



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

WEDNESDAY 27 NOVEMBER 2019

Synlait



Graeme Milne ONZM

CHAIR (INDEPENDENT)

DEAR SHAREHOLDERS,

On behalf of the board of directors, I am pleased to extend a warm invite to the upcoming annual meeting of Synlait Milk Limited, which will be held on **Wednesday 27 November 2019 from 1:00pm (NZST) at the offices of Tait Communications**, 245 Wooldridge Road, Harewood, Christchurch 8051, New Zealand.

At the meeting, the board will be joined by our Chief Executive Officer, Leon Clement, and members of the executive team. I will present an overview of our performance and Leon will provide an update on progress against our strategy and highlight our key 2019 achievements. There will be an opportunity to ask questions, and at the conclusion of the meeting you are invited to join us for afternoon tea.

If you cannot come to our annual meeting, please ensure your proxy or corporate representative appointment reaches our share registrar, Computershare Investor Services Limited, by 1:00pm on Monday 25 November.

For the first time, there will be a live webcast of our annual meeting. The webcast can be accessed here: <https://vimeo.com/event/16119>

A replay of the annual meeting will be available online at the Synlait investor centre: www.synlait.com/investors following the meeting.

If you have any further questions, please do not hesitate to contact Synlait's Company Secretary Tania Pearson on 03 373 3390 or 021 900 104 or at: tania.pearson@synlait.com.

We look forward to seeing you at the meeting.



Graeme Milne
CHAIR

IMPORTANT DATES

Record date for voting entitlements for the annual meeting: 5:00pm on Monday 25 November 2019 (NZST)

Latest time for receipt of appointment of proxies and corporate representatives: 1:00pm on Monday 25 November 2019 (NZST)

Latest time for asking questions to be answered at the meeting: 1:00pm on Monday 25 November 2019 (NZST)

Annual Meeting: 1:00pm Wednesday 27 November 2019 (NZST) – please register and be seated by 12.50pm.

WEBCAST

To access the live webcast of our annual meeting, please go to: <https://vimeo.com/event/16119>

Following the meeting, a replay can be viewed at: www.synlait.com/investors

AGENDA

Our Annual Meeting agenda is as follows:

1:00PM – ANNUAL MEETING COMMENCES

1. WELCOME
2. CHAIR'S ADDRESS
3. CHIEF EXECUTIVE OFFICER'S ADDRESS
4. CHIEF FINANCIAL OFFICER'S REVIEW
5. OUTLOOK
6. FORMAL RESOLUTIONS

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

ORDINARY RESOLUTIONS

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

RESOLUTION 1: Auditors' Remuneration

"That the board be authorised to determine the auditors' fees and expenses for the 2020 financial year."

RESOLUTION 2: Re-election of Director

"That Sam Knowles be re-elected as a director."

RESOLUTION 3: Directors' Remuneration

"That the annual fee for each director be \$88,900, except for the annual fee of the Chair of the Audit and Risk Committee which will be \$104,150, the fee of the Chair of the People Environment and Governance Committee which will be \$100,900 and the fee of the Chair of the Board, which will be \$178,000. All increases apply from 1 April 2020."

SPECIAL RESOLUTION

RESOLUTION 4: Constitution Amendment

To consider and, if thought fit, pass the following as a special resolution:

"That Synlait Milk Limited's Constitution be amended, with effect from the close of the Annual Meeting, as described in the Explanatory Note in the Notice of Meeting and set out in detail in the marked up constitution which may be viewed at www.synlait.com/investors."

7. ANY OTHER BUSINESS

To consider any other business that may be properly brought before the meeting and answer shareholder questions.

ANNUAL MEETING CONCLUDES

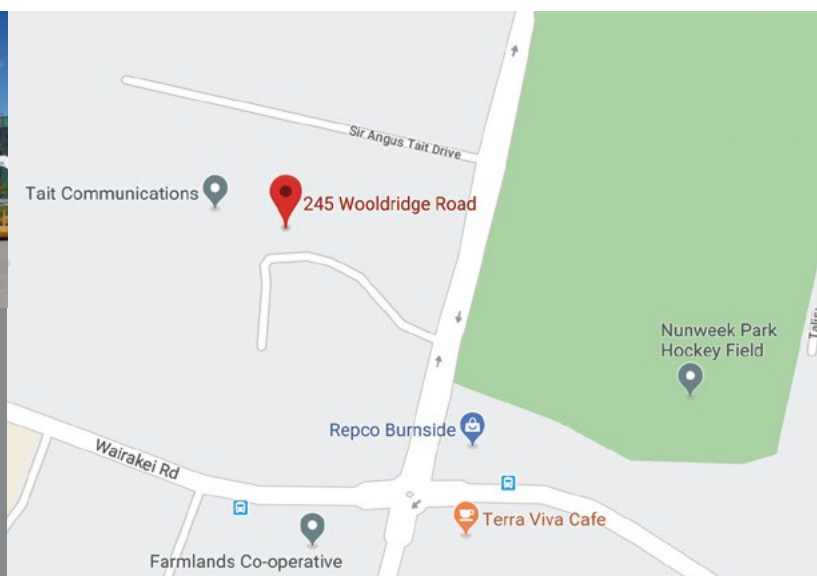
Refreshments served.

MEETING VENUE DIRECTIONS

Tait Communications is at the Tait Technology Centre, 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**.



**OUR ANNUAL MEETING
WILL BE HELD AT:**
Tait Communications Limited
Tait Technology Centre
245 Wooldridge Road, Harewood
Christchurch 8051, New Zealand
P+ 64 3 943 2237





Palletiser in Dry Store 1 at Synlait Dunsandel

PROCEDURAL NOTES

ENTITLEMENT TO VOTE

All persons who are shareholders of the company at 5:00pm (NZST) on Monday 25 November 2019 will be entitled to vote on the resolutions at this annual meeting. Shareholders may vote in person, or by proxy or corporate representative, as set out in more detail below.

PROXIES AND CORPORATE REPRESENTATIVES

A Proxy Form is included with this Notice of Meeting when it is posted to shareholders. Shareholders receiving this Notice of Meeting by email will receive a link to complete the Proxy Form online.

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. Corporate shareholders wanting to be represented in person at the meeting must appoint a representative to attend on their behalf. Both of these appointments must be made by completing a proxy form.

Proxies and corporate representatives do not have to be fellow shareholders, and shareholders may nominate the Chair (or any of our other directors) as their proxy if they wish. The Chair and the directors will vote as directed on any resolutions, and intend to vote any discretionary proxies in favour of all resolutions, to the extent permitted by the NZX Listing Rules, ASX Listing Rules, and the company's constitution. Prohibitions on voting by directors and their associated persons, including as discretionary proxy, are detailed under "Resolution Requirements" and in the Proxy Form.

For an appointment of proxy to be valid it must be received by Computershare Investor Services Limited in accordance with instructions in the Proxy Form no later than 1:00pm Monday 25 November 2019 (NZST).

APPOINT A PROXY/CORPORATE REPRESENTATIVE ONLINE

1. Go to www.investorvote.co.nz to access InvestorVote.
2. You will need your Control Number or CSN/Shareholder Number and postcode or country of residence (if outside New Zealand) to securely access InvestorVote.
3. Follow the prompts to complete a proxy or exercise your vote online.

APPOINT A PROXY/CORPORATE REPRESENTATIVE BY NOTICE IN WRITING

1. Complete and sign¹ the form attached to this notice (if this notice was received by post).
2. Return the completed and signed proxy form to Computershare Investor Services Limited in accordance with the instructions in the Proxy Form.

1. The Proxy Form contains detailed instructions about the signing of the Proxy Form. Proxy Forms that are signed incorrectly will be invalid.

RESOLUTION REQUIREMENTS

Resolutions 1-3 must be passed as ordinary resolutions. An ordinary resolution is a resolution approved by a simple majority of votes of shareholders who are entitled to vote on the resolution and who exercise their right to vote.

Resolution 4 must be passed as a special resolution. A special resolution is a resolution approved by a majority of 75% or more of the votes of those shareholders entitled to vote and voting on the resolution.

The directors and their associated persons are prohibited from voting on Resolution 3, with the exception of the casting of an express vote in accordance with their appointment as a proxy for another shareholder. This is addressed in more detail in the Proxy Form. Any votes cast by a director or their associated persons on Resolution 3, other than in accordance with an express proxy (ie not a discretionary proxy) will be disregarded.

QUESTIONS

Shareholders intending to raise a question at the annual meeting must ensure that their question is sent to: investors@synlait.com or received with their Proxy Form no later than 1.00pm on Monday 25 November 2019. This will enable us to prepare an informative response to be delivered at the annual meeting.

Our auditors, Deloitte, will be at the Annual Meeting to answer any specific queries shareholders may have of them. Questions for the auditors should also be sent to investors@synlait.com, or with their Proxy Form, also to be received no later than 1.00pm on Monday 25 November 2019.

PRESENTATION MATERIALS

Copies of all materials presented at the meeting by our Chair, Chief Executive Officer, and Chief Financial Officer will be available on our website www.synlait.com, the NZX website www.nzx.com and the ASX website www.asx.com.au shortly before the Annual Meeting commences.

By order of the board



Graeme Milne
CHAIR

EXPLANATORY NOTES



EXPLANATORY NOTE 1

Auditors' remuneration – Resolution 1

Our auditors, Deloitte, 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 auditors for the coming financial year.

EXPLANATORY NOTE 2

Re-election of director – Resolution 2

Under NZX Listing Rule 2.7.1, a director must not hold office (without re-election) past the third annual meeting following the director's appointment, or three years. Accordingly, Sam Knowles retires from office, and, being eligible, offers himself for re-election. The board considers that Sam Knowles is an independent director under the NZX Listing Rules.



Sam Knowles

Sam joined Synlait as a director in 2013. He has held senior executive positions in major banks in both Australia and New Zealand and played a key role in establishing Kiwibank and leading it from being a start up to a large and successful business.

Sam has been an independent director of NZX listed companies since 2007. In addition to his roles as a director of Synlait Milk Limited and Synlait Milk Finance Limited, he is currently Chair of On Brand Limited and Adminis Limited, and on the board of Trustpower, Rangatira, and Magritek Limited, as well as holding a range of other governance roles.

The board and management of Synlait Milk Limited support his re-election by the shareholders.

EXPLANATORY NOTE 3

Directors' remuneration – Resolution 3

In August 2019 we engaged EY to complete the annual review of our director fees. They considered Synlait's director fees against those paid by thirteen comparable companies.

Following their review EY recommended an increase to the standard director fee, and to the fee paid to the Chair of the board and the Chair of the Audit and Risk Committee. EY confirmed in their report that the report was prepared independently, and was not subject to any influence from management or any director of Synlait, or any third party.

The board considered EY's recommendations and agreed to adopt the recommended increases to the directors' fees, as follows:

- Increase the directors' fees from \$85,000 to \$88,900.
- Increase the Chair's fee from \$169,000 to \$178,000.
- Increase the fee paid to the Chair of the Audit and Risk Committee in addition to their director fee from \$12,000 to \$15,250 (with no change to the additional fee of \$12,000 paid to the Chair of the People Environment and Governance Committee), so that the total fee paid to the Chair of the Audit & Risk Committee is \$104,150.

The total amount paid to directors (based on one Chair and seven other directors, including two Committee Chairs) will increase from \$788,000 to \$827,550 (a 5% increase), if the resolution to increase the director fees is passed by shareholders.

All increases will apply, if approved, from 1 April 2020.

A summary of EY's report has been posted on NZX and ASX with this notice of meeting as well as on our website: <https://www.synlait.com/investors>.

The directors and their Associated Persons are disqualified from voting on Resolution 3, including any discretionary proxies, as per NZX Listing Rule 6.3.1. Any votes cast on this resolution by directors and their Associated Persons will be disregarded, except where they have been cast by the director or their Associated Person as an express proxy.

EXPLANATORY NOTES [CONTINUED]

EXPLANATORY NOTE 4

Changes to constitution

NZX has replaced the former NZX Main Board/Debt Market Listing Rules (dated 1 October 2017) with updated NZX Listing Rules (dated 1 January 2019). The new NZX Listing Rules (the **Updated Listing Rules**) came into effect on 1 January 2019, subject to a six-month transitional period. The Updated Listing Rules were adopted by the company with effect from 8 March 2019.

The company proposes to adopt a new constitution which reflects the Updated Listing Rules (as required by Listing Rule 2.18.1) (**New Constitution**). The company is also taking this opportunity to update its current constitution by updating references to relevant legislation, removing redundant provisions and modernising outdated provisions. If this resolution is not passed, the constitution will not reflect the Updated Listing Rules and current legislation.

The majority of changes are updates for new defined terms, the current language of the relevant Updated Listing Rule (without a change to the effect of the Listing Rule/provision) and new legislation.

A summary of the key changes to the substance of the current constitution is set out below (unless expressly stated otherwise, references to clause numbers below are references to clause numbers in the New Constitution):

Notice of meeting

Clause 13.1 has been updated to provide that, while the company is listed, it will send a notice of meeting to shareholders not less than the number of business days required by the NZX Listing Rules or recommended by the NZX Corporate Governance Code. This is currently 20 business days.

Voting by poll

Clause 18.1 has been updated to reflect the requirement in the Updated Listing Rules that voting at a meeting of shareholders must be conducted by poll for so long as the company is listed.

Independent directors

Clause 22.3 has been updated to reflect that the Updated Listing Rules now only require a minimum of two independent directors (previously, if there were more than eight directors, the minimum was the greater of one third, or the number closest to one third).

Clause 22.15 has been updated to reflect the simplified requirement in the Updated Listing Rules as to when determinations of independence must be made. Now director independence must be determined 10 business days after the initial appointment of the director and then, if the board's assessment changes at any time in the future, disclosure of the new determination must be made promptly and without delay.

Rotation of directors

Clauses 22.8-22.10 have been updated to reflect the new director rotation requirements in the Updated Listing Rules. These clauses now provide that each director (other than the Bright directors) must not hold office (without re-election) past the third Annual Meeting of shareholders following the director's appointment or 3 years, whichever is longer. Previously one third of the directors (other than the Bright directors) had to retire from office at each Annual Meeting.

Managing director

Clause 24, and Schedule 1, Part A, clause 13 have been updated to reduce the term of the Managing director or board appointed director to three years and remove the exception to rotation in order to match the changes in clauses 22.8-22.10 set out above.

Pursuant to the Companies Act 1993, the New Constitution must be approved by a special resolution of shareholders. As the amendments to the Constitution do not impose or remove a restriction on the activities of the company or affect the rights attaching to shares, the shareholder minority buy-out rights under the Companies Act 1993 do not apply.

A copy of the current constitution, the New Constitution (should Resolution 4 be passed), and a marked up copy showing all differences between the current constitution and the New Constitution may be reviewed on the company's website: <https://www.synlait.com/investors>.

A copy of the NZX Listing Rules can be found on the NZX's website: <https://www.nzx.com>.

Synlait