

# NOTICE OF 2022 ANNUAL MEETING

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20 October 2022

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To be held at Distinction  
Coachman Hotel,  
140 Fitzherbert Avenue,  
Palmerston North  
and online at  
[www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting)





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**The above matters are presented in the Notice of Annual Meeting, with further details provided in the following Explanatory Notes**

## Defined terms

Unless otherwise indicated, capitalised terms used in this document have the specific meaning given to them in the Glossary on page 33 of this document.

## Enquiries

If you have any questions about the number of shares you hold in LIC, or how to vote or complete the Voting Form, please contact the Election Helpline on 09 375 5998

# Notice of Annual Meeting

Notice is given that the 2022 Annual Meeting of the Shareholders of Livestock Improvement Corporation Limited will be held at Hotel Distinction Coachman, 140 Fitzherbert Avenue, Palmerston North and virtually at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting) on **Thursday 20 October 2022** commencing at 12 noon, with registration commencing at 11.30am. If the COVID-19 alert levels are raised in the Manawatu region, the meeting will be a virtual meeting only.

**Item 1:** To receive and consider the Company's Financial Statements for the year ending 31 May 2022 and the associated Directors' and auditor's reports, all as set out in the Annual Report.<sup>1</sup>

**Item 2: Resolution 1: Approval of LIC Directors' Remuneration**

To receive and consider the LIC Honoraria Committee's recommendation as to Directors' remuneration, and if thought fit, to resolve by way of ordinary resolution to:

*"Approve the total remuneration of all nine Directors to be \$664,000 per annum.*

**Item 3: Resolution 2: Approval of LIC Shareholder Reference Group Remuneration**

To receive and consider the LIC Honoraria Committee's recommendation as to Shareholder Reference Group's remuneration, and if thought fit, to resolve by way of ordinary resolution to:

*"Approve the total remuneration of all Shareholder Reference Group members being increased from \$171,000 to \$179,500.*

**Item 4: Resolution 3: To re-appoint KPMG as external auditor**

To consider, and if thought fit, to resolve by way of ordinary resolution to:

*"Re-appoint the chartered accountancy partnership KPMG as the auditor until the conclusion of the Company's next Annual Meeting, and that the Directors be authorised to fix its remuneration."*

<sup>1</sup> Available on LIC's website ([www.lic.co.nz/shareholders/annual-reports](http://www.lic.co.nz/shareholders/annual-reports)) or on request, phone (07) 856 0700.

**Item 5: Resolution 4: To elect one Elected Director for the South Island**

To consider, and if thought fit:

*"Elect ONE (1) candidate representing the South Island, as an Elected Director to the Board of Directors with effect from the conclusion of this Annual Meeting."*

*Note that only Shareholders in the South Island are eligible to vote on this resolution.*

**Item 6: Resolution 5: To ratify the re-appointment of Tim Gibson as an Appointed Director**

To consider, and if thought fit to resolve by way of ordinary resolution to:

*"Ratify the re-appointment of Tim Gibson as an Appointed Director for a term expiring at the conclusion of the third Annual Meeting following this Annual Meeting (approximately three years)."*

**Item 7: Resolution 6: To elect two members of the Shareholder Reference Group for the Upper North Territory**

To consider, and if thought fit:

*"Elect TWO (2) candidates from the Upper North Territory to the Shareholder Reference Group with effect from the conclusion of this Annual Meeting."*

**Item 8: Resolution 7: Re-election of Scott Montgomerie to the Honoraria Committee**

To consider, and if thought fit, to resolve by way of ordinary resolution to:

*"Approve the re-election of Scott Montgomerie to the Honoraria Committee, with effect from the conclusion of this Annual Meeting."*

**Item 9: Resolution 8: Re-election of Shirley Trumper to the Honoraria Committee**

To consider, and if thought fit, to resolve by way of ordinary resolution to:

*"Approve the re-election of Shirley Trumper to the Honoraria Committee, with effect from the conclusion of this Annual Meeting."*

**Item 10:** General business.

**Closure:** 2.00 pm.

## Procedural notes

- (a) Explanatory Notes relating to the resolutions above are set out in the following pages.*
- (b) Resolutions 1, 2, 3, 5, 7 and 8 need to be passed by ordinary resolutions, i.e. by a simple majority of the votes of those Shareholders entitled to vote and voting on the relevant resolution.*
- (c) LIC uses the First Past the Post system for Board, Shareholder Reference Group and Honoraria Committee elections. This means that the candidates receiving the highest number of votes on resolutions 4 and 6 will be successfully appointed.*
- (d) In accordance with the Constitution, no person may exercise, or control the exercise of, more than 1% of the maximum number of votes that may be exercised at a meeting of LIC.*
- (e) For each resolution, the votes counted include valid postal votes, electronic votes and the votes of proxies and representatives.*
- (f) All resolutions will be determined on the basis of a poll and in accordance with NZX Listing Rule 6.1.1.*

NZ RegCo has reviewed the form of this notice of meeting but neither it nor NZX take responsibility for its contents.

# Explanatory Notes

**Items 2 & 3: To receive and consider the LIC Shareholder Honoraria Committee's recommendations in respect of the level of Directors' and Shareholder Reference Group members' remuneration.**

## Honoraria Committee

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Clause 24.2 of LIC's Constitution ([Corporate governance | LIC](#)) sets out the requirement for LIC to maintain an independent Honoraria Committee tasked with considering and recommending to LIC Shareholders any changes to the form and amount of remuneration paid to LIC's Directors and Shareholder Reference Group members. This clause also sets out the process by which Shareholders can be elected to the Honoraria Committee.

In this Notice of Meeting, you will find two resolutions relating to LIC's Honoraria Committee and the work that they do on behalf of their fellow LIC Shareholders. Resolutions 1 and 2 respectively are the Committee's recommendations to increase the current level of Directors' and Shareholder Reference Group members' remuneration. Director remuneration must be approved by an ordinary resolution of Shareholders (as set out in Listing Rule 2.11.1). Resolutions 7 and 8 are in relation to the re-election of two Shareholders to the Committee.

The Honoraria Committee is made up of between two and four Shareholders. The members are elected by their fellow Shareholders and is currently chaired by Ian Brown of Tokoroa. Each member of the Committee holds office for a period of two years and can stand for re-election at the end of their term. The current Honoraria Committee members are:

- Ian Brown (Chair)
- Gordon Glentworth
- Scott Montgomerie
- Shirley Trumper

Each bring to the Honoraria Committee their depth of knowledge and experience of governance within the agricultural sector and most currently sit on other bodies that consider Board remuneration. Further information on the current members can be found here [Honoraria Committee | LIC](#).

It is important to note that the Honoraria Committee undertakes its role and activities independently of LIC,

the LIC Board and the Shareholder Reference Group. Neither the Board or the Shareholder Reference Group set, or recommend, the level of the fees that they receive. Furthermore, under the NZX Listing Rules, LIC Directors and any person associated with that Director, are disqualified from voting on Resolution 1.

The Honoraria Committee met three times this year to consider the remuneration paid to LIC Directors and members of the Shareholder Reference Group. In reaching their recommendations to Shareholders, the Honoraria Committee has taken into account, reviewed and analysed the comprehensive data and information provided by Strategic Pay and the Institute of Directors and has considered published remuneration data, practices and policies from a number of organisations in NZ, both in the agri-sector and in other sectors.

The Honoraria Committee members also met with the LIC Chief Executive, the Chair of the LIC Board, an Independent Director and the Chair of the Shareholder Reference Group to understand the nature of the issues before the Board and the Shareholder Reference Group and the workload on Directors and Shareholder Reference Group members plus other relevant matters. This together with their experience of what is happening elsewhere, has informed their recommendations to Shareholders.

### Director Honoraria

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It is the Honoraria Committee's view that it is imperative that LIC maintains a high calibre of directors on its Board. Elected Directors bring a strong understanding of the co-operative, the New Zealand dairy industry, as well as the challenges ahead of the industry. Appointed Directors bring to the Board a balance of skills and experience relating to international markets, mergers and acquisitions, health and safety, technology, finance, and risk, and often have exposure to other complex businesses.

The aim of the Honoraria Committee is to ensure that Directors' pay is relevant and there is some recognition of potential opportunities forgone to them, while being sufficient to attract and retain good governors. Directors pay needs to continue to reflect the substantial workload and ever-increasing obligations on NZ Directors. The Honoraria Committee is acutely aware that as a company listed on the NZX, the level of compliance and scrutiny on LIC is higher than for a non-listed company and there is no evidence that the directors' workload will decrease in the foreseeable future.



## Director Honoraria - recommendations

The Honoraria Committee recommend the following increases to Directors' remuneration, to take effect from the conclusion of the 2022 Annual Meeting:

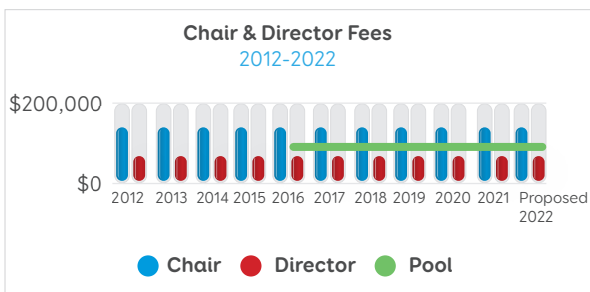
Position	Current	Recommended	\$ increase	% increase
Chair	\$123,600	\$132,000	\$8,400	6.80%
Director	\$54,000	\$59,000	\$5,000	9.26%
Discretionary pool*	\$60,000	\$60,000	No change	No change
Total	\$615,600**	\$664,000	\$48,400	7.86%

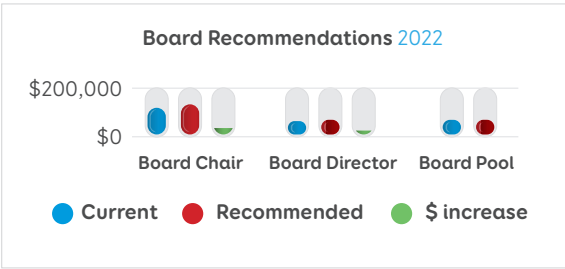
\* Maximum pool available for additional duties and specialist skills, including roles as Committee Chairs.

\*\* Based on current Board size of nine Directors. Shareholders approved total remuneration of \$669,000 in 2019 for a Board of ten Directors.

The honoraria paid to the Board Chair and the Directors was last increased in 2018 and 2019 respectively. In that time, according to the Reserve Bank of New Zealand's Inflation Calculator, the CPI has increased by approximately 13% and 11% respectively. The Honoraria Committee is recommending increases of 6.8% for the Chair and 9.26% for the Directors, both significantly less than these cumulative increases in the CPI.

It is therefore the considered view of the Honoraria Committee that the honoraria currently paid to LIC Directors is no longer sufficient to maintain relative remuneration parity with similar organisations and has the potential to put pressure on LIC's ability to attract and retain good governors. In addition, the Honoraria Committee considers that the current level of remuneration does not fully recognise the time and commitment required to be a Director of LIC.





## Shareholder Reference Group Honoraria

The Honoraria Committee considers the Shareholder Reference Group to be an important addition to LIC and that the level of remuneration paid to its members needs to be sufficient to attract Shareholders of the right calibre to work on behalf of their fellow Shareholders in fulfilling the Group's role.

The Group's current remuneration was approved by Shareholders at the 2021 Annual Meeting, acknowledging the increase in the workload of the Shareholder Reference Group resulting from its change in role.

The Honoraria Committee is aware that there are very few organisations which have a body similar to the Shareholder Reference Group given its unique role that it can use for direct comparison when it comes to considering the Shareholder Reference Group's honoraria.

Noting that the level of remuneration needs to ensure a fair recognition of the members increased focus away from their own farm operations, the time off farm spent on LIC activities, their personal commitment to the co-operative and other off-farm opportunities foregone, the Honoraria Committee is recommending an increase in the Group's remuneration as set out below.

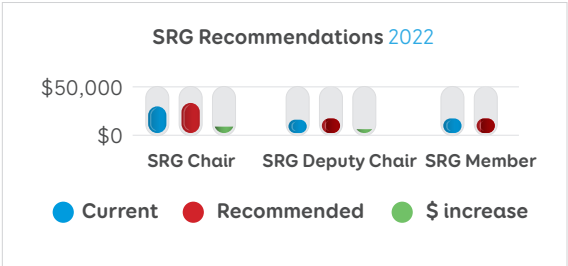
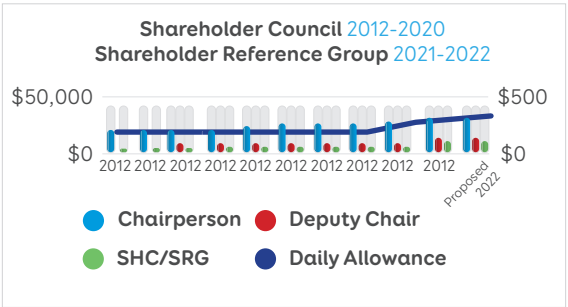
If resolution 2 does not pass, the Shareholder Reference Group will continue to be remunerated at the level previously approved at the Company's 2021 Annual Meeting.

## Shareholder Reference Group Honoraria - recommendations

The Honoraria Committee recommend the following increases to the remuneration paid to members of the Shareholder Reference Group, to take effect from the 2022 Annual Meeting and a 5% increase in the daily allowance paid to members of the Shareholder Reference Group for days spent on LIC business outside of their normal meeting schedule. The daily allowance was last increased in 2019.

Position	Current	Recom- mended	\$ increase	% Increase
SRG Chair	\$ 35,000	\$36,500	\$1,500	4.29%
SRG Deputy Chair	\$ 16,000	\$17,000	\$1,000	6.25%
SRG Member	\$ 12,000	\$12,600	\$600	5.00%
Total	\$171,000	\$179,500	\$8,500	4.97%
Daily Allow- ance *	\$320	\$350	\$30	9.38%

\* paid for time spent on extraordinary duties



#### **Item 4 - Resolution 3: To re-appoint KPMG as external auditor**

To consider, and if thought fit, to resolve by way of ordinary resolution to re-appoint the chartered accountancy partnership KPMG as the Auditor until the conclusion of the Company's next Annual Meeting, and that the Directors be authorised to fix its remuneration.

The Board recommends to Shareholders that KPMG be re-appointed as the external Auditor for the current year

#### **Item 5 - Resolution 4: To elect one Elected Director for the South Island**

Shareholders in the South Island have the opportunity to vote for one Director representative.

The nomination and election of Elected Directors to the Board of LIC is governed by the LIC Constitution and the transitional arrangements put in place as part of the governance and representation changes introduced in 2020 (the reduction of the number of Elected Directors from seven to six and the number of regions from four to two).

The election of Directors this year will see the final step of these transitional arrangements completed.

Elected Directors are nominated and elected by Shareholders within the relevant Region and are voted for on the basis of one vote for each LIC share held (both Fully Paid Ordinary and Nil Paid Ordinary Shares) in respect of a farm located in the relevant Region.

In this year's Director elections, and under the transitional arrangements referred to above, the number of North Island Directors will reduce from four to three. Gray Baldwin, Ben Dickie and Alison Watters are due to retire by rotation at the Annual Meeting. Gray Baldwin has decided, after ten years on the LIC Board, to retire, while Ben Dickie and Alison Watters are re-elected unopposed to the two North Island positions (meaning they are each deemed to be elected by the North Island Shareholders in accordance with the Company's Constitution). Alison Watters is elected for a two year term up until the 2024 Annual Meeting in order to stagger the rotation schedules of the directors. In addition, a third Director is sought for the South Island, bringing the number of South Island Directors up from two to three. Three candidates are standing in the South Island for the one Director position – Siobhan O'Malley, Corrigan Sowman and Victoria Traynor.

The Board does not currently have sufficient information to form a view on whether the candidates nominated for election to the South Island Director seat would qualify as "independent Directors" for the purposes of the NZX Listing Rules.

## **The Director Candidate Assessment Process**

A candidate assessment process for LIC Directors is being undertaken this year and is being run by external consultants, Propero Consulting. The purpose of this is to undertake an independent assessment of candidates standing for election to the Board. This process was made available to all candidates.

The assessment process is not compulsory, meaning that candidates can elect whether to go through the candidate assessment process or not. Where candidates agreed to participate in the assessment process, the results of Propero's assessments are included in this Notice of Meeting. The information provided aims to assist Shareholders when voting for their Director representatives.

The assessment process included the following steps:

- Candidate self-assessment
- A review of the candidate's resume/CV
- A critical reasoning assessment
- Reference and relevant background checks
- A structured panel interview
- An exercise to test the candidate's depth of thinking and ability to assimilate information.

## **Competencies, skills and capabilities required of an Elected Director**

With increasing duties and legal obligations being placed on Boards and Directors in New Zealand, LIC routinely reviews the competencies, skills and capabilities required of the Board and of the Company's Directors.

The key capabilities are set out below to help guide you with your voting.

### **Governance Aptitude**

- Governance track record
- Long-term strategy and vision

### **Financial and Commercial Acumen**

- Strong commercial track record
- Financial analysis, planning, and monitoring
- Economics of agricultural business models

### **Agricultural sector and systems knowledge**

- Farm operations (including sustainability)
- Drivers of supply, demand and prices
- Co-operatives

- International agribusiness experience
- Genetics and science

### **Business Operations at Scale**

- Driving operational efficiency
- C Suite experience
- Culture change

### **Customer / Stakeholder Insight**

- Applying insights/data to key decisions
- Transforming end-customer experience

### **Marketing / Brand / Sales**

- Marketing, sales, and brand strategies
- Supply chain and logistics

### **Technology and Innovation**

- Farm technology and innovation
- Data Commercialisation

### **Diversity**

- Age, ethnicity and gender

The skills, competencies and capabilities outlined above have formed the basis of the independent assessment process conducted by Propero Consulting.

## South Island Candidates in alphabetical order

We ask that you respect the personal and confidential nature of the candidate profiles and assessments and restrict availability of this information to only those who are immediately concerned with voting.



### **Siobhan O'Malley**

Siobhan O'Malley has been involved in the dairy industry since 2011. She is a passionate advocate for the future of the NZ dairy industry and has recently purchased her first dairy farm with her husband Christopher. Innovation and hard work have allowed her to become a first-generation farm owner.

Siobhan's fresh thinking and diverse business experience will bring a grounded but also forward-thinking perspective to LIC's Board. Siobhan is entrepreneurial and a strategic thinker, capable of both setting a vision and executing the processes to bring it to life. She is able to assimilate ideas and data from multiple sources to support decision making and find solutions.

Siobhan has had governance roles in a range of businesses outside agriculture, including an Associate Director role with civil contracting firm Westroads, Director of a construction services company, and Director of farmer-owned e-Commerce startup, Hemprino. She regularly sits on school Boards as a trustee and local community sports clubs.

Siobhan is co-founder of nationwide farmer charity Meat the Need, where she remains a trustee, and chaired this Board during the 18-month launch phase. This experience cemented the importance of farmer-centered design for products and tools used on farm, by farmers.

Having lived, and worked as a sharemilker, in multiple regions across the South Island, Siobhan has a unique perspective on the needs of a range of stakeholders in the industry - from larger entities to herd-owning sharemilkers and owner-operators, in a range of climatic conditions. She currently lives on the West Coast, near Hokitika.

Her favourite thing about being part of the dairy farming

community is the collaborative approach by farmers and co-operative structures that allow farmers to share success.

Siobhan believes that innovation-led solutions will solve scaled challenges faced by the industry and that LIC has a crucial role to play in ensuring a viable and thriving industry for her children to step into.

NZ Sharefarmer of the Year 2017 (alongside her husband Christopher).

Winner of the 'Champion Award' at the Primary Industries Awards for Meat the Need (2020)

Awarded Institute of Directors' Emerging Director Award (2021)

Graduate of Kellogg Rural Leadership Course (2018) and Agri-Women's Development Trust: Next Level course (2021). Institute of Directors' 5 day Directors' course and Governance for Not-For-Profits training (2022).

B.A. (Hons. 1st class)

Master of Arts

Diploma in Agribusiness Management



## LIC director election 2022 candidate profile

### Profile summary

Siobhan O'Malley

Siobhan has a diverse entrepreneurial background, having set-up and run a number of small businesses. She sees LIC as aligned with her "passion for being a sector ambassador" and long-term governance aspirations.

Siobhan's family farming interest, Pukeko Pastures, began in 2011 as a sharemilking business. It now owns a dairy farm operating 180 cows. She is a graduate of the Kellogg Rural Leadership Programme and previous sharemilkers' representative (North Otago) with Federated Farmers.

As Chair of Meat the Need, she engaged Silver Fern Farms, Miraka and Fonterra to partner with and sponsor the programme. She led the formation of the Board and its initial strategic framework. Through this role, Siobhan has strengthened her agribusiness networks and gained insight to supply chain design, logistics and organisational systems (legal, financial, operational). Currently a trustee, Siobhan has helped lead the trust's rapid growth to an expected product value of \$10m next year.

Siobhan recently completed a 1 year term as the associate director of Westroads, a contracting company managing construction projects (annual revenue \$30m, 140 employees). As a Westland District Council-controlled organisation, Siobhan gained greater exposure to strategy development, scale governance, financial reporting, H&S considerations and organisational culture in the regulatory environment.

Through her own businesses, Siobhan is strengthening her knowledge of digital growth, e-commerce, branding and retail strategies.

If elected, LIC would be Siobhan's first large scale commercial Director role. She would focus on transferring her hands-on entrepreneurial skillset to the governance level required for LIC's scale and operational complexity.

Siobhan is a critical thinker and confident contributor to discussions. She has experience operating in both fast-paced / innovative and more process-oriented settings. She will likely enjoy meeting environments where diverse perspectives and constructive challenges are used to build towards consensus.

Siobhan has achieved a Master of Arts (Distinction) and Graduate Diploma in Teaching and Learning (Secondary). She is a member of Federated Farmers and the Institute of Directors. She has completed the IoD Company Directors' Course, Agri-Women's Development Trust's Next Level course, and Federated Farmers' Leadership Course 1.



## Corrigan Sowman

My name is Corrigan Sowman, I'm a 42-year-old dairy farmer from Golden Bay. My wife Ruth and I (and our two young boys) work in a family business in partnership with my brother and parents.

I've been part of the dairy sector since graduating from Massey University. Firstly as a Consulting Officer and Farm Consultant in Canterbury, before returning to the farm

in 2008. Off farm, I've been a Chair of SIDE, a Director and Chair of SIDDC which operates Lincoln University Dairy Farm, and Deputy Chair of the DairyNZ Dairy Environment Leaders program. I am a Kellogg Rural Leader and 2019 Nuffield Scholar.

I believe that New Zealand farmers are highly skilled business people on the world stage. Their practical ability to operate complex biologically based systems, and to integrate these skills to produce food in a world-class way is desired by people internationally and confers a competitive advantage.

The privilege to be part of the Nuffield Scholar program gave me a unique perspective on the scale of the global food system and the many different challenges confronting farmers. As farmers, we are indelibly tied to the land, the customer and for many of us, the animals we work with every day. It's why the current social pressure of change in the expectations of how food is produced and farmers operate is very personal.

For the last 18 months I have been a member of Fonterra's Sustainability Advisory Panel, working with the senior leadership team on future strategy. In 2021 I completed the Fonterra Governance Development Programme.

I relish being a hands-on farm manager because ultimately many of the challenges we face are at the coal face. Whether it's how we overcome the ever increasing burden of data collection and get better integration across the sector; or how we tackle methane reductions in a practical way that doesn't break the bank; or whether we have the right tools, and information in the hands of our staff to make the right decisions at the right time.

This is why I seek your support as a Director of LIC. I believe we are world-class dairy farmers. But I am acutely aware of the challenges we face. I would value an opportunity to contribute to finding the solutions, ensuring our co-operative and our farmers prosper in the future.

## LIC director election 2022 candidate profile

### Profile summary

Corrigan Sowman

Corrigan draws from a number of South Island dairy farming leadership and representative roles. He is motivated to join the LIC Board as a way to continue contributing to the sector's success while also strengthening his governance experience.

Corrigan is the owner, Director and business manager of Uruwhenua Farms, a 400ha dairy farm. His earlier career involved roles in farm research and consultancy. He is both a Nuffield Farming Scholar and Kellogg Rural Leadership Scholar.

Corrigan has developed strong awareness of on-farm sustainability considerations. He is the current farmer member on the Fonterra Sustainability Advisory Panel, a group providing independent advice to the Fonterra Board and senior management on the company's ESG strategy. He was also the deputy Chair of DairyNZ Dairy Environment Leaders, an initiative aimed at supporting farmers navigate regulatory changes across the environmental and climate space.

For 5 years, Corrigan was Chair of the South Island Dairy Development Centre. The SIDDC operates the Lincoln University Dairy Farm and is a partnership between LIC, AgResearch, DairyNZ, Ravensdown, Lincoln University and SIDE aimed at driving industry improvements through innovation and collaboration. Over his tenure, Corrigan worked with the partner organisation CEOs, led engagement in a complex stakeholder environment, and oversaw strategy development and the appointment of a new GM.

Corrigan has focused his leadership positions to support change through system practice development. He has gained experience 'beyond the farm gate' in strategy implementation, governance leadership, sustainability regulation, and financials (including farmer funding and institutional investment). Across all roles, he has brought a strategic perspective and understanding of the primary sector's evolving drivers and imperatives.

LIC is of larger scale and operational complexity than Corrigan's previous board roles. If elected, he would focus on scaling his strategic experience to the commercial governance level as well as strengthening his marketing and digital knowledge.

A critical thinker, Corrigan will likely enjoy structured discussions focused on finding practical solutions. He is expected to be a confident contributor in collegial and collaborative meeting environments.

Corrigan has achieved a Bachelor of Applied Science (Majors in Natural Resource Management and Agriculture). He has also completed the Fonterra Governance Development Programme.



## Victoria Trayner

I am a proud 5th generation dairy farmer. From our early days sharemilking, my husband Glen and I now farm 475ha in Oxford, Canterbury, milking on 219ha, 650 cows. We are raising our three daughters to be future caretakers of our land.

I am a descendant of Waitaha Kati Mamoe Ngāi Tahu ngā iwi and have a strong affiliation to my land as my family did before me. I am actively involved in my family's extended enterprise across pig farms, an angus beef stud, additional dairy farms and dairy support. We have seen with the use of genetic improvement, the use of data recording and reporting become a significant asset to our livestock and business and have seen economic merit on this investment.

While establishing my career in the dairy industry I have also been a Lecturer in Agribusiness and Production Management for the Primary ITO. This activity combined with my involvement in our wider family business gives me comprehensive knowledge across the different primary sectors from both a farm gate and corporate perspective.

### Qualifications

- Master Business Administration
- Bachelor of Agriculture
- Bachelor of Fine Arts
- Graduate Diploma of Teaching and Learning

I have relevant corporate experience that would add value to the LIC Board. I have gained significant governance exposure in a variety of senior positions across the farming sectors. I have a strong alignment to co-operative values and a focus on intergenerational principles.

### Governance experience...

- Director - Waimakariri Irrigation Limited (2018 - current)
  - Co-operative
  - Supplies irrigation water to 200 farms irrigating 23,000ha
  - Assets employed \$24m
- Associate Director - Alliance Group Ltd (August 2021-July 2022)
  - Co-operative
  - Meat processing and exporting
- Chair - Canterbury Plan Change 7 Sector Group (2017-2021)
  - Steering group with industry input to have alignment and collaboration in regional submissions for the environment court around Plan Change 7 for Canterbury.

- Trustee - Waimakariri Landcare Trust (Next Generation Farmers Trust )
  - Environmental advice to the local farming community around proposed land and water policies and developed into a Landcare Trust with MPI Sustainable Foods and Fibre Funding.
- Fonterra Governance Programme (2020)
  - recipient of the Ian Elliot memorial scholarship, from Trinity Lands. )

The structure and performance of the dairy industry in New Zealand has changed significantly over the last few years and has been heavily influenced by government policy.

Looking ahead, there are numerous challenges facing the sector. These challenges include...

- international economic ramifications of COVID-19,
- community expectations for the environment and
- changing technologies and data collaboration
- consumer tastes, with the competitiveness of new artificial products like synthetic milk as yet unknown.

LIC potentially has a part to play across these challenges, as technology and genetic understanding evolves.

LIC has performed strongly in recent years. To continue this success it needs to:

- Drive efficiency in its core business
- Deliver cost effective solutions for farmers
- Focus on excellence in customer service for our farmer shareholders
- Maintain a leading edge in new technologies
- Continue to deliver strong profitability
- Stay as a co-operative

What adds value to a company and to the economy, is growing revenue more quickly than costs are increasing. Shareholders are facing this in their own business and I see LIC has an important role to continue to expand its production frontier. I am really excited about the possibilities LIC has to add value to the value chain for farmers, shareholders, customers and stakeholders, now and into the future.

I have an independent and inquiring mind, I ask challenging questions respectfully, listen and make decisions taking a long-term view. If elected I will:

- bring a strong commercial focus to the board table
- take a strategic view
- add diversity of thought

It is important to me to leave the agriculture industry in a strong position to pass onto the next generation. I respectfully seek your vote for the LIC Board

## LIC director election 2022 candidate profile

### Profile summary

#### Victoria Trayner (Ngāi Tahu)

Victoria draws from a broad agribusiness and education background and is motivated for the LIC role as an opportunity to 'give back' through shareholder representation. She notes her close alignment to the co-operative values and focus on intergenerational value.

Victoria has extensive primary sector experience through her own and family farming enterprises, including dairy farms, pig farms, Angus beef stud and dairy bull run-off. She is currently a tutor in agribusiness and production management through AgriLearn (privately-owned rural training company).

Victoria is a Director of Waimakariri Irrigation Limited, which operates and manages a run-of-river scheme to deliver water to 200 shareholders. Over her tenure, Victoria has overseen CAPEX, risk management, financial reporting, and H&S. She has led a digital strategy review and shareholder engagement strategy and been involved in responding to environmental regulatory changes.

As Chair of the Primary Sector PC7 Committee, she has engaged with stakeholders including DairyNZ, B+LNZ, Ballance and Fonterra, and has helped implement a full water quality data collection plan.

Victoria recently completed her 1 year term as Alliance's first associate Director, and gained exposure to large-scale commercial co-operative governance. She strengthened her awareness of go-to-market strategies, consumer and supply chain models and international markets. As the Board implemented a large enterprise resource planning system change, she also gained exposure to automation efficiency.

A descendant of Waitaha and Ngāti Māmoe (both represented by Ngāi Tahu), Victoria has strong whakapapa connections and understanding of te ao Māori. She has developed broad agribusiness networks and has growing exposure to the regulatory environment including ECan (Canterbury Regional Council).

If elected, Victoria would focus on scaling her current governance experience to match LIC's size and commercial complexity. This may involve strengthening her knowledge around branding and sales.

A critical thinker, Victoria is expected to bring a careful and systematic decision-making style. She notes the importance of acting with mana and integrity, and will likely be a confident contributor in environments with high respect and collegiality.

Victoria has achieved a Bachelor of Agriculture, Graduate Diploma of Teaching and Learning, and Bachelor of Fine Arts. She is a member of Federated Farmers and the Institute of Directors. She has completed the Fonterra Governance Development Programme.

## LIC Director Election 2022 Ratings

Propero's independent ratings against the Board's strategic skills matrix

Capability	Corrigan Sowman	Siobhan O'Malley	Victoria Trayner
Governance aptitude	5	3	4
Financial and commercial acumen	3	3	3
Agribusiness "sector" and "systems" knowledge	5	4	4
Business operations at scale	3	3	3
Customer / stakeholder insight	4	3	3
Marketing / brand / sales	2	3	2
Technology and innovation	3	3	3
Total ( /35)	25	22	22

### Rating scale

5	4	3	2	1
Expert	Strong	Competent	Developing	Limited

**Item 6 - Resolution 5: To ratify the re-appointment of Tim Gibson as an Appointed Director**



**Timothy (Tim) D Gibson**

Tim is Managing Director of Tūhana Consulting Limited. He is a successful international executive with strengths in strategy development and implementation, stakeholder management, and building high performing teams. He has been a Chief Executive in government and held Managing Director and senior

executive positions in co-operative and public companies.

Tim's career spans roles in the New Zealand Dairy Industry, in New Zealand, Asia and Europe. It includes Managing Director, Anchor (UK) Limited; Managing Director, North Asia, New Zealand Dairy Board; and Group Director Global Strategy, New Zealand Dairy Board.

Tim is on the Board of Miraka Ltd, a New Zealand based milk processing company. He is also a Director of the Port Otago Ltd (port and property); Skills Consulting Limited (workplace training); Silver Fern Farms Ltd (New Zealand's largest meat processing and sales business); ManageMyHealth Global Ltd (online health management services); Tūhana Business & Human Rights Limited (consultancy and advisory services); and Omnieye ("intelligent eye" livestock monitoring).

The Board requests Shareholders ratify Tim's appointment for a further term until the third annual meeting from the date of this Annual Meeting (Approximately three years) and continues to consider him to be an Independent Director for the purposes of the NZX Listing Rules.

**Item 7 - Resolution 6: To elect two members of the Shareholder Reference Group for the Upper North Territory.**

LIC Shareholders from the Upper North Territory have the opportunity to vote for two Shareholder Reference Group (SRG) members.

Of the two current members of the SRG drawn from the Upper North Territory, Mark Benns is seeking re-election while Lyna Beehre has decided to not seek re-election. Three candidates are standing for two positions in the Upper North Territory - Mark Benns, Aleisha Broomfield and Murray Hawkings.



Elected members of the SRG are nominated and elected by Shareholders within the relevant Territory and are voted for on the basis of one vote for each participant code located in the relevant territory. For the avoidance of doubt, voting entitlements are not related to the number of shares held by an LIC Shareholder.

The two candidates with the most votes will be appointed to the SRG. If none of the candidates receive any votes, none of the candidates will be appointed to the SRG. Similarly, if only one candidate receives votes and the others do not, that candidate who did receive votes will be appointed to the SRG and the other candidates will not. In these circumstances, the SRG may elect to fill a casual vacancy on the SRG in accordance with the Constitution.



## Mark Benns

My name is Mark Benns, and I am seeking re-election to the Shareholder Reference Group as your representative for the Upper North Island.

With my wife Louise and our two young daughters, we are 50/50 sharemilkers on 230 cows, just outside of Morrinsville. We are the proud owners of a third generation LIC herd and 3-digit participant code.

I seek re-election to the Shareholder Reference Group because of the fundamental reason it exists - to represent your voice and act as a conduit between management and grassroots. Farmer engagement through the Shareholder Reference Group with LIC's Senior Management and Board is crucial if we want to play a hand in shaping the direction of our co-operative. Having said this, I will always be prepared to challenge the status quo at LIC on your behalf and encourage new and better ways of doing things based on your input and guidance on issues that matter to you. No question should be too tough, or feedback too honest.

Being 'hands-on' on a daily basis means that I understand some of the challenges you face, and the significant role LIC has to help provide us with solutions. I believe this coalface-oriented approach is vitally important to represent your interests and help shape the operational decisions that LIC makes which will impact your livelihood and mine.

I care deeply about the success of our co-operative and have spent my tenure on the Reference Group forging strong connections within the greater LIC business whilst pursuing issues like Genemark turnaround times, LIC Automation and Herd Testing capability on your behalf. It is through my understanding of these issues and strong internal LIC relationships that I believe I add value to both our co-operative and you, its Shareholders.

It is my knowledge, passion, existing relationships with Shareholders, LIC Board members and senior management, and continual desire to add value that I have to offer the Shareholder's Reference Group as one of its Upper North Island representatives. It has been a privilege to serve you all over the course of the last four years, and I would welcome the opportunity to serve another term as your elected representative.

Please feel free to contact me on (027) 270 2403, or via email: [m\\_benns@hotmail.com](mailto:m_benns@hotmail.com).

I wish you all the very best for the remainder of the season.



## Aleisha Broomfield

Hi, I'm Aleisha Broomfield a 50/50 sharemilker milking 250 Friesian cross cows near Te Aroha. I grew up on a family farm near Morrinsville and have always had a close affinity to animals. I studied a Bachelor of Agricultural Sciences (Hons1) at Lincoln

University, then worked for Ballance then DairyNZ as a Consulting Officer in Matamata-Kereone, where I got to meet lots of great local farmers. I have also worked as a private consultant, tutored Primary/TO classes and worked and travelled overseas.

My favourite thing about farming is seeing strong, well-bred AB replacement heifer calves on the ground and then watching these animals grow and develop, then enter the herd in great condition with top reproduction and milksolids performance from the get-go. In 2021 I won the Anexa Herd Health and Wellbeing award and I run a low SCC and target high six-week in-calf rates. I value running a business that is sustainable for people, the animals and the environment as well as being profitable to achieve our goal of farm ownership.

We use lots of LIC products and technology on farm, so I have hands-on experience, and feel this puts me in a great position to listen, understand and advocate on behalf of farmers in the Upper North Territory. I consider myself to be open, honest, hard-working, a good listener and my major strength is communication. I have a huge passion for the industry, I am not afraid to challenge the status quo and stand up for what is right, and I always give 120%. I believe having a clear vision and strategy and the right structure within LIC is key to the success of this co-operative and in turn the success of our whole dairy industry. I want my generation to pave the way for future farmers and the success of LIC and the Shareholder Reference Group (SRG) is key to this.

If elected as a member of the LIC SRG I would:

- Bring diversity of thought as a younger farmer, with different perspectives, I will be part of the co-op for a long time to come.
- Mix well with farmers of all ages, stages and farming backgrounds and represent them well in the Shareholder Reference Group, to management and the LIC Board

- Work collaboratively with the Board and management of LIC, keeping a focus on the co- operative's vision and strategy
- Learn a lot along the way!!



### **Murray Hawkings**

My wife Nikki and I have three children, Courtney 23, Lauren 21 and Finn 18 and we live on our dairy farm in Matamata where we milk 190 cows on 80ha plus a 50ha lease for our young stock.

My journey through farming started with weekend and school holiday work for my uncle and aunt on their dairy farm near Levin where a passion for caring for stock started. I quickly set out some goals to achieve at a young age and with some guidance and mentoring bought my first herd of 125 cows and at 19 years old went 50/50 share milking.

At age 20 I learnt to be an LIC AI technician. In 1988 one rubber glove was used for every cow over all farms and swinging over pipes in herringbones was common practice. Understanding the semen was coming out of the best bulls in the country started a passion for me in genetics and as a sharemilker I wanted to use the best bulls in the country at the time. Over the years I have been impressed by the rate of advancement in technology that is used to get the best available data on genetics, not only in New Zealand but around the world.

After sharemilking for 20 years in the Horowhenua and building up to 2,000 cows we sold 1,800 of them and bought a dairy farm in Matamata in 2008. I can honestly say that through some volatile years on world markets, that passion to see genetics improve has driven me out of bed to see if that all important heifer has been born and we are proud to have reached the goal of getting animals into the Bull Team.

It has always been a keen interest of mine to try and keep an eye on what other farmers are doing with advancements in technology, information, electronics and genetics to improve and benefit their farming systems.

Outside of the farm, it's time with the family. At the top of the list is water sports and spending time at the beach and snow skiing which are activities we all love to partake in. I thoroughly enjoyed my time coaching kids sports (hockey) for 17 years where a strength of connecting with people so they could be their best for the team was highlighted with a very successful Matamata College Girls 1st XI team.

I have had experience as a Director of a small farming retail business that was bought by Farmlands and was also a committee member of our local vet club in the Horowhenua. In 2002 Nikki and myself won the Manawatu/Rangitikei Sharemilker of the Year, we went on to convene the competition for the next two years. I was President of Junior Hockey in Matamata for three years and in 2018 I won the Matamata/Piako sporting personality of the year.

I would thoroughly enjoy being a representative of shareholders working in conjunction with the Board and management and feel I have a wealth of experience to pull from.

### **Items 8 & 9 - Resolutions 7 & 8: Approving the re-election of Honoraria Committee members**

All LIC Shareholders are eligible to vote on the Honoraria Committee Election. Each LIC Shareholder shall have one vote per participant code. For the avoidance of doubt, voting entitlements are not related to the number of shares held by an LIC Shareholder.

Pursuant to LIC's Constitution, Honoraria Committee members must be elected by Shareholders (and there are no voting restrictions on these elections). Each member of the Honoraria Committee shall hold office for approximately a two-year period and shall retire by rotation at the conclusion of the second annual meeting following the Honoraria Committee member's appointment.

In the event where one or both of the candidates are unsuccessful in receiving Shareholder approval, the Honoraria Committee will continue to have a sufficient number of members to continue to carry out the functions as set out under LIC's Constitution (further information about the Honoraria Committee is set out under the explanatory notes for items 2 and 3 above).

Biographical information on the candidates is included below. In the event that resolutions 7 and / or 8 do not pass (i.e. a candidate does not receive at least a simple majority of the votes in favour of their appointment), that candidate will not be appointed to the Honoraria Committee. In these circumstances, the Honoraria Committee may appoint an eligible person to fill a casual vacancy in accordance with the Constitution.



## Scott Montgomerie

e. smontgomerie@xtra.co.nz

p. 0274 959905

I have 35 years running and growing our family dairy farming enterprise. During this time I have gained experience and skills at both management and governance levels. I have continued to educate and upskill myself with completion of the Institute of Directors certificate in Company Direction along with the FAME program. This has enabled me to further develop my skills in research, evaluation, communication, teamwork and understanding the current and future business environment.

I believe these skills enable me to continue to make a valuable contribution to the LIC Honoraria Committee. It is essential that the LIC Board of Directors and Shareholder Reference Group are rewarded for the time, skills and leadership qualities that are required for the position.

### Present Positions

- \*Appointed NZAEL Board 2013 - to date
- \*Elected Fonterra DRC 2010 - to date
- \*Elected LIC Honoraria Committee 2016- to date
- \* Chairman Orini Downs Station

In particular I offer you integrity and high ethical standards. I have a proven ability to work as a member of a Board/committee gathering, reviewing and understanding information as well as making sound, well-based informed decisions.

I thank you in anticipation of your support.



## Shirley Trumper

Shirley is an active member of the Honoraria Committee, a role she has held for two years and brings a wide and diverse lens to the table. Shirley understands the need to retain good Directors is essential for succession, but mindful attracting those with the right skills and attributes to provide for tomorrows farming

in our changing world is also front of mind. Shirley's experience in governance and funding roles brings diversity to the position.

### **Governance Roles:**

LIC Honoraria Committee

DairyNZ Remuneration Committee

Chair Dama Wallaby Regional Co-ordination Group

Chair Rotorua Rural Community Board

National Board Member Citizens Advice Bureau

Rotorua Lakes Council CEO Performance and Leadership Committee

Shirley is a member of the Institute of Directors where she continues her professional development, and has obtained a Legal Executive Diploma, Diploma in Mediation and is a Resource Management Act Commissioner with Chair accreditation.

Previously, Shirley was an AB Tech and sales representative for LIC. Herd testing is one of the core products the farming operation utilise five times a year. Shirley strongly believes herd testing is an important element in the toolbox to making good decisions to farm profitably.

In 2016 Shirley was elected Chair of the inaugural Rotorua Rural Community Board, a role she is stepping down from after six years. Her passion extends to Not for Profit, such as a Citizens Advice Bureau volunteer as an advocate for the past fifteen years and is an active member of the Rotorua Community Patrol.

Shirley and her husband live in Waikite Valley and went through the ranks to farm ownership through sharemilking and moving in 2016 to farming a 480ha mixed dairy and beef operation with their son and his family in an equity partnership. Shirley is actively involved with the calves over their split-calving operation.

## LIC - NOTICE OF 2022 ANNUAL MEETING

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### Format of the Meeting

The 2022 Annual Meeting will be a hybrid meeting. A physical meeting will be held at the Hotel Distinction Coachman, 140 Fitzherbert Avenue, Palmerston North, commencing at 12 noon and will also be available to all Shareholders online at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting).

If the COVID-19 alert levels are raised in the Manawatu region, the meeting will be a virtual meeting only. Shareholders will be able to vote electronically, by post or by appointing a proxy.

Shareholders can attend and participate virtually from anywhere in the country through the LIC website [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting).

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### How to Cast a Vote

Shareholders can vote in one of the following ways:

- 1) Electronic voting**
- 2) Postal voting**
- 3) Appoint a LIC Director or Shareholder Reference Group member, or another person, as your proxy**
- 4) Voting at the Annual Meeting**

Shareholders are encouraged to vote either electronically (via LIC's website), by post or by appointing a proxy. Advanced electronic voting closes at 12.00 noon on Tuesday 18 October 2022 but Shareholders who attend the annual meeting, either in person or online, will be able to cast their vote at the meeting if they have not already done so.

**Please choose only one voting option.**

Detailed instructions on each method of voting and how to vote are included within the Voting Form.

Full details on how to return your Voting Form to Link Market Services Limited are available at the end of this section.

Any Director or Shareholder Reference Group member of LIC who is appointed as a proxy and is given discretion as to how to vote will vote in what he or she believes to be the best interests of LIC. A proxy need not be a Shareholder of LIC.



You may appoint the Chair of the Board to be your proxy, but a proxy is not entitled to exercise more than 1% of the maximum number of votes that may be exercised at a meeting of the Company. Accordingly, if the Chair is named as proxy by you and by a number of other Shareholders, then they may not be able to cast your votes. Therefore, it is preferable to nominate a proxy from your Region or Territory.

**If you wish to appoint a proxy to vote in your absence, the proxy appointment section of the Voting Form must be completed, signed and received by Link Market Services Limited no later than 12 noon on 18 October 2022.**

If you are using postal voting or appointing a proxy, return your Voting Form to Link Market Services in any of the following ways:

- **Mail** to Link Market Services Limited, PO Box 91976, Auckland 1142
- **Deliver** to Link Market Services Limited, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010
- **Scan and email** to [meetings@linkmarketservices.com](mailto:meetings@linkmarketservices.com) (please put the words "LIC Annual Meeting" in the subject line for easy identification).

**If you are not attending and voting at the Annual Meeting, your advance electronic vote must be cast or your Voting Form must be received by Link Market Services Limited no later than 12 noon on 18 October 2022 to be valid.**

The Board has appointed Melanie Tonkin as the Returning Officer. She has authorised Link Market Services Limited to receive, record and count all postal votes, electronic votes and proxy votes.

**If you have any questions regarding the voting, please contact the Election Helpline on 09 375 5998**

Please Note:

- a. Please choose only one voting option.
- b. Multiple herd owners need to vote on each Voting Paper received individually.

## Voting restrictions

There is a 1% voting cap which applies to all LIC Shareholders pursuant to the Dairy Industry Restructuring Act 2001 and LIC's Constitution. The 1% voting cap is calculated based on the number of votes that may be exercised at this meeting (and so excludes treasury stock and other restricted securities).

Any LIC Shareholder who holds more than 1% of LIC's Shares on issue will be limited in their ability to vote to the equivalent shares of 1% of the votes cast on the resolution. Where a particular Shareholder has multiple holdings across different entities or debtor codes, restrictions will apply to all affected voting securities on a pro-rata basis.

Under NZX Listing Rule 6.3.1, the Directors and their Associated Persons are disqualified from voting on Resolution 1. This extends to a Director who has been appointed with a discretionary proxy. A Director is only entitled to exercise a proxy for this Resolution where the Shareholder has provided that Director with an express instruction setting out how to exercise that Shareholder's vote.

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## Disclosure of financial assistance as required under the Companies Act 1993

LIC's Board has approved the provision of financial assistance in relation to three schemes that are available to eligible LIC Shareholders, Directors and/or employees.

These are:

- (a) LIC Employee Share Scheme;
- (b) LIC Voluntary Investment Scheme; and
- (c) LIC Dividend Reinvestment Plan.

Details relating to how much financial assistance LIC intends to provide and the relevant considerations by the Board are set out below. The Directors who voted in favour of this resolution have signed certificates in accordance with sections 77(2) and 78(3) of Companies Act.

## LIC Employee Share Scheme

LIC will provide financial assistance to those employees who elect to participate in the LIC Employee Share Scheme (Employee Scheme) which from 1 April 2011 has been managed by Craigs Investment Partners Ltd (Craigs) with Custodial Services Ltd acting as custodian (Custodian). LIC proposes to pay the Manager's and the Custodian's fees and expenses (including brokerage). The amount of the fee will depend on how many employees participate in the Employee Scheme and the level of their contribution. An estimate of the net amount of financial assistance in the next 12 months is \$22,000.

The Board resolved on 20 July 2022 that LIC should provide this financial assistance (Employee Scheme Assistance) for the period of 12 months commencing 10 working days after the date of sending this disclosure to Shareholders, and that the giving of the Employee Scheme Assistance is in the best interests of LIC and is of benefit to Shareholders not receiving that financial assistance; and that the terms and conditions under which the Employee Scheme Assistance is given are fair and reasonable to LIC and to the Shareholders not receiving that financial assistance.

The grounds for the Board's conclusions are as follows.

- (a) The Employee Scheme is a valuable addition to the benefits available to the employees of LIC and will assist in retaining them as valuable staff.
- (b) The Employee Scheme is a method of aligning the interests of employees with the interests of Shareholders and is an effective means of motivating future performance of the employees
- (c) Shareholders will not be diluted or otherwise disadvantaged as no new LIC Shares are being issued under the Employee Scheme.
- (d) The Employee Scheme will enhance the liquidity in the market for the LIC Shares, providing a more liquid market for Shareholders wishing to trade in LIC Shares.
- (e) The amount of financial assistance is minimal in comparison to the benefits arising out of the Employee Scheme for Shareholders and LIC.

## LIC Voluntary Investment Scheme

LIC will provide financial assistance to those eligible Shareholders who elect to participate in the Voluntary Investment Scheme (Investment Scheme) by agreeing to pay to Guardian Trust Company of New Zealand Limited (Guardian Trust) as the Approved Holding Entity the services and administration fees and brokerage and commission

costs incurred for the purposes of the Voluntary Investment Scheme. Craigs has been appointed as the Broker to purchase Ordinary Shares on the NZX market for the purposes of the Investment Scheme, and the money paid by LIC to Guardian Trust as Approved Holding Entity will include the administration fee, brokerage and commission costs of Craigs.

LIC is required to make disclosure to all Shareholders in respect of this proposed financial assistance. The exact amount of this financial assistance depends upon the extent to which eligible Shareholders participate in the Investment Scheme. An estimate of the net amount of financial assistance in the next 12 months is \$11,000.

The Board resolved on 20 July 2022 that LIC should provide the financial assistance referred to above (VIS Assistance) for the period of twelve months commencing 10 working days after the date of sending this disclosure to Shareholders, and that the giving of the VIS Assistance is in the best interests of LIC and is a benefit to Shareholders not receiving that financial assistance; and that the terms and conditions under which the VIS Assistance is given are fair and reasonable to LIC and to the Shareholders not receiving that financial assistance. The grounds for the Board's conclusions are in essence:

- (a) The VIS Assistance enables LIC to provide Directors and senior managers who are eligible to be Shareholders with a means of acquiring additional LIC Shares through a fixed trading plan implemented in advance.
- (b) The VIS Assistance is a method of aligning eligible Shareholders with the interests of company by providing a legally compliant way of acquiring LIC Shares by individuals who may otherwise be restricted from trading from time to time.
- (c) The additional LIC Shares will be acquired by Craigs either through on-market transactions or from LIC.
- (d) Participating shareholders will, as far as is practicable, pay a uniform price in relation to a season.
- (e) The Investment Scheme will enhance the liquidity in the market for LIC Shares, providing a more liquid market for both participating and non-participating Shareholders wishing to trade in LIC Shares.
- (f) The Investment Scheme enables LIC to offer eligible Shareholders a mechanism to invest in LIC Shares without resulting in unnecessary new capital being raised through the issue of new LIC Shares.

## LIC Dividend Reinvestment Plan

LIC has provided financial assistance to those Shareholders who elect to participate in the Dividend Reinvestment Plan (Dividend Plan) by agreeing to pay to Guardian Trust as the Approved Holding Entity the services and administration fees and brokerage and commission costs incurred for the purposes of the Dividend Plan. Craigs has been appointed as the Broker to purchase Ordinary Shares on the NZX market for the purposes of the Dividend Plan, and the moneys paid by LIC to Guardian Trust as Approved Holding Entity will include the administration fee, brokerage and commission costs of Craigs.

LIC is required to make disclosure to all Shareholders in respect of this proposed financial assistance. The exact amount of this financial assistance will depend upon the extent to which Shareholders participate in the Dividend Plan. An estimate of the net amount of financial assistance in the next 12 months is \$15,000.

The Board resolved on 20 July 2022 that LIC should provide the financial assistance referred to above (Dividend Plan Financial Assistance), for the period of 12 months commencing 10 working days after sending this disclosure to Shareholders, and that the giving of the Dividend Plan Financial Assistance is in the best interests of LIC and is of benefit to Shareholders not receiving that financial assistance; and that the terms and conditions under which the Dividend Plan Financial Assistance is given are fair and reasonable to LIC and to the Shareholders not receiving that financial assistance. The grounds for the Board's conclusions are:

- (a) The Dividend Plan Financial Assistance enables LIC to provide shareholders with an efficient means of acquiring additional LIC Shares without incurring transaction costs which they would otherwise incur.
- (b) The Dividend Plan Financial Assistance is available to all eligible Shareholders, giving equal opportunity to participate in the benefits of the Dividend Plan.
- (c) The additional shares can be acquired by Craigs through on-market transactions, by the transfer of LIC shares held as treasury stock and/or subscribing for new shares (on behalf of the Shareholder).
- (d) Participating Shareholders will pay no greater than the higher of:
  - (i) the volume-weighted average price of shares trading on the NZX market during the 20 Business Days prior to the date that the Board determines to issue shares from treasury stock; and

- (ii) the average NZX market price paid by Craig on behalf of Participants for on-market acquisitions
- (e) The Dividend Plan will enhance the liquidity in the market for the LIC Shares, providing a more liquid market for both participating and non-participating Shareholders wishing to trade in LIC Shares.
- (f) The Dividend Plan enables LIC to offer shareholders a mechanism to reinvest dividends in shares without resulting in new capital being raised through the issue of new LIC Shares; and
- (g) The amount of financial assistance is minimal in comparison to the benefits arising out of the Dividend Plan for Shareholders and LIC.

## LIC - NOTICE OF 2022 ANNUAL MEETING

### Glossary

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**Annual Meeting** means the 2022 Annual Meeting of Shareholders to be held online at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting) and in person at Hotel Distinction Coachman, 140 Fitzherbert Avenue, Palmerston North.

**Appointed Directors** means Directors appointed by the Board of LIC pursuant to the Constitution.

**Board** means the Directors numbering not less than the required quorum acting together as a Board of Directors.

**Business Day** has the meaning given to 'Working Day' in the Companies Act.

**Companies Act** means Companies Act 1993.

**Company** or **LIC** means Livestock Improvement Corporation Limited.

**Constitution** means the Constitution of LIC.

**Directors** means the Directors for the time being of the Company.

**Elected Directors** means Directors elected by Shareholders pursuant to the Constitution.

**LIC Share** means a share in the capital of the Company that has been or may be issued from time to time, which has the rights set out in section 36(1) of the Companies Act.

**Listing Rules** means the NZX Listing Rules, dated 17 June 2022, which relate to the NZX Main Board as amended from time to time, and may be a reference to a particular Rule or Rules as specified.

**NZ RegCo** means NZX Regulation Limited.

**NZX** means NZX Limited.

**Region** means a geographical area designated as a 'Region' pursuant to the Constitution.

**Returning Officer** has the meaning given in the Constitution.

**Shareholder** means a person whose name is entered in the register of security holders maintained by the Company as the holder for the time being of one or more shares.

**Shareholder Reference Group** or **SRG** means the Shareholder Reference Group.

**Territory** means a geographical area designated as a 'Territory' pursuant to the Constitution

**Voting Form** means the combined proxy appointment and voting form to be used for the purposes of the Annual Meeting

## LIC - NOTICE OF 2022 ANNUAL MEETING

### Directory

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#### LIC

**Livestock Improvement Corporation Limited**

Corner Ruakura and Morrinsville Roads  
Newstead, Hamilton  
Private Bag 3016  
Hamilton 3240  
+64 7 856 0700  
[www.lic.co.nz](http://www.lic.co.nz)

#### Election helpline

+64 9 375 5998

#### Legal advisers to LIC

**Simpson Grierson**

Level 27, Lumley Centre  
88 Shortland Street  
Auckland 1010  
Private Bag 92518  
Auckland 1141  
+64 9 358 2222  
[www.simpsongrierson.com](http://www.simpsongrierson.com)

#### Registrar

**Link Market Services Limited**

Level 30, PwC Tower  
15 Customs Street West  
Auckland 1010  
PO Box 91976  
Auckland 1142  
Tel: +64 9 375 5998  
[enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)





