

Information on how to become a Secondary Shareholder

This factsheet provides a high-level outline of the application process for becoming a Secondary Shareholder and what you will need in preparation for completing the form. For information on the rules and an easy way to figure out if you're eligible to become a Secondary Shareholder, check out fonterra.com/flexibleshareholding.

Who can apply?

Sharemilkers on a farm that supplies milk to the Co-op; and who own or supply all the dairy herd; and have a sharemilking agreement to hold a percentage of shares with the Supplying Shareholder can apply to become a Secondary Shareholder.

Note: sharemilkers who are eligible to become secondary shareholders may also be eligible to apply to become an associated shareholder. For more information on this option visit fonterra.com/flexibleshareholding

How it works

Minimum shareholding	Agreed % of Supplying Shareholder's minimum holding and Secondary Shareholder minimum holding (%'s most total 100%)
Maximum shareholding	Will be based on farm's Share Standard x Agreed %'s x4 Agreed
Voting	Agreed % of 1 vote per 1,000 kgMS of production backed by shares
Sharing down after ending	If cease notice is provided, for shareholders who joined after 9 Dec 2021 – up to 5 seasons
Notice to end requirements	You'll need to give notice of your intent to cease/end as a Secondary Shareholder within the applicable Application Period

How to apply

Applications are made online and may take up to a week to process.



Application Forms
nzfarmsource.co.nz/shareholdingforms

Setting up Fonterra Trading Account



Trading Options and Tools
nzfarmsource.co.nz/trading

For more information

You can visit our website at fonterra.com/flexibleshareholding or scan the QR code below to go to the page you need.



Info on Flexible Shareholding



Copy of the rules

What you need before you apply?

Information required	Details	Tick
To confirm your eligibility	• A PDF formatted copy of your current share-milking agreement with the supplying Shareholder.	<input type="checkbox"/>
	• Agreement from the owner/supplying shareholder to apply for a secondary shareholder.	<input type="checkbox"/>
	• Be paid directly by Fonterra as a sharemilker (you don't need to provide us with any information for this as we will have this).	<input type="checkbox"/>
Agreement from the supplying shareholder	• Name, email address and contact number of owner/supplying shareholder and supply number.	<input type="checkbox"/>
	• Maximum and minimum number of shares you have agreed to hold (as a percentage of the farm's Share Standard).	<input type="checkbox"/>

Customer Due Diligence (CDD) Requirement:

We are required to complete a Customer Due Diligence (CDD) on all shareholders, any beneficial owners of our shareholders and any persons acting on behalf of our shareholders. As part of the CDD, you will need to provide information about yourself including:

- proof of your identity (such as a NZ Driver's License or Passport)
- full names, date of birth, address, email, mobile and country of birth of all the individuals associated with you (your entity)
- if you are a trust, a copy of your trust deed and any amendments; and
- if you are a partnership, a copy of your partnership agreement if you have one

Each individual associated with you will be sent a text after you submit your application with a link to a secure website (Green ID) to verify their identity – you should let them know in advance to expect this text. The text link is only valid for 5 days.

Information required	Details	Tick
CDD requirement: Individuals, sole traders or partnership, company, or trust	• For companies and limited partnerships, New Zealand Business Number (NZBN).	<input type="checkbox"/>
	• If you have a NZBN and provide this to us in the application, we might be able to retrieve the names of the individuals associated with you, making the process a bit easier.	<input type="checkbox"/>
	• GST number and bank account details for your entity	<input type="checkbox"/>
	• Individual/partners/directors/trustees/beneficiaries details:	<input type="checkbox"/>
	• Full Name, Date of birth, mobile number, and residential address for each.	<input type="checkbox"/>
	• AML pdf supplementary form (link to form is on the online form)	<input type="checkbox"/>
Additional info:		
	<ul style="list-style-type: none"> • Partnership • Trust 	<input type="checkbox"/> <input type="checkbox"/>

What should I expect after I have applied?

<p>1.</p> <p>Apply and submit an application</p>	<p>2.</p> <p>Application is received by Fonterra and reviewed. If more information is needed, someone will be in touch with you within 48 hours.</p>	<p>3.</p> <p>You and the owner/supplying shareholder will receive an email to e-sign the application via DocuSign</p>
<p>4.</p> <p>Once all signatures are received, you, any related individuals to the application, and the supplying shareholder will receive a SMS message to complete the CDD verification process. This link is valid for 5 days.</p>	<p>5.</p> <p>Once CDD verification has been completed, you will then receive an email confirmation with your CSN number.</p>	<p>6.</p> <p>You will also receive an activation email from Sharesies to set up your Sharesies Fonterra Share Trading Account.</p> <p>Find more info on the different trading options and tools on the Farm Source website.</p>

If you need any support with this application, please contact your Co-operative Services Area Manager or call the Farmer Support Team on **0800 65 65 68**