

NOTICE OF 2023

# ANNUAL MEETING

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**12<sup>th</sup> October 2023 - 5.00pm**

To be held at: Hotel Ashburton,  
11/35 Racecourse Road, Allenton,  
Ashburton 7700 and online at  
[www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting)



There's always room  
for improvement



# Invitation

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An invitation is extended to all Shareholders to join the LIC Directors, Shareholder Reference Group Members and Senior Staff for refreshments and Dinner to be held at the conclusion of the Annual Meeting. Colin Glass, Chief Executive of Dairy Holdings will be our guest speaker.

For catering purposes, Shareholders are requested to register their attendance at the Dinner by **Monday 2 October 2023**.

Visit [www.lic.co.nz](http://www.lic.co.nz) and login to 'Shareholder Services' - you can find the link at the top of the home page. On the left hand side select 'Annual Meeting Registration' from the bottom of the menu. Fill in the form and click 'submit'.

Confirmation of your registration will be forwarded to the nominated email address entered on the registration form.

Alternatively send an email to [shareregistry@lic.co.nz](mailto:shareregistry@lic.co.nz) with your Name, Participant Code and the number of people attending the dinner.

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## Compliance with NZX listing rules

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

## Defined terms

Unless otherwise indicated, capitalised terms used in this document have the specific meaning given to them in the Glossary on page 00 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

# Introduction

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The business to be conducted at this Annual Meeting consists of two parts: the usual business conducted at each annual meeting (or “Business as Usual” matters), and the proposed changes to the Constitution.

**The “Business as Usual” matters are set out in Part A of the Notice of Annual Meeting and comprise the following matters:**

- (a) Presentation of annual financial statements and associated reports*
- (b) Approval of LIC Directors’ Remuneration*
- (c) Approval of LIC Shareholder Reference Group Remuneration*
- (d) Reappointment of KPMG as external auditor*
- (e) Election of one Elected Director for the North Island Region*
- (f) Election of one Elected Director for the South Island Region*
- (g) The re-appointment of Sophie Haslem as an Appointed Director*
- (h) Election of two Shareholder Reference Group (SRG) members for the Lower North Territory*
- (i) Re-election of Ian Brown to the Honoraria Committee*
- (j) Re-election of Gordon Glentworth to the Honoraria Committee*

In relation to the resolution contemplated by (h) above, the Company reminds Shareholders that in accordance with clause 23.1 of the Constitution, the Board amended the Rotation Schedule at its February 2023 Board meeting. The schedule was last amended in 2020 following shareholder approval of changes to LIC’s governance and representation arrangements. While reducing the times shareholders would be asked to vote for members of the SRG (to two years out of every three) it left the potential for half of the SRG to be replaced in a year. The recent changes to the rotation schedule begin this year, and we have two positions up for election. The terms of office vary: one for a two-year term and one for a three-year term. From 2024, there will be no more than four SRG positions up for election or appointment each year.

Part B of the meeting will deal with proposed changes to the Constitution. The relevant changes have been grouped by type together and will be passed as three separate resolutions.

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

# Notice of Annual Meeting

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Notice is given that the 2023 Annual Meeting of the Shareholders of Livestock Improvement Corporation Limited will be held at the Hotel Ashburton, 11/35 Racecourse Road, Allenton, Ashburton 7700 commencing at 5.00pm on Thursday 12 October 2023, with registration commencing at 4.00pm. The meeting will be a hybrid meeting, meaning that Shareholders will also have the option of participating online at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting).

## Part A: Business as Usual Matters

### **Item 1: Presentation of annual financial statements and associated reports**

To receive and consider the Company's Financial Statements for the year ending 31 May 2023 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 a maximum of \$723,000 per annum."*

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<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 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 \$179,500 to \$199,000 and to increase the daily allowance from \$350 to \$400 per day."*

### **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"*

### **Item 5: Resolution 4: To elect one Elected Director for the North Island Region**

To consider, and if thought fit:

*"Elect ONE (1) candidate representing the North 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 North Island are eligible to vote on this resolution.*

### **Item 6, Resolution 5: To elect one Elected Director for the South Island Region**

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 7: Resolution 6: To ratify the re-appointment of Sophie Haslem as an Appointed Director**

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

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

**Item 8: Resolution 7: To elect two members of the Shareholder Reference Group for the Lower North Territory**

To consider, and if thought fit:

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

*Note that only Shareholders in the Lower North Territory are eligible to vote on this resolution*

**Item 9, Resolution 8: Re-election of Ian Brown to the Honoraria Committee**

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

*“Approve the re-election of Ian Brown to the Honoraria Committee, with effect from the conclusion of this Annual Meeting.”*

**Item 10, Resolution 9: Re-election of Gordon Glentworth to the Honoraria Committee**

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

*“Approve the re-election of Gordon Glentworth to the Honoraria Committee, with effect from the conclusion of this Annual Meeting.”*

## **Part B: Constitutional Changes**

**Item 11: Resolutions 10-12: To amend LIC’s Constitution to reflect the Constitutional Changes**

To consider, and if thought fit, to resolve by way of three separate special resolutions:

*“To approve:*

***Resolution 10 - Delegations of Authority:***

*The Constitutional Amendments set out in Part A of the table in Schedule 1 to this Notice of Meeting (as reflected in the form of amended Constitution available on LIC’s website) be approved.*

***Resolution 11 - Governance Amendments***

*The Constitutional Amendments set out in Part B of the table in Schedule 1 to this Notice of Meeting (as reflected in the form of amended Constitution available on LIC’s website) be approved.*

***Resolution 12 - Administrative updates:***

*The Constitutional Amendments set out in Part C of the table in Schedule 1 to this Notice of Meeting (as reflected in the form of amended Constitution available on LIC’s website) be approved.*

For the avoidance of doubt, Resolutions 10-12 are not interdependent. This means that if one or some, but not all, of these resolutions are passed by way of a special resolution, then those resolutions that have been successfully passed will be effective notwithstanding the fact that the other resolutions have not passed.

Note: A summary of these changes to the Constitution is attached at Schedule 1 and a mark-up of the Constitution showing these changes is available at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting).

**Item 12:** General business.

**Expected Closure:** 6.30pm - light refreshments will be served with dinner from 7.00pm.

### **Procedural notes**

- (a) Explanatory Notes relating to the resolutions above are set out in the following pages.*
- (b) Resolutions [1 to 3 and 6] 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. If these resolutions do not pass by the requisite threshold the recommendations to which they relate will not be effective.*
- (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 4-5 and 7-9 will be successfully appointed.*
- (d) Resolutions 10-12 need to be passed by special resolution, i.e. by a 75% majority of the votes of those Shareholders entitled to vote and voting on the relevant resolution.*
- (e) 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.*
- (f) For each resolution, the votes counted include valid postal votes, electronic votes and the votes of proxies and representatives.*
- (g) All resolutions will be determined on the basis of a poll in accordance with NZX Listing Rule 6.1.1.*



# Explanatory Notes

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## **Items 2 and 3 - Resolutions 1 and 2: Approval of LIC Directors' Remuneration and approval of LIC Shareholder Reference Group 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. The Honoraria Committee is 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. Clause 24.2 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 8 and 9 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 have experience 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 four 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 considered, reviewed, and analysed the comprehensive data and information provided by Strategic Pay and the Institute of Directors. The Honoraria Committee also considered the published remuneration data, practices, and policies from several organisations in New Zealand within both the agricultural sector and other sectors.

The Honoraria Committee also met with LIC's Chief Executive, the Chair of the LIC Board, an elected Director, an Appointed Director, and the Chair of the Shareholder Reference Group to understand the nature of the issues before the Board and the Shareholder Reference Group. These issues included the workload on Directors and Shareholder Reference Group members, plus other relevant matters. This, together with their wider industry experience, has informed their recommendations to LIC 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, risk and they often have exposure to other complex businesses.

The aim of the Honoraria Committee is to ensure that Directors' remuneration is relevant and includes some recognition of potential opportunities foregone to them, while being sufficient to attract and retain good governors. Directors' remuneration needs to continue to reflect the substantial workload and ever-increasing obligations on New Zealand 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 2023 Annual Meeting:

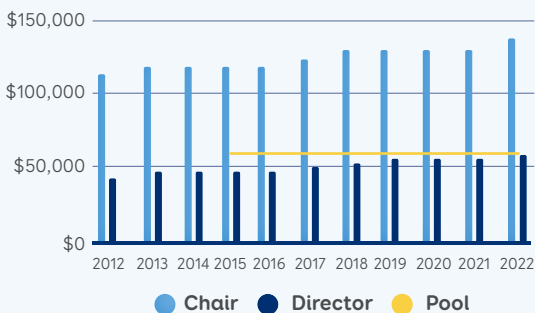
Position	Current	Recommended	\$ Increase
Chair	\$132,000	\$143,000	\$11,000
Director	\$59,000	\$65,000	\$6,000
Discretionary pool*	\$60,000	\$60,000	No change
Total	\$664,000	\$723,000	\$59,000

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

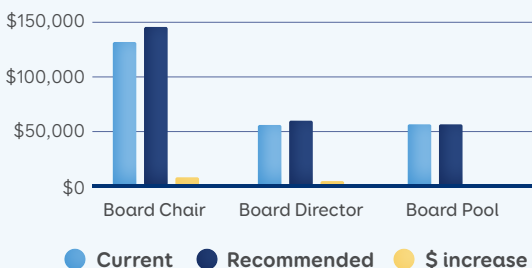
It is the Honoraria Committee's considered view that the honoraria currently paid to LIC Directors is not sufficient to maintain relative remuneration parity with similar organisations. Therefore, it has the potential to put pressure on LIC's ability to attract and retain good governors. In addition, 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.

If Resolution 1 does not pass, the Directors will continue to be remunerated at the level previously approved at LIC's 2022 Annual Meeting.

### Chair & Director Fees (2012-2022)



## Board Recommendations 2023



## Shareholder Reference Group Honoraria

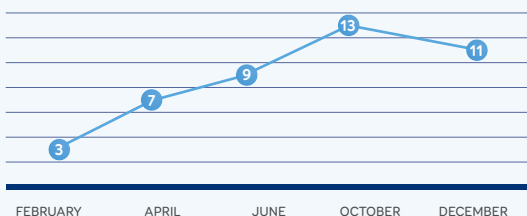
The Honoraria Committee considers the Shareholder Reference Group (SRG) to be an important contributor to LIC. Therefore, the Honoraria Committee understands the level of remuneration paid to its members needs to be sufficient to attract Shareholders of the appropriate calibre, especially to work on behalf of their fellow Shareholders in fulfilling the SRG's role.

The SRG's current remuneration was approved by Shareholders at the 2022 Annual Meeting, acknowledging the continuing increase in the workload of the SRG resulting from its role change in 2020.

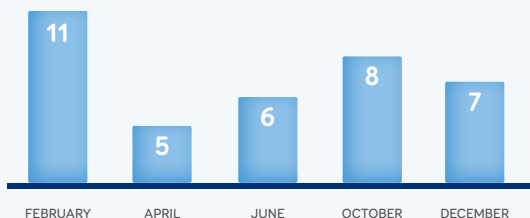
The Honoraria Committee is aware that there are very few organisations which have a body similar to LIC's Shareholder Reference Group that it can use for direct comparison when it comes to considering the SRG's honoraria. The Honoraria Committee draws its knowledge and experience of the effort required for individuals to contribute both behind and beyond the farm gate when exercising judgement in this area.

The SRG has implemented some Key Performance Indicators (KPIs) over the past year to measure their performance; the key measures from 2022 are illustrated below:

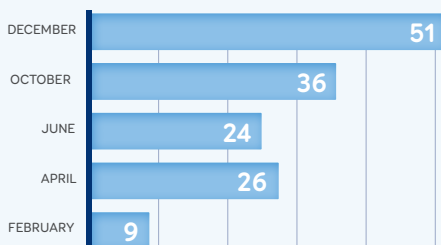
## Number of Shareholder Events Attended



### Number of Ideas/issues Escalated



### Number of interactions with LIC Staff



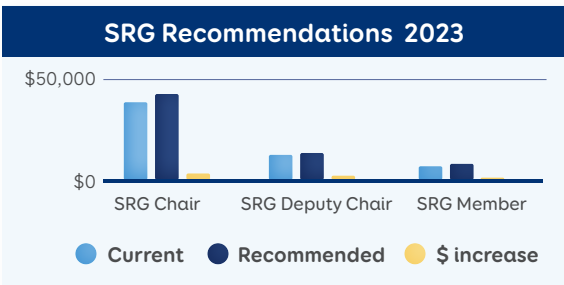
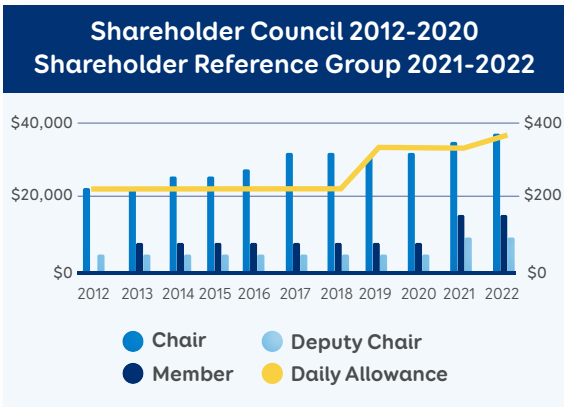
The level of remuneration needs to ensure a fair recognition of the members increased focus away from their own farm operations. Due to the time spent off farm on LIC activities, their personal commitment to the co-operative, and other off-farm opportunities foregone the Honoraria Committee is recommending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

#### Shareholder Reference Group Honoraria - recommendations

The Honoraria Committee recommends the following increases to the remuneration paid to members of the SRG. These increases would take effect from the 2023 Annual Meeting, and includes a slight increase in the daily allowance paid to members of the Shareholder Reference Group for days spent on LIC business outside their normal meeting schedule. The daily allowance was last increased in 2022.

Position	Current	Recommended	\$ Increase
SRG Chair	\$36,500	\$40,000	\$3,500
SRG Deputy Chair	\$17,000	\$19,000	\$2,000
SRG Member	\$12,600	\$14,000	\$1,400
Total	\$179,500	\$199,000	\$19,500
Daily Allowance *	\$350	\$400	\$50

\* Paid for time spent on extraordinary duties



If Resolution 2 does not pass, the Shareholder Reference Group will continue to be remunerated at the level previously approved at LIC's 2022 Annual Meeting.

**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 Director for the North Island Region**

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

## Director Candidates North Island in alphabetical order:

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**Duncan Coull**

My name is Duncan Coull, I'm 51 years of age. Alongside my wife Julie, we dairy farm in the King Country, grow Kiwifruit, and have forestry interests. Born and raised on a small 70 cow farm in Taranaki fuelled my passion for wanting to be part of this industry

and a realisation that I needed to forge my own way. We have done that, starting as sharemilkers, through to farm ownership at age 28, shifting North to Otorohanga in 2002 which is now home.

For me governance is not a career choice but an opportunity to contribute, give back and serve the industry that has -and continues- to treat our family well. I'm a passionate believer and 100% loyal to the cooperative model being the most aligned to the collective needs of our farmers as customers and shareholders. However,

the cooperative model only works when the culture within an organisation is reflected in both relationships with customers and shareholders.

LIC's Board composition has undergone some change over the past few years. We are losing some key experience. Board composition is critical in any organisation in having the balance between enthusiasm and experience.

Genetics have and will play a significant role in shaping the industry's future, The world is asking us all to do more with less. Our breeding objectives need to reflect this both in production efficiency and longevity. Data and technology uptake and confidence in it will be a key driver in keeping LIC and its farmers at the front of the pack in this respect. Strategic discipline will be key to ensure LIC delivers on the objectives that deliver the greatest impact. Having scale governance experience outside LIC will be helpful in bringing different perspectives to some of our big issues- which are universal across all primary sector companies.

LIC has had lapses, wandering off its core activity in the past as it looked to find the next big thing. Ensuring strategy is aligned to purpose, principal activities are executed well, both in service delivery and financial performance is fundamental.

- A self-made farmer, our business has been built from the ground up.
- Scale governance experience.
- Capabilities required to be a effective governor.
- Experience
  - Rural banking experience - Rabobank finance manager 2003-2006.
  - RBS - Business solutions to faming families in the Waikato since 2006.
  - Fonterra Shareholders Council - 2010 to 2019. Chairman 2015-2019.
  - Chair Fonterra Governance Development Programme committee 2017-2019.
  - Initiated and led the development of "purpose" within Fonterra to build stronger identity and drive cultural change in the organisation-2018-2019
  - Ballance Agri nutrients Ltd - Director 2018 to current. Chairman 2020 to current.
  - New Zealand Phosphate Company Director 2018 to current.
  - Co-Chair - Otorohanga College Board 2021 to current.

Your cooperative's future is in your hands. As a shareholder you have choice as to who you see best placed to govern LIC into the future. I believe I would make a valuable contribution and respectfully ask for your vote.



## LIC Director Election 2023 Candidate Profile & Rating

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### Duncan Coull

Duncan has focused his governance career in co-operative and community representative roles. He notes his 'passionate and loyal belief in the co-op model' and is interested in the LIC role as a way to give back to the industry.

Duncan is the Chair of Ballance Agri-Nutrients and prior Chair of the Fonterra Shareholder Council. His current farming interests include a dairy farm operation, 2 equity partnerships as well as a kiwifruit and forestry block. He also founded Rural Business Solutions, a company providing farm supervision and business advisory services.

Duncan draws from an extensive dairy background. Through his tenure on the Fonterra Shareholder Council (including 4.5 years as Chair), he regularly interacted with the Board of Directors, CEO and senior management team. He also gained insight to scale commercial business operations, and helped establish the Council's strategic plan and consolidation of members / functions.

Other key achievements on the Council include leading the development of 'purpose initiatives' and broad stakeholder engagement to drive change in the business. Duncan was Chair of the Governance Development Committee (with oversight of the Governance Development Programme).

He has strengthened his commercial co-operative governance experience as an elected Director, and now Chair, of Ballance (circa \$1 billion revenue). Across all roles, he has been directly involved in strategy development and engagement with senior management teams. He has gained 'hands-on experience' in CEO succession processes through both Ballance and the Fonterra Shareholder Council.

Duncan already draws from commercial governance experience. If elected, he can continue deepening his technology and innovation knowledge within the LIC context.

Duncan is a logical thinker and can effectively balance focus between the short-and long-term impacts of decision-making. He has demonstrated experience as both a Director and Chair of large scale agribusiness organisations and engaging with management. He is expected to enjoy collaborative environments where he can help build consensus.



## Ken Hames

As a current Director I have contributed effectively on a wide range of issues and I am re-standing as I can offer a strong balance of on-the-ground experience, coupled with extensive knowledge of LIC's operations, challenges and opportunities.

Further, as we transition to a new Chair, it is important that there is stability around the board table to ensure effective governance.

Over the last 15 years I have gained a wide range of governance experience in a variety of organisations and kept up a steady programme of professional development to build my skills and capability.

As a Board we have introduced the three commitments which has been an effective way of holding management to account for delivery on issues that are important to shareholders. These include:

- Improving customer and stakeholder engagement
- Further investing in technology and platforms which offer an improved farmer experience with MINDA
- Driving genetic gain
- Investing strongly in R&D while delivering a well-run business with a steady dividend stream

Dairying is a great business to be in, but it faces challenges and opportunities with sustainability, profitability, animal welfare and compliance. It's important that LIC continues to support farmers on these issues.

We need to focus on breeding highly efficient cows, providing genetics that are linked to lower methane emissions and improve reproductive performance. Further we need to drive a strong dairy beef offering, improve our sexed NRR and work with other cooperatives and organisations to have seamless integration of data.

I have been farming for the last 35 years and together with my business partner we own a 206 ha, 530 cow farm at Wellsford, 50/50 sharemilk 1100 cows for iwi at Kaitaia and I farm 400 ha of dairy beef as well.

I understand the issues you are facing and are committed to ensuring our cooperative delivers for all shareholders.

Thank you for your support to date. It would be a privilege to represent you on the LIC Board for another term.

Please feel free to contact me on 027 272 7234

### **Governance Experience**

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- Chair of Duke of Edinburgh Award (current)
- Chair Extension 350: A MPI, DNZ, B+L and Regional council initiative to improve Northland's pastoral farming's profitability, sustainability and wellbeing.
- Chair Auckland BFEA
- Director Northpower
- Director Northpower Fibre
- Director West Coast Energy (Australia)
- Northland Beef+Lamb Council

### **Qualifications/Training**

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- Bachelor of Agriculture
- Chartered Member IOD
- Fonterra Governance Development Programme
- Agmardt Scholarship FAME

## LIC Director Election 2023 Candidate Profile & Rating

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### Ken Hames

Ken has completed one term on the LIC Board and is standing for re-election. He has focused his governance career in agribusiness and community-facing roles in the Northland region and notes his 'passion in supporting rural NZ prosper'.

Ken's current farming interests include a 206 ha cow farm, sharemilking operation and a 400 ha dairy beef farm. He is a prior member of the Beef and Lamb Northland Council, prior Chair of Extension 350, and has been both a judge and finalist in a number of farming awards.

At LIC he has gained exposure to CEO succession planning, is building awareness of technology developments in the agribusiness sector and has taken part in study tours (including overseas). Over his tenure on Northpower (Northland-owned electricity lines company, \$325m revenue) he strengthened his regulatory governance experience. He was also a director of Northpower Fibre during the organisation's early stages.

Through these commercial governance roles, Ken has been involved in regular strategy oversight and engagement with senior management teams.

Ken was the Chair of Extension 350, a regional development initiative aimed at raising the performance and sustainability of Northland's pastoral farming. In this role he was responsible for engaging with a broad range of stakeholders including farmers, Northland Regional Council, DairyNZ, MPI and Beef + Lamb New Zealand.

Ken has focused his first term on learning more about LIC's business and operating context. If re-elected, he can continue strengthening his strategic knowledge on the role of technology in transformation and data commercialisation.

Ken is an analytical thinker and is thorough in his meeting preparation. He enjoys contributing to discussions and notes his ongoing self-development around active listening and collaborative engagement style.

Ken has a Bachelor of Agriculture. He has completed the Fonterra Governance Development Programme and was a recipient of the AGMARDT Scholarship for the Food and Agribusiness Market Experience. He is a Chartered Member of the Institute of Directors.



## Matthew (Mat) Hocken

My name is Mat Hocken, and I am a 45-year-old dairy farmer from the Manawatu. I run a fourth-generation family farm of 950 dairy cows and beef across 450 hectares, along with my family and a high-performance team.

I bring hands-on farming experience and deep understanding of the challenges and opportunities faced by NZ farmers, with broad primary sector knowledge in governance and commercial roles across agriculture, technology, innovation and trade.

### Current governance roles:

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- Chair and/or Director of MyFarm investments in kiwifruit, apples and vineyards.
- Chairman and co-founder of Rural Innovation Lab, a farmer-led innovation program.
- Sustainable Food and Fibre Futures panel, large agriculture focused innovation projects.
- Ministerial Strategic Advisory Group on Trade.
- Massey Business School Advisory Board.

### Previous governance, industry and commercial roles:

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- Associate Director NZ Rural Leadership Trust, 2017-2019.
- Federated Farmers, Manawatu-Rangitikei, Dairy Sector Chairman, 2014-2017.
- Senior Advisor, Government & Industry Relations, EFIC 2009-2012 (Australia's trade finance agency).
- Senior Consultant, Blueprint Partners, Brussels 2004-2009 (EU competition, technology, innovation & trade).

I was awarded a Nuffield scholarship in 2017, during which I focussed my global studies on innovation in agriculture. I was awarded the Rabobank Emerging Leader award in 2019. I have a Law and Commerce Degree from Canterbury University and a Master's in politics from Cambridge University UK.

If given the opportunity to serve as an LIC Director, I would work hard to maintain and improve a strong LIC business focussed on its core mission and delivering on the following:

- 1.) **Current challenges.** The low milk price forecast combined with cost inflation and high interest rates is putting pressure on farmers. LIC must be proactive and agile to help shareholders manage these challenges.
- 2.) **Increase output with fewer inputs.** NZ has some of the most carbon efficient farmers in the world. LIC must deliver productive, sustainable and carbon efficient genetics that support farmers to provide consumers with more food, from a smaller footprint.
- 3.) **Innovation.** LIC is well placed in genetics and herd management in NZ. It must continue to innovate to provide world-class services, and support farmers to continue to innovate on farm.
- 4.) **Information.** Farmers increasingly require integration of data to run farms productively and communicate with stakeholders. LIC must develop and work with others to capitalise on data intelligence and enable farmers to improve productivity and efficiencies through data capture, management and reporting systems.

I would appreciate your support.

## LIC Director Election 2023 Candidate Profile & Rating

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### Mat Hocken

Mat owns and operates Grassmere Dairy Farm, running 950 dairy cows and beef cattle over 450 ha. He is a co-founder and Chair of the Rural Innovation Lab, a Nuffield Scholar and has been the Federated Farmers (Manawatu-Rangitikei) Dairy Sector Chairman.

Mat also draws from a broad international trade finance, communication strategy and public / regulatory affairs background. He notes his 'desire to serve New Zealand agriculture' by taking on the LIC role.

Mat has governance experience as a Chair and Director of general partner companies for MyFarm investments across horticulture and property interests (\$195 million in assets). He co-founded the Rural Innovation Lab, an initiative supporting farmers to better understand technology opportunities and partner with innovation companies.

Mat has NZ agribusiness regulatory networks through recent appointments to the Sustainable Food and Fibre Futures fund and Ministerial Strategic Advisory Group on Trade.

As a Senior Advisor at EFIC (Australia's foreign affairs and trade finance agency) Mat worked with exporters, banks, insurers and government on transactions and policy initiatives. He has also worked in the EU with clients in competition, technology and trade policy, providing advice in large scale (multi-million and multi-billion dollar) commercial transactions.

LIC is of larger commercial scale than Mat's other governance roles, so if elected he would need to scale his experience to LIC's operational context. He is expected to be 'a quick study' with a potential learning area around sales and marketing in the digital space.

Mat is a logical and analytical thinker who effectively balances short and long term focus in decision-making. He is expected to be a confident contributor and enjoy meeting environments where constructive challenge is used to build towards consensus.

Mat has a Bachelor of Law, Bachelor of Commerce and Master of Arts (Social Political Science). He has also been admitted to the Bar as a barrister and solicitor in New Zealand. He is a prior recipient of the Global Dairy Farmers scholarship and Rabobank Emerging Leader Award.



## Richard Luxton

I am a current Director of Tatua Dairy co-op and am Chair of the Tatua Responsible Farming committee. Previous roles include being a Director of corporate farming businesses JD & RD Wallace and Kotare Ltd, Trustee of Meat the Need, St Peters School

Foundation, Matamata Piako Three rivers trust. I currently sit on the Owl Farm Demonstration farm management committee.

I am a sixth generation dairy farmer, sharemilking 1,000 cows across two family farms which we own in Partnership with my family.

I have held senior management and governance roles in four separate corporate dairy farming businesses, with exposure to farming systems and environments right across the greater Waikato/ King Country and Canterbury regions. Through these interactions I have also been exposed to nearly all the major dairy milk processors.

I have completed the Fonterra Governance Development program. I am a Kellogg Rural Leader and a DairyNZ Dairy Environment Leader. I am a member of the Institute of Directors (IOD) and recently completed the new IOD Advanced Directors program.

I understand and appreciate the importance and value good breeding and standardised data can bring to our industry.

I have extensive dairy experience across the value chain through my past, and current involvement in: farm management, sharemilking, farm ownership, corporate farm management, corporate farm governance as well as dairy processor governance.

We are fortunate to have a co-operative with a strong balance sheet, world leading genetics, data collection and excellent management in place. Change is coming at us fast – be it increasing farm operating and debt servicing costs, environmental legislated change, or changes forced on us by our consumers. LIC is well positioned to help its



farmers through the challenges we face now and those that will come into the future.

LIC can help its farmers adapt to meet the needs of a changing farming environment through a focus on breeding cows that - have better conception rates to help with profitability, produce less methane to help us do our part for the environment and help solve the bobby calf issues the industry faces with possible further dairy beef solutions. LIC can also work to allow its shareholders better integration with their third-party data (collars, milk meters etc) into the MINDA platform.

I have experience in change management and have led change in several organisations, including in standardising data and introducing new software platforms through my previous career in the supply chain and manufacturing industries both in New Zealand and in Europe. I am a strategic thinker with broad experience across the New Zealand Dairy sector.

As a farmer owned Co-operative, I believe LIC needs a Director close to head office who can be there in times of urgency (i.e. pandemic). I am able to provide this as I live 20 minutes away from the Newstead head office.

If you would like to talk, please call, or text on 021 935 899, or email me on [richard@luxton.co.nz](mailto:richard@luxton.co.nz)  
I respectfully request your vote in the LIC election this year.

## LIC Director Election 2023 Candidate Profile & Rating

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### Richard Luxton

Richard has a significant depth of operational experience through corporate farm management and the dairy value chain. He is interested in the LIC role as a way to 'support farmers adapt to changes in the sector'.

Richard is the Director and owner of Aslan Farms, operating 1,000 mixed age cows and young stock across 2 dairy farms. He is an elected director of Tatua Co-operative Dairy Company (circa \$450 million revenue) and a management committee member of Owl Farm (a Lincoln University demonstration farm).

Over his tenure at Tatua, Richard has been building his scale commercial co-operative governance experience, been involved in strategy oversight, and regularly engaged with the senior management team. He is Chair of the Responsible Farming sub-committee.

Richard has held senior roles and directorships in 4 large corporate dairy farming businesses. He has been responsible for annual budgeting and capital investments (\$80 million and over), change management, supply chains and logistics and driving operational efficiency. Richard has actively developed wide stakeholder networks across the Waikato, King Country and Canterbury regions, built insight to a range of farming systems and engaged with major dairy milk processors.

His earlier career roles include Agribusiness Partner at BNZ, Farm Operations Manager at MyFarm Investments and Change Manager at British Gypsum. Richard is also a previous Trustee of Meat the Need Charitable Trust.

If elected, Richard would focus on continuing to strengthen his scale governance skillset. Potential learning areas include applying his operational experience to the strategic context required for LIC around technology commercialisation and go-to-market plans.

Richard is a critical thinker and can balance focus between short and long term outcomes. He is expected to be a confident contributor to discussion and enjoy collegial meeting environments where different views are welcomed.

Richard has a Bachelor of Commerce and Diploma in Agribusiness. He has completed the Kellogg Rural Leadership Programme and Fonterra Governance Development Programme and is a Member of the Institute of Directors.

## LIC Director Election 2023 - North Island Candidate Profile & Rating

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

Capability	Duncan Coull	Ken Hames	Mat Hocken	Richard Luxton
In Focus Skill				
Financial and commercial acumen	4	4	4	4
Technology and innovation	3	3	4	3
Foundational Skill				
Governance aptitude	5	3	4	3
Agribusiness sector and systems knowledge	5	5	5	5
Business operations at scale	5	4	3	4
Customer / stakeholder insight	4	4	4	4
Marketing / brand / sales	4	3	3	3
Total (/35)	30	26	27	26

#### Rating Key

1 Limited	2 Developing	3 Competent	4 Strong	5 Expert
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**Item 6 - Resolution 5: To elect one Director for the South Island Region**

## Director Candidates South Island in alphabetical order:

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### **Tony Miles**

It would be a privilege to be an LIC Director that represents New Zealand farmers, the LIC customer shareholders.

I am extremely proud to be a New Zealand dairy farmer living in Southland with my wife Vicki and our 2 children. We own

a 540 cow dairy farm and operate a large herd 50/50 sharemilking business with contract milkers overseeing the day to day running of both properties.

Aside from being a dairy farmer for the past 20 years, I am a Director of Agribusiness Performance Solutions, a company in a joint venture with Agribusiness Consultants Ltd, that provides business mentoring and coaching for dairy businesses in Southland. As part of this role, I sit on farm advisory boards for clients.

As a dairy farmer, a business coach and someone who is passionate about the dairy industry, I am constantly working to create better businesses every day. It is critical that LIC continues to have a strong balance sheet, so the company is well resourced to invest in new technology and innovations to improve efficiencies and profitability in a sustainable manner for our farmer shareholders.

Linking practical dairy experience with governance, business experience, strategic thinking and a large network of clients, mentors and contacts, provides me with valuable insights that will add value to the Board, bringing positive change, growth and opportunities for the company.

As your farmer Director of LIC I will:

- Bring the voice of South Island farmers to the table as I understand the opportunities and challenges for farmers
- Confidently quiz, question and inspire management to ensure LIC products and services are the best fit for customer shareholders now and into the future
- Lead future thinking
- Bring diversity of age, thought, farming experience and product knowledge
- Share my passion for dairy herd genetics

I have been a Trustee (2013-2020) and Chair (2017-2019) of the Southern Dairy Development Trust. Through these roles I developed relationships with DairyNZ, LIC and Fonterra, as these companies are key supporters of the Southern Dairy Hub.

I graduated from the University of Otago with a Master of Business Administration. I hold a Diploma in Agribusiness Management, I have completed the DairyNZ Governance Development Programme, I am a member of the Institute of Directors and currently a Trustee of St John's Girls School in Invercargill.

I respectfully request your support in this year's election.

## LIC Director Election 2023 Candidate Profile & Rating

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### Tony Miles

Tony draws from a Southland dairy sector background. He notes his 'passion for the dairy industry and herd genetics' and sees the LIC role as an opportunity to represent shareholder interests.

Tony is the Director and owner of Willowbank Farms, a 186 ha 540 cow dairy farm. He is also a Director of VAT Farming, a 50/50 sharemilking operation.

He maintains broad Southland dairy farming stakeholder connections through his role as a farm business coach at Agribusiness Performance Solution. Tony sits on a number of advisory boards for clients, advising on strategy and turnaround plans.

Tony was the Chair (and prior trustee) of the Southern Dairy Development Trust. He helped oversee the creation of the Southern Dairy Hub, a 394 ha commercial scale research dairy farm. In this role he also developed relationships with DairyNZ, LIC and Fonterra as key supporters of the Hub.

Tony's other governance roles include co-Chair of the Upper Aparima Catchment Group and Trustee of St Johns Girls School.

LIC is of a larger scale and operational complexity than Tony's prior roles. If elected, he would focus on developing his scale supply chain, executive team engagement and data marketing skillsets to the required governance level.

Tony is a logical and considered thinker and is able to balance focus between short and long term considerations. He is expected to enjoy building relationships and contributing to collaborative meeting environments.

Tony has a Master of Business Administration and Diploma in Agriculture. He has completed the DairyNZ Governance Development Programme and is a Member of the Institute of Directors.



## Andrew Slater

My name is Andrew Slater and I welcome the opportunity to be considered for the LIC Board and organisation driving innovation, creating solutions and adding value for its farmer shareholders now and into the future.

With my wife Hayley and our 3 teenage kids we run a 450 cow farm in the Selwyn district. After being brought up in the beef industry, graduating from Lincoln in 2001 and forging ahead in the sheep and beef industry, I was a late addition to the dairy industry in 2008, quickly recognising the significant opportunities the industry offered, we embraced these and moved through the sharemilking structure, adding an equity partnership before taking full ownership of our current farm.

I am incredibly passionate about the dairy sector, I believe we are highly skilled business people, running incredibly complex operations facing unprecedented challenges from both inside and out of the farm gate. The key to our success, aside from passion, grit and determination is a sector that shares our passion for success and tirelessly innovates, adapts and advocates on our behalf. LIC being one these companies.

The heart of LIC's strategy is **"Value for our farmer shareholders"**. A simple statement that needs to be at the forefront of every discussion and decision around the Board table. Supporting a sector that leads the world, LIC needs to ensure it provides innovative products and services that enhance our herds productivity while meeting increasing regulatory and customer driven demands while delivering information and technology to ensure our operational decisions are not only environmentally sustainable, but financially sustainable now and into the future. Since 2021 I have Chaired the SIDE, (South Island Dairy Event) Governance group after joining the Board in 2017. This experience along with formal governance training and the all-important roles on school Boards has given me the drive, a solid base of skills and knowledge to want to push forward into further governance roles.

I feel the strengths I bring (strategy, innovation, financial management, maximising assets, building teams) and success I have achieved through our business progression compliment the current LIC Board. I have an appetite to learn and a desire to be part of ensuring not only the viability of our industry today, but that of generations to come.

Thank you for your time and I look forward to bringing my experience, knowledge and enthusiasm to LIC.



## LIC Director Election 2023 Candidate Profile & Rating

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### Andrew Slater

Andrew is a career farmer. He notes his 'passion for the dairy sector' and LIC's role in supporting farmers through industry change. He is also interested in this role to continue developing his governance experience.

Andrew is the Managing Director of both Omana Dairies and Omana Farms, a 120 ha, 450 cow farming operation. He is also the Chair of the South Island Dairy Event (SIDE), a forum for South Island dairy farmers.

Andrew is the governance group Chair of SIDE and has overseen employment additions to continue strengthening the organisation's performance.

He has also been the Chair and prior member of the Rakaia School Board of Trustees and a Board member of Darfield High School.

He has managed the growth of his own business from sharemilking to farm ownership where he oversees risk management, H&S considerations and employment relations.

If elected, this would be Andrew's first large scale governance role. It will take time to develop some skills required for LIC's commercial environment and operational complexity including data commercialisation, organisational management, executive engagement and supply chain concerns 'beyond the farm gate'.

Andrew is an analytical thinker. He is expected to be a confident contributor and enjoy collaborative meeting environments.

Andrew has a Bachelor of Commerce (Agriculture) and has completed the Rural Governance Development Programme (run by Business Torque). He is also a Member of the Institute of Directors.



## Victoria Trayner

I am a proud 5th generation dairy farmer. I farm in Oxford, Canterbury with my husband. We are raising our three daughters to be future caretakers of our land and land in New Zealand.

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.

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:

- Changing technologies and data collaboration
- International economic ramifications of COVID-19
- Community expectations for the environment and
- Consumer tastes, with the competitiveness of new artificial products like synthetic milk as yet unknown

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 its, farmers, shareholders, customers and stakeholders now and into the future.

### My Directorship Experience:

- Waimakariri Irrigation Limited (WIL) for 5 years. WIL is a co-operative that operates and manages a run-of-river scheme to deliver water to its 200 shareholders. As one of three farmer-directors on this board, I advocate for farmers to be at the centre of WIL's strategy.

- Alliance Group Associate Director 2021-2022
- Canterbury Plan Change 7 Sector Group
- Waimakariri Landcare Trust (Next Generation Farmers Trust)
- Fonterra Governance Programme 2020 (recipient of the Ian Elliot's' memorial scholarship, from Trinity Lands)

I hold a Master Business Administration, Bachelor of Agriculture, Graduate Diploma of Teaching and Learning, and Bachelor of Fine Arts. I am a member of Federated Farmers and the Institute of Directors.

I am a descendant of Waitaha Kati Mamoe Ngāi Tahu ngā iwi. I have a strong affiliation to my land as my family did before me. The knowledge of my land and farming is comprehensive across the different primary sectors from both a farm gate and corporate perspective.

While establishing my career in the dairy industry I have also been a Lecturer in Agribusiness and Production Management for the Primary ITO. I am actively involved in my family's extended enterprise of two large pig farms, angus beef stud, additional dairy farms and dairy support farming unit.

I have an independent and inquiring mind, I ask challenging questions respectfully, listen and make decisions taking a long-term view. It is important to me to leave the agriculture industry in a strong position to pass onto the next generation.

## LIC Director Election 2023 Candidate Profile & Rating

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### Victoria Trayner

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.

Her primary sector experience is drawn from her own and family farming enterprises, including dairy farms, pig farms, Angus beef stud and dairy bull run-off. She has also been a tutor in agribusiness and production management through AgriLearn.

Victoria is a director of Waimakariri Irrigation Limited, which operates and manages a run-of- river scheme to deliver water to 200 shareholders. She 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 helped implement a full water quality data collection plan.

Victoria has completed a 1-year term as Alliance's first associate Director, gaining exposure to large-scale commercial co-operative governance. She strengthened her awareness of go-to- market strategies, consumer and supply chain models, international markets and exposure to automation efficiency. A descendant of Waitaha and Ngā ti Mā moe (both represented by Ngā i Tahu), Victoria has strong whakapapa connections and understanding of te ao Mā ori.

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 will likely be a confident contributor in environments with high respect and collegiality.

Victoria has a Master of Business Administration, 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 2023 - South Island Candidate Profile & Rating

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

Capability	Tony Miles	Andrew Slater	Victoria Trayner
In Focus Skill			
Financial and commercial acumen	3	3	3
Technology and innovation	3	3	3
Foundational Skill			
Governance aptitude	3	3	4
Agribusiness sector and systems knowledge	4	4	4
Business operations at scale	3	2	3
Customer / stakeholder insight	4	3	4
Marketing / brand / sales	3	2	3
Total (/35)	23	20	24

#### Rating Key

1 Limited	2 Developing	3 Competent	4 Strong	5 Expert
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**Item 7 - Resolution 6: Ratify the re-appointment of Sophie Haslem as an Appointed Director**



## SOPHIE HASLEM

### GOVERNANCE RESUME

#### PERSONAL DETAILS

**Mobile:** +64 21 496 575

**Email:** sophie.haslem@gmail.com

**LinkedIn:** <http://nz.linkedin.com/in/sophiehaslem>

#### KEY SKILLS

Over twenty-five years of broad commercial experience working across both large established corporate entities and earlier stage growth companies. Over a decade of governance experience including multiple Audit & Risk Chair and Board Chair roles. Experience across the following areas:

- Balance Sheet – capital raising (wholesale & retail), debt instruments, FX/IRR, leasing, share-buyback, extensive M&A, insurance claims, investment analysis
- Financial – audit & risk, US entity establishment, significant opex/capex assessment, cash flow/liquidity management, transfer pricing, forecasting and valuations
- Technology – Cyber governance, major ERP projects, SaaS models, digital product development, digital transformation
- Strategy – strategy development, KPI development, balanced scorecards, post-merger integration, corporate venturing, design-thinking methodologies, customer segmentation,

- sustainability and impact strategy & reporting
- Operational – FMA compliance, wholesale pricing, economic cost-modelling, network economics, union negotiations, subsidiary and joint-venture governance, CEO and senior management recruitment, re-structuring, global distributor management, disaster recovery/crisis management.

Diverse industry exposure: logistics, banking, infrastructure, hi-tech manufacture/export, digital products, ICT, direct marketing, registries, BPO, insurance, dairy and commercial property.

Chartered Member of the New Zealand Institute of Directors.

## DIRECTORSHIP EXPERIENCE

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### Current

- Kordia Group Limited. Mission critical ICT network infrastructure and cyber security. \$140m Revenue and \$170m assets. (May 2017). Chair.
- Rangatira Limited – NZ Private Equity Company with over \$240 million of assets (April 2013). Chair Audit Committee.
- CentrePort Limited – Wellington’s full-service port. \$430m Assets and \$80m revenue (February 2016). Deputy Chair & Chair Audit & Risk Committees.
- Livestock Improvement Corporation – (NZX:LIC) Herd improvement and agri-technology co-operative c.\$240m revenue and \$300m assets. (December 2018). Chair Audit, Finance and Risk Committee.
- Ngāi Tahu Holdings Corporation – Ngāi Tahu iwi’s investment company managing over \$2 billion in tribal assets including extensive direct holdings alongside listed and third party mandates. (January 2022)
- Payments NZ Limited – Governance of NZ’s core payment systems. \$6 trillion transactions annually. (March 2022) Chair Audit & Rem Committees.

### Previous

- Meteorological Service of NZ Limited – Weather forecasting and communication. \$45m Assets and \$65m revenue. (2015-2023). Chair.
- Oyster Property Group Limited – Oyster manages property assets of NZ\$1.9B over 20 property funds. (2018-2022). Chair Audit & Risk Committee.

- The Akina Foundation – Leader in developing impact enterprise and impact measurement in NZ. (2014-2020). Chair. Included formation of the Impact Enterprise Fund.
- Magritek Limited – High growth advanced tech-company who design, manufacture & export NMR products globally. (2013-2019). Chair Audit Committee.
- Rainbow's End Limited – \$20m Assets and 400,000 visitors p.a. (2014-2019).
- Reachmedia New Zealand Limited – NZ's largest catalogue distributor company (2011-2014)
- Localist Limited – Digital/mobile marketing solutions company (2010-2014)
- ECN Group Limited – B2B integration/Supply-chain visibility SaaS company (2010-2011)
- Airpost Limited – Owner/Operator of NZP's Aircraft fleet (2010-2012)

## PREVIOUS EXECUTIVE EXPERIENCE

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- Head of Commercial & Investment – New Zealand Post Limited (2010-2014)
- Strategy & Performance Executive – New Zealand Post Limited (2007-2010)
- Strategy & Investments Manager – The ECN Group Limited (2004-2007)
- New Ventures Executive – New Zealand Post Limited (2001-2003)
- Senior Manager Strategic Advisory Services – Cap Gemini Ernst & Young NZ (1999-2001)
- Senior Analyst – ANZ Investment Bank Global Structured Finance (VIC, Australia) (1999)
- Relationship Associate – Citibank NA Global Corporate Finance (VIC, Australia) (1996-1999)
- Policy Advisor – Department of Treasury & Finance (VIC, Australia) (1995-1996)

## PROFESSIONAL QUALIFICATIONS

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- Bachelor of Commerce – Melbourne University, Australia (1993).
- Post-Graduate Diploma in Management – Melbourne University, Australia (1994).



## FURTHER PROFESSIONAL TRAINING

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- Garter AI Conference 2023
- Privacy Act 2020 Training – Simpson Grierson 2021
- Health & Safety Leadership & Governance – IMPAC 2020
- Cyberwise Training Aura Security 2019
- Te Tiriti o Waitangi and Maori competency training 2018
- NZ IOD Leadership Conference 2017, 2018 & 2021
- Audit & Risk Committees NZ IOD 2016
- Health & Safety Regulations – Sheiff Angland Lawyers 2015
- Re-structuring Training NZMEA 2015
- NZIOD Company Directors Course 2013
- RogenSi Facilitation Skills Training 2009
- New Zealand Institute of Directors 2002 – Mergers & Acquisitions
- New Zealand Institute of Chartered Accountants 2002 – Corporate Governance
- Cap Gemini Ernst & Young 2000 – Strategy Tools & Resource Training
- Ernst & Young 1999 – Process Re-engineering Training
- Ernst & Young 1999 – Advanced Project Management
- Citibank NA 1998 – Core Risk Management (4 week intensive held in Taiwan)
- Citibank NA 1997 – Treasury Risk Management (1 week intensive)
- Australian Securities Institute 1995 – Financial Economics

Sophie Haslem continues to be considered as an Appointed Director.

**Item 8 - Resolution 7: To elect two members of the Shareholder Reference Group for the Lower North Territory**

**SRG Lower North Island in alphabetical order:**

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**Shaun Baxter**

Born and raised on a dairy farm in Taranaki, I have always had a strong connection to dairy farming. I obtained a Bachelor of Applied Science at Massey University in 1999. After completing an OE, my wife Anna and I have progressed from Sharemilking to now owning and operating a 144ha

dairy farm in Dannevirke milking 300 cows OAD with our three children, Harry (15), Alice (13) and George (10).

I am passionate about dairy farming, my herd and have a very keen interest in breeding high value genetics. I enjoy working closely with the LIC Bull Acquisition team to breed dams that will not only produce well for us, but also provide genetically superior sires for LIC.

I'm really interested in LIC's commitment to Research and Development as I see it being a vital investment for the co-op to ensure a sustainable future for our industry.

I want to be an advocate for my region as a member of the Shareholders Reference Group to help share LIC's direction and to facilitate the farmer shareholders voice.



## Mark Hooper

I have been a Taranaki/ Lower North Island representative on the LIC Shareholder Council and now Shareholder Reference Group since 2018. I have been Deputy Chair of SRG since October 2021 and am seeking your support for re-election for a final 2

year term. If successfully re-elected I will be standing for the position of Chair of the Reference Group.

The SRG has successfully transitioned from the former Shareholder Council over the past 2 years and has now a much sharper focus on achieving its purpose of; promoting the interests of shareholders; and assisting the Co-operative to deliver on its purpose and vision. I appreciated the input and effort of former Council leaders who led and enabled this transition and look forward to the opportunity to help the SRG achieve more of its potential over the next 2 years as we seek wider engagement with shareholders and continue to develop robust working relationships with Board and Management.

LIC has developed into a strong performing company over recent years, driving both genetic improvement and advancements in technology, but it is still a Farmer owned Co-operative that needs to balance the tension between shareholder concerns and corporate responsibility. SRG remains a critical link in helping ensure this Co-operative balance is found and encourage the company to operate in an open and transparent manner that develops the trust and confidence of shareholders.

These are lofty goals but sit at the heart of the SRG functions in ensuring Co-operative values are promoted and upheld.

Personally, I continue to balance the roles of managing our 320 cow dairy farm in North Taranaki along with the family responsibilities that come from three teenage daughters at home and also my position on the Federated Farmers National Board. It's quite a balancing act at times, but with an additional staff member on farm and a significant portion of the off-farm work done remotely it makes it all manageable. From 2020-2022 I was on the Federated Farmers National Dairy Exec and now

on the National Board with a range of quite different portfolios but generally have found the Fed Farmers role to be complimentary with SRG, they are both primarily representative roles and function through good levels of engagement with the wider Farming community, which I enjoy and as such look forward to the opportunity to continue to serve the farming community through these respective roles in the coming years.

Thank you for your support.



### **Thomas Read**

My name is Thomas Read. I have been married to my wife Jennifer for ten years, and we have three children aged 3, 5 & 7. We are owner-operators of three farms in Dannevirke, totalling 1050 cows over 460ha.

I have wanted to be a dairy farmer since I was young. I love the opportunities available within the agriculture sector; there are prospects for fast progression and rewards for those who work for it. I watched my parents move into the dairy industry when I was young, and grew up watching the fight for the continuation of co-operatives across New Zealand. I see the daily struggles of running a small business, while aiming to remain profitable along with living a balanced lifestyle spending quality time with family. I see hard work when I look at the agriculture industry, but I also see great rewards and benefits for those who are willing to strive for it. I believe I am one of those farmers who endeavours for more.

Through the various roles I hold in the community, and my connections with other dairy farmers, I believe I can be a valuable asset to the LIC co-operative and the Reference Group. I see LIC as a cornerstone of our industry, and part of the reason why I want to be part of the Reference Group is to continue to strengthen this business, moving it forward into the future.

Thank you for your consideration.

**Item 9 - Resolution 8: Re-election of Ian Brown to the Honoraria Committee**



**Ian Brown**

I have been actively involved in the dairy industry for over 30 years. In partnership with my wife Karyn we have followed the path from wage working, sharemilking to our current position farming our own property in Tokoroa, South Waikato. We have used LIC services since purchasing our first herd in 1985.

During this time I have taken an active interest in industry issues. This has involved 11 years as representing the South Waikato on the Fonterra Shareholders Council, serving as Chairman for three years (2012-15). This role involved my participation in a variety of working groups and committees. I have also been involved in wider industry activities, organising and judging Sharemilker of the Year Competition and committee member of South Waikato Dairy Push Initiative.

I currently represent DairyNZ on the Ospri Stakeholders Council and as a member of the DairyNZ Farmer Audit panel.

Outside the industry I am interested in cycling, currently a member of Forestland Wheelers Cycling Club Inc, and President of the Waikato Cycling Centre.

I have completed a Graduate Diploma in Rural Studies (Distinction 2006) and Kellogg Rural Leadership Course 2007.

I am re-standing for the position because I believe I can make a positive contribution to LIC Honoraria Committee. I have been part of the Honoraria Committee since June 2017 and Chair since February 2020.

**Item 10 - Resolution 9: Re-election of Gordon Glentworth to the Honoraria Committee**



**Gordon Glentworth**

I am seeking approval from LIC Shareholders to re-stand for a position on the LIC Honoraria Committee.

I am a hands on dairy farmer milking approximately 270 cows with my son Jonathan, near Kapunga, Taranaki.

My previous experience with LIC has been: elected to the Taranaki LIA Board in 1988 and was Vice Chairman at the time of the merger of the six Regional Boards that formed LIC. Since that time I have been a member of the former LIC Shareholder Council until December 2020.

My experience outside LIC includes being elected to the NZ Ayrshire Association Board in 1989 and ongoing. During this time I have completed two terms as President. I was asked to go onto their AB Committee in 1991 and I am currently the Chair of that Committee. In 2000 I was elected to the World Ayrshire Federation, a position I held until 2020, during that time I completed a four year term as World President.

I am currently a member of the Eltham District Veterinary Service Board and have been since 1992. I am also the current National Chairman of the NZ Vet Club Association.

It is with this experience that I am well aware of the commitment required to fulfil positions within various organisations and with this in mind, I seek the opportunity to assist in the LIC Honoraria Committee deliberations, ensuring that an honest and fair remuneration is achieved for the various positions within the LIC Board and the Shareholder Reference Group.

I thank you in anticipation of your support.

**Item 11 - Resolutions 10-12: To amend LIC's Constitution to reflect certain proposed Constitutional Changes**

## **Proposed Constitutional Changes**

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### **Background**

In recent years, LIC has presented Shareholders with a number of changes to the governance of the Company and in 2020 asked Shareholders to approve the outcomes of a comprehensive review of its governance and representation structures and processes (Governance Review). The Governance Review was led by a working group of Directors and Shareholder Councillors (now superseded by the Shareholder Reference Group), which made a number of recommendations including replacing the then 21-member Shareholder Council with the smaller, more focused 12-member Shareholder Reference Group. It also proposed a smaller Board, equal numbers of Directors across the North and South Islands and streamlined elections so that all elections are now held at the Company's Annual Meeting.

Following the Governance Review, the Company adopted a revised Constitution in 2020 in order to give effect to and support the relevant governance changes. It has been nearly three years since the Governance Review and associated changes to the Constitution were implemented, and as part of its ongoing focus on improving the running of the co-operative and optimising the time spent by the Board on LIC matters, LIC has identified a number of process improvements and changes that it believes would benefit the Company and its Shareholders.

Accordingly, the Company is seeking Shareholder approval to put into effect the Constitutional Changes described in the table at Schedule 1 to this Notice of Meeting, and as set out in the proposed form of Constitution available at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting). The Constitutional Changes being put to Shareholders for their approval in this Notice of Meeting are not considered to be significant. However, LIC has provided commentary in the table in Schedule 1 to explain the main Constitutional Changes.

The Constitutional Changes can broadly be summarised as follows:

- (a) delegations of certain authorities from the Board to the management team relating to shares held in contravention of the Constitution (i.e., Prohibited Shares (shares held on behalf of ineligible persons), Excess Shares (shares held in excess of the "Maximum

Shareholding”) and Restricted Securities (securities conferring voting rights on a person in excess of 1% of the total voting rights in the Company) in order to streamline the enforcement process and reduce administrative burden;

(b) the inclusion of corresponding obligations on contravening Shareholders to take remedial actions in relation to certain contravening share parcels referenced in paragraph (a) above to align with the existing enforcement rights of the Company, as well as amendments and additions to those same sections to ensure consistency between the regimes. The proposed changes also include updates to the eligibility, appointment, and election requirements as they relate to the Board, Shareholder Reference Group and Honoraria Committee to ensure consistency of treatment of the members of the Board, Shareholder Reference Group and Honoraria Committee; and

(c) certain other definitional updates, administrative improvements, and tidy-ups, including the removal of certain transitional references that are no longer relevant.

Please see the table in schedule 1 for more detailed commentary on the changes.

## NZX Waivers, Rulings and Non-Standard Designation

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LIC was granted a number of waivers from and Rulings under the NZX Listing Rules on 1 July 2019 and 1 October 2020. In connection with the Constitutional Changes contemplated by this Notice of Meeting, LIC has received confirmation from NZX that these existing waivers will not be affected by, and will continue to apply in light of, the Constitutional Changes. LIC and NZX have also taken this opportunity to re-document all active waivers, approval and Rulings that LIC is relying upon into a single decision for ease of shareholder reference, and make other consequential changes, including updating the waiver decision to reflect the latest changes to the NZX Listing Rules dated 1 April 2023. The re-documented waiver decision will take effect once shareholder approval of the Constitutional Changes has been granted, and the Constitutional Changes have been adopted. A copy of the updated waiver decision is available:

<https://www.lic.co.nz/shareholders/shareholder-schemes-and-forms/>



## Format of the Meeting

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The 2023 Annual Meeting will be a hybrid meeting. An in-person meeting will be held at the Hotel Ashburton, 11/35 Racecourse Road, Allenton, Ashburton, 7700, commencing at 5.00pm and will also be available to all Shareholders to attend and participate online from anywhere in the country through the LIC website at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting).

Shareholders will be able to vote electronically, by post, or by appointing a proxy.

## How to Cast a Vote

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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 5.00pm on Tuesday 10 October 2023 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.

Each method of voting and the way to use the Voting Form enclosed with this document are explained in detail below.

**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 5.00pm on Tuesday 10 October 2023. If you are using postal voting or appointing a proxy, return your Voting Form to Link Market Services in any of the following ways:**

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 5.00pm on Tuesday 10 October 2023 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

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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 Shareholder who holds more than 1% of LIC's Shares on issue will be limited in their ability to vote to the equivalent 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 and for the avoidance of doubt the Director shall not be entitled to vote on motions raised during the course of the Annual Meeting (i.e., resolutions other than those contemplated by this notice of meeting).

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

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LIC's Board has approved the provision of financial assistance in relation to three schemes that are available to eligible LIC Shareholders 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 the Companies Act 1993.

## 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 Craigs and the Custodian's fees and expenses (including brokerage). The amount of the Craigs 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 the financial assistance is \$22,000.

The Board resolved on 19 July 2023 that LIC should provide the financial assistance referred to above (**Employee Scheme 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 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 Shares are being issued under the Employee Scheme.
- (d) The additional Shares will be purchased through Craigs at the market price.
- (e) 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.
- (f) 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 directors and senior managers who are eligible and elect to participate in the Voluntary Investment Scheme (**Investment Scheme**) by agreeing to pay to The New Zealand Guardian Trust Company Limited (**Guardian Trust**) as the Approved Holding Entity the annual services fee and other fees, brokerage costs, and commission incurred for the purposes of the Investment Scheme. Craigs has been appointed as the Broker to purchase the 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 any fees, 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 the net costs depends upon the extent to which

eligible directors and senior managers participate in the Investment Scheme. However, an estimate of the net amount of financial assistance in the next 12 months is \$11,000.

The Board resolved on 19 July 2023 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:

- (a) The VIS Assistance enables LIC to provide eligible directors and senior managers a means of acquiring additional Shares in LIC through a fixed trading plan given the risk they will often be information insiders and without incurring transaction costs which they would otherwise incur.
- (b) The additional Shares will be acquired by Craigs either through on-market transactions or the issue of Shares by LIC from Treasury Stock. Participating directors and senior managers will pay the average NZX market price paid by Craigs on market for those Shares.
- (c) Participating directors and senior managers will pay a uniform price in relation to a season.
- (d) The Investment Scheme will enhance the liquidity in the market for the Shares, providing a more liquid market for both participating directors and senior managers and non-participating Shareholders wishing to trade in LIC Shares.
- (e) The Investment Scheme enables LIC to offer eligible directors and senior managers a mechanism to invest in Shares without resulting in unnecessary new capital being raised through the issue of new Shares.
- (f) The amount of financial assistance is minimal in comparison to the benefits arising out of the Investment Scheme for participating directors and senior managers, non-participating Shareholders and LIC.

## LIC Dividend Reinvestment Plan

LIC will provide 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 the Shares on the NZX market for the purposes of the Dividend Plan, and the money paid by LIC to Guardian Trust as Approved Holding Entity will include the administration fee, brokerage and commission costs of Craigs. The amount of the financial assistance will depend upon the extent to which Shareholders participate in the Dividend Plan. An estimate of the amount of the financial assistance is \$15,000.

The Board resolved on 19 July 2023 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 Shares in LIC 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 will be acquired by Craigs either through on-market transactions or the issue of Shares by LIC from Treasury Stock.
- (d) Shareholders who do not participate will not be diluted or otherwise disadvantaged as no new Shares are being issued under the Dividend Plan.

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

## Glossary

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**Annual Meeting** means the 2023 annual meeting of Shareholders to be held in person at the Hotel Ashburton, 11/35 Racecourse Road, Allenton, Ashburton 7700 and online at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting)

**Appointed Directors** means directors appointed by the Board of LIC pursuant to the Constitution or the amended Constitution as appropriate.

**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.



**Constitutional Changes** means the amendments to the Constitution as outlined in the summary of Constitutional Changes in Schedule 1, together with such other changes that are consequential, necessary or desirable to give effect to such changes. The Constitutional Changes are detailed in the mark-up of the Constitution available at [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting)

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

**Elected Directors** means directors elected by Shareholders pursuant to the Constitution or the amended Constitution as appropriate.

**Listing Rules** means the NZX Listing Rules, dated 1 April 2023, 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.

**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.

**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 established under clause 21 of the Constitution.

**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.

# SCHEDULE 1

## Summary of the Changes to the Constitution

The following documents are available on the Company's website: [www.lic.co.nz/annualmeeting](http://www.lic.co.nz/annualmeeting)

- The current Constitution;
- A clean version of the Constitution incorporating all proposed changes; and
- A marked-up version of the Constitution showing all proposed changes.

All changes to the Constitution have been made in accordance with the NZX Listing Rules (subject to the waivers and rulings granted by NZX as discussed on page 50) and where there is any provision in the Constitution that is inconsistent with the NZX Listing Rules relevant to LIC, the NZX Listing Rules will prevail. The NZX Listing Rules can be found here: [www.nzx.com](http://www.nzx.com). NZ RegCo has received a Solicitor's Opinion as required under Rule 2.19.

The table below summarises the key proposed changes to the Constitution, and groups together the relevant changes as these correspond to Resolutions 10-12 above

### Part A - Constitution changes

Clause / section reference	Summary of change	Rationale
<b>PART A (Resolution 10) - Delegations of authority from the Board to Management</b>		
Resolution 10 authorises certain delegations of authority from the Board to the management team relating to shares held in contravention of the Constitution (i.e., Prohibited Shares (shares held on behalf of ineligible persons), Excess Shares (shares held in excess of the "Maximum Shareholding") and Restricted Securities (securities conferring voting rights on a person in excess of 1% of the total voting rights in the Company)). It also authorises changes which enable a member of the management team to provide certifications in certain situations instead of a Director needing to provide a statutory declaration. These changes will streamline the Company's processes, optimise the time spent by the Board on LIC matters and reduce the administrative burden on the Company. Importantly, these changes do not impact the rights attaching to the Shares.		

Clause / section reference	Summary of change	Rationale
2.1	<p>Inserted two new definitions:</p> <p><b>"Company Representative</b> means a Director or Senior Manager of the Company;"</p> <p><b>"Senior Manager</b> means a person:</p> <p>(a) who is a "senior manager" of the Company for the purposes of section 6 of the Financial Markets Conduct Act 2013; and</p> <p>(b) any other senior employee or representative of the Company as determined by the Company from time to time, and including its General Counsel;"</p>	<p>These are consequential definitions relating to the amendments at clauses 7.6(b) and 8.2(b) (ii) discussed directly below.</p>
7.6(b), 8.2(b) (ii) and 18.2(e)	<p>Amendments to enable a Company Representative to certify that a Share has been sold instead of a Director providing a statutory declaration under a compulsory disposal (7.6(b)), in connection with the Employee Share Purchase Scheme (8.2(b)(ii)), or where the Share was subject to a lien (18.2(e))</p>	<p>These changes are designed to reduce the administrative burden on the Company by enabling the management team to sign a certificate on the Company's behalf (instead of requiring a Director to provide a statutory declaration) to provide assurance that certain parcels of Shares have been sold in accordance with the Constitution.</p> <p>This change will mean the Company will be able to comply with its obligations more efficiently, on the basis that the management team will be more readily available than the Board to sign these certificates.</p>

Clause / section reference	Summary of change	Rationale
3.2(d), 6.3 and 20	<p>Updates to the provisions relating to Prohibited Shares, Excess Shares and Restricted Securities to:</p> <ul style="list-style-type: none"> <li>• deem shares held in contravention to be Prohibited Shares, Excess Shares or Restricted Securities (as applicable) instead of requiring the Board to make a declaration to that effect;</li> <li>• requiring a contravening Shareholder to take certain remedial action (e.g., dispose of the shares, refrain from casting votes and repay any improperly received dividends or distributions), instead of requiring the Board to make a pro-active determination to that effect;</li> <li>• permit the Company, instead of the Board, to take certain remedial actions in respect of the Prohibited Shares, Excess Shares or Restricted Securities (as applicable), where the affected Securityholder has not complied with the above; and</li> <li>• make certain changes for consistency between the various regimes.</li> </ul>	<p>This change is designed to reduce administrative burden associated with approaching the Board on these matters and streamlines the enforcement process.</p> <p>The changes automatically deem shares held in contravention of the relevant restrictions to be Prohibited Shares, Excess Shares or Restricted Securities (as applicable), and automatically require a contravening Shareholder to take remedial action, rather than these provisions only applying where the Board makes a declaration in relation to such Shares.</p> <p>These changes also ensure that the Company will be able to comply with its obligations under the Constitution and applicable laws more easily, and ensures contravening Shareholders are treated equally on the basis that the relevant provisions will automatically apply instead of requiring the Board to make a declaration to that effect.</p>

Clause / section reference	Summary of change	Rationale
3.2(d), 5, 6.3, 7, 18, 20	Replacing references to the Board with references to the Company.	As above, these changes delegate certain authorities that currently sit with the Board to the Company to enable the management team to action these matters on the Company's behalf. These changes ensure that the Company will be able to comply with its obligations under the Constitution and applicable laws more easily by removing the administrative burden associated with approaching the Board on these matters.

## PART B (Resolution 11) - Governance Changes

Resolution 11 authorises certain updates to the eligibility, appointment and election requirements as they relate to the Board, Shareholder Reference Group and Honorary Committee to ensure consistency of treatment of the members of the Board, Shareholder Reference Group and Honorary Committee.

2.1, 21.8 and 23.1	<p>Revised the definition of "Rotation Schedule": "Rotation Schedule means the schedule fixing the times for the election of Elected <u>and Appointed</u> Directors and SRG Members as referred to in clause 23;"</p> <p>and clauses 21.8 (SRG Rotation) and 23.1 (Board Rotation) to clarify that the Rotation Schedule applies to both Elected and Appointed Directors and SRG Members, consistent with the Company's current approach.</p>	Clarification of the existing references to the Rotation Schedule to make it clear that this schedule applies to Elected and Appointed Directors and SRG Members.
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Clause / section reference	Summary of change	Rationale
21.6	<p>Amendments to the Eligibility Requirements for Elected Directors and elected members of the SRG to:</p> <ul style="list-style-type: none"> <li>• clarify the application of the eligibility requirements to Elected and Casual Members of the SRG;</li> <li>• include the use of GeneMark Whole Herd testing as an alternative product to LIC's traditional herd testing options</li> <li>• remove the obligation for Appointed members of the SRG to undertake herd testing and artificial breeding with the Company</li> <li>• reflect that a director, trustee, senior manager or other senior representative of a relevant Shareholder (as determined by the SRG in its ultimate discretion) may also be eligible for appointment to the SRG; and</li> <li>• reflect that the minimum threshold of submission of that Shareholder's herds for artificial breeding to semen marketed by the Company and use of one of the Company's herd testing options no longer apply to Appointed members of the SRG.</li> </ul>	<p>The changes clarify the application of these provisions as they relate to Elected and Appointed Members of the SRG and to Elected Directors.</p> <p>The other changes permit and promote greater diversity of representation of the SRG by broadening the eligibility criteria. In particular by:</p> <ul style="list-style-type: none"> <li>• allowing representatives such as a Trustee of a Shareholder to sit on the SRG (this is not currently permitted by the language in the Constitution); and</li> <li>• removing the requirement for Appointed Members of the SRG to meet the current (and amended) thresholds for herd testing and artificial breeding to increase the pool of potential candidates that SRG members can be drawn from.</li> </ul>

Clause / section reference	Summary of change	Rationale
<b>24.2</b>	<p>Amendments to the process relating to elections of Honoraria Committee members to clarify that:</p> <ul style="list-style-type: none"> <li>• where there is more than one member standing for election to a position, the member with the highest votes will be appointed;</li> <li>• where only one candidate stands for election to a position, they will be deemed to have been appointed by Shareholders; and</li> <li>• where no candidate stands, the Honoraria Committee may fill the vacancy on a casual basis.</li> </ul>	<p>These changes align and clarifies the Honoraria Committee election process with that of the SRG and Elected Directors.</p>
<b>24.3, 24.6 and clause 3.3 of Schedule 4</b>	<p>Amendment to the provisions relating to Honoraria Committee, Director and SRG member expenses (respectively).</p>	<p>The changes to these sections are designed to harmonise the relevant provisions between the Honoraria Committee, Board and SRG (as appropriate), clarify their intended application, and outline the relevant circumstances in which expenses shall be properly incurred.</p>
<b>Schedule 4 - SRG By-Laws</b>	<p>Amendments to clarify the application of the By-Laws as it relates to Elected and Appointed SRG Members, and the inclusion of cross-references to the SRG terms of reference.</p>	<p>The changes clarify the application of these provisions and relationship to the SRG terms of reference.</p>

Clause / section reference	Summary of change	Rationale
<b>PART C (Resolution 12) - Definitional changes / tidy-ups</b>  Resolution 12 authorises certain other definitional updates, administrative improvements and tidy-ups, including the removal of certain transitional references that are no longer relevant		
2.1	Revised the definition of "Milk Processor":  "Milk Processor means a person processing milk for commercial sale in compliance with the Dairy Industry Regulations 1990, <u><b>Raw Milk for Sale to Consumers Regulations 2015</b></u> or such other statute or regulation (if any) as may be applicable to the <u><b>processing of milk for commercial sale;</b></u> "	These changes clarify the definition of "Milk Processor" to clarify that raw milk suppliers can become Shareholders if they meet the definition of "User" under the Constitution.  These clarifications include adding an express reference to the Raw Milk for Sale to Consumers Regulations 2015 to the definition, and the addition of a qualification that such other applicable statute / regulations must relate to the processing of milk for commercial sale in order to apply.
2.1 and 22.6(b)	Deletion of references to and the definition of Transitional Arrangements.	These changes remove redundant provisions from the Constitution now that the transitional period under the 2020 Governance Review has been completed.
16	Amendment to make it clear the Company can forfeit all sums due and payable to untraceable Securityholders (not just dividends or distributions), in accordance with Co-operative Companies Act 1996.	Clarification of existing provision to broaden the sums of money that can be forfeited in relation to an untraceable Securityholder in accordance with Co-operative Companies Act 1996 (i.e., persons for whom the Company does not have contact details for).



Clause / section reference	Summary of change	Rationale
<b>20</b>	Amendment to make it clear voting can occur by electronic means at a Shareholder meeting.	This change has been made for consistency with the balance of the Constitution.
<b>Various</b>	Various changes to the Constitution to ensure consistency when referring to disposals of shares (i.e., sold, transferred or otherwise disposed of).	These changes have been made for consistency with the balance of the Constitution.
<b>Various</b>	Various typographical updates, correction and tidy-ups.	These changes involve minor, administrative tidy-ups.

# Directory

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## LIC

### **Livestock Improvement Corporation Limited**

Corner Ruakura and Morrinsville Roads  
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Private Bag 3016  
Hamilton 3240

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[www.lic.co.nz](http://www.lic.co.nz)

## Election helpline

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## Legal advisers to LIC

### **Simpson Grierson**

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## Registrar

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