

Alliance Group directors election and candidate profiles

Voting is now open to fill two vacancies for the office of Director of Alliance Group Ltd.

Three candidates are nominated for two available vacancies. Murray Taggart of Oxford and Don Morrison of Gore are retiring by rotation and are seeking re-election. Pat McEvedy of Southbridge has been nominated.

You will soon receive from *electionz.com* voting packs for the election, which is being conducted by internet and postal voting using the First Past the Post voting method.

Shareholders can vote online by visiting <https://ivote.electionz.com/e/AL2019>. The voting period runs from Thursday 14 November 2019 to 5:00pm Monday 16 December 2019.

The election result will be announced at our Annual Meeting of shareholders on Wednesday 18 December at 5pm. For further details, please call the election helpline on 0800 666 047 or contact the Returning Officer.

Warwick Lampp
Returning Officer – Alliance Group Limited
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CANDIDATE PROFILES

Pat McEvedy



Recently I attended a number road shows in Southland, Otago and Canterbury, I found the presentations were extremely detailed however short on financial data.

The overall strategic direction of our co-operative to provide sustainable returns to our farmers while developing a suite of premium brands I support.

The challenge with any strategy is the execution, you can have good strategy and not execute well, so clearly there is more to do. Our CEO David Surveyor is working hard to steer the company in the right direction but needs the support and oversight of a strong board. After reading the last two annual reports they show increasing admin overheads (18% in the 16-17 year and over 10% in the 17-18 year) along with an over \$20 million increase in wages and salaries in 2017-18 at a time when the work force has been restructured and some labour saving technology has been introduced.

High commodity prices can mask issues that remain unrecognised only to impact the bottom line later. Strong financial performance is essential to have a dynamic and resilient co-operative.

Alliance is a company that as shareholders we can be proud of but there will always be issues to contend with. We are suffering from poor labour supply and relations with a diminishing pool of labour resource available in our southern plants, this is impacting on plant efficiencies, long-term solutions to this need to be developed.

We have also lost some experienced members of our livestock team who hold valuable industry knowledge which hasn't helped with procurement when stock numbers are reducing. Developing consistent year round supply of quality product to our markets needs to be our goal.

I believe that further mechanisation of our plants is logical where a strong business case supports it, I also believe the board need to involve shareholders in the discussion regarding the options how to implement and capitalise these developments. To quote "farmers at the heart of every decision we make".

The future for Alliance is bright as one of New Zealand's leading food companies, a lot of hard work is still to be done to put Alliance and its shareholders on the track to a long-term sustainable and prosperous future.

I have the experience and ability to provide fresh governance oversight and support as a Director, that shareholders expect and deserve.

Shareholder supplier for over 30 years

Good listener strong advocate

Extensive Governance experience in a variety of roles

Please contact me if you wish to discuss any of the above

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Alliance's core function is to "create a platform for co-operatively minded farmers to achieve the maximum value for their product in the value chain"

Elected first in 2013 my vision to the Board was "One strongly resourced and highly profitable Company leading a resurgent red meat industry...our co-op achieving the maximum possible return for us as farmers in the value chain as we pursue a market focused approach to all possible income streams"Don Morrison, 2013

Since 2013, as your Director I have fully advocated to this goal with:

- * Alignment of strategic growth within core co-op principles
- * Shift from a processing focused operation into a market and brand focused, food solutions company operation.

Within your Alliance co-op, change has been driven from the top and I offer a continued deliverance of vision, leadership and teamwork to focus strategic execution as we transform Alliance into a true market and brand focused, food solutions company.

Significantly over that time your board has been responsible for

- * Appointment of David Surveyor as CEO
- * Creation of new senior management roles, and,
- * Subsequent appointment of talent capability amongst senior executive team
- * Strategic pathway to create value within the company's operation
- * Deliverance of over 355 strategic projects to create that value

This has been visible to shareholders in 2019 with,

- * Elevated profit levels
- * Continued strong equity position
- * Development of people capability and values
- * Plant utilisation increase
- * Accelerated sales performance
- * Build of the Lorneville deer facility
- * Significant acceleration in premium brand, value add component of business

As we evolve into a multi stream Food Solutions Co., Alliance strategy needs to continually premiumize core product as we connect our farmers to the market, and at the same time develop and explore all opportunities to move non-core and co products up the value chain. e.g. Meateor Petfoods.

We need to accelerate our plant modernisation programme which at the same time moves cost out and captures value while increasing processing capacity to strategically align kill season profiles and an increased demand as new shareholders become part of our Alliance co-operative.

Balance sheet equity and improved profit positions allows the Board to focus on strategic capital investment delivering full asset utilisation as strategic execution matures from initial cost focus efficiencies to the solution of growing value in the marketplace.

Alliances investment to its new Lorneville value add further processing capacity illustrates the strategic growth opportunity which now allows direct to consumer supply of prepared product.

Set up of Alliances UK, China, US, and New Zealand Food Service operations are visible 'first step' deliverers to the success of the brand and premium brand development. The success of TE MANA and SILERE has moved the goal line closer and now the focus needs to let everyone have the opportunity to participate in a premium ovine offer.

Premium price positions around Handpicked and 55 Day Age Beef offers further demonstrates the value of Alliance's co-operative platform where value add acceleration is returning that value back to supplier shareholders.

Next stage focus within the company features around our work on values and people capability. Your Board has facilitated a senior management capability that is now able to lead from the top as we develop that confidence and ability across all our work force. A highly valued and motivated team across all our workforce is our connection between market and farm.

Execution with Excellence has delivered in 2019

- * Elevated company profit
- * Profit distribution pool payment straight back to farmers
- * \$15 million investment in Meateor Pet Food business
- * \$15 million Lorneville Venison facility build
- * \$27 million investment in capital expenditure
- * Continued strengthened equity position
- * Significant improvement in critical risk profile
- * Investment in robotic and systemised planning solutions
- * \$40 million tangible benefit gains from 355 strategic projects

Don and Brigette Morrison farm 8000 sheep and beef stock units within Southland's Waikaka Valley.

You need a Director with proven strategic performance, clear understanding of risk and opportunity, an extensive commercial background, industry knowledge and the grounding to know what works for farmers.

With 6 years Alliance experience, extensive in market knowledge and a drive for Alliance to succeed, I am motivated to deliver value add opportunities to all shareholders based on core co-op principles.

Governance Experience

- * Farmer/Director on 8000su Intensive Sheep/Beef Operation.
- * Director Agri Tourism Company.
- * Alliance Elected Director since 2013
- * Alliance Audit and Risk Committee.
- * Member of the NZ Institute of Directors (IOD)
- * Community Governance Experience on range of school, church and sports organisations.

International Banking Experience

After completing a Bachelor of Commerce (Agriculture), Lincoln University, I spent four years working in London's commercial Banking and Finance sector.

Employment experience was gained with American Broadcasting Corporation, The Economist Newspaper, Barclays de Zoete Wedd (Barclays Investment Bank) and Credit Suisse First Boston

Strategic Growth Experience

Returning to New Zealand with my wife Brigitte, we were part of growing our family farming operation from 3000su to 15000su, with the growth expansion of 5 additional farming properties.

Splitting family farming operations in 2013 we have since further grown our current operation by 20% with the expansion of additional property.

Ahika Journeys Agri Tourism and Pure Taste NZ Entrepreneurial business company start-ups.

Commercialisation of a new composite sheep breed.

Clear Understanding of Risk and Opportunity

An extensive commercial financial background combined with a record of strategic growth in my own personal farming and start-up business gives a real time understanding of risk and opportunity.

Understanding financial accounts is very important in the role on Alliance's Audit and Risk Committee. It is an absolute advantage to bring to the Board table skills outside traditional farming experience.

Industry Knowledge

Prior to my term as your elected representative on Alliance, I invested my own resources in travels to Europe and the UK to talk with UK and French farming leaders to fully understand both the UK and European markets. Initiating visits with UK Supermarket lead buyers and time spent at Alliance's UK operation developed that knowledge.

Subsequent market visits to the UK and Europe (Germany, Switzerland and Belgium) have heightened that understanding particularly around approaching Brexit complications.

In-market visits to India, China, Hong Kong, and Singapore gave a most valuable insight into Alliance's Asian operation. Relationships developed on that visit have been valuable in the ongoing growth of both our Indian and Chinese operations.

Exploratory Director visit to Egypt, Saudi Arabia and UAE have helped develop understanding and relationships around Middle East challenges and opportunities.

Grounding to know what works for farmers

Above all else, I am still a farmer and "get" exactly what matters to farmers. I have remained absolutely grounded in every part of my Alliance role and remained true to the principles on which I first stood.

I represent every shareholder of the Company and it is my responsibility to act in the best interests of our Alliance co-op. Knowledge, experience, hard work, communication, honesty, courage and the ability to build relationships remain the key attributes I offer you as your elected representative.

Six years on the Alliance Board has represented a time of considerable change for our co-operative. 2019-20 represents an exciting time for red meat producers as we experience a time of opportunity and optimism around markets and pricing and we should recognise the transformational shift that Alliance has made from a processing company to a market facing, food and solutions company.

Murray Taggart



Aged 57; married to Gina, 2 children

Farming 732 hectares; sheep, beef and arable crops

- B Agr Sc, Lincoln
- 7 years ANZ Bank, mainly Corporate Banking
- Nuffield Scholar 1996 studied “Meat Marketing – Branded versus Generic Promotion”
- FMG Rural Excellence Award, Tasman Region, 2006
- Director, Alliance Group 2002 - 2007 & 2010 - 2019
- Chairman, Alliance Group 2013 - current
- Director experience - Ballance Agri- Nutrients, FMG Insurance, and other entities.

In my 6 years as chairman we have:

- recruited a high calibre executive team from outside the industry
- driven a new strategic direction for the company
- lifted company performance delivering better returns for farmers

Alliance is undergoing a transformation into a high performing company to achieve better returns for farmers. We have a clear strategic direction that is:

- reducing employee injury rates
- lifting the talent pool within the business
- delivering lower business costs
- embracing technology
- capturing more value from the market
- delivering balance sheet strength

There is much still to be done. I am committed to transforming Alliance into a high performing 100% farmer owned co-operative and would value your support.

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