

# NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2017

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Dear Shareholder,

As an important part of our Synlait investor group, we hope you can attend our upcoming Annual Meeting. Our 2017 Annual Meeting of Shareholders of Synlait Milk Limited will be held on **Wednesday 29 November 2017** from **1:00pm** at **Tait Technology Centre**, 245 Wooldridge Road, Christchurch 8051, New Zealand.

2017 has been another successful year for us where we continued delivering our growth strategy and reported a \$38.2 million profit.

At our Annual Meeting, we will recap our results and our announced plans for 2018.

We look forward to seeing you on 29 November. If you can't make it please remember to complete and submit the enclosed Proxy Form so that it reaches our share registrar, Computershare Investor Services Limited, by 1:00pm on 27 November.

For those shareholders who are attending the Annual Meeting in person, please bring the enclosed Proxy Form with you to assist with your registration.

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# AGENDA

Our Annual Meeting agenda is as follows:

## 1:00PM - ANNUAL MEETING COMMENCES

### 1. WELCOME

### 2. CHAIRMAN'S ADDRESS

### 3. MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S ADDRESS

### 4. CHIEF FINANCIAL OFFICER'S REVIEW

### 5. FORMAL RESOLUTIONS

(please see the Explanatory Notes at the end of this Notice)

#### (i) Auditor's Remuneration

#### **RESOLUTION 1:**

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

*"That the Board be authorised to determine the auditor's fees and expenses for the 2018 financial year."*

#### (ii) Re-election of Director

#### **RESOLUTION 2:**

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

*"That Bill Roest be re-elected as a Director."*

#### (iii) Directors' Remuneration

#### **RESOLUTION 3:**

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

*"That the annual fee for each Director be \$80,000, except for the annual fees of each of the two Committee Chairs, which will be \$92,000 and the Chairman of the Board, which will be \$150,000. All these increases apply from 1 April 2018."*

### 6. ANY OTHER BUSINESS

To consider any other business that may be properly brought before the meeting.

## 3:00PM - ANNUAL MEETING CONCLUDES

Refreshments served.

# OUR PROCEDURAL NOTES

## ENTITLEMENT TO VOTE

The persons who will be entitled to vote on the resolutions at this Annual Meeting are those persons who will be the shareholders of the company at 5:00pm on 27 November 2017.

## PROXIES

A Proxy Form is included with this Notice.

Any of our shareholders who are entitled to attend and vote at the Annual Meeting, may appoint a proxy to attend the meeting and vote on their behalf. A proxy does not have to be a fellow shareholder, and you can nominate the Chairman (or any of our other Directors) as your proxy if you wish.

The Chairman and the Directors intend to vote any discretionary proxies in favour of all resolutions, to the extent permitted by the NZX Listing Rules.

To be valid, a completed Proxy Form must be sent to Computershare Investor Services Limited (please see the Proxy Form for the address). You can also appoint your proxy online at [www.investorvote.co.nz](http://www.investorvote.co.nz) (note you will need your CSN/Shareholder Number and Postcode). Please see the Proxy Form for further detail.

In all cases your completed Proxy Form must be received no later than 1:00pm on Monday 27 November 2017. Any Proxy Form received after this time will not be valid.

## RESOLUTION REQUIREMENTS

An ordinary resolution is a resolution passed by a simple majority of votes of shareholders who are entitled to vote on the resolution and who exercise their right to vote.

## ANY DETAILED QUESTIONS FOR THE DIRECTORS OR OUR AUDITORS?

To assist us in providing a proper response to any detailed questions you may want to raise at the Annual Meeting, please forward questions to us in advance of the meeting. Questions should be sent via email to [investors@synlait.com](mailto:investors@synlait.com) no later than 5pm on Friday 24 November 2017.

The Chairman will then ensure that any questions or comments submitted will be addressed in the course of the Annual Meeting.

Please note that our Auditors (Deloitte) will be at the Annual Meeting to answer any specific queries you may have of them.

## PRESENTATION MATERIALS

If you are not able to make it to the Annual Meeting, copies of any materials presented at the meeting by our Chairman, our Managing Director and Chief Executive Officer, and our Chief Financial Officer will be available on our website ([www.synlait.com](http://www.synlait.com)) and on the NZX website ([www.nzx.com](http://www.nzx.com)) shortly after the Annual Meeting commences.

By order of the Board



Graeme Milne  
Chairman

## OUR BOARD OF DIRECTORS



Graeme Milne



John Penno



Hon. Ruth Richardson



Qikai (Albert) Lu



Sihang (Edward) Yang



Bill Roest



Sam Knowles



Min Ben

# OUR EXPLANATORY NOTES

## Deloitte.



**Bill Roest**

Director (Independent)

### EXPLANATORY NOTE 1

#### (AUDITOR'S REMUNERATION – RESOLUTION 1)

Deloitte are our existing auditors and are automatically reappointed at the Annual Meeting under section 207T of the Companies Act 1993. The proposed resolution is to authorise the Board to fix the fees and expenses of the auditor for the coming financial year.

### EXPLANATORY NOTE 2

#### (RE-ELECTION OF DIRECTOR – RESOLUTION 2)

##### **Bill Roest**

Under clause 5 of Schedule 1 to our Constitution, one-third of the Independent Directors (being those who have been longest in office) must retire from office at the Annual Meeting each year, but are able to be re-elected. Accordingly, Bill Roest retires from office, and, being eligible, offers himself for re-election.

Bill has been a Director of Synlait Milk Limited since 2013 and is the Chair of the Audit and Risk Committee. Bill's long and varied career included 12 years as Chief Financial Officer of Fletcher Building Limited until April 2013. He has held several leadership roles in New Zealand's corporate sector, including Managing Director of Fletcher Residential and Fletcher Aluminium.

Bill is also a Director of Housing Foundation Limited, Metro Performance Glass Limited, and Fisher and Paykel Appliances Limited, where he chairs the Audit Committee.

Bill is a member of Chartered Accountants Australia and New Zealand and is a Fellow of the Association of Chartered Certified Accountants (UK).

The Board and Management of Synlait Milk Limited supports his re-election by the shareholders.

# OUR EXPLANATORY NOTES [CONTINUED]

## EXPLANATORY NOTE 3

### (DIRECTORS' REMUNERATION – RESOLUTION 3)

Director fees in New Zealand are usually determined on a combination of financial size of the company, international dimension to the business, industry and ownership, performance of the organisation and performance of the Board itself

Our Director remuneration policy is not to set fees at the top-end of recommended fee ranges. The policy is to set Director fees at a mid-range point, relative to the market.

We have used Strategic Pay Limited (Strategic Pay) for several years to provide market data on Director fees.

Strategic Pay are an independent consulting organisation who specialise in assessing and recommending senior executive and Director remuneration in New Zealand.

They have one of the largest databases of comparative information available, having surveyed 363 organisations, including analysing 2,836 individual directorships, in February 2017 (their 25th annual survey).

We have engaged EY to conduct a benchmarking report to further verify our current Director fees against the market. This report looked at a number of peer companies in New Zealand.

Overall, taking into account all the relevant factors, including our business performance, growing complexity of the business, increased regulatory risk and obligations, and ongoing governance requirements, the Board considered Strategic Pay and EY's recommendations and agreed to adopt the recommended increase to the Directors' fees, as follows:

- Increase the Directors' fees from \$70,000 to \$80,000
- Increase the two Committee Chairs' fees from \$82,000 to \$92,000
- Increase the Chairman's fees from \$130,000 to \$150,000.

The total governance pool (based on one Chair and six other Directors, including two Committee Chairs but excluding the Managing Director) is recommended to move from \$574,000 to \$654,000 (a 14% increase).

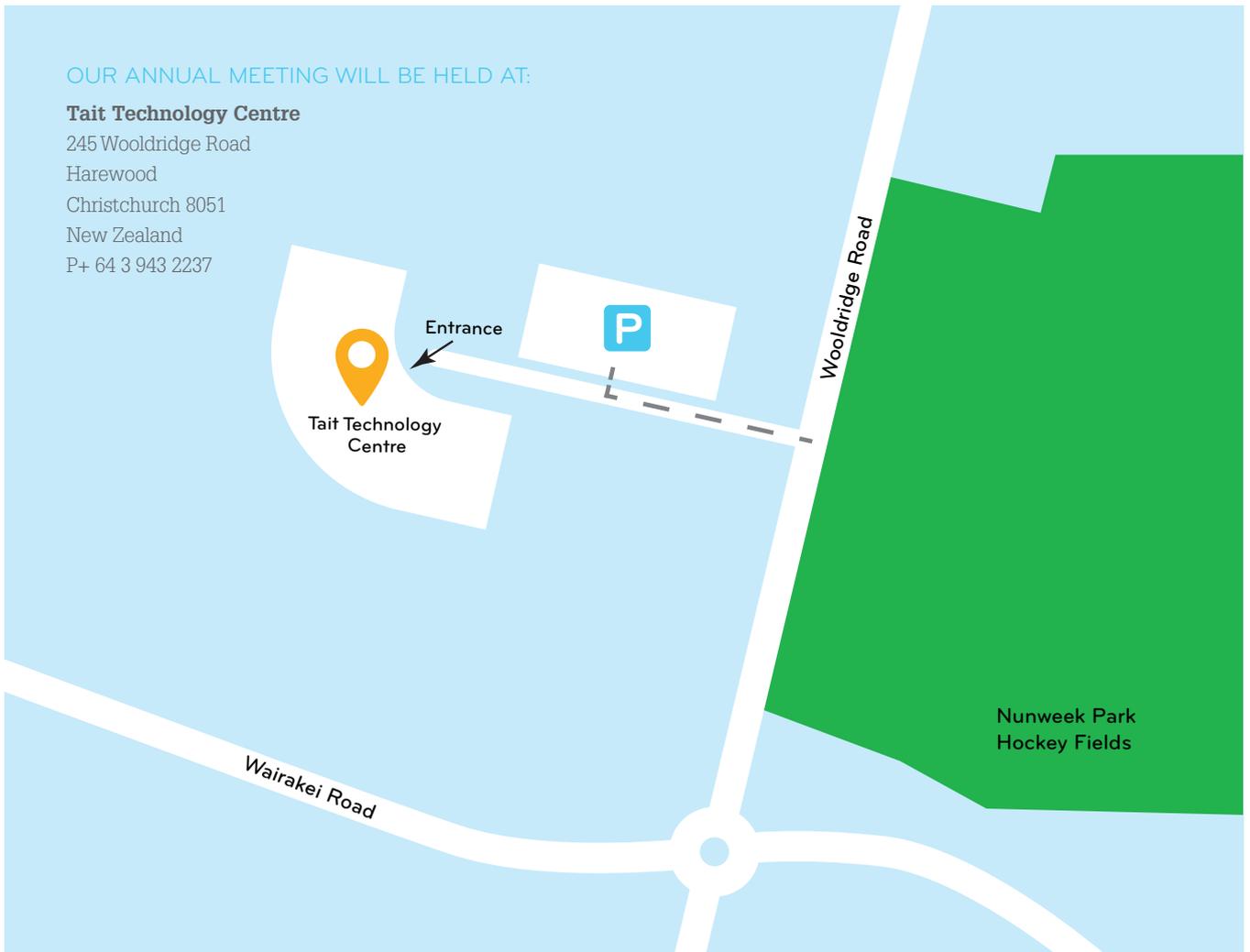
All increases would apply, if approved, from 1 April 2018.

# MEETING VENUE DIRECTIONS

OUR ANNUAL MEETING WILL BE HELD AT:

**Tait Technology Centre**

245 Wooldridge Road  
Harewood  
Christchurch 8051  
New Zealand  
P+ 64 3 943 2237



**Tait Technology Centre** is conveniently located 2km from Christchurch airport. Parking will be available onsite. If you need assistance on the day contact the Synlait Annual Meeting representative on **03 373 3000**.