

Notice of 2024

Annual Meeting

18th September 2024 - 4.00pm

To be held at: LIC Newstead, Hamilton
and online at
www.lic.co.nz/annualmeeting



There's always room
for improvement





Invitation

On behalf of the LIC board, we are pleased to invite you to attend LIC's 2024 Annual Meeting on Wednesday 18th September at our headquarters in Newstead, Hamilton.

Registration will be open from 3pm, with the meeting commencing at 4pm.

You are invited to join a tour of our facilities prior to the meeting, which will include our bull farm, collection barn, and Customer Experience Centre. If you would like to attend the tour, please **RSVP here**. The tour is capped at 25 shareholders so will be operating on a 'first-in, first-served' basis.

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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 44 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

The business to be conducted at this Annual Meeting consists of the usual business conducted at each annual meeting (or "Business as Usual" matters).

The "Business as Usual" matters 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) *Election of one Shareholder Reference Group (SRG) members for the Upper North Island Territory*

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

Notice of Annual Meeting

Notice is given that the 2024 Annual Meeting of the Shareholders of Livestock Improvement Corporation Limited will be held at LIC, 605 Ruakura Road, Newstead, Hamilton commencing at 4.00pm on Wednesday 18 September 2024, with registration commencing at 3.00pm. The meeting will be a hybrid meeting, meaning that Shareholders will also have the option of participating online at www.lic.co.nz/annualmeeting.

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 2024 and the associated Directors' and auditor's reports, all as set out in the Annual Report.¹

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 \$783,000 per annum."

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

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

"Approve the total remuneration of all Shareholder Reference Group members being increased from \$199,000 to \$213,000 and the daily allowance remains the same at \$400 per day."

¹ Available on LIC's website (www.lic.co.nz/shareholders/annual-reports) or on request, phone (07) 856 0700.

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. This resolution is determined using First Past the Post, as described at (c) of the Procedural Notes.

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. This resolution is determined using First Past the Post, as described at (c) of the Procedural Notes.

Item 7: Resolution 6: To elect one member of the Shareholder Reference Group for the Upper North Island Territory

To consider, and if thought fit:

“Elect ONE (1) candidate from the Upper North Island Territory to the Shareholder Reference Group with effect from the conclusion of this Annual Meeting.”

Note that only Shareholders in the Upper North Island Territory are eligible to vote on this resolution. This resolution is determined using First Past the Post, as described at (c) of the Procedural Notes.

Item 8: General business.

Expected Closure: 5.30pm - light refreshments will be served.

Procedural notes

- (a) Explanatory Notes relating to the resolutions above are set out in the following pages.
- (b) Resolutions 1 to 3 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 Honorary Committee elections. This means that the candidates receiving the highest number of votes on resolutions 4-6 will be successfully appointed.
- (d) In accordance with the Constitution, no person may exercise, or control the exercise of, more than 1% of the maximum number of votes that may be exercised at a meeting of LIC.
- (e) For each resolution, the votes counted include valid postal votes, electronic votes and the votes of proxies and representatives.
- (f) All resolutions will be determined on the basis of a poll in accordance with NZX Listing Rule 6.1.1.

Explanatory Notes

Items 2 and 3 - Resolutions 1 and 2: Approval of LIC Directors' Remuneration and approval of LIC Shareholder Reference Group Remuneration.

Honoraria Committee

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).

The Honoraria Committee is made up of between two and four 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 (retiring at the conclusion of this meeting)
- » Shirley Trumper
- » Ellen Bartlett (joining the committee at the conclusion of this meeting)

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 twice 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 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

It is the Honoraria Committee's view that it is imperative that LIC maintains a high caliber 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

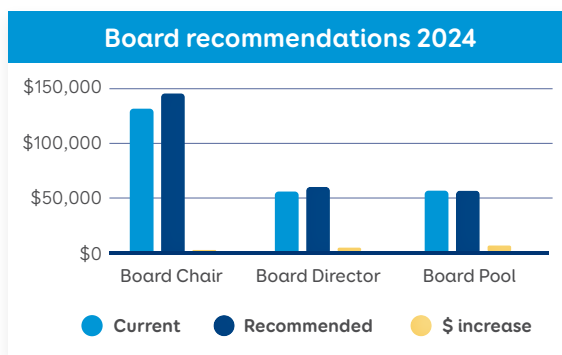
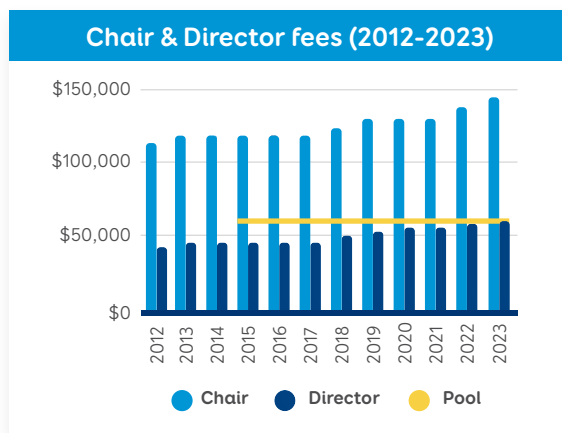
The Honoraria Committee recommend the following increases to Directors' remuneration, to take effect from the conclusion of the 2024 Annual Meeting:

Position	Current	Recommended	\$ Increase
Chair	\$143,000	\$145,000	\$2,000
Director	\$65,000	\$71,000	\$6,000
Discretionary pool*	\$60,000	\$70,000	\$10,000
Total	\$723,000	\$783,000	\$60,000

* 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 2023 Annual Meeting.



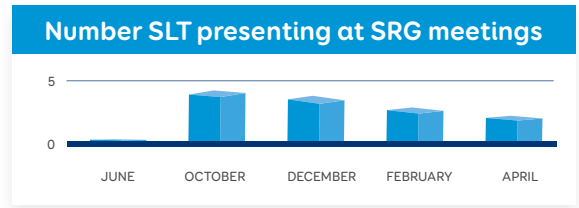
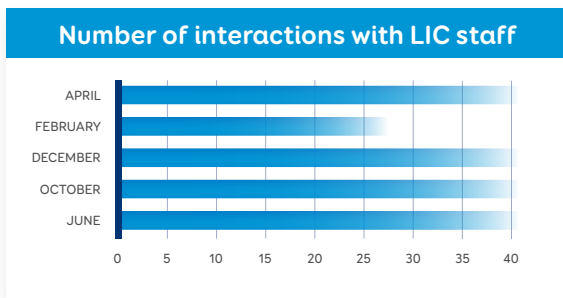
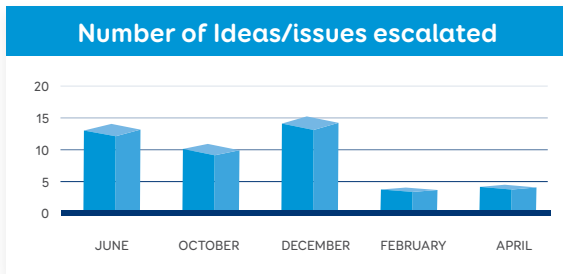
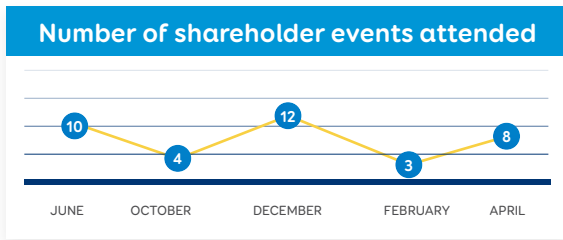
Shareholder Reference Group Honoraria

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 caliber, 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 2023 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 on 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 2023-2024 are illustrated below:



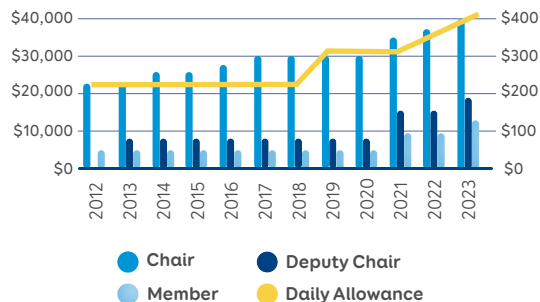
The level of remuneration needs to ensure a fair recognition of the members increased focus away from their own farm operations. Due to the time spent off farm on LIC activities, their personal commitment to the co-operative, and other off-farm opportunities foregone the Honoraria Committee is recommending 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 2024 Annual Meeting.

Position	Current	Recommended	\$ Increase
SRG Chair	\$40,000	\$42,000	\$2,000
SRG Deputy Chair	\$19,000	\$21,000	\$2,000
SRG Member	\$14,000	\$15,000	\$1,000
Total	\$199,000	\$213,000	\$14,000
Daily Allowance *	\$400	\$400	\$0

Shareholder Council 2012-2020 Shareholder Reference Group 2021-2023



SRG Recommendations 2024



* Paid for time spent on extraordinary duties

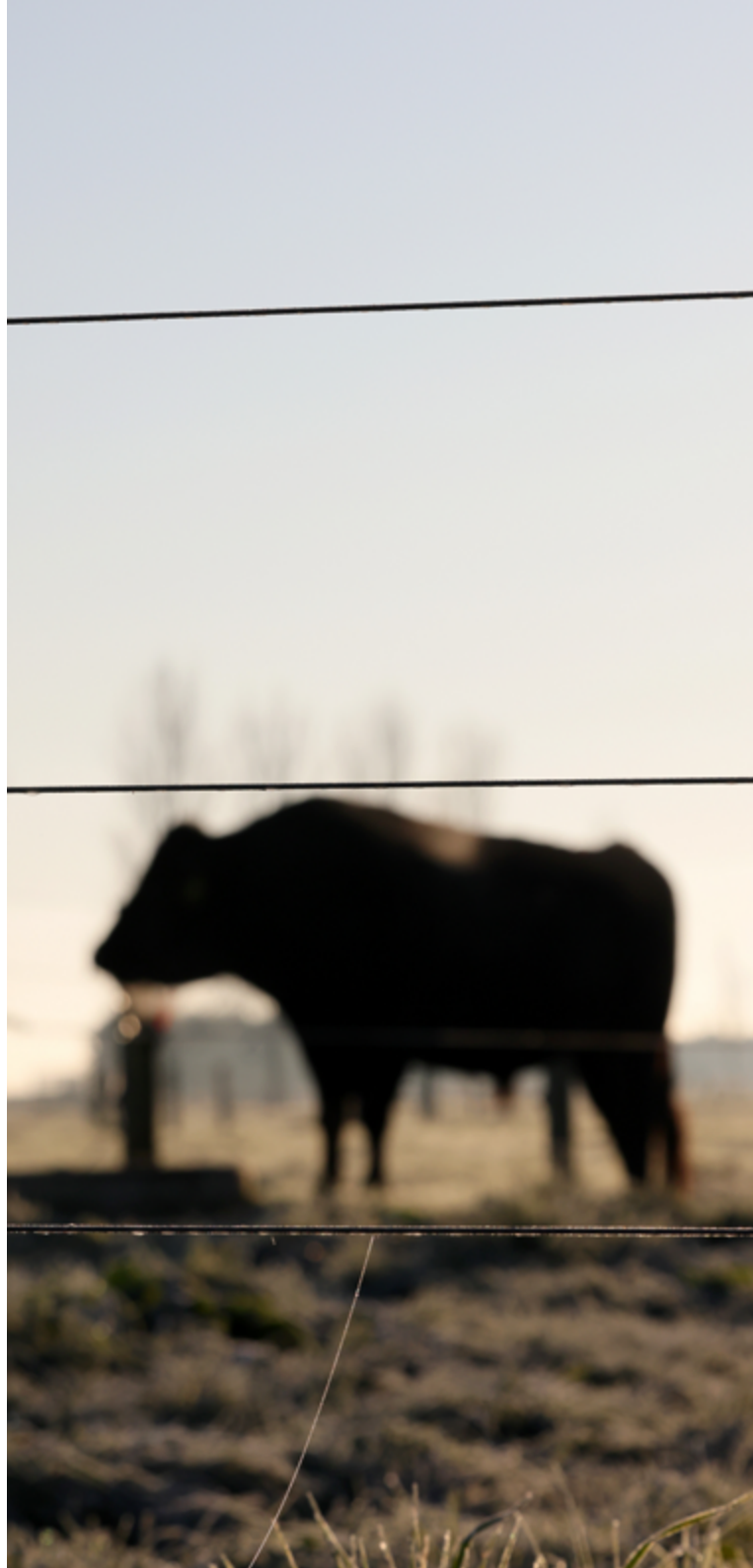
If Resolution 2 does not pass, the Shareholder Reference Group will continue to be remunerated at the level previously approved at LIC's 2023 Annual Meeting.

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 Island Director seats would qualify as "Appointed Directors" for the purposes of the NZX Listing Rules.



Director Candidates North Island in alphabetical order:

Kevin Argyle

I was raised in dairy farming family in the Manawatu, and I now have my own 550 cow farm in Kairanga. I am passionate about the industry and its future.

I have significant off farm dairy executive leadership governance and management experience as outlined below. These experiences have developed skills and experience to equip me well for this role. I have a business degree, and am a Chartered accountant, I have also completed a rural diploma at Massey University.

Governance experience:

- » Manawatu District Council (3 years)
- » Director Magritek (technology and innovation company)
- » Completed the Fonterra Governance development programme
- » Completed the Institute of Directors full course

Management experience:

- » General Manager R and D Meat and Livestock Australia
- » Director Major Innovation Dairy Australia
- » Co-Director DairyBio and DairyFeedBase, JV Research and Innovation
- » Programmes <https://dairybio.com.au/aboutus/>
- » <https://dairyfeedbase.com.au/>
- » Fonterra on-farm R & D Programme Manager
- » AgResearch- Dairy Portfolio Manager
- » Dairy NZ- Regional Manager, Lower North Island
- » Massey University - CEO Massey Ventures Ltd
- » Finance Director
- » Fonterra Research Centre - General Manager, Finance & Knowledge Management

Why am I standing to be a Director?

LIC and the dairy Industry in general are facing some big challenges and opportunities ahead, and the cooperative needs strong experienced governance on the LIC Board.

I want to ensure shareholder expectations are met, and they can have absolute confidence in the technology and services provided.

I have the ability to contribute as a director through a farmer lens, to ensure the vision and performance meets stakeholder expectations. I will aim to achieve this through having a clear strategy to proactively address new and emerging challenges and capture significant opportunities LIC and dairy farmers have.

I want to ensure the co-operative Board has strong strategic leadership with a Board setting clear vision and long-term goals. Backed up with a strategy to achieve and implement these goals, through organisational performance, delivering technology, products and solutions required/expected by farmers.

Why I know I would make a good Director?

I would make a significant contribution on the Board for the following reasons:

- » In depth dairy farming, systems, and industry knowledge
- » Strategic planning and implementation
- » Commercial/Business acumen
- » Agtech and innovation experience
- » Solid understanding of the dairy industry and LIC
- » Good communication, customer, and stakeholder relationship skills
- » Honesty and integrity being key values I hold
- » Customer and stakeholder insights
- » Governance experience

I appreciate your support in electing me as your Director. I can be contacted on 0274319990.

LIC Director Election 2024 - North Island Candidate Profile & Rating

Kevin Argyle

Kevin has broad executive industry and dairy farm management experience 'beyond the farm gate' with roles in research and development (R&D), operations management and finance. He notes his farm systems, agritech and innovation experience as motivation in standing for the LIC role.

Kevin is a director and principal shareholder of a 186 ha, 560 cow dairy farm and is a previous winner of the Lower North Island NZ Dairy business of the year. He has built broad sector and regulatory networks across Australasia through roles in Dairy Australia, Fonterra and DairyNZ.

At Dairy Australia (the Australian national body for the dairy industry), Kevin was the Director Major Innovation and CEO of 2 joint venture entities. With an OPEX of \$30m, Kevin led 85 staff, secured over \$100m in new funding and was responsible for project strategy, managing industry risk, and engaging with diverse sector and regulatory national and international stakeholders.

Kevin was the Programme Manager On-Farm R&D at Fonterra, focused on increasing farm productivity through agritech and farm systems. At AgResearch (a Crown Research Institute) he grew the dairy portfolio through securing new investment. He was CEO of Massey Ventures, the early stage investment and research commercialisation arm of Massey University.

Through these roles, Kevin has reported to boards and CEOs. His prior governance roles include director of Magritek Ltd and a Manawatu District Councillor.

If elected, this would be Kevin's largest scale commercial governance role. He would focus on applying his recent Australian and executive dairy experience to the NZ context and LIC's commercial and operational scale.

Kevin is a careful and logical thinker and is able to contextualise both the short- and long-term consequences of decisions. He will likely enjoy collaborative meeting environments where diverse perspectives are used to build towards consensus.

Kevin has a Bachelor of Business Studies and Diploma in Rural Studies. He is a Chartered Accountant and member of the NZ Institute of Primary Industries and Institute of Directors (IoD). He has completed the Fonterra Governance Development Programme and IoD Company Directors' Course.



David Lawton

I am a first-generation dairy farmer from Taranaki. I have put my hand up to be part of the LIC Board as I have a lot to offer its shareholders if you were you to elect me. I don't think LIC is perfect, but as a farmer that has gone bull-free I am heavily invested and dependent on the semen and insemination services LIC provides.

Whilst farm ownership came later in my life, I have always been passionate about dairy farming. I started my working life as a farmhand for a dairy farmer whom focused on herd improvement. This led me to a passion of becoming a dairy vet with a particular interest in herd health, nutrition, and production. Then, when I was employed at Massey University I had the opportunity to develop my interest in whole-farm consultancy, to both dairy and pig farmers.

I also have a passion for farm data and optimising its utility. In my role as Lecturer in Animal Health Information, I was the technical vet within the DairyWIN team immediately preceding its purchase by LIC and assimilation into MINDA. This gave me an appreciation of the value of data for optimal decision making, herd improvement and better farming. My subsequent role as Senior Lecturer in Pig Medicine and Production paved the way to a thriving consultancy practice that I still service thanks to the wonderful support of very capable sharemilkers.

I believe it's my involvement with the pig industry necessitated the development of skills relevant to the LIC Board. I have experience in how the government works. I have been closely involved in technical aspects of risk assessment, underpinning the development of IHSs for semen and meat covering the wide range of threats including FMD.

I have a considerable amount of broader experience in biosecurity, both on the ground as an investigator, and as a participant on numerous Expert Technical Advisory and Working Groups. I have practical knowledge of genetic improvement through my association with both

the pig breeding companies that serve the NZ industry and import semen to support their breeding programmes. At present, I am in my third term as a farmer-elected Director of the Pork Industry Board and have undertaken formal governance training, most recently completing the Fonterra GDP.

Thank you for your time, I look forward to bringing my skills and enthusiasm to LIC should you give me your support. I commit to ensuring that LIC lives up to its core function and name: livestock improvement.

LIC Director Election 2024 - North Island Candidate Profile & Rating

David Lawton

David draws from a depth of veterinary, farm consultancy and academic experience in the pig sector. He notes his continued interest in the dairy sector as motivation to apply these skills and stand for the LIC role.

David is a first-generation dairy farmer and owns and manages a 360-cow operation. He is a farmer-elected director of the Pork Industry Board, a statutory industry board advocating for commercial pig farmers and reinforcing industry welfare standards.

David is currently a farm consultant providing health, veterinary and production services to commercial pig farmers. He has helped develop a range of welfare and disease management standards in NZ, including the establishment of PigCare (an industry assurance and certification programme) where he is also an auditor.

He develops and assesses Primary ITO training to the sector. Earlier in his career he held university and lecturing roles and has a number of refereed publications. As a lecturer in Animal Health Information, he gained further insight to utilising farm data through DairyWIN prior to its purchase by LIC.

He has gained supply chain exposure through co-owning Ecopharm (a pharmaceutical and feed additive supply and distribution company) and broad biosecurity experience as a participant in Expert Technical Advisory and working groups.

LIC is of larger operational scale than David's prior roles. If elected, focus areas may include expanding his experience in data commercialisation and commercial strategic planning in the governance setting and LIC's dairy focus.

David is a logical decision-maker and balances focus between short- and long-term thinking. He has an inquisitive and forthright communication style. He is expected to enjoy meeting environments where constructive challenge is welcomed to test ideas and build towards consensus.

David has a broad range of academic qualifications including a Bachelor of Science, PhD, Master of Veterinary Studies, Bachelor of Theology and Postgraduate Diploma in Business



Mike O'Connor

After developing a passion for farming by working alongside my father, my farming career started in earnest by purchasing an LIC bred herd over 40 years ago, when I took up a sharemilking position. This was the beginning of a twelve-year sharemilking career which helped Andrea and I achieve farm ownership in 1992 at Te Kawa south of Te Awamutu, where we currently reside.

Since then, our business has evolved by seeking opportunities, using sound business principals, and striving for operational excellence to become a business with multiple dairy and dairy support operations based in the King Country, Waikato, and Canterbury.

Throughout my career, we have supported and been supported by agricultural cooperatives which, in my opinion, are essential to farmer prosperity, but will only be retained with clear purpose shareholder support and leading-edge efficiency.

In our own business we enjoy the benefit of clear governance with a separation to management, organisational structure, and sufficient operational monitoring to provide control. The experience I have gained throughout my career goes beyond the farm gate, and I think that now is the time that I can share this at board level as a way of giving back to LIC which has played such an important role in our business.

Within our personal operation and Spectrum Group, we aim to provide opportunities for new generation farmers to learn the business of farming and the principles required to be successful in agriculture. Rural New Zealand is being asked to lead towards a more sustainable future and in my opinion, LIC will be an essential participant in improving efficiency and developing competence. I believe that this will require clarity of purpose and shareholder support.

Requisite Attributes for the Role:

- » I'm experienced in the business of farming from what is required "in the paddock" to the organisation, governance, and management

of multi farming operations in different regional locations.

- » I have gained corporate exposure in my role as Managing Director of Spectrum Group, guiding the business through a complex financial and organisational restructure which reset the original framework allowing the business to evolve to new levels.
- » During my career, I have sought adult learning to complement my experience and keep an enquiring mind.
- » I recognise the importance of people and performance in business and enjoy helping develop potential.

I am proud of what we as farmers have achieved but there is always more to do. The use of technology and data uptake is evolving quickly to meet the demands of an influential generation. Meeting these demands can be both challenging and inspiring but I believe that LIC is well placed to lead efficiency through breeding, and the delivery of new and practical technology keeping animal production on the front line.

Experience:

Diploma in Agriculture - Massey University
Winner - Waikato Sharemilker of the Year 1988.
Participant - Kelloggs Rural Leadership Programme.
Participant - NZ Icehouse Leadership Programme.
Participant - Fonterra Governance Development Programme 2010.
Participant - Seven Habits Programme.
Participant - ASB FAME Programme 2008.
Past Chairman - NZ Large Herds Conference, Waikato.

Directorships:

Director - Te Awamutu Veterinary Association, 1990 - 1996.
Past School Board of Trustees Chair.
Managing Director - Spectrum Group, associated companies and personal businesses.
Chairman - Koromiko Grazing Ltd.
Trustee - Otorohanga Kiwi House Charitable Trust.

I would be honoured to serve as a director of LIC and would strive to make a meaningful contribution. I therefore seek your support in this election.

Contact: 027 476 9794

LIC Director Election 2024 - North Island Candidate Profile & Rating

Mike O'Connor

Mike draws from a depth of corporate farming and operational leadership experience. He is motivated to stand for this role as a way to 'give back to LIC'.

Mike is the Managing Director and majority shareholder of Spectrum Group, with a portfolio of 5 dairy farms and 1 dairy support operation in Canterbury and 4 dairy operations in Waikato. He is also Chair of Koromiko Grazing, a large scale operation specialising in dairy heifer grazing and running ewes and beef cattle.

Mike is a founding partner of Spectrum (which consisted of 12 dairy properties and a large grazing block at its peak). As the Group GM since 2007, he led significant growth and a corporate restructure in 2013 to help scale the business.

Through his leadership he has a depth of dairy farming experience in land development and investment, managing multiple farm operations in different regions. He has demonstrated skillsets in strategic growth planning and implementation, corporate business banking, operational leadership (including health and safety, staff development and HR resourcing) and on-farm sustainability initiatives.

Previous governance roles include director of Te Awamutu Veterinary Association, Chair of the Pokuru School board of trustees and trustee of Otorohanga Kiwi House Charitable Trust.

If elected, this would be Mike's first large scale governance role beyond the farm gate. He would focus on applying his commercial experience to LIC's scale and can be expected to 'adapt quickly' to the required level. Potential focus areas include marketing / retail and data innovation.

Mike is a logical and considered thinker who balances focus between the short- and long-term impacts of decisions. He is expected to enjoy collegial meeting environments and providing a solution-focused and considered engagement style.

Mike has a diploma in agriculture. He has completed the Kellogg Rural Leadership Programme, Fonterra Governance Development Programme, ASB FAME Programme and Institute of Directors (IoD) Company Directors' Course.

LIC Director Election 2024 - North Island Candidate Profile & Rating

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

Capability	Kevin Argyle	David Lawton	Mike O'Connor
Governance aptitude	4	3	4
Financial and commercial acumen	5	3	5
Agribusiness sector and systems knowledge	4	4	5
Business operations at scale	4	3	4
Customer / stakeholder insight	3	3	5
Marketing / brand / sales	3	3	3
Technology and Innovation	4	3	3
Total (/35)	27	22	29

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

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

Director Candidates South Island in alphabetical order:

Tony Coltman

New Zealand Dairy farmers are world leaders in pasture-based farming systems. This means industry organisations like LIC must continue to evolve and remain competitive in order to support NZ farmers to uphold these high standards as the climate and economies change.

I am first and foremost a farmer. Although I have 30 years' experience in director and advisory roles both in New Zealand and abroad, my passion for farming means getting my hands dirty - and I plan to until I can't anymore! I believe this continuous hands-on experience helps me to be the best director and advisor I can be.

I am committed to the progress and success of the New Zealand Dairy Industry and am driven to create positive change by getting involved and learning. I am also determined to protect farmers' licence to operate by showcasing the great things they do and believe looking after the wellbeing of our farmers is essential. I try to lead by example in this space - making time for my wife and children as well as adventure motorbiking.

We have been active users of LIC for over 15 years, and I am keen to help improve internal efficiencies, see a strong strategy in place to help future tech investment,

and see an improvement in the speed to market with new technologies.

I believe my national and international management and governance experience along with my passion for hands on farming and for farmer wellbeing puts me in the position to provide a strong and balanced contribution the LIC board.

Achievements and Industry Involvement:

- » Supreme Winner of Balance Farm Environment Awards 2020
- » Runner Up 2015 & 2016 NZ Dairy Awards
- » Lincoln University Dairy Farm Management Advisory Group
- » Lincoln University Dairy Farm Benchmark farm
- » Monitor Farmer for the Forages for Reduced Nitrate leaching

Governance Experience:

- » Director Ashburton Trading Society (ATS), Ruralco NZ Ltd 2016-present
- » Chair Health and Safety Committee Ruralco Ltd 2016-2021
- » Director Central Plains Water Ltd 2021 - present (45,000 ha irrigation scheme)
- » Remuneration committees Ruralco NZ Ltd and Central Plains Water Ltd
- » Director Datona Ltd and Canlac Holdings 2013 - present
- » Director Rahi Partnership Ltd 2019 - present
- » Director Focal Dairies - 2007-2021

Management Experience

- » Farm Advisory in the USA and Chile
- » Senior Rural Banking Roles New Zealand and Australia
- » General Manager for Development and Extension Dexcel (DairyNZ)
- » General Manager Focal Dairies Missouri USA.
- » Equity Manager of a 3300-cow equity partnership in Dunsandel (Grown from 1350 to 3300 in 6 years)

Qualifications and Training

- » Fonterra Governance Development Programme 2016
- » Lincoln University, BCom Ag (Farm Management)
- » Lincoln University, Diploma in Farm Management (with Distinction)
- » Various Institute of Directors NZ courses

LIC Director Election 2024 - South Island Candidate Profile & Rating

Tony Coltman

Tony has both national and international dairy farm management experience, and has focused his governance roles in the Canterbury region. He notes his passion for the dairy industry and farmers' license to operate as his motivation to stand for the LIC role.

Tony is the manager and director of Datona Ltd and Canlac Holdings, an 800 ha, 3,350 dairy cow equity partnership and 140 ha support block for young stock. He is a previous Canterbury Regional Supreme Winner of Ballance Farm Environment Awards and was a member of the Lincoln Dairy Farm Management Advisory Group for 5 years.

Tony is an elected director of Ruralco, and the prior Chair of both the Health and Safety Committee and the Audit and Risk Committee. He is also a director of Central Plains Water. Over his tenure on both boards he has been directly involved in setting organisational strategy and working with senior management. He has also developed insight to retail, H&S, HR and financial matters at the governance level.

Tony previously consulted to Dairy Grazing Services (a partnership between LIC and Dairy Farms of America, the largest dairy co-operative in the US), to implement on-farm pasturebased systems. He was also the GM and director of Focal Dairies (pasture-based dairy farms and support blocks in the US).

Earlier in his career he was GM Development and Extension at Dexcel and held senior rural banking roles in National Bank NZ and Westpac Australia (where he was contracted to grow the rural lending book).

If elected, Tony could focus on applying his co-operative governance experience to LIC's commercial scale and his understanding of agritech data commercialisation.

Tony is an analytic and intuitive thinker who prefers to 'get on with decisions'. He is expected to enjoy collegial meeting environments where different perspectives are welcomed to test ideas.

Tony has a Bachelor of Commerce (Agriculture) and Diploma in Farm Management. He has completed the Fonterra Governance Development Programme and a number of courses from the Institute of Directors.

Richard Stalker



I am a proud Canterbury dairy farmer. I highly value the cooperative model, and also the need for cooperatives to stay strong and relevant and provide a high level of service at an affordable price.

The attributes I will bring to the LIC board include good judgement and courage when needed. LIC needs to be run in a manner that aligns with the values, risk appetite and aspirations of the shareholders it serves. The continued financial success of LIC is crucial to deliver the services to farmers, and continue to provide a good return on investment.

Governance Experience:

- » Director Waimakariri Irrigation Limited . As a board, we have consulted widely with farmer shareholders about significant capital investment regarding water storage, as well as the need to keep the other parts of our strategy advancing while providing reliable water for irrigation.
- » Director Veterinary Enterprises Group Limited directing a nationwide veterinary business with 18 branches. Developing a strategy that is fit for the future, monitoring that strategy and ensuring we have the necessary capital and capable people available to execute have been key tasks, as well as ensuring that the risks are identified and monitored. The learnings from the veterinary industry are highly relevant to the LIC role as both industries involve leveraging scientific knowledge, building trust and also providing products and services to farmers.

Other roles that have contributed significantly to my understanding of cooperatives include:

- » Member of the Fonterra Purpose Review team. This helped define my understanding of the importance of cooperatives and the reasons they exist. It has played a key part in how I approach cooperative roles, and reiterated the importance of a strong cooperative. My involvement with Fonterra has

- » also provided many interactions with the board, senior executives and employees throughout the cooperative.
- » Silver Fern Farms Extended Governance Development Group. This group allowed me exposure to the inner workings of the senior executive and board of a large cooperative. It was very valuable in developing thinking at scale.
- » Fonterra Directors' Remuneration Committee
- » Fonterra Governance Development Programme.
- » Involvement in various environmental groups and projects at a catchment level.
- » I continue to have people with governance experience support me, for which I am grateful.

My Skill-set:

The skills I would bring to the LIC board include those learnt in my experience as a company director, my hands on farming involvement as well as my previous roles as a veterinarian throughout New Zealand and overseas. We are in our 6th generation of dairy farming.

I have experience with the opportunities and challenges around commercialisation of data. My scientific training helps with many of LIC's core roles, especially genetics and research and development.

We have been heavily involved with on farm technology implementation and trialling, and working collaboratively across many sectors.

LIC plays a key role in meeting Fonterra's goals around greenhouse gas emissions, and both genetics and the interpretation of data play a role in reaching our targets.

My interaction with farmers has enabled me to understand a diverse range of farming practices and develop empathy and understanding for the many different reasons people farm, and the range of services farmers require to succeed, and the necessity for those services to be delivered in a reliable and cost effective manner.

I am passionate about becoming a director of LIC and looking after the interests of farmers and ensuring a strong, enduring and successful cooperative. I can be contacted on 027 643 6079 or richstalker@extra.co.nz

LIC Director Election 2024 - South Island Candidate Profile & Rating

Richard Stalker

Richard is a dairy farmer and veterinarian and has recently started his governance career. He notes his strong connection and commitment to the co-operative ethos as a key motivator to standing for the LIC role.

Richard currently operates a 1,300 cow and 700 young stock farm with a range of on-farm monitoring and system management technology.

Richard joined the boards of Veterinary Enterprise NZ Group (VetEnt) and Waimakariri Irrigation in 2022. Across both roles he has been involved in setting strategy, overseeing implementation and engaging with senior management teams.

VetEnt operates 18 veterinary clinics throughout the country focused in rural NZ. In this role he has gained exposure to retail services and strengthened his financial acumen. He also holds a business management and people and culture role at VetEnt Ashburton. In Waimakariri Irrigation, Richard is building his knowledge of sustainability considerations 'beyond the farm gate' and engaging with a large rural shareholder base.

He is a member of the Fonterra Directors' Remuneration Committee (gaining exposure to board remuneration practices) and a previous member of the Fonterra Purpose Review team, a group charged with reviewing and resetting the co-op's purpose (where he interacted with the board, senior executive and staff throughout the organisation). Richard is also involved in a number of environmental and catchment project groups.

LIC is of larger operational complexity than Richard's other roles. If elected, he could focus on applying his agritech and commercial experience to LIC's governance scale.

Richard is a logical and inquisitive thinker who enjoys sharing and hearing different views. At times he may have the opportunity to utilise a more focused and concise communication style.

Richard has a Bachelor of Veterinary Science. He has completed the Fonterra Governance Development Programme and is a prior member of the Silver Fern Farms Co-operative Extended Development Group.

LIC Director Election 2024 - South Island Candidate Profile & Rating

Stuart Taylor

Stuart has focused his career in the management of scale dairy farming operations as well as owning and running his own dairy farm. He notes his focus on supporting dairy farmers and the industry as motivation in standing for the LIC role.

His current governance roles include Safer Farms (focused on promoting a safer culture throughout the industry), Fortuna (running 18,000 cows) and Waibury Farms (running 4,000 cows). He is also the prior Chair of the Primary ITO IPG.

Stuart is the General Manager Dairy & Grazing at Craigmore Sustainables, a company running 16,000 cows over 22 dairy farms. In this portfolio, he is responsible for leading strategy development, financial monitoring, staff coaching and sustainability initiatives for all 22 farms. He regularly reports to the board and is a member of the Health, Safety & Empowerment Committee.

Stuart is the prior Managing Director and owner of OB Group, a large scale and multi-site farming operation with a number of dairy farms, dry stock and grazing properties. Over his tenure he oversaw the Group's commercial growth to a more corporate scale, managed H&S and HR matters, and led on-farm science trials. He also engaged with broad stakeholder groups including community networks, banks and local government.

If elected, LIC would be Stuart's first large scale commercial board role. Potential focus areas include marketing, retail and data commercialisation 'beyond the farm gate' in a governance setting.

Stuart is a logical thinker who considers both the short- and long-term consequences. He likely has an action-oriented style and prefers to get on with decision-making. He is expected to enjoy collegial and collaborative meeting environments and sharing views to build towards consensus.

Stuart has a Bachelor of Applied Science (Agriculture and Rural Valuation). He has completed the Fonterra Governance Development Programme and the Kellogg Rural Leadership Programme.



Stuart Taylor

My Name is Stuart Taylor. I grew up on a dairy farm in Northland and this gave me an understanding of farming and a foundation that has provided a compass in my life. I learned that if I support the community around me, my community will support me, and when farmers work together, they are even more successful.

I have learned that farming is based on knowledge that has been developed by farmers working closely with subject experts. Our community, and the distinct way that we farm, has created an industry that we can all be proud of.

My farming career has developed throughout New Zealand. I first farmed in the Waikato, before moving with my wife, Anne, and our two sets of twin children to the Manawatu, before we settled in Canterbury five years ago.

We currently own an 800-cow dairy farm near Ashburton, and I also run Craigmore Farming (20 properties in Canterbury & North Otago) as General Manager.

I am proud to be a director of 'Fortuna Group' (Southland), 'Waibury Farms' (Culverden), and the newest member of the 'Safer Farms Board'.

I lead by combining leadership of people, with the understanding of scientific principles, to introduce new technologies onto Craigmore Farms. I do this so we can all understand which new technologies are successful, so New Zealand farmers are ready for a changing world.

My focus with LIC would be:

- » Consistent service to farmers - The correct order, delivered on time.
- » A focus on the cow - Productive, efficient, longevity, with low Methane.

I have an Applied Science Degree in Rural Valuation and Agriculture. I have also completed the Fonterra Governance Development Programme and also am a Kellogg's scholar.

I am a proud New Zealand dairy farmer. My focus has always been to better the dairy industry and support the dairy farmers of New Zealand.

LIC Director Election 2024 - South Island Candidate Profile & Rating

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

Capability	Tony Coltman	Richard Stalker	Stuart Taylor
Governance aptitude	4	4	3
Financial and commercial acumen	4	3	4
Agribusiness sector and systems knowledge	5	5	5
Business operations at scale	4	4	4
Customer / stakeholder insight	4	4	4
Marketing / brand / sales	3	3	2
Technology and Innovation	3	3	3
Total (/35)	27	26	25

Rating Key

1 Limited	2 Developing	3 Competent	4 Strong	5 Expert
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Item 7: Resolution 6: To elect one member of the Shareholder Reference Group for the Upper North Island Territory

SRG Upper North Island in alphabetical order

Carlos Delos Santos



My name is Carlos Delos Santos, and I’m seeking your support to be elected into LIC’s Shareholder Reference Group as your Upper North Island representative.

My wife and I are currently Sharemilking 1000 cows in Rotorua, and we lease a small block just outside Ngongotaha. Outside of the farm, we have five wonderful kids that keep us occupied and busy.

I hold a Diploma in Agribusiness Management. My farming career started in 2001 when I came over to New Zealand from Philippines with my family. With no prior dairy farming experience, I worked my way up through the ranks. My wife and I were able to slowly build our herd, which started with our humble 30 cows in 2010, to now reaching 1600 animals.

I have always been proud to say that I have LIC cows, and I have used only LIC genetics from the beginning. As a sharemilker, I consider our cows to be our greatest asset and have invested a significant amount of money in genetics having our G3 herd, we also synchronise our heifers year on year, and mate them with AB.

My current and previous involvement in the industry and community as follows:

- » NZ Dairy Industry Awards (National Committee member 2019-2024)
- » Associate Director (DairyNZ 2021-2022)
- » Justice of the Peace
- » Ngakuru School (PTA Chair 2017-2019)
- » John Paul College - Board Member
- » Vetora Bay of Plenty - Board Member
- » Grade 7 and Grade 13 Football Coach
- » Freemasons NZ member

I believe my extensive involvement and network within our industry makes me an ideal person to serve on the Shareholders Reference Group. I enjoy working collaboratively with other people to achieve a positive outcome. I believe I bring diversity of thoughts and perspectives in conversations. I am straight-forward but also respectful of others' opinion.

As a shareholder in LIC, I am deeply invested in the company's success and the well-being of the shareholders. My vision for the Shareholders Reference Group includes:

Shareholder engagement: Actively representing and advocating for the interests and concerns of all shareholders.

Transparency: Ensuring clear communication and accountability within LIC.

Review and Feedback: to continue to provide feedback and suggestions with the SRG to the LIC Board and Management to enhance the service delivered to our shareholders.

I welcome all conversations and questions you may have for me, my phone number is 0210361115. Thank you for your consideration.



Johan van Ras

My name is Johan, I am currently an Appointed Member of the Shareholder Reference Group; this Appointment is due to end at the conclusion of LIC's 2024 AGM.

I love farming my 215 cows in the 'cream of the country', Morrinsville. It's a family run business with my parents and partner Kylie.

During my 14 years of farm ownership, I have focused on building our infrastructure to be an efficient business, environmentally responsible and sustainable for the long term.

This is what I am looking for in LIC as well. I may not be as focused on breeding as some of the other great SRG members, and trust that LIC are doing the right thing.

However, its great being on the SRG having access to our cooperative to ask those questions about trust and accountability. Having that farmer voice/opinion and being part of the discussion with our cooperative has been a real highlight.

Kirsten Watson



My name is Kirsten Watson and alongside my husband Don and our three teenage sons, we own a 112ha effective dairy farm in South Head, Helensville. We milk 300 high BW X-bred cows, split calving with adjoining leased 150ha runoff.

I have a Bachelor of Veterinary Science working as veterinarian for 10 years while we started our family, and Don was lower-order-sharemilking 1600 cows, before then 50:50 sharemilking 1000 cows, before we progressed to farm ownership in 2017.

I have a passion for monitoring, analysing and improving farm and business performance, as well as a special interest in dairy genetics and progressive herd improvement. I have also been actively involved in numerous dairy industry related projects (Nestle, E350, DairyNZ Budget Case Studies & Tiller Talk), as well as a past executive member of NZDIA and Central Plateau Regional Leader.

Alongside my husband, we were Central Plateau Sharemilker/s of the Year in 2014 and winners of 2 national merit awards in leadership and pasture management. I have also been a school BOT member, treasurer of the Helensville Rugby Club and I am currently active in my sons' school rowing club.

I have a breadth of grass roots on farm business experience, as well as community and industry experience, I am ready to hone my skills in the LIC cooperative space.

I feel I have the qualities to represent shareholders fairly and with integrity. My personal approach is to be empathetic and friendly, and I will apply a science and business based methodology to the role. I bring my core values of a positive can-do attitude, professional integrity, high standards and a dedicated work ethic, and I am ready to contribute positively towards the future of our Coop.

Format of the Meeting

The 2024 Annual Meeting will be a hybrid meeting. An in-person meeting will be held at LIC, 605 Ruakura Road, Newstead, Hamilton, commencing at 4.00pm 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.

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

How to Cast a Vote

Shareholders can vote in one of the following ways:

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

Shareholders are encouraged to vote either electronically (via LIC's website), by post or by appointing a proxy. Advanced electronic voting closes at 4.00pm on Monday 16th September 2024 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 MUFG Corporate Markets (formally known as Link Market Services) 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 MUFG Corporate Markets no later than 4.00pm on Monday 16th September 2024.

If you are using postal voting or appointing a proxy, return your Voting Form to MUFG Corporate Markets in any of the following ways:

If you are using postal voting or appointing a proxy, return your Voting Form to MUFG Corporate Markets in any of the following ways:

- » **Mail** to MUFG Corporate Markets, PO Box 91976, Auckland 1142
- » **Deliver** to MUFG Corporate Markets, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010
- » **Scan and email** to 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 MUFG Corporate Markets no later than 4.00pm on Monday 16th September 2024 to be valid.

The Board has appointed Melanie Tonkin as the Returning Officer. She has authorised MUFG Corporate Markets to receive, record and count all postal votes, electronic votes and proxy votes.

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

Please Note:

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

Voting restrictions

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

Any 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. 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

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 18 July 2024 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 18 July 2024 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 18 July 2024 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

Annual Meeting means the 2024 annual meeting of Shareholders to be held in person at LIC Newstead, 605 Ruakura Road, Hamilton and online at www.lic.co.nz/annualmeeting

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

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

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

Companies Act means Companies Act 1993.

Company or LIC means Livestock Improvement Corporation Limited.

Constitution means the Constitution of LIC.

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

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

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.

Directory

LIC

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Newstead, Hamilton

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Hamilton 3240

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www.lic.co.nz

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There's always room
for improvement

