



# NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2015

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We are pleased to announce that our 2015 Annual Meeting of Shareholders of Synlait Milk Limited will be held on **Tuesday 8 December 2015** from **1:00pm at Synlait Milk**, 1028 Heslerton Road, RD13, Rakaia 7783, New Zealand.

This is the first year we have held our Annual Meeting at our site and we welcome the opportunity to show you around with an exclusive site tour after the Annual Meeting.

As we have completed our growth initiatives, this is a chance for you to experience what we believe is the largest single integrated infant formula site globally.

We look forward to seeing you.

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# AGENDA

Our Annual Meeting agenda is as follows:

## 1:00PM - ANNUAL MEETING COMMENCES

### 1. WELCOME



### 2. CHAIRMAN'S ADDRESS

Graeme Milne



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

John Penno



### 4. CHIEF FINANCIAL OFFICER'S REVIEW

Nigel Greenwood

## 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 2016 financial year."*

### (ii) Election of Director

#### RESOLUTION 2:

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

*"That Graeme Milne 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 there be no change to Directors' fees from 1 April 2016."*

## 6. ANY OTHER BUSINESS

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

## 3:00PM - ANNUAL MEETING CONCLUDES

Refreshments served.

## 3:30PM - SITE TOUR\* COMMENCES (OPTIONAL)

## 4:30PM (APPROX) - SITE TOUR\* CONCLUDES

\*Site tour details can be found on page 5



# OUR PROCEDURAL NOTES

## 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 or people at the meeting) as your proxy if you wish.

The Chairman intends to vote any discretionary proxies in favour of all resolutions.

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).

In all cases your completed Proxy Form must be received no later than 1:00pm on Sunday 6 December 2015.

## 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 [quentin.lowcay@synlait.com](mailto:quentin.lowcay@synlait.com) no later than 4:00pm on Friday 20 November 2015.

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,

Quentin Lowcay  
General Counsel and Company Secretary

**OUR BOARD OF DIRECTORS**  
LEFT TO RIGHT:  
BILL ROEST  
YANG SIHANG  
HON. RUTH RICHARDSON  
GRAEME MILNE  
LI KE  
JOHN PENNO  
DONG ZONGBO  
SAM KNOWLES





# OUR EXPLANATORY NOTES



## 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, unless there is a resolution put to the Annual Meeting to the contrary. The proposed resolution is to authorise the Board to fix the fees and expenses of the auditors for the coming financial year for the purposes of section 197 of the Companies Act 1993.

## EXPLANATORY NOTE 2

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

#### Graeme Milne

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, Graeme Milne retires from office and, being eligible, offers himself for re-election.



#### Graeme Milne

Chairman (Independent)

Graeme joined the Synlait Group as a director in 2006. With extensive experience, his career in the dairy industry has seen him working in New Zealand, Australia and Europe. He is the Chairman of Synlait Milk Limited and Synlait Milk Finance Limited.

He has presided over the rapid growth and development of Synlait Milk from a bare paddock into the company it is today – and has provided inspirational leadership during that time.

Graeme's background has largely been in the dairy industry. He was appointed CEO of Bay Milk Products in 1992 and has held several leadership roles since then. This included CEO of the New Zealand Dairy Group prior to the formation of Fonterra and interim CEO of Richmond Limited and Bonlac Limited in Australia.

Now a farmer and keen amateur pilot, Graeme maintains several governance roles with a range of organisations. He is the chairman of the Terracare Fertilisers Limited, New Zealand Pharmaceuticals Limited and Johnes Disease Research Limited. Graeme is also a director of Genesis Energy Limited, FMG and Alliance Group Limited.

Graeme has the overwhelming support of the Board and Senior Leadership Team to continue in this role.

# OUR EXPLANATORY NOTES [CONTINUED]

## EXPLANATORY NOTE 3

### (DIRECTORS REMUNERATION – RESOLUTION 3)

Under clause 27.1 of the Synlait Milk Constitution, all Directors' Remuneration must be approved by shareholders through an ordinary resolution.

Synlait Milk commissioned a review by Strategic Pay Limited (Strategic Pay). Strategic Pay are independent consultants who specialise in assessing and recommending senior executive and director remuneration levels in New Zealand. Directors' remuneration for Synlait Milk was last reviewed by shareholders in December 2015.

Strategic Pay analysed the trends and practices in the payment of director fees in New Zealand, looking at data from 332 organisations with 1,989 individual chairs and directorships. All data used was from the non-executive category (so just for directors and not officers of a company).

From that analysis, median, lower and upper quartile data was produced from various market comparators to Synlait Milk.

Our Directors' Remuneration Policy is to adopt a mid-point between the median and upper quartile of the average organisation type, industry sector, market capitalisation, annual turnover and assets data. Our Directors' fees are reviewed annually.

Strategic Pay's report looked at recent movements in fees, fee increase projections and a detailed market analysis. The Board considered this report in light of downturns in the dairy sector and impact on shareholder value. The report recommended no increase in Directors' fees from 1 April 2016.

The Board considered this independent report at length, agreed with its results and resolved to bring the recommendation to shareholders at the Annual Meeting for approval.



## MEETING VENUE DIRECTIONS

### OUR ANNUAL MEETING WILL BE HELD AT:

Synlait Milk Limited  
1028 Heslerton Road  
RD13, Rakaia 7783  
New Zealand



### TRAVELLING TO SYNLAIT

We are located approximately 50km / 50min south of Christchurch. If you need assistance on the day please contact (03) 373 3000. Parking will be available on site.



## SITE TOUR

We would like to offer you an exclusive site tour of our world-class production facility after our Annual Meeting concludes.

Commencing at 3:30pm, you will get to see our completed growth initiatives first hand and hear how we're making more from milk every day from front line staff.

The tour will take approximately 60 minutes. If you would like to participate in the tour, we would appreciate you providing an RSVP so we can organise the tour accordingly.

### RSVP FOR SITE TOUR

Email [agm2015@synlait.com](mailto:agm2015@synlait.com) with your name and a contact number, or call (03) 373 3000.

Please note this tour is for Annual Meeting participants only.