

# Notice of Annual Meeting of Shareholders

Friday, 14 December 2018

**Sanford Limited (the Company) gives notice that its Annual Meeting of Shareholders will be held at GridAKL, The Workshop Room, Level 1, 12 Madden Street, Wynyard Quarter, Auckland 1010 on Friday, 14 December 2018 commencing at 2.00pm (see location map overleaf).**

The business of the meeting will be:

**1. Chairman's Introduction**

**2. Chief Executive Officer's Review**

**3. Financial Statements and Reports**

To receive and consider the Financial Statements of the Company for the year ended 30 September 2018 together with the Directors' and Auditor's report to Shareholders.

**4. Resolutions**

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

**Resolution 1:** Re-election of Robert McLeod: That Robert McLeod, who retires by rotation and is eligible for re-election, be re-elected as a director of the Company.

**Resolution 2:** Election of Abigail Foote: That Abigail Foote, having been nominated for election by a share holder, be elected as a director of the Company.

**Resolution 3:** Director remuneration: That the total maximum director's remuneration of all directors, be increased by \$90,000 from \$700,000 per annum to \$790,000 per annum with effect from 1 October 2018, such sum to be divided amongst the directors at the discretion of the Board.

**Resolution 4:** Auditor: To authorise the Directors to fix the fees and expenses of the Auditor.

Refer to the explanatory notes on page 2 for further details on these resolutions.

**5. General Business**

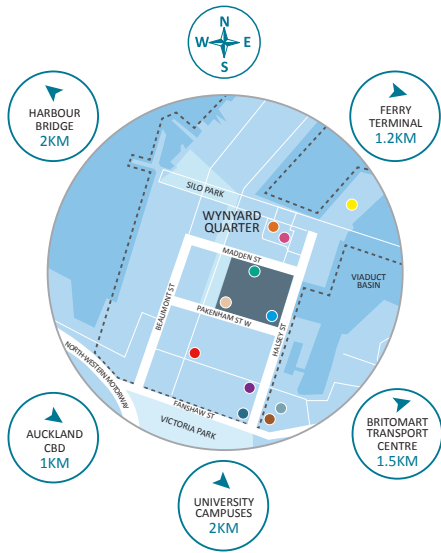
To consider such other business as may be properly raised at the meeting.



**D C McIntosh**

General Manager Risk and Corporate Affairs

15 November 2018



GridAKL is located midway down Madden Street, Wynyard Quarter  
<https://gridakl.com/how-to-get-here/>

**Car parking is available at the following locations:**

- Jellicoe Street Carpark
- 69 Gaunt Street
- Victory Church Carpark, cnr Fanshawe and Beaumont Streets

LOCATION	BUSINESSES	AMENITIES
<ul style="list-style-type: none"> <li>■ Wynyard Quarter Innovation Precinct</li> <li>□ Wynyard Quarter</li> <li>● GridAKL / Mason Brothers</li> <li>● GridAKL / 12 Madden St</li> <li>● GridAKL / John Lysaght</li> </ul>	<ul style="list-style-type: none"> <li>● ASB</li> <li>● Datacom</li> <li>● Fonterra</li> <li>● Hewlett Packard</li> <li>● Microsoft</li> <li>● IBM</li> </ul>	<ul style="list-style-type: none"> <li>● ANZ Viaduct Events Centre</li> <li>● ASB Waterfront Theatre</li> </ul>

## Procedural Notes

For shareholders who cannot attend the Annual Meeting, the Company will be webcasting the meeting online. Refer page 5 for further information.

### Persons Entitled to Vote

The persons who will be entitled to vote at the Annual Meeting are those persons registered as holding ordinary shares on the Company’s share register at 5:00pm on Wednesday, 12 December 2018.

### Ordinary Resolutions (Resolutions 1, 2, 3 and 4)

Each of Resolutions 1, 2, 3 and 4 is an ordinary resolution. In order for an ordinary resolution to be passed, it must be approved by a simple majority of the votes of those shareholders entitled to vote and voting on the resolution.

### Proxy / Postal Voting

A shareholder entitled to attend and vote at the Annual Meeting is entitled to:

- appoint a proxy to attend and vote instead of the shareholder; or
- cast a postal vote instead of attending in person or appointing a proxy.

A Proxy/Voting Form is enclosed with this Notice of Annual Meeting. To be effective, the Proxy/Voting Form must be deposited with the Company in accordance with the instructions on the form not later than 2pm, 12 December 2018.

A shareholder may appoint “The Chair of the Meeting” as Proxy. Where a direction is not given to the Chairperson as to how to cast the vote on any Resolution, then the Chairperson intends to vote in favour of the Resolution, except for the voting restrictions that apply to Resolution 3 as detailed in Explanatory note 3 on page 4.

A proxy need not be a shareholder of the Company.

A corporation may appoint a person to attend the meeting as its representative in the same manner as that in which it may appoint a proxy.

## Explanatory Notes

### **Explanatory note 1 – Re-election of director (Resolutions 1)**

As required by clause 27 of the Company's constitution and Rule 3.3.11 of the NZX Main Board / Debt Market Listing Rules (Rules), Robert A McLeod being one of the directors who has longest been in office since they were last elected, retires by rotation at the Annual Meeting and, being eligible, offers himself for re-election.

Bruce Goodfellow, being the other director who has longest been in office since they were last elected, also retires by rotation at the Annual Meeting but, as announced on 8 November 2018, he is not seeking re-election

Robert McLeod is considered by the Board to be an Independent Director.

The Board (other than Robert McLeod in respect of his own position) supports the re-election of Robert McLeod and recommends that shareholders vote in favour of Resolution 1.

Please refer below for a brief biography of Robert McLeod.

### **Biography of Robert McLeod**

Rob has had an extensive professional and governance career both within the accounting profession and various public and private companies. Rob is Chairman of Quayside Holdings Limited and a director of the Port of Tauranga Limited. His past directorships include ANZ National Bank, Sky City Entertainment Group and Telecom. He is a past Chairman of Aotearoa Fisheries Limited (now Moana), Sealord Group Limited and was a Commissioner of the Waitangi Fisheries Commission. He has chaired and been a member of a number of Government Task Forces and is also a past Chairman of the New Zealand Business Roundtable. His most recent roles were as CEO of Ernst & Young Oceania (Australia, New Zealand and Pacific Islands) based in Sydney from 2010 to the end of 2014 and finally as the New Zealand Chairman for the 2015 calendar year prior to his retirement from EY. In addition to his current governance responsibilities, he is also a barrister sole.

### **Explanatory note 2 – Election of director (Resolution2)**

Abigail (Abby) Foote having been appointed to the Board subsequent to the last annual meeting is required to retire and seek re-election under clause 26.2 of the Company's constitution and Rule 3.3.6 of the NZX Listing Rules. Abby has been nominated for election as a director by Paul Norling and is considered by the Board to be an Independent Director. If Resolution's 1 and 2 are passed there will be a total of five directors on the Board. The Board (other than Abby Foote in respect of her own position) unanimously supports the election and recommends that shareholders vote in favour of Resolution 2.

### **Biography of Abigail Foote**

With qualifications in both law and accounting, Abby's career has encompassed both disciplines, focusing on corporate finance and commercial transactions. She has experience in a number of diverse areas including mergers and acquisitions, treasury and structured finance transactions, and telecommunications. She also has experience in managing large projects and in strategic development and implementation.

Abby is a professional director with over 10 years' experience as a director, including both NZX and Crown companies. Abby is currently a director of Z Energy Limited where she chairs the Health, Safety, Security and Environment Committee. She is also a director and chair of the audit and risk committees of Museum of New Zealand Te Papa Tongarewa, TVNZ and Freightways. Abby's previous governance roles include Transpower New Zealand Limited, Diligent Corporation, Mike Pero Mortgages and Livestock Improvement Corporation (LIC).

### **Explanatory note 3 – Director remuneration (Resolution 3)**

Resolution 3 seeks shareholder approval for increasing the maximum amount that may be paid each year to the directors of the Company for their services as directors of the Company. Currently the approved amount is \$700,000 and the Resolution seeks approval to increase this by \$90,000 to \$790,000 per annum effective from 1 October 2018, to be divided among the directors at the discretion of the Board.

## **In placing this fee increase before shareholders, the following is relevant and should be noted:**

- The recommended fees are based on an independent report commissioned from Ernst & Young Limited (EY) as to the current appropriate level of fees for the Company's directors and a recommended Director Fee Pool.
- The last increase to the Directors' Fee Pool was approved by shareholders for the year beginning 1 October 2015 as the Board has sought to restrict fee increases and costs.
- The Report recommends board fees and committee fees to be positioned at approximately the 75th percentile of the Comparator group.
- The company is in a transformational phase of change which has necessitated a higher level of involvement at both the Board and in particular the Committee level.
- We need to be continually aware of the need to keep fees within appropriate market range to be able to attract directors with the talent, skills and experience necessary for the complexity and transformational change involved at Sanford.
- The increase sought will accommodate a moderate increase in base director's fee, an increase in the Chairman's fee and the introduction of a Deputy Chairman's fee. In addition it will provide some modest headroom for potential added Board Committee cost.

Shareholder approval for an increase is required under NZX Main Board Listing Rule 3.5.1.

In accordance with the voting restrictions in the NZX Main Board Listing Rules, no vote may be cast by the directors or any of their respective associated persons (as defined in the NZX Main Board Listing Rules) in favour of Resolution 3. This restriction applies where the director, or an associated person of a director, has been appointed as a discretionary proxy or representative for another shareholder.

The Company will disregard any votes cast by any such person on the relevant resolution. However, the Company need not disregard any votes cast by any such person on the relevant resolutions as proxy for a person who is entitled to vote, in accordance with the express directions of that person on the proxy form as to how to vote.

### **Explanatory note 4 – Fixing of auditor's fees and expenses (Resolution 4)**

KPMG is automatically re-appointed as auditor under section 207T of the Companies Act 1993 (CA). Resolution 4 authorises the Board to fix the fees and expenses of the auditor.

## **Attending the Annual Meeting online**

The Company is holding its first hybrid Annual Meeting so that shareholders who are unable to attend in person can still have the opportunity to attend and participate in the 2018 Annual Meeting online via the Lumi AGM. By using Lumi AGM, you will be able to watch the Annual Meeting, vote and ask questions online from your smartphone, tablet or desktop device.

To attend the Annual Meeting online, download the Lumi AGM app at the Apple App Store or Google Play Store. Alternatively, login through your web browser by visiting [web.lumiagm.com](http://web.lumiagm.com). Please refer to the Virtual Meeting Guide on page 5 for more information.

Shareholders will require their CSN/Securityholder Number and postcode for verification purposes.

If you wish to appoint a proxy to attend online via Lumi AGM on your behalf, please ensure that you provide their contact details (phone and email) on the Voting Form.



MEETING ID  
337-268-480

# VIRTUAL ANNUAL MEETING GUIDE 2018

## GETTING STARTED

Virtual meetings are accessible on both desktop and mobile devices. In order to participate remotely you will need to either:

- > Download Lumi AGM from the Apple App or Google Play Stores for free—search for **Lumi AGM**; or
- > Visit [web.lumiagm.com](http://web.lumiagm.com) on your desktop or mobile device. Ensure that your browser is compatible—Lumi AGM supports the latest versions of Chrome, Safari, Internet Explorer, Edge and Firefox.

Shareholders are encouraged to download the app prior to the Annual Meeting.

## LOGGING IN

To log in, you must have the following information (which can be found on your Shareholders' Voting and Proxy Form):

### NEW ZEALAND RESIDENTS

Username (CSN or Holder number) and password (postcode).

### OVERSEAS RESIDENTS

Username (CSN or Holder Number); and  
Password (three-character ISO3 country code) e.g. AUS is the ISO3 code for Australia.

You can find a full list at  
[www.computershare.com/iso3](http://www.computershare.com/iso3)

### APPOINTED PROXIES

A username and password will be provided prior to the meeting.

If you have not received your username and password, please contact Computershare on +64 9 488 8777 between 8.30am–5.00pm Monday to Friday.

## USING LUMI AGM

### ACCESSING THE VIRTUAL MEETING

Once you have downloaded Lumi AGM or entered [web.lumiagm.com](http://web.lumiagm.com) into your internet browser, you'll be prompted to enter the Meeting ID and accept the terms and conditions.

You will then be required to enter your:


- > username (CSN or Holder number);
- > password (postcode, or country code for overseas residents)

### NAVIGATING LUMI AGM

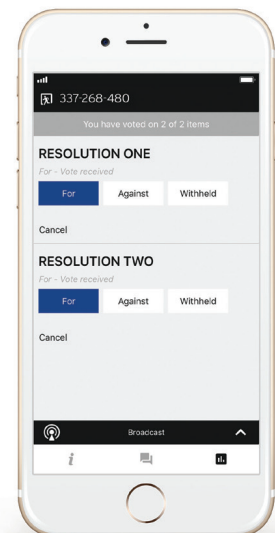
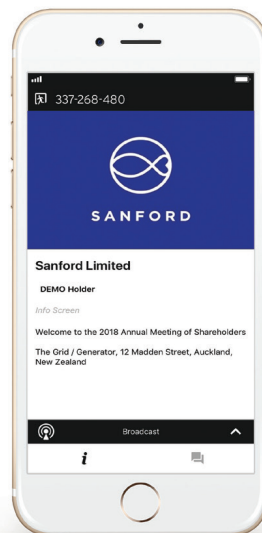
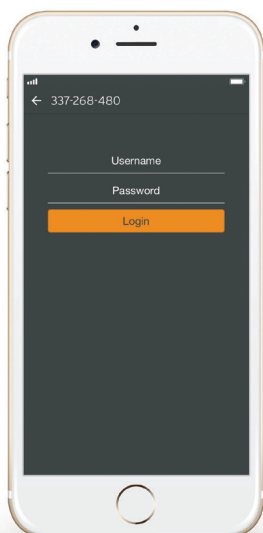
When successfully authenticated, the info screen will display.

You can view meeting information, ask questions and watch the webcast.

### VOTING IN LUMI AGM

Once the poll has been opened,  will appear on the nav bar at the bottom of the screen—from here, the resolution and voting directions will be displayed.

To vote, simply select your voting direction from the options shown on screen. To change your vote, simply select another direction—you can cancel your vote by clicking 'Cancel'.






MEETING ID  
337-268-480

### VIEWING COMPANY DOCUMENTS

Links to the Notice of Meeting, Virtual Meeting Guide and Annual Report are present on the info screen.

When you click on a link, the selected document will open in your browser.

### ASKING QUESTIONS

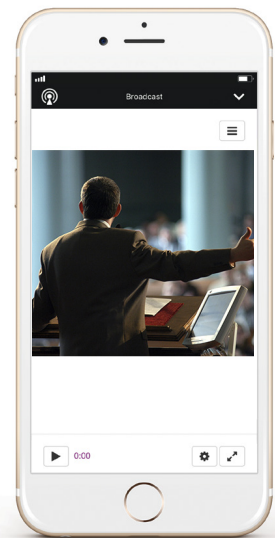
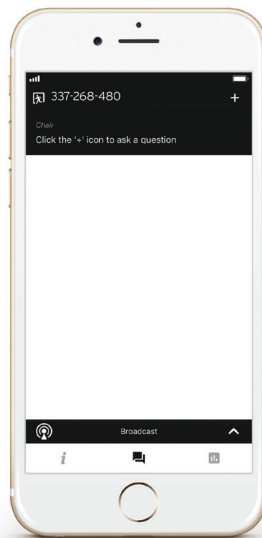
Any shareholder or appointed proxy / representative attending the meeting is eligible to ask questions. If you would like to ask a question, select  then type and submit your question. It will be sent to the board for an answer.

Please note that not all questions may be able to be answered during the meeting. In this case, questions will be followed up by email after the meeting.

### WATCHING THE WEBCAST

To watch the webcast, click the black broadcast bar on screen.

The video and/or slides will appear shortly after (dependant on the speed of your internet connection).



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**Remote entry to the annual meeting will open at 1.45PM NZT on  
Friday 14 December 2018**

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### VOTING AT A GLANCE


#### STEP 1

Open Lumi AGM and enter the Meeting ID shown in top right corner

#### STEP 2

Enter your username and password (CSN/Holder Number and postcode)

#### STEP 3

When the poll is opened, click  and select your desired voting direction