



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Capital Change Notice

Updated as at 17 October 2019

Notice of issue of performance rights

This notice is given under NZX Listing Rule 3.13.1 and relates to the issue of performance rights under ATM's Long Term Incentive Plan (**LTI Plan**).

Section 1: Issuer information	
Name of issuer	The a2 Milk Company Limited
NZX ticker code	ATM
Class of financial product	Performance Rights
ISIN (If unknown, check on NZX website)	Not applicable – the rights will not be quoted
Currency	NZD
Section 2: Capital change details	
Number issued/acquired/redeemed	4,355,314 Performance Rights
Nominal value (if any)	Not applicable
Issue/acquisition/redemption price per security	Performance Rights issued under the LTI Plan for nil consideration
Nature of the payment (for example, cash or other consideration)	Not applicable
Amount paid up (if not in full)	Not applicable
Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) ¹	914.35% of the total number of Performance Rights on issue at the date of this notice.
For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date)	<p>Performance Rights</p> <p>Two tranches of performance rights have been issued pursuant to the terms and conditions of ATM's LTI Plan. Each Performance Right represents upon vesting and automatic exercise an entitlement to acquire an Ordinary Share in ATM subject to certain performance hurdles being satisfied and the holder of the Performance Right remaining employed by ATM on the relevant vesting date.</p> <p>The first tranche of 1,955,113 Performance Rights (FY2021 Performance Rights) have a nil exercise price and are due to vest on a date to be determined by the Board following the release of ATM's full year audited results for FY2023.</p> <p>The second tranche of 2,400,201 Performance Rights (FY2022 Performance Rights) have a nil exercise price and are due to vest on a date to be determined by the Board following the</p>

¹ The percentage is to be calculated immediately before the issue, acquisition, redemption or Conversion.

	release of ATM's full year audited results for FY2024. Refer to the Annexure for further details, including performance hurdles.
Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here)	Board resolutions approving the grant of Performance Rights as part of the ongoing long term incentive arrangements under the LTI Plan.
Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption.	4,831,641 Performance Rights. There is no Treasury Stock.
In the case of an acquisition of shares, whether those shares are to be held as treasury stock	Not applicable
Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made	Board Resolutions and Listing Rule 4.6.
Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)	Any Ordinary Shares issued on vesting and exercise of Performance Rights will rank equally with existing Ordinary Shares.
Date of issue/acquisition/redemption ²	22 October 2021
Section 3: Authority for this announcement and contact person	
Name of person authorised to make this announcement	Jaron McVicar, Chief Legal and Sustainability Officer & Company Secretary
Contact person for this announcement	Jaron McVicar
Contact phone number	+61 2 9697 7000
Contact email address	Jaron.McVicar@a2milk.com
Date of release through MAP	22 October 2021

² Continuous issuers using this form in reliance on Rule 3.13.2, please indicate the period during which the relevant issue/acquisition/redemptions were made (for example, 1 January 2019 to 31 January 2019).



Annexure to ASX Appendix 3G and NZX Capital Change Notice each released on 22 October 2021

The performance rights the subject of this ASX Appendix 3G / NZX Capital Change Notice have been issued in two tranches:

- 1,955,113 performance rights to be assessed against a two-year performance period (1 July 2021 to 30 June 2023) (**FY2021 Rights**); and
- 2,400,201 performance rights to be assessed against a three-year performance period (1 July 2021 to 30 June 2024) (**FY2022 Rights**),

against the following performance hurdles:

Performance Hurdle	FY2021 Rights	FY2022 Rights
Minimum EPS CAGR	20%	20%
Minimum Revenue CAGR (50% vesting)	7.5%	6%
Revenue CAGR for 85% vesting	10%	8%
Revenue CAGR for 100% vesting	12.5%	10%

Both the minimum EPS CAGR and the minimum Revenue CAGR must be achieved for any vesting of performance rights. The minimum vesting proportion is 50%; thereafter, vesting is on a straight-line basis between each band.

EPS CAGR refers to a compound annual growth in normalised diluted earnings per ordinary share over the applicable performance period.

Revenue CAGR refers to a compound annual growth in normalised sales over the applicable performance period.

EPS CAGR and Revenue CAGR are derived from the annual report of the Company in respect of the relevant financial years and subject to adjustment to remove the impact of such items as the Board may determine. Without limitation, adjustments may be made to exclude the impact of unusual or one-off items, discontinued operations, and acquisitions and disposals.

ooo000ooo