

# Fonterra Elections 2024

## Board of Directors

### Candidate Profiles





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## NOTE ON CANDIDATE STATEMENTS

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

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

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

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

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# 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

2         

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.

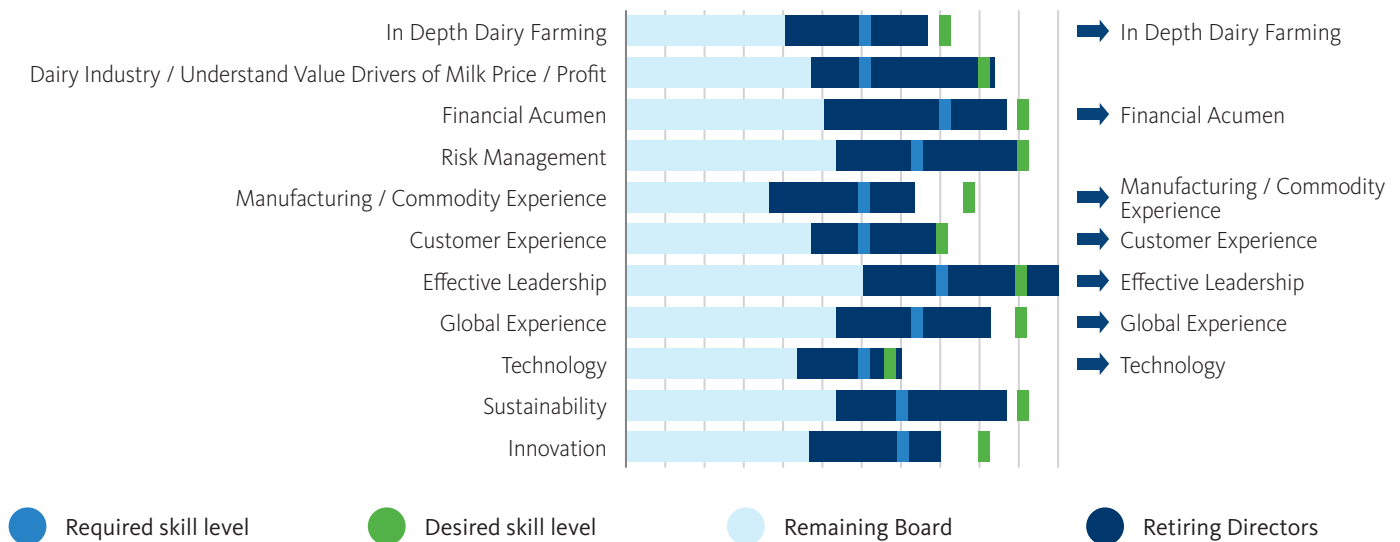
The lighter shading represents the skills of Directors who are not retiring in 2024.

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

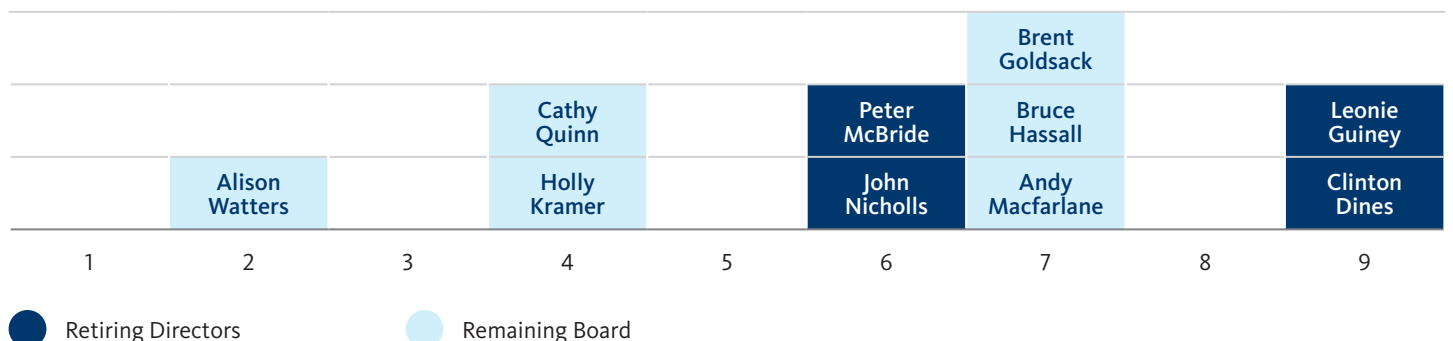
### Aggregated Skills of Existing Fonterra Board

### Targeted skills



## Director Tenure

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





# 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.

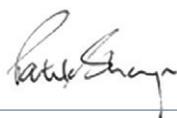
Yours faithfully

**Independent Assessment Panel**



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Dame Joan Withers (Chair)



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Patrick Strange



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Mark Verbiest



## 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 restabilising 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



If undelivered please return to:

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

[fonterra.com](https://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](http://www.nzfarmsource.co.nz)

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

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

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

**PIN**

**Password**

**OR**

#### 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**