

**FONTERRA SPECIAL MEETING  
26 JULY 2023  
CHAIR'S ADDRESS**

Your Co-op has been working to deliver the proposed capital return related to the sale of Soprole as early as possible.

In May, we announced our intention to bring forward the payment date for the capital return from October to August.

The capital return of 50 cents per share, which is approximately \$800 million, will be implemented using a scheme of arrangement under the Companies Act, which is a common process for this type of transaction.

Subject to approval by shareholders, and receipt of final Court orders, the Co-op is on track for the capital return to be paid in August this year.

Indicative timings of the key steps related to the proposed Scheme are set out on the slides.

The dates on the slides may change depending on when final Court orders are received.

Subject to the Scheme being approved by shareholders and final Court orders, the payment process will happen in the background.

You don't need to do anything, but we want to let you know about the mechanics of the Scheme for your awareness.

One of the key points is that shareholders will hold the same number of shares as they held immediately before the capital return.

Further details on how it will work are as follows:

- Fonterra will purchase one out of every six shares held by each shareholder for \$3.00 per share repurchased. This is equivalent to 50 cents for each of the six shares.
- At the same time, one share held by each shareholder, which is not bought by Fonterra, will be subdivided so that each shareholder will end up holding the same total number of shares as they held before the repurchase. This is to avoid creating share compliance issues for farmers or impacting shareholders' voting rights.

Fonterra has obtained a binding tax ruling from Inland Revenue that the amount paid to shareholders will be treated as a return of capital and not as a dividend for New Zealand income tax purposes.

This means the capital return that shareholders receive will generally not be taxable. More information on this is in the Notice of Meeting.

The Scheme will also apply to the shares held by the Custodian of the Fonterra Shareholders' Fund. The Custodian will pass on the payment directly to unit holders.

There will be no change to the number of units on issue.



Dairy for life

# Fonterra Special Meeting – Capital Return

26 July 2023

10.30 a.m.



# Agenda



Welcome



Chairman's Address



**Resolution: Approval of the Scheme of Arrangement  
relating to the Capital Return**



Closing

Chairman's Address

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**Peter McBride**

# Indicative Timetable

We are here



26 July 2023

15 August 2023

22 August 2023

23 August 2023

By 29 August 2023

**Special Meeting of Shareholders**

**Final orders made by High Court<sup>1</sup>**

**Record Date<sup>1</sup>**

**Implementation Date<sup>1</sup>**

**Payment to Shareholders<sup>1</sup>**

1. The dates above are indicative only. If the final court orders have not been made by 3 August 2023, the Record Date will be five business days after the date on which the final orders from the High Court sanctioning the Scheme are made. The Implementation Date will occur one business day later, with payment being made to shareholders within five business days after the Record Date.

# Mechanics of the Scheme



How much will  
shareholders  
receive?

Fonterra will purchase one out of every six shares for \$3 per share – this is equivalent to 50 cents for each of the six shares

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No change in  
number of shares  
held

At the same time, one share held by each shareholder will be subdivided so that each shareholder will end up with the same total number of shares as before the repurchase

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Equal treatment  
for unit holders

The scheme will apply equally to shareholders and unit holders – there will be no change to the number of units on issue

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Return will  
generally not be  
taxable

Binding tax ruling from the IRD that the payment will be treated as a return of capital and not as a dividend

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# Resolution

## Approval of the Scheme of Arrangement relating to the Capital Return



Please vote by clicking on the “Click here to vote” button in the top menu bar.



For any assistance with voting, please phone the [electionz.com](http://electionz.com) Helpline on +64 (0)800 666 034



**Thank you.**