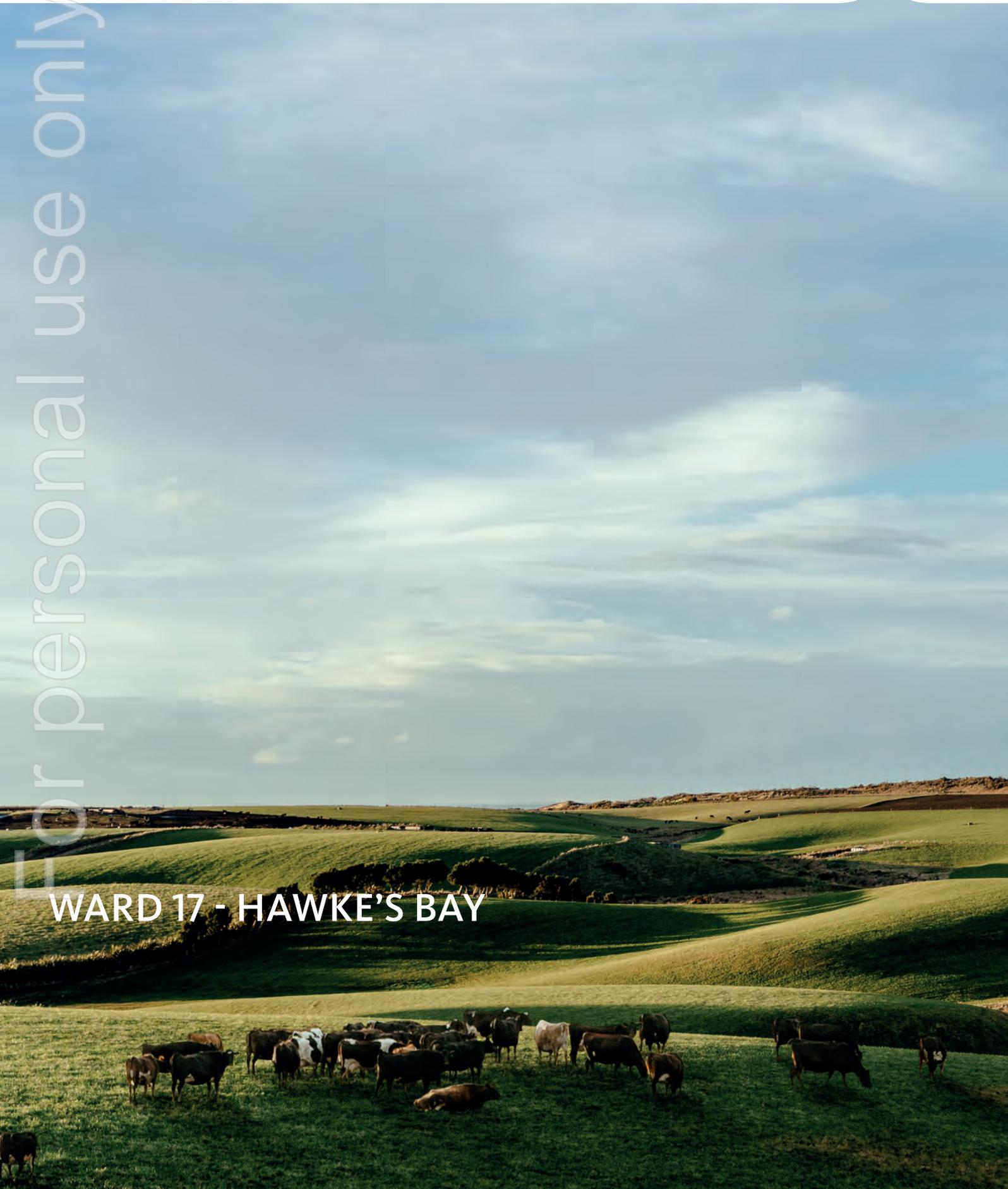
Fonterra Elections 2024 Co-operative Council

Candidate Profiles



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WARD 17 - HAWKE'S BAY



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WILLIE WHITE	4

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Warwick Lampp, Returning Officer – 2024 Fonterra Elections
Freephone 0800 666 034
iro@electionz.com

Key information – 2024 election

Ward 17 - Hawke's Bay

There are two candidates – Charlotte Lawn and Willie White.

Votes may be cast via post or online and must be received by 10.30am on Tuesday, 12 November 2024.

Voting entitlement

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Voting system

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- 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

Council's role, functions and powers are set out in Fonterra's Constitution.

Council's role is to support shareholders' democratic control of their Co-operative and to actively represent and seek to protect members' interests as owners, investors, suppliers and members of the Fonterra Co-operative community.

Council's functions, and the activities undertaken to perform them, can be summarised under three main themes: Connection, Accountability and Guardianship.

Connection

- The primary role of Council is to connect members to their Co-operative
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- 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
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- 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

- Along with the Board, 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, being shareholders supplying milk to the Co-operative, their sharemilkers and contract milkers, and other persons supplying milk to the Co-operative in New Zealand under standard terms and conditions of supply.

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.



Charlotte LAWN

DANNEVIRKE

Mobile: 027 350 5188

Email: charlotte.lawn@yahoo.com

Hello everyone. My name is Charlotte Lawn, and I'm a proud farmer, business owner, supportive wife and mother to 3 young boys. I've been involved in the dairy industry for a number of years, growing up on a farm in Canterbury and now farming with my husband where together we own and operate a 550-cow dairy farm and calf rearing operation in Oringi.

As a business owner, I understand the challenges and rewards of running a successful enterprise and I am aware of the challenges and opportunities facing our industry. Having previously been a rural banker for 10 years, I still remain committed to contributing to the growth and development of our rural communities by networking and communicating with others. But most importantly as a mother, I'm dedicated to raising the next generation of responsible and knowledgeable farmers.

I am passionate about dairy farming and believe that Fonterra plays a crucial role in supporting the success of New Zealand dairy farmers. I believe that leveraging my skills, knowledge, and experience, I can make a significant contribution to the Fonterra Co-operative Council and help shape a brighter future for our Co-operative. I regard myself as a critical thinker who likes to ask questions or challenge others on their thought processes. Therefore, I place importance on being trustworthy and open minded. I enjoy building relationships with farmers and collaborating to develop solutions.

As a Fonterra shareholder I am a strong advocate for the co-operative structure. I believe that this model provides a unique opportunity for dairy farmers to vote and have a direct opinion in the governance and direction of the company. By working together as a co-operative, we can leverage our collective strength to achieve greater economic stability, improve market access, and ensure our directors hear our views to help shape a brighter future for our businesses.

My experience as a dairy farmer and rural banking provides me with a unique perspective on the issues facing our industry, and I am confident in my ability to listen and collaborate with farmers and Fonterra executives to contribute to the development of effective strategies to address the challenges we collectively may face.

I am optimistic that my skills, experience, and understanding of the dairy industry make me a strong candidate for this position. I am eager to contribute to the future of Fonterra and help shape a more sustainable and prosperous future for the sector.

Thank you for your consideration.

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 Oringi Pastoral Company Limited jointly with Associated Persons (as defined in the Financial Markets Conduct Act 2013), which is a supplying shareholder of Fonterra and holds 238,901 shares.

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



Willie WHITE

TAKAPAU

Mobile: 027 535 8761

Email: willie@whitegroup.co.nz

B Com (Ag)

It is an honour to be considered to represent Fonterra farmers across the Hawke's Bay ward. If elected, I would aim to continue the fostering of a tight-knit community of dairy farmers across our region to ensure our voice is heard. I believe Fonterra stands apart from other New Zealand agricultural co-operatives due to the connection it has with its members, subsequent accountability and adherence to co-operative principles. We should always be looking for ways to strengthen this connection.

Living in Central Hawke's Bay with wife Michelle and three children – Johnny (9), Gigi (6) and Paddy (3) - I currently oversee a 1,400-cow organic dairy operation, primarily based in Ashley Clinton and more recently extended to Patoka. Prior to farming I had a career in agribusiness banking throughout the Waikato and Tararua.

My farming philosophy is driven primarily by ambition for return on capital but overlaid with a set of guiding values that ensure we are always looking ahead to the future and ultimately taking control of our own destiny. Dairy farming into the future is going to require an open mind, courage and co-operation to enhance viability and succeed through the generations. I believe it will come through harnessing the natural advantages we have always had.

I am passionate about building strong, independent rural communities and this is reflected in much of my governance experience to date, through the establishment of both local and regional catchment groups, a cricket club, on the farm and being on the school board of trustees. I also hold wider regional roles including as a trustee of the Hawke's Bay Future Farming Trust and nationally on the board of Quorum Sense. In 2020/21 I completed the Fonterra Governance Development Programme.

Thank you for your consideration. If elected I will give my all to help strengthen our Fonterra community.

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 Sherwood Farming Company Limited jointly with Associated Persons (as defined in the Financial Markets Conduct Act 2013), which is a supplying shareholder of Fonterra and holds 442,726 shares.

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

Council Wards

For personal use only

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

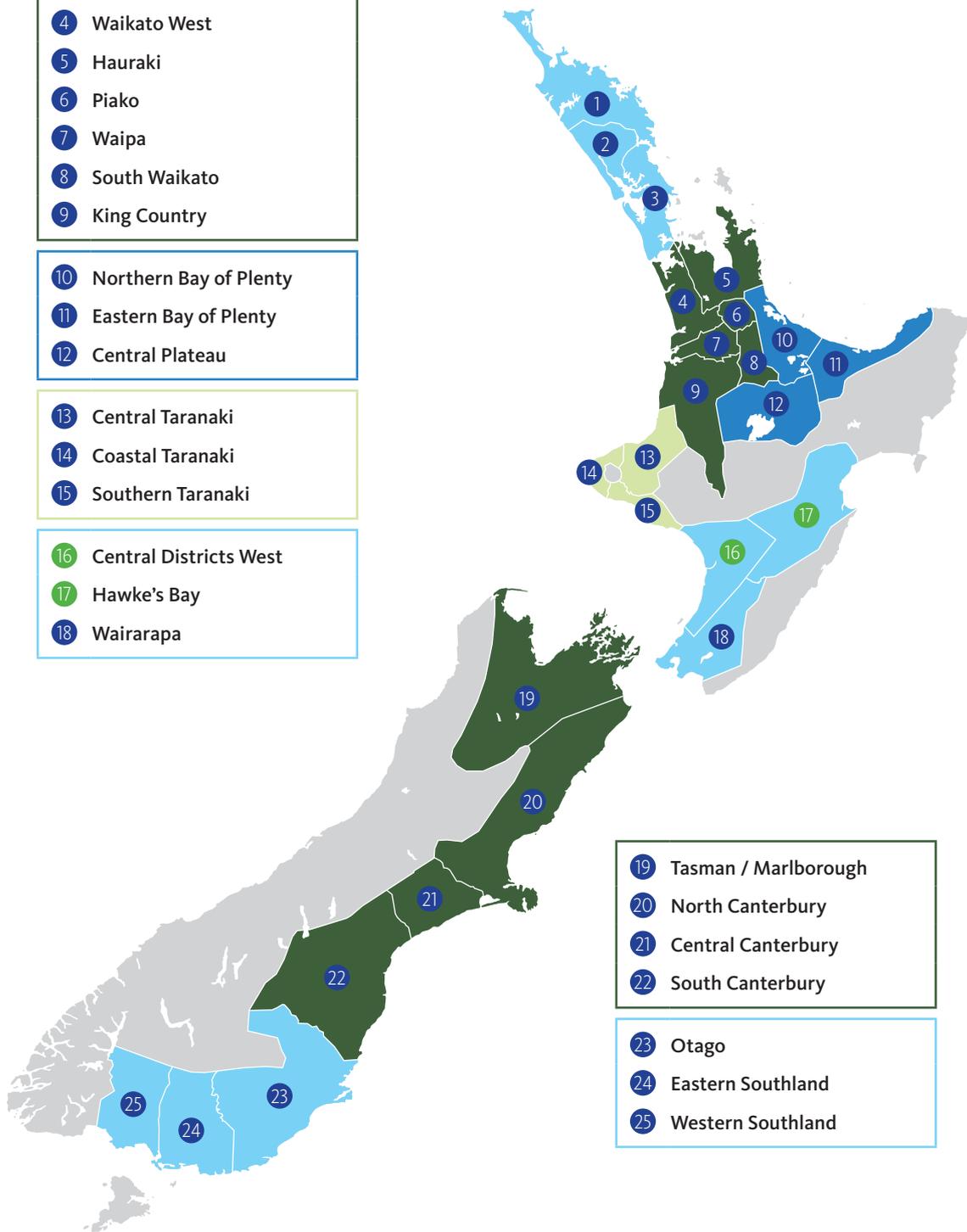
- 4 Waikato West
- 5 Hauraki
- 6 Piako
- 7 Waipa
- 8 South Waikato
- 9 King Country

- 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 2024



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

- 23 Otago
- 24 Eastern Southland
- 25 Western Southland



Dairy for life

For personal use only



If undelivered please return to:

The Returning Officer
Fonterra Elections 2024
PO Box 3138
Christchurch 8140
Free phone 0800 666 034

fonterra.com

Fonterra Elections 2024

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 17.

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 green circle 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 17 - HAWKE'S BAY

Election of ONE (1) Councillor

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

OPTION 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

OPTION 2: POSTAL VOTING

Post the completed "Voting Paper" to the Returning Officer 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, 6 November 2024.

Please only use one of these voting methods

For enquiries phone the ELECTION HELPLINE: 0800 666 034

VOTING CLOSING AT: 10.30AM ON TUESDAY, 12 NOVEMBER 2024

Fonterra Elections 2024

Co-operative Council Election



Voting Paper 2

WARD 17 - HAWKE'S BAY

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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 both 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.

Charlotte LAWN

Willie WHITE

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Charlotte LAWN

Willie WHITE