



Fonterra Australia Supplier' Council Pty Limited

ABN 21 095 271 266

<< Supplier name>>  
<< Supplier Address 1>>  
<< Supplier Address 2   State   Postcode >>

28 August 2020

Dear <<Salutation>>,

It is with pleasure that I invite you to our 2020 Fonterra Australia Suppliers' Council Annual General Meeting of suppliers. The meeting will be held **at 11am on Wednesday 7<sup>th</sup> October (AEDT).**

#### **Virtual Annual General Meeting of Suppliers (AGM)**

Each year we aim to hold this event face to face in a different milking region. In light of the restrictions on public gatherings and in line with the temporary amendments to the Corporations Act in response to the coronavirus pandemic, this year's AGM will be conducted as a virtual meeting (via Microsoft Teams). There will not be a physical venue for you to attend.

You and any validly appointed proxyholders can participate in the AGM regardless of location by simply logging on to the live webcast via the link provided on the Company's website at [www.supplierscouncil.com.au](http://www.supplierscouncil.com.au). You will be able to listen to our Chairman's address, participate in our polls and submit questions. In order to participate in the AGM you will need a desktop or mobile/tablet device with internet access. Once the AGM commences, you should be able to see a video feed of the Chair and/or the presentation slides on your screen. Both of these will be broadcast live and in real-time.

Further details with respect to the meeting, as well as instructions on how to join, answers to Frequently Asked Questions and instructions on how to participate in the polls will be emailed to you separately, and also be available on our website from 14<sup>th</sup> September at [www.supplierscouncil.com.au](http://www.supplierscouncil.com.au). If you are not sure if the Trustee has your email address, and would like an email reminder, please email our Company Secretary at [will.kermode@fonterra.com](mailto:will.kermode@fonterra.com) and we will add you to the distribution list.

Included with this letter is the formal notice of meeting for our AGM (including voting forms) and a reply-paid envelope for your votes. These voting forms can also (preferably) be returned via email. We encourage you to vote on each resolution to be considered at the meeting prior to the AGM. If you login to participate in the AGM, you will, however, be able to cast your vote during the AGM. Voting on each item of business will be by poll.

Eligible Suppliers may vote by proxy if they prefer. Further details on how to appoint a proxy to participate in the meeting and vote for you are set out in the notice.

**2021 AGM (Gippsland)**

We have also listened to the feedback from a number of you regarding the timing of our annual AGM – with overwhelming feedback that November is not the most opportune time for you to spend time off farm. In response to this, starting in 2021, we will hold our AGM (and associated luncheon with guest speakers) in March in Gippsland. We also hope by this time that we will have put the worst of the COVID-19 restrictions well behind us.

Yours faithfully

A handwritten signature in blue ink that reads "John Dalton". The signature is written in a cursive, flowing style.

John Dalton

Chair, Fonterra Australia Suppliers' Council



Fonterra Australia Supplier' Council Pty Limited

ABN 21 095 271 266

## NOTICE OF ANNUAL GENERAL MEETING OF SUPPLIERS

The Trustee of the Fonterra Australia Suppliers' Council Pty Limited "Z" Class Share Trust gives notice that a General Meeting of Suppliers will be held as a virtual only meeting via Microsoft Teams, on **Wednesday 7<sup>th</sup> October at 11am (AEDT)** in accordance with the determination of the Trustee set out in the attached explanatory notes.

**Direction to the Trustee, being the holder of the Z Class Share in Fonterra Australia Suppliers' Council Pty Ltd which is subject to the trust established by the Declaration of Trust on 28 February 2001.**

### ORDINARY BUSINESS

#### Re-election of West Supplier Director – Mr Bruce Knowles

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

*"That the Trustee, is directed to vote the Z Class Share to re-elect **Mr Bruce Knowles**, who retires in accordance with rule 2.10 of the Constitution of the Company and, being eligible, offers himself for re-election as the West Supplier Director, and who is unopposed."*

### SPECIAL BUSINESS

#### Amendment of Constitution

2. To consider and, if thought fit, to pass the following resolution as a special resolution:

*"That the Trustee, is directed to vote the Z Class Share that the Company modify its constitution in the manner set out in the attached explanatory notes."*

**John Dalton**  
The Trustee  
28 August 2020

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## INFORMATION FOR SUPPLIERS

This information forms part of the notice of Meeting of Suppliers.

### Fonterra Australia Suppliers' Council Voting Protocol – Background

Fonterra Australia Suppliers' Council Pty Limited (**FASC**) has a single share on issue. This share is held by the Chairman of FASC (currently John Dalton) on trust for suppliers of milk to Fonterra in accordance with the trust established by the Declaration of Trust on 28 February 2001.

To provide Eligible Suppliers with an ongoing role in indirectly determining matters that would otherwise be determined by shareholders of FASC, the Fonterra Australia Suppliers' Council Voting Protocol (**Voting Protocol**)<sup>1</sup> was proposed by the Trustee and adopted by suppliers on 14 January 2015.

Under the Voting Protocol, Eligible Suppliers are able to vote to direct the Trustee on how the Trustee is to exercise the voting rights attached to the Z Class Share. Terms in this Notice of Meeting that are capitalised, but are otherwise undefined, have the meaning given to them in the Voting Protocol.

### Right of Eligible Suppliers to Vote

Under the Voting Protocol, Eligible Suppliers have a right to vote at the meeting. In accordance with the Voting Protocol, each resolution will be decided by a poll.

An Eligible Supplier is a supplier who has supplied at least 1,000 kilograms of milk solids in the financial year ended 30 June [2020] and who has not, in the reasonable opinion of the Trustee, ceased to supply milk solids.

Supplied means supplied by a Dairy Farmer to Fonterra Group.

### Calculation of your voting entitlement

Please refer to the attached Appendix A for information on the calculation of your total voting entitlement.

Your number of eligible supplier votes is included on the enclosed proxy form. If you have a question concerning your voting entitlement, please call Will Kermode (Company Secretary) on 03 8541 1824.

To facilitate direct voting by Eligible Suppliers, votes may be cast directly, if preferred (instead of voting by proxy or participating in and voting during the meeting). The accompanying "Supplier Voting and Proxy Form" allows for the casting of direct votes (tick the appropriate box), and a reply-paid envelope also accompanies the Notice of Meeting. These voting forms can also (preferably) be returned via email (same email address as for return of proxy forms – see below). To be valid as a direct vote, your duly completed and signed voting form must be received at least 48 hours before the meeting. We encourage you to vote on each resolution to be considered at the meeting. If you login to participate in the AGM, you will, however, be able to cast your vote during the AGM, and a vote cast during the AGM will override any direct vote cast or any vote cast on your behalf by your proxy.

### Appointment of proxies

A proxy form for the Meeting is enclosed.

Each Eligible Supplier entitled to vote at the Meeting of Suppliers may appoint a proxy to attend and vote at the meeting.

A proxy need not be an Eligible Supplier and can be an individual or a body corporate. A body corporate appointed as an Eligible Supplier's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting of Suppliers. The representative should have evidence of his or her appointment, including any authority under which the appointment is signed as well as provide such evidence of his or her appointment to the Company Secretary prior to the meeting at least 48 hours before the meeting (i.e. by 11.00am on Monday, 5 October 2020) at the proxy address below.

### Lodgement of proxy documents and direct votes

For an appointment of a proxy for the Meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney, the authority under which the appointment was signed (e.g. a power of attorney) or a certified copy of it,

must be received by the Trustee at least 48 hours before the meeting (i.e. by 11.00am on Monday, 5 October 2020).

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<sup>1</sup> Fonterra Australia Suppliers' Council Pty Limited was formerly known as Bonlac Supply Company Pty Limited. The name of the company was changed by the Trustee, in accordance with the special resolution passed by Eligible Suppliers at the FY19 Annual General Meeting of Suppliers, held on 13 November 2019. The Fonterra Australia Supplier's Council Voting Protocol was formerly the Bonlac Supply Company Voting Protocol and its name was changed by the Trustee's declaration set out in Appendix B to the explanatory notes to reflect the change of name of the company.

The following mail and email address is specified for the purposes of receipt of proxies:

| By mail:  | By email:                 |
|---|---------------------------|
| Fonterra Australia Suppliers' Council Pty Ltd<br>Level 2, 40 River Boulevard<br>Richmond VIC 3121 | will.kermode@fonterra.com |

#### **Bodies corporate**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of Suppliers. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should have evidence of his or her appointment, including any authority under which the appointment is signed, as well as provide such evidence of his or her appointment to the Company Secretary prior to the meeting at least 48 hours before the meeting (i.e. by 11.00am on Monday, 5 October 2020) at the proxy address above.

## EXPLANATORY NOTES

### Trustee determination and declaration

Under clause 6.2 of the Voting Protocols, the Trustee may from time to time make regulations and determine procedures for the proper and efficient administration of the arrangements contemplated by the Voting Protocols.

In light of the ongoing coronavirus pandemic, the Trustee has made a determination (set out in Appendix B) to facilitate general meetings being conducted as virtual meetings and to allow for direct voting.

The Trustee has also made a declaration (also set out in Appendix B) to update the Voting Protocols for the change of name of Bonlac Supply Company Pty Ltd to Fonterra Suppliers' Council Pty Ltd.

### Ordinary business

#### **Item 1 – Re-election of Regional Supplier Director**

Mr. Bruce Knowles is a retiring West Supplier Director who is eligible, and who has offered himself, for re-election. He is not opposed.

**Recommendation:** The Directors of FASC have recommended to the Trustee that item 1 be approved.

### Special Business

#### **Item 2 - Special business –amendment of constitution**

The following is an explanation of the proposed amendments to the Company's constitution to be effected in the special resolution if passed.

With the increasing prevalence of farm managers and also larger Corporate farming operations, the Company now proposes to amend the requirements for a proposed Supplier Director candidate to incorporate senior "Operational Managers" employed by Suppliers, who may not hold a legal or beneficial interest in a Supplier, but whose depth and range of experience would be beneficial to the Company.

*For the purposes of the amendment, "Operational Manager" is to mean an employee of a Supplier responsible for the operation of the dairy farming business that either reports directly to a Dairy Farmer, or who plays a key operational role in the day to day business of the dairy farming operation.*

The constitution is proposed to be amended by adding an additional clause, clause c. as noted below to the current Supplier Director candidacy requirements, and adding the definition of "Operational Manager" noted above;

#### **2.2A Supplier Director candidacy requirements**

**2.2A.1** Each candidate for election as a Director under rule 2.1(a) must be a natural person who:

- a. is a Supplier; or
- b. has a direct or indirect interest in a Supplier comprising:
  - i. a direct or indirect legal or beneficial interest in that Supplier (including as a beneficiary of a trust); or
  - ii. a right or entitlement to participate (directly or indirectly) in the distributions of, or made by, that Supplier; or
- c. is an Operational Manager employed by a Supplier.

**Recommendation:** The Directors of FASC have recommended to the Trustee that item 2 be approved.

## APPENDIX A:

### Voting entitlement based on the aggregate amount of milk solids supplied to Fonterra Australia

The FASC voting protocol provides that an Eligible Supplier will have one vote for every 1,000 kilograms of milk solids (with fractions of a vote to be disregarded) supplied in aggregate during the three prior Financial Years last ending before the date of this notice of meeting.

If an Eligible Supplier Supplied less than 1,000 kilograms of milk solids in any of those three Financial Years, the amount of milk solids Supplied by that Eligible Supplier in that Financial Year and in the Financial Years (if any) before that Financial Year are to be ignored in calculating the number of votes to which that Eligible Supplier is entitled.

Please note that where an eligible supplier has >1 farm, we have aggregated where possible the total Milk Solids against a single farm of that supplier for the purposes of calculating this voting entitlement.

Your calculated number of votes appears in the "Eligible Supplier votes" box on the attached proxy form.

#### Worked examples:

##### *Example one*

Eligible Supplier supplied:

- 75,600kg of milk solids in FY2018
- 80,400kg of milk solids in FY2019
- 65,450kg of milk solids in FY2020

The aggregate continuous supply in the last 3 Financial Years = 221,450kg of milk solids. In each of those three Financial Years at least 1,000kg of milk solids had been supplied. Eligible Supplier's voting entitlement for a meeting occurring in FY2020 = **221 votes**

##### *Example two*

Eligible Supplier supplied:

- 23,000kg of milk solids in FY2018
- less than 1,000kg of milk solids in FY2019
- 54,300kg of milk solids in FY2020

The aggregate continuous supply in the last three Financial Years = 54,300kg of milk solids. Supplies from FY2018 and FY2019 not included as the amount of milk solids supplied in FY2019 was below the minimum amount of 1,000kg of milk solids. Eligible Supplier's voting entitlement for a meeting occurring in FY2020 = **54 votes**

##### *Example three*

- 82,000kg of milk solids in FY2018
- 65,000kg of milk solids in FY2019
- less than 1,000kg of milk solids in FY2020

The aggregate continuous supply in the last three Financial Years is less than 1,000kg of milk solids. Supplies from FY2020, FY2019 and FY2018 not included as the amount of milk solids supplied in FY2020 was below the minimum amount of 1,000kg of milk solids. Eligible Supplier's voting entitlement for a meeting occurring in FY2020 = **0 votes**



## APPENDIX B:

### Trustee Determination and Declaration

#### THE TRUSTEE OF THE FONTERRA AUSTRALIA SUPPLIERS' COUNCIL PTY LIMITED "Z" CLASS SHARE TRUST (formerly the Bonlac Supply Company "Z" Class Share Trust)

#### DETERMINATION AND DECLARATION OF THE TRUSTEE

##### Procedures for Supplier Meetings

Under clause 6.2 of the Bonlac Supply Company Voting Protocol (**Voting Protocol**), the Trustee may from time to time make regulations and determine procedures for the proper and efficient administration of the arrangements contemplated by the Voting Protocol. Unless otherwise defined in this determination, terms used in this determination have the meaning given in the Voting Protocol.

**The Trustee hereby determines** that for the proper and efficient administration of meetings of Eligible Suppliers:

- (1) a general meeting of Eligible Suppliers may be conducted through such technology as the Trustee considers will provide Eligible Suppliers as a whole with a reasonable opportunity to participate, including as an online virtual meeting with no physical venue for Eligible Suppliers to attend, provided that the notice convening the meeting included information about how those entitled to attend (or their proxies) can participate in the meeting;
- (2) where the Trustee considers it appropriate and the notice of meeting so permits votes entitled to be cast by an Eligible Supplier may be cast by direct vote in such form, by such means and in such manner as the notice of meeting prescribes, received prior to such time as may be stipulated in the notice of meeting;
- (3) any votes of an Eligible Supplier entitled to vote cast on a resolution by a direct vote are taken to have been cast on the poll as if the Eligible Supplier had cast the votes on the poll for the resolution (as amended) at the meeting, and the votes of the Eligible Supplier are to be counted accordingly unless the direct vote is withdrawn;
- (4) receipt of a direct vote from an Eligible Supplier has the effect of revoking any prior appointment of a proxy, representative or representative made by the Eligible Supplier before the direct vote was received;
- (5) a direct vote is automatically withdrawn and will not be counted if:
  - (a) the Eligible Supplier withdraws the vote by notice in writing to the Trustee prior to the commencement of the meeting;
  - (b) the Eligible Supplier or a proxy on behalf of the Eligible Supplier (being a proxy appointed after the direct vote was received) casts a vote at the meeting; or
  - (c) the Eligible Supplier submits a further direct vote (in which case the later direct vote will, subject to this determination, be counted); and
- (6) an Eligible Supplier is considered "present in person or by proxy" if:
  - (a) they, their validly appointed corporate representative, or their validly appointed proxy, access the meeting through relevant technology; or
  - (b) they submit a direct vote on a resolution and the direct vote has not been withdrawn before the commencement of the meeting.

### **Updating Voting Protocol for change of name**

Under clause 9.1(b) of the Voting Protocol, the Voting Protocol may be amended by written declaration of the Trustee, if the Trustee reasonably considers that the change will not adversely affect the rights of Eligible Suppliers in a material respect.

***The Trustee hereby declares*** that, to reflect the change of name of Bonlac Supply Company Pty Ltd to Fonterra Australia Suppliers' Council Pty Ltd, the Voting Protocol is amended to replace all references to the "Bonlac Supply Company" with references to the "Fonterra Australia Suppliers' Council".

**Date**            26 August 2020

**EXECUTED by JOHN DALTON as  
Trustee of the Fonterra Australia  
Suppliers' Council Pty Limited "Z"  
Class Share Trust:**



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Signature

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John Dalton

Name

# Trustee of the "Z" Class Share Trust in relation to Fonterra Australia Suppliers Council Pty Limited

ABN 21 095 271 266

## Lodge your vote:



### By Mail:

Using the enclosed Reply-Paid Envelope or  
Fonterra Australia Suppliers Council,  
Level 2, 40 River Boulevard, Richmond VIC 3121

Alternatively, you can scan and email your form to  
[will.kermode@fonterra.com](mailto:will.kermode@fonterra.com)

### For all enquiries call / email:

Will Kermode on 03 8541 1824  
[will.kermode@fonterra.com](mailto:will.kermode@fonterra.com)

<< Supplier name >>  
<< Supplier Address 1 >>  
<< Supplier Address 2 State Postcode >>

Farm: E-0001

## Supplier Voting & Proxy Form – 2020 Meeting of Suppliers

For your vote to be effective it must be received by 11am (Melbourne time) Monday, 5 October 2020

### How to Vote on Items of Business

All your voting entitlement will be voted in accordance with your directions. **Vote Directly**

Tick the first box in step 1, complete steps 2 & 3 and sign. If you indicate how you intend to vote by marking one of the boxes opposite each item of business, but do not mark a box in step 1, the Chairman of the meeting will be appointed as your proxy. If you mark more than one box on an item your vote will be invalid on that item.

#### Appointment of Proxy

**Voting 100% of your voting entitlement:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box and the Vote Directly box is not marked, your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your voting entitlement:** Indicate a portion of your voting rights by inserting the percentage or number of 'votes' you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. When appointing a second proxy write both names and the percentage of votes for each in Step 1 overleaf.

### Signing Instructions

**Individual:** Where the supplier relationship is in one name, that person must sign.

**Joint Holding:** Where the supplier relationship is in more than one name, all of the suppliers should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the company, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Virtual Meeting

This year's meeting will be a virtual meeting. If a representative of a corporate security holder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" to the Company Secretary by Monday 5 October – preferably via email.

Turn over to complete the Form ➔

# Supplier Voting and Proxy Form

Please mark

**X**

to indicate your directions

I/We being an Eligible Suppliers as defined in the Fonterra Suppliers' Council Voting Protocol in relation to the Fonterra Australia Suppliers' Council Pty Limited "Z" Class Share Trust hereby;

## STEP 1

### Direct Vote or Appoint a Proxy to Vote on Your Behalf

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**Vote Directly**

To vote directly, mark this box, then proceed to Step 2. You should mark either "For" or "Against" for each item in Step 2. Do not mark the "Abstain" box.

**OR**

Appoint a Proxy -

☐

**the Chairman of the Meeting**

**OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Suppliers to be held as a virtual meeting and at any adjournment or postponement of that meeting.

## STEP 2

### Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### ORDINARY BUSINESS

For Against Abstain

Item 1 Re-election of Supplier Director – Mr Bruce Knowles

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#### SPECIAL BUSINESS

Item 2 Amendment of Constitution

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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

## STEP 3

### Complete your details *This section must be completed.*

Name of Individual or Eligible Supplier 1

Name of Eligible Supplier 2

Name of Eligible Supplier 3

Farm reference #

Eligible Supplier votes

## SIGN

### Signature of Eligible Supplier(s) *This section must be completed.*

Signature of Individual or Eligible Supplier 1

Sole Director & Sole Company Secretary

Signature of Eligible Supplier 2

Director

Signature of Eligible Supplier 3

Director/Company Secretary

Contact Name

\_\_\_\_\_

Contact Telephone

\_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/ 2020