

SYNLAIT MILK LIMITED

OFFER BOOKLET

2 FOR 9 ENTITLEMENT OFFER OF ORDINARY SHARES

19 SEPTEMBER 2016.

THIS OFFER DOCUMENT MAY NOT BE DISTRIBUTED OUTSIDE NEW ZEALAND EXCEPT TO CERTAIN INSTITUTIONAL AND PROFESSIONAL INVESTORS IN SUCH OTHER COUNTRIES AND TO THE EXTENT CONTEMPLATED IN THIS OFFER DOCUMENT. NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES EXCEPT BY SYNLAIT TO APPROVED U.S. SHAREHOLDERS

CONTENTS

Part 1: Key Terms of the Offer	Pg 5
Part 2: Important Dates	Pg 6
Part 3: Actions to be Taken by Eligible Shareholders	Pg 7
Part 4: Business Overview	Pg 9
Part 5: Details of the Offer	Pg 10
Part 6: Glossary	Pg 23
Directory	Pg 27



IMPORTANT NOTICE

This Offer Document has been prepared by Synlait Milk Limited in connection with a 2 for 9 entitlement offer. The Offer is made to Eligible Shareholders pursuant to the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013. This document is not a product disclosure statement or other disclosure document for the purposes of the Financial Markets Conduct Act 2013, and does not contain all of the information that an investor would find in a product disclosure statement or disclosure document which may be required to make an informed decision about the Offer or Synlait.

ADDITIONAL INFORMATION AVAILABLE UNDER SYNLAIT'S DISCLOSURE OBLIGATIONS

Synlait is subject to continuous disclosure obligations under the NZX Main Board Listing Rules which require it to notify certain material information to NZX. Market releases by Synlait, including its most recent annual report (for the year ended 31 July 2016), are available at www.nzx.com under the stock code SML.

Synlait may, during the Offer, make additional releases to NZX. No release by Synlait to NZX will permit an Applicant to withdraw any previously submitted Application without Synlait's prior consent whether or not there has been any permissible variation of the Offer.

The market price of Shares may increase or decrease between the date of this Offer Document and the date of allotment of New Shares. Any changes in the market price of Shares will not affect the Application Price, and the market price of New Shares following allotment may be higher or lower than the Application Price.

WITHDRAWAL

Synlait reserves the right to withdraw all or any part of the Offer (for example, the Institutional Entitlement Offer could proceed but the Retail Entitlement Offer could be withdrawn).

OFFERING RESTRICTIONS

This Offer Document is intended for use only in connection with the Offer to Eligible Retail Shareholders with a registered address in New Zealand and Eligible Institutional Shareholders with a registered address in New Zealand, China, Australia, Hong Kong, Japan, the Netherlands, Singapore, Luxembourg, the United Kingdom, the Cayman Islands, Ireland and Approved U.S. Shareholders when delivered by Synlait together with a subscription agreement as part of the U.S. Private Placement. No action has been taken to permit an offering of the New Shares in any jurisdiction outside those noted in the preceding sentence.

The distribution of this document (including electronically) otherwise than as contemplated above may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions. This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No person may subscribe for, purchase, offer, sell, distribute or deliver New Shares, or be in possession of, or distribute (including electronically) to any other person, any offering material or any documents in connection with the Offer, in any jurisdiction other than in compliance with all applicable laws and regulations. Further details on the specific offering restrictions that apply to the jurisdictions and persons to whom this Offer was intended to be made are set out in Part 5 – Details of the Offer. If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Synlait and its Directors, Senior Leadership Team, employees, consultants, agents or advisers disclaim all liability to such persons.

Any person outside New Zealand who takes up an Entitlement in the Retail Entitlement Offer (and therefore applies for New Shares) through a New Zealand resident nominee, and that nominee, will be deemed to have represented and warranted to Synlait that the Offer can be lawfully made to their nominee pursuant to this Offer Document. None of Synlait nor any of its Directors, Senior Leadership Team, employees, consultants, agents or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

Synlait retains discretion to refuse any Entitlement and Application Form returned by persons Synlait does not consider may participate in the Offer and Synlait will not process such form and no shares will be allotted or issued to such persons further to this Offer Document or any other materials associated with the Offer.

NO GUARANTEE

No guarantee is provided by any person in relation to the New Shares offered pursuant to the Offer. No warranty is provided with regard to the future performance of Synlait or any return on any investments made pursuant to this Offer Document.

ENQUIRIES

Enquiries about the Offer can be directed to an Authorised Financial Adviser, NZX Firm, or your solicitor, accountant or other professional adviser. If you have any questions about the number of New Shares shown on the Entitlement and Acceptance Form that accompanies this document, or how to complete the Entitlement and Acceptance Form or online Application, please contact the Registry.

DEFINITIONS

Capitalised terms used in this Offer Document have defined meanings, which appear in Part 6 – Glossary. All references to times and dates are to times and dates in New Zealand.

PART 1: KEY TERMS OF THE OFFER

Issuer	Synlait Milk Limited
Eligible Retail Shareholders	Shareholders with a registered address in New Zealand at 5:00pm (NZ time) on the Record Date, not in the United States or acting for the account or benefit of a person in the United States and not being an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.
Eligible Institutional Shareholders	A Shareholder, as at 5:00pm (NZ time) on the Record Date, with a registered address in New Zealand, China, Australia, Hong Kong, Japan, the Netherlands, Singapore, Luxembourg, the United Kingdom, the Cayman Islands, Ireland or a Shareholder in the United States that is an Approved U.S. Shareholder and, in each case, who is an Institutional Investor (or a nominee of Institutional Investors).
Application Price	NZ\$3.00 per New Share
Offer size	Approximate amount to be raised under the Offer: NZ\$98 million
New Shares	The same class as (and ranking equally with) Existing Shares
Shares currently on issue	146,341,197 Shares
Number of New Shares being offered	Up to 32,520,266 New Shares
The Offer	<p>A pro rata entitlement offer of 2 New Shares for every 9 Existing Shares held at 5:00pm (NZ time) on the Record Date (with fractional entitlements being rounded down to the nearest share). A shorter than usual offer period is available to Eligible Institutional Shareholders under the Institutional Entitlement Offer, which will occur over the two Business Days immediately after the Offer is announced.</p> <p>There is no rights trading. New Shares not taken up or attributable to Ineligible Shareholders will be offered to Institutional Investors through Bookbuilds run by the Lead Manager. Any premium achieved above the Application Price for the New Shares in the Bookbuilds will be paid (with no brokerage costs deducted) on a pro rata basis to those shareholders who do not take up all their entitlements or who are ineligible to do so. There will be a Bookbuild for the Institutional Entitlement Offer (with any premium shared pro rata by Eligible Institutional Shareholders who did not take up all their Entitlements and Ineligible Institutional Shareholders) and a separate Bookbuild for the Retail Entitlement Offer (with any premium shared pro rata by Eligible Retail Shareholders who did not take up all their Entitlements and Ineligible Retail Shareholders). The premium (if any) achieved in a Bookbuild may be different from any premium achieved in the other.</p>
How to apply	<p>An application by an Eligible Retail Shareholder must be made on the enclosed Entitlement and Application Form together with payment in New Zealand dollars or using the online application form at www.synlaitmilkshareoffer.co.nz. The Lead Manager will seek to contact Eligible Institutional Shareholders to confirm their application process.</p> <p>Part 3 of this Offer Document contains instructions of how to return your Entitlement and Application Form and how to make payment if you wish to subscribe for all or part of your Entitlement.</p>
Underwriting	The Offer is underwritten (excluding the Bright and Munchkin Entitlements) by First NZ Capital Securities Limited. Synlait's largest Shareholder, Bright is supportive of the Offer and intends to participate only to maintain (but not to increase) its percentage shareholding in Synlait, and it is working through final approval procedures. Munchkin has committed to take up its Entitlement.

PART 2: IMPORTANT DATES¹

Institutional Entitlement Offer and Institutional Bookbuild

This timetable is relevant to participants in the Institutional Entitlement Offer and the Institutional Bookbuild. Eligible Retail Shareholders should refer to the important dates for the Retail Entitlement.

Date	Event
19 September 2016	- Announcement of Offer
	- Trading Halt begins and Institutional Entitlement Offer opens
20 September 2016	- Closing date for Institutional Entitlement Offer
21 September 2016	- Record Date (5:00pm (NZ time))
	- Institutional Bookbuild
22 September 2016	- Trading Halt ends on open of trading
27 September 2016	- Settlement and allotment date for Institutional Entitlement Offer and Institutional Bookbuild ²

¹Dates above are subject to change and are indicative only. Synlait reserves the right to amend this timetable (including by extending the Closing Date) subject to applicable laws and the Listing Rules. Synlait reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer or Retail Bookbuild, and irrespective of whether or not all of them are withdrawn) at any time at its absolute discretion.

²Part of an Institutional Investor's settlement may be deferred to the Retail Allotment Date as described under "Settlement of the Institutional Entitlement Offer and the Institutional Bookbuild" in Part 5.

Retail Entitlement Offer and Retail Bookbuild

This timetable is relevant to participants in the Retail Entitlement Offer and the Retail Bookbuild. Eligible Institutional Shareholders should refer to the important dates for the Institutional Entitlement Offer and Institutional Bookbuild.

Date	Event
19 September 2016	- Announcement of Offer
	- Trading Halt begins
21 September 2016	- Record date (5:00pm (NZ time))
22 September 2016	- Trading Halt ends on open of trading
	- Retail Entitlement Offer opens
	- Offer Document and Entitlement and Acceptance Forms are mailed out
11 October 2016	- Closing date for Retail Entitlement Offer at 5:00pm (NZ time)
13 October 2016	- Trading Halt begins
	- Retail Bookbuild
14 October 2016	- Trading Halt ends on open of trading
17 October 2016	- Settlement and allotment date for Retail Entitlement Offer, Retail Bookbuild and certain institutional shareholders

Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms or apply via the online Application process as soon as possible.

PART 3: ACTIONS TO BE TAKEN BY ELIGIBLE SHAREHOLDERS

IF YOU ARE AN ELIGIBLE RETAIL SHAREHOLDER YOU MAY TAKE THE FOLLOWING ACTIONS:

- Take up all of your Entitlement; or
- Take up part of your Entitlement; or
- Do nothing.

If you only take up part of your Entitlement or do nothing, any New Shares attributable to your Entitlement not taken up will be offered as part of the Retail Bookbuild. There is no minimum number of New Shares which you must subscribe for under the Retail Entitlement Offer.

The Offer is a pro rata offer to Eligible Shareholders. Eligible Shareholders who take up their Entitlement in full will not have their percentage shareholding in Synlait reduced by the Offer. Eligible Shareholders who do not take up all of their Entitlement will have their holdings diluted by the Offer.

TO TAKE UP ALL OR PART OF YOUR ENTITLEMENT:

If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement you should:

1. Complete the Entitlement and Acceptance Form accompanying this Offer Document in accordance with the instructions set out on that form;
2. Make payment by direct credit or attach your cheque or bank draft in New Zealand dollars to the completed Entitlement and Acceptance Form for the amount required to be paid in accordance with the payment instructions set out below; and
3. If paying by direct credit, email your completed Entitlement and Acceptance form to synlait@computershare.co.nz, otherwise, mail your completed

Entitlement and Acceptance Form and your cheque or bank draft to the Registry, or any NZX Firm, in sufficient time for the documents to be forwarded to and received by the Registry no later than 5:00pm (NZ time) on 11 October 2016.

Alternatively, you may apply online in accordance with the instructions for online Applications below.

PAYMENT INSTRUCTIONS:

- Payment must be made in full by paying NZ\$3.00 per New Share on Application.
- Payments are to be made in New Zealand dollars by direct credit, cheque or bank draft to the Registry or by such other method of payment agreed as acceptable to Synlait.
- If there is a discrepancy between the amount of Application Monies (by way of cheque, bank draft or direct credit) and the number of New Shares indicated as your Entitlement on your Entitlement and Acceptance Form or online Application, Synlait will treat the Application as being for the lower of your Entitlement and the number of New Shares the Application Monies will pay for.

Direct credit

- Applicants who elect to pay by direct credit should transfer funds in New Zealand dollars to the trust account maintained by the Registry, the details of which are set out on the Entitlement and Acceptance Form or in the online Application (if you are applying for New Shares using the online Application process set out below).
- Applicants paying by direct credit must submit their payment instruction to their bank by no later than 5:00pm on 11 October 2016, or such other date as Synlait may determine.

Cheque or bank draft

- Applicants who elect to pay by cheque or bank draft must ensure that the cheque is drawn on a New Zealand bank or that the bank draft is in New Zealand dollars. Cheques or bank drafts drawn in a different currency will not be accepted.
- Cheques or bank drafts are to be made payable to “Synlait Entitlement Offer” and crossed “Not Transferable” and must not be post-dated as cheques will be banked on the day of receipt. If your cheque is dishonoured and no other Application Monies are received by Synlait or the Registry by the Closing Date, you will not be issued any New Shares.

MAILING ADDRESSES:

Completed forms and cheques or bank drafts required to be mailed to the Registry can be sent to:

Synlait Milk Limited
C/- Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

To arrive no later than 5:00pm (NZ time), on 11 October 2016; or if sent to any NZX Firm, in sufficient time for the documents to be forwarded to, and received by, the Registry not later than 5:00pm, on 11 October 2016. Synlait may accept late Applications and Application Monies, but has no obligation to do so. Synlait may accept or reject (at its discretion) any Entitlement and Acceptance Form or online Application which it considers not completed correctly, and may correct any errors or omissions on any Entitlement and Acceptance Form or online Application. Once submitted, an Application may not be withdrawn without Synlait’s prior consent whether or not there has been any permissible variation of the Offer.

ONLINE APPLICATIONS:

If you are an Eligible Retail Shareholder, you may also apply for all or part of your Entitlement online. To do so, you must complete an online Application at www.synlaitmilkshareoffer.co.nz by no later than 5:00pm (NZ time) on 11 October 2016. You will be required to enter your CSN/Holder number and your postcode which you hold your Shares under. If you use the online Application process you do not need to return your Entitlement and Acceptance Form.

Payment for Applications made online must be made by way of direct credit. Please read the instructions regarding direct credit payments under the heading “Payment Instructions” on the previous page. Once your Application has been completed successfully, you will be emailed an application confirmation which you should keep for your records.

IF YOU ARE AN ELIGIBLE INSTITUTIONAL SHAREHOLDER:

The Lead Manager will seek to contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders) to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and seek confirmation of their Entitlements under the Offer. Synlait will separately contact Approved U.S. Shareholders in connection with the U.S. Private Placement. The Lead Manager is not managing the U.S. Private Placement.

DECISION TO PARTICIPATE IN THE OFFER

The information in this Offer Document does not constitute a recommendation to acquire New Shares or financial product advice. This Offer Document has been prepared without taking into account the investment objectives, financial, or taxation situation or particular needs of any Applicant or investor.

FURTHER INFORMATION

Enquiries about the Offer can be directed to an Authorised Financial Adviser, an NZX Firm, or your solicitor, accountant or other professional adviser. If you have any questions about the number of New Shares shown on the Entitlement and Acceptance Form that accompanies this document, or how to complete the Entitlement and Acceptance Form or online Application, please contact the Registry.



PART 4: BUSINESS OVERVIEW

BUSINESS OVERVIEW

We are a New Zealand manufacturer of nutritional solutions, value added products and specialty ingredients.

Operating as a business to business (B2B) company, we have one of the largest integrated infant formula sites in the world.

Further information about SML's business, operations and the purpose of the Offer is available in the Chairman's letter and Investor Presentation, each of which are available on NZX's website (www.nzx.com/markets/NZSX/securities/SML) and on SML's website www.synlaitmilkshareoffer.co.nz.

ASX Listing

As further explained in the Chairman's Letter and Investor Presentation, Synlait has decided to seek to be listed as a 'Foreign Exempt Issuer' on ASX shortly after the Offer is completed.

Dividend Policy

Our Board has a Dividend Policy to determine whether it is appropriate to declare a dividend for shareholders in any financial year. The policy provides that any decision to pay a dividend will depend on, amongst other things:

- current and forecasted earnings;
- internal capital requirements in light of Synlait's current and forecasted growth plans;
- availability of tax imputation credits; and
- Synlait's debt / equity position.

Any dividend can only be declared by the Board if the requirements of the Companies Act 1993 are also satisfied. The Board has determined no dividend will be payable in the period ending 31 July 2016.



PART 5: DETAILS OF THE OFFER

THE OFFER

The Offer is an offer of New Shares to Eligible Shareholders under a pro rata entitlement issue. Under the Offer, Eligible Shareholders are entitled to subscribe for 2 New Shares for every 9 Existing Shares held at 5:00pm on the Record Date. The New Shares will be the same class as, and will rank equally with, Existing Shares which are quoted on the NZX Main Board. It is a term of the Offer that Synlait will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board.

The maximum number of New Shares being offered under the Offer is 32,520,266 New Shares.

APPLICATION PRICE

The Application Price is NZ\$3.00 per New Share. The Application Price must be paid in full on application. Payment of the Application Price must be made, for the Retail Entitlement Offer, together with a completed Entitlement and Acceptance Form delivered (either by mail, delivery, email or fax) to the Registry in accordance with the instructions set out in the Entitlement and Acceptance Form. Alternatively, Applications may be made by Eligible Retail Shareholders online at www.synlaitmilkshareoffer.co.nz in accordance with the online Application process without requirement to complete the Entitlement and Acceptance Form (as further described in Part 3 (Actions to be Taken by Eligible Shareholders) with payment to be made by direct credit. Synlait may accept late Applications and Application Monies, but has no obligation to do so. Synlait may accept or reject (at its discretion) any Entitlement and Acceptance Form or online Application which it considers not completed correctly, and may correct any errors or omissions on any Entitlement and Acceptance Form or online Application. Once submitted an Application may not be withdrawn without Synlait's prior consent.

Synlait retains discretion to refuse any Entitlement and Application Form or online Application returned by persons Synlait does not consider may participate in the Offer

and Synlait will not process such form and no shares will be allotted or issued to such persons further to this Offer Document or any other materials associated with the Offer.

Application Monies received will be held in a trust account with the Registry until the corresponding New Shares are allotted or the Application Monies are refunded. Interest earned on the Application Monies will be for the benefit, and remain the property, of Synlait and will be retained by Synlait whether or not the issue of New Shares takes place. Any refunds of Application Monies will be made within 10 Business Days of allotment or the date that the decision not to accept an Application is made, as the case may be.

WITHDRAWAL

Synlait reserves the right to withdraw the Offer (or any of the Institutional Entitlement Offer, Institutional Bookbuild, Retail Entitlement Offer or Retail Bookbuild, and irrespective of whether or not all of them are withdrawn) at any time at its absolute discretion. If any Application is not accepted, all applicable Application Monies will be refunded as set out in the Application Price section above without interest earned, if any.

OVERVIEW OF THE OFFER

The Institutional Entitlement Offer

The Lead Manager will seek to approach Eligible Institutional Shareholders (other than Approved U.S. Shareholders), who may take up all, part or none of their Entitlements.

The Institutional Bookbuild

New Shares attributable to Entitlements which are not taken up by Eligible Institutional Shareholders (together with those attributable to Entitlements of Ineligible Institutional Shareholders which will automatically lapse) will be offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they took up their full Entitlement under the Offer).

The U.S. Private Placement

Concurrently with the Institutional Entitlement Offer and the Institutional Bookbuild, Synlait will conduct the U.S. Private Placement, under which Approved U.S. Shareholders will be invited to subscribe for New Shares as part of the Institutional Entitlement Offer. The Lead Manager is not managing the U.S. Private Placement.

The Retail Entitlement Offer

Eligible Retail Shareholders are sent this Offer Document together with a personalised Entitlement and Acceptance Form and may take up all, part or none of their Entitlements.

The Retail Bookbuild

New Shares attributable to Entitlements which are not taken up by Eligible Retail Shareholders (together with those attributable to Entitlements of Ineligible Retail Shareholders which will automatically lapse) will be offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they took up their full Entitlement under the Offer).

Synlait will raise a total of approximately NZ\$98 million through the Offer, which is underwritten by First NZ Capital Securities Limited, except with respect to the Entitlements of Bright and Munchkin. See “Key Shareholder Commitment” later in Part 5 for more information about their participation.

The maximum number of New Shares that are being offered under the Offer is 32,520,266 New Shares. New Shares will, from the date they are issued, rank equally with Existing Shares. New Shares will be entitled to all dividends paid after they are issued.

New Shares issued under the Institutional Entitlement Offer, the Institutional Bookbuild, the Retail Entitlement Offer and the Retail Bookbuild will rank equally with each other. The issue of New Shares pursuant to the Offer is not expected to have any effect or consequence on the control of Synlait.

PURPOSE OF THE OFFER

Synlait intends to use the net proceeds of the Offer to repay bank debt before being used to fund future capital expenditure opportunities as noted in the Investor Presentation, being investment in additional capacity for infant formula manufacturing capability (including a new wet mix kitchen), consumer packaging capability (including an alternative packaging format), infrastructural requirements (including warehousing) and value added cream manufacturing capability.

THE RETAIL ENTITLEMENT OFFER

Overview of the Retail Entitlement Offer

Synlait is offering Eligible Retail Shareholders the opportunity to subscribe for 2 New Shares for every 9 Existing Shares held as at 5:00pm (NZ time) on the Record Date, at an Application Price of NZ\$3.00. This ratio and the Application Price are the same as for the Institutional Entitlement Offer. The Retail Entitlement Offer opens at 10:00am (NZ time) on 22 September 2016 and closes at 5:00pm (NZ time) on 11 October 2016 (subject to Synlait’s right to modify these dates).

Entitlements will not be listed and cannot be traded on the NZX Main Board or privately transferred. However, Ineligible Retail Shareholders, and Eligible Retail Shareholders who have not taken up their full Entitlement, may receive some value in respect of those New Shares not taken up if a Retail Premium is achieved under the Retail Bookbuild. There is no guarantee that any premium will be achieved, and any Retail Premium may be different from any Institutional Premium.

Eligibility under the Retail Entitlement Offer

The Retail Entitlement Offer is only open to Eligible Retail Shareholders. Eligible Retail Shareholders are those persons who:

- are registered as Shareholders at 5:00pm (NZ time) on the Record Date;
- have a registered address in New Zealand at 5:00pm (NZ time) on the Record Date;

- are not in the United States and are not acting for the account or benefit of a person in the United States or persons in any other jurisdictions who would not be able to participate in the Retail Entitlement Offer; and
- are not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.

If you sell any Shares (and that sale settles) prior to 5:00pm (NZ Time) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 5:00pm (NZ Time) on the Record Date. If you have acquired Shares (and that sale settles) after the Record Date, you will not receive any Entitlements in relation to those Shares.

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder including any Eligible Institutional Shareholder or Ineligible Institutional Shareholder, or any Ineligible Retail Shareholder. Any person allocated New Shares under the Institutional Entitlement Offer or Institutional Bookbuild does not have any entitlement to participate in the Retail Entitlement Offer in respect of those New Shares.

Synlait reserves the right to reject any Application for New Shares under the Retail Entitlement Offer that it considers comes from a person who is not an Eligible Retail Shareholder.

Acceptance of Entitlement under the Retail Entitlement Offer

The Entitlement and Acceptance Form distributed to Eligible Retail Shareholders with this Offer Document sets out an Eligible Retail Shareholder's Entitlement to participate in the Retail Entitlement Offer. Applications for New Shares by Eligible Retail Shareholders can only be made on an original Entitlement and Acceptance Form sent with this Offer Document or via the online Application process at www.synlaitmilkshareoffer.co.nz. Applications in excess of an Eligible Retail Shareholder's Entitlement will not be accepted. Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Retail Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number.

Eligible Retail Shareholders are not obliged to subscribe for any or all of the New Shares to which they are entitled under the Offer. They may take up some or all of their Entitlement or allow some or all of their Entitlement to lapse.

Any person outside New Zealand who takes up an Entitlement in the Retail Entitlement Offer (and therefore applies for New Shares) through a New Zealand resident nominee, and their nominee will be deemed to have represented and warranted to Synlait that the Offer can be lawfully made to their nominee pursuant to this Offer Document. None of Synlait, the Lead Manager, the Registry or any of their respective Directors, Senior Leadership Team, employees, agents, or advisers accepts any liability or responsibility to determine whether a person is eligible to participate in this Offer.

The Retail Bookbuild

New Shares that are attributable to Entitlements that are not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer (together with those attributable to Entitlements of Ineligible Retail Shareholders) will be offered under the Retail Bookbuild to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they took up their full Entitlement under the Offer). The Retail Bookbuild is expected to take place on 13 October 2016.

The Clearing Price under the Retail Bookbuild will be equal to or above the Application Price.

If the Clearing Price in respect of the Retail Bookbuild is equal to the Application Price:

- Synlait will receive the Application Price for all New Shares issued to Institutional Investors under the Retail Bookbuild; and
- no cash will be payable to any Eligible Retail Shareholder or Ineligible Retail Shareholder.

If the Clearing Price in respect of the Retail Bookbuild is above the Application Price:

- Synlait will receive the Application Price for all New Shares issued to Institutional Investors under the Retail Bookbuild; and

- the Retail Premium will be paid by the Lead Manager to the Registry, who will remit the Retail Premium pro rata to:
 - (a) each Eligible Retail Shareholder who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only); and
 - (b) each Ineligible Retail Shareholder.

There is no guarantee that any value will be received from the Retail Bookbuild by Eligible Retail Shareholders who did not take up their full Entitlement or Ineligible Retail Shareholders, and any Retail Premium may be different from any Institutional Premium. None of Synlait, the Lead Manager or any of their respective Directors, Senior Leadership Team, employees, agents, or advisers will be liable for a failure to achieve a price in the Retail Bookbuild that is greater than the Application Price or the price achieved under the Institutional Bookbuild.

Any Retail Premium achieved under the Retail Bookbuild will be announced by Synlait on the NZX Main Board following the close of the Retail Bookbuild.

THE INSTITUTIONAL ENTITLEMENT OFFER

Overview of the Institutional Entitlement Offer

Synlait is offering Eligible Institutional Shareholders the opportunity to subscribe for 2 New Shares for every 9 Existing Shares held as at 5:00pm (NZ time) on the Record Date, at an Application Price of NZ\$3.00. This ratio and the Application Price are the same as for the Retail Entitlement Offer.

The Institutional Entitlement Offer opens on 19 September 2016 and closes on 20 September 2016 (subject to Synlait's right to modify these dates).

Entitlements will not be listed and cannot be traded on the NZX Main Board or privately transferred. However, Ineligible Institutional Shareholders, and Eligible Institutional Shareholders who have not taken up their full Entitlement, may receive some value in respect of those New Shares not taken up if an Institutional Premium is achieved under the Institutional Bookbuild. There is no guarantee that any premium will be achieved, and any Institutional Premium may be different from any Retail Premium.

Eligibility under the Institutional Entitlement Offer

The Institutional Entitlement Offer is only open to Eligible Institutional Shareholders, being those Shareholders at 5:00pm (NZ Time) on the Record Date with a registered address in New Zealand, China, Australia, Hong Kong, Japan, the Netherlands, Singapore, Luxembourg, the United Kingdom, the Cayman Islands, Ireland or a Shareholder in the United States that is an Approved U.S. Shareholder and, in each case, who are Institutional Investors (or nominees of Institutional Investors).

If you sell any Shares (and that sale settles) prior to 5:00pm (NZ Time) on the Record Date, then the Entitlements attributable to those Shares will accrue to the holder of those Shares as at 5:00pm (NZ Time) on the Record Date. If you have acquired Shares (and that sale settles) after the Record Date, you will not receive any Entitlements in relation to those Shares.

Synlait reserves the right to reject any Application for New Shares under the Institutional Entitlement Offer that it considers comes from a person who is not an Eligible Institutional Shareholder.

Acceptance of Entitlement under the Institutional Entitlement Offer

The Lead Manager will seek to contact Eligible Institutional Shareholders (other than Approved U.S. Shareholders) to confirm the application process. Application for New Shares by Eligible Institutional Shareholders can only be made in accordance with that process. Applications in excess of an Eligible Institutional Shareholder's Entitlement will not be accepted. Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Institutional Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number.

The Institutional Bookbuild

New Shares that are attributable to Entitlements that are not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer (together with those attributable to Entitlements of Ineligible Institutional Shareholders) will be offered under the Institutional Bookbuild

to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they took up their full Entitlement under the Offer). The Institutional Bookbuild is expected to take place on 21 September 2016.

The Clearing Price under the Institutional Bookbuild will be equal to or above the Application Price.

If the Clearing Price in respect of the Institutional Bookbuild is equal to the Application Price:

- Synlait will receive the Application Price for all New Shares issued to Institutional Investors under the Institutional Bookbuild; and
- no cash will be payable to any Eligible Institutional Shareholder or Ineligible Institutional Shareholder.

If the Clearing Price in respect of the Institutional Bookbuild is above the Application Price:

- Synlait will receive the Application Price for all New Shares issued to Institutional Investors under the Institutional Bookbuild; and
- the Institutional Premium will be paid by the Lead Manager to the Registry, who will remit the Institutional Premium pro rata to:
 - (a) each Eligible Institutional Shareholder who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only); and
 - (b) each Ineligible Institutional Shareholder.

There is no guarantee that any value will be received from the Institutional Bookbuild by either Eligible Institutional Shareholders who did not take up their full Entitlements or Ineligible Institutional Shareholders, and any Institutional Premium may be different from any Retail Premium. None of Synlait, the Lead Manager or any associates of those entities will be liable for a failure to achieve a price in the Institutional Bookbuild that is greater than the Application Price or the price to be achieved under the Retail Bookbuild.

Any Institutional Premium achieved under the Institutional Bookbuild will be announced by Synlait on the NZX Main Board following the close of the Institutional Bookbuild.

SETTLEMENT OF THE INSTITUTIONAL ENTITLEMENT OFFER AND THE INSTITUTIONAL BOOKBUILD

Settlement of the Institutional Entitlement Offer and the Institutional Bookbuild will occur on the Institutional Settlement Date in accordance with arrangements advised by the Lead Manager. Settlement of the U.S. Private Placement will also occur on the Institutional Settlement Date in accordance with arrangements advised by Synlait. If Synlait is satisfied that an Institutional Investor may otherwise breach the Takeovers Code (or an exemption granted under the Takeovers Code), Synlait may agree to defer part of that Institutional Investor's settlement until the Retail Allotment Date so as to enable that Institutional Investor to comply with the Takeovers Code (or the relevant exemption), or may permit a settlement to be reduced. Each investor remains responsible for ensuring its own compliance with the Takeovers Code and other applicable legislation.

TAXATION TREATMENT OF THE INSTITUTIONAL PREMIUM AND THE RETAIL PREMIUM

The following is a summary of New Zealand tax implications in relation to the Institutional Premium and the Retail Premium which may be payable under the Offer. This summary is limited to those aspects of the Offer and not the taxation implications of holding Existing Shares or New Shares, or any tax implications for Shareholders outside New Zealand.

Any Institutional Premium or the Retail Premium payable to any Eligible Shareholders who do not take up their Entitlements under the Offer in full, or to any Ineligible Shareholders, will not be a dividend for New Zealand tax purposes. Therefore, any such Institutional Premium or Retail Premium will generally not be taxable to Shareholders.

However, the Institutional Premium or the Retail Premium may be taxable if a Shareholder holds their Existing Shares on revenue account. A Shareholder will hold Existing Shares on revenue account if they acquired those shares for the purposes of selling them or they are in the business of dealing in shares.

As Shareholders' individual circumstances will differ, Shareholders should consult a tax advisor on the taxation treatment of any Institutional Premium or Retail Premium.

THE NEW SHARES

Each Share confers the right to vote at meetings, subject to any voting restrictions imposed on Shareholders under Synlait's constitution or the Listing Rules. On a show of hands or by voice, every Shareholder present in person or by proxy or representative has one vote. On a poll, every Shareholder who is present in person or by proxy or representative has one vote for each Share they hold or a fraction proportionate to the amount the share is paid up. Each Share confers a right to a pro rata share of any dividend authorised by the Board on Shares, and to any distribution of surplus assets of Synlait on any liquidation.

Applicants for New Shares will be bound by Synlait's constitution and the terms of the Offer set out in this Offer Document.

LISTING

Entitlements will not be listed and cannot be traded on the NZX Main Board or privately transferred.

The New Shares have been accepted for quotation by NZX and will be quoted on the NZX Main Board upon completion of allotment procedures. The NZX Main Board is a licensed market under the Financial Markets Conduct Act 2013. However, NZX accepts no responsibility for any statement in this Offer Document. It is expected that trading on the NZX Main Board of the New Shares issued under:

- the Institutional Entitlement Offer and Institutional Bookbuild will commence on 27 September 2016; and
- the Retail Entitlement Offer and Retail Bookbuild will commence on 17 October 2016.

Holding statements for New Shares allotted under the Offer will be issued and mailed as soon as practicable after allotment. Applicants under the Offer should ascertain their allocation before trading in the New Shares. Applicants can do so by contacting the Registry, whose contact details are set out in the Directory.

Applicants selling New Shares prior to receiving a holding statement do so at their own risk. None of Synlait, the Lead Manager, the Registry, nor any of their respective Directors, Senior Leadership Team, employees, agents or advisers, accepts any liability or responsibility should any person attempt to sell or otherwise deal with New Shares before the holding statement showing the number of New Shares allotted to the Applicant is received by the Applicant for those New Shares.

NOMINEES

If you hold Existing Shares as nominee for more than one person, then you may (depending on the nature of each such person) be an Eligible Institutional Shareholder, an Ineligible Institutional Shareholder, an Eligible Retail Shareholder, or an Ineligible Retail Shareholder with regard to the entitlement of each such person.

OVERSEAS SHAREHOLDERS

The Institutional Entitlement Offer is open only to Shareholders in Synlait as at 5:00pm (NZ time) on the Record Date with a registered address in New Zealand, China, Australia, Hong Kong, Japan, the Netherlands, Singapore, Luxembourg, the United Kingdom, the Cayman Islands, Ireland or a Shareholder in the United States that is an Approved U.S. Shareholder and, in each case, who are Institutional Investors (or nominees of an Institutional Investor).

The Retail Entitlement Offer is open only to Shareholders in Synlait with a registered address in New Zealand as at 5:00pm (NZ time) on the Record Date, who are not in the United States and are not acting for the account or benefit of a person in the United States or persons in any other jurisdictions who would not be able to participate in the Retail Entitlement Offer, and who are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

This Offer Document is intended for use only in connection with the Offer to Eligible Retail Shareholders with a registered address in New Zealand, and Eligible Institutional Shareholders with a registered address in New Zealand, China, Australia, Hong Kong, Japan, the Netherlands, Singapore, Luxembourg, the United Kingdom, the Cayman Islands, Ireland or an Approved U.S. Shareholders when

delivered by Synlait together with a subscription agreement as part of the U.S. Private Placement and does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to permit an offering of the New Shares in any jurisdiction outside those noted in the preceding sentence. The distribution of this document (including electronically) otherwise than as contemplated above may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions.

No person may subscribe for, purchase, offer, sell, distribute or deliver New Shares, or be in possession of, or distribute (including electronically) to any other person, any offering material or any documents in connection with the Offer, in any jurisdiction other than in compliance with all applicable laws and regulations. If you come into possession of this Offer Document, you should observe any such restrictions and seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Synlait and its Directors, Senior Leadership Team, employees, consultants, agents or advisers disclaim all liability to such persons.

The Offer is not open in other jurisdictions as Synlait considers that it is unduly onerous for Synlait to make the Offer into those jurisdictions. Shareholders with a registered address in those jurisdictions will not be able to take up their Entitlement.

New Shares attributable to the Entitlements of Ineligible Institutional Shareholders and Ineligible Retail Shareholders will be offered under the Bookbuilds. Whether Ineligible Shareholders receive any value following the Bookbuilds will depend on whether the Clearing Prices in those Bookbuilds are above the Application Price. For more information, see under the headings "The Retail Bookbuild" and "The Institutional Bookbuild" in this Part 5 - Details of the Offer.

Australia

This Offer is being made to Australian resident investors to whom an offer of shares for issue may lawfully be made without disclosure under Part 6D.2 of the Corporations Act. This Offer Document is not a prospectus, product disclosure statement or any other form of disclosure

document regulated by the Corporations Act and has not been and will not be lodged with ASIC. Neither ASIC or ASX take any responsibility for the contents of this Offer Document. Accordingly, this Offer Document may not contain all information which a prospective investor may require to make a decision whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act.

Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands.

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

European Economic Area - Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;

- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €0,000,000; (ii) annual net turnover of at least €0,000,000 and (iii) own funds of at least €0,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 150 natural or legal persons who are not "qualified investors".

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289

of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

This document is personal to the recipient only and not for general circulation in Singapore.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

NO GUARANTEE

No guarantee is provided by any person in relation to the New Shares offered pursuant to the Offer. No warranty is provided with regard to the future performance of Synlait or any return on any investments made pursuant to this Offer Document.

UNDERWRITING AGREEMENT AND COMMITMENT FROM KEY SHAREHOLDERS

Synlait has requested that First NZ Capital Securities Limited underwrite the Offer (excluding the Entitlements of Bright and Munchkin) and the Underwriter has agreed to do so. This means that the Underwriter will subscribe at the Application Price for any New Shares that are not subscribed for by Shareholders or Institutional Investors (other than Bright and Munchkin) under the Offer in accordance with the terms of the Underwriting Agreement. Synlait has separately received a commitment from Munchkin that it will take up its Entitlement and an intention to participate in the Offer from Bright, Synlait's largest shareholder. In the case of Bright, it intends to participate only to maintain (but not to increase) its percentage shareholding in Synlait, and it is working through final approval procedures, with settlement expected to occur in part on the Institutional Settlement Date and in part on the Retail Allotment Date. The percentage shareholding of Bright of 39.12% is therefore not expected to change as a result of the Offer. This is described further below.

A summary of the principal terms of the Underwriting Agreement are set out as follows:

- The Underwriter has the power to appoint sub-underwriters.
- The Underwriter will be paid:
 - ~ an underwriting fee of 1.5% of the total gross proceeds to be raised under the Offer less entitlements attributable to Bright and pre-committed shareholders; and
 - ~ a lead management fee of 0.6% of the total gross proceeds to be raised under the Offer.
- If the Underwriting Agreement is terminated by the Underwriter or Synlait, a termination fee may be payable to the Underwriter. Any termination fee cannot exceed 100% of the underwriting and lead management fee.
- The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of a number of events, including the following:
 - ~ Certain New Zealand legal requirements failing to be satisfied on or prior to the date this Offer Document was distributed.
 - ~ A Material Adverse Event (as defined in the Underwriting Agreement), which includes an event or events, or any matter or matters or information which occurs after the date of the Underwriting Agreement, and which in the Underwriter's reasonable opinion, have or are likely to have a material adverse effect on:
 - » Synlait or its business or prospects;
 - » the Offer or this Offer Document;
 - » the price at which the Existing Shares are traded, or New Shares will trade, on the NZX Main Board;
 - » the allotment of and payment for the New Shares to be issued;
 - » the ability of Synlait to issue the New Shares at the Application Price;
 - » acceptance by Synlait of Valid Applications (as defined in the Underwriting Agreement) for the New Shares under the Offer;
 - » the quotation of the New Shares on the NZX Main Board; or
 - » the transfer or disposition of the New Shares through the NZX Main Board or otherwise.
 - ~ Failure by Bright to settle on the Institutional Settlement Date and Retail Allotment Date so as to maintain its current percentage shareholding.
 - ~ The occurrence of certain events (including hostilities, changes in financial, economic and political conditions, a general moratorium on commercial banking activities, suspension of trading or listing) in certain countries or financial markets that are Material Adverse Events.

.....

PART 5: DETAILS OF THE OFFER CONTINUED

- ~ The occurrence of certain other specified events (including changes to this Offer Document, changes in law, changes of Directors or certain members of its Senior Leadership Team, a default by Synlait of any of its obligations under the Underwriting Agreement, changes to Synlait's capital structure or constitution, a Reserve Bank policy change, an increase of 100 basis points or more in the yield of the 90-day bank bill or three year New Zealand Government Bond rate, any regulatory action taken by a regulatory body in relation to the Offer or this Offer Document, Synlait being required to give or giving a correcting notice, Synlait or its subsidiaries or respective directors failing to comply with relevant laws) that are Material Adverse Events.
- ~ The report of the due diligence committee established by Synlait to carry out the due diligence investigations, or any other information supplied by or on behalf of Synlait to the Underwriter in relation to Synlait or the Offer being inaccurate, incomplete, misleading or deceptive (including by omission) in any material respect.
- ~ Failure to ensure legal compliance of this Offer Document or the Offer in a material respect, Synlait being prevented from conducting or completing the Offer.
- ~ Synlait or any of its Directors or certain members of its Senior Leadership Team engaging in any specified fraudulent conduct or activity.
- ~ Synlait's Shares ceasing to be quoted on the NZX Main Board.
- ~ The charging of a director of Synlait or the Chief Executive Officer or the Chief Financial Officer with a crime involving dishonesty, or any such person being in breach of certain provisions of the Financial Markets Conduct Act 2013.
- ~ There having been a decline in the NZX50 Index whereby the index is at a level equivalent to 10% or more below its level as at 7:00pm on the Business Day prior to the date of the Underwriting Agreement, and which decline is maintained for a period of at least two consecutive Business Days.
- ~ There being an Insolvency Event (as defined in the Underwriting Agreement) in respect of Synlait or any of its subsidiaries.
- ~ A breach of any warranty given by Synlait to the Underwriter which, if capable of being remedied, is not remedied within three Business Days after notification of the breach.
- ~ Public proceedings being commenced, or an announcement that they are intended to commence, against Synlait or any director in their capacity as a director of Synlait.
- ~ A delay in the timetable in respect of the Offer by two or more Business Days without the prior consent of the Underwriter.
- ~ A force majeure event occurring.
- ~ A judgment, order or encumbrance being enforced or becoming enforceable against any property of Synlait for a sum exceeding \$50 million.
- ~ Synlait does not issue the New Shares when required for settlement of the Offer.
- ~ Any due diligence investigation of Synlait or conducted by, in conjunction with, or on behalf of the Underwriter, revealing any matter of which the Underwriter was not previously aware and that is a Material Adverse Event.
- Synlait may terminate the Underwriting Agreement at any time.
- Synlait has agreed to indemnify the Underwriter in connection with the underwrite against certain losses incurred as a result of or in relation to the Offer, the allotment of the New Shares or the Underwriting Agreement.

- For a period of three months after the Retail Allotment Date, Synlait may not, without the prior consent of the Underwriter (and except in relation to an employee incentive scheme):
 - ~ offer for sale or accept an offer for any shares or other equity securities issued by Synlait;
 - ~ allot or issue any Shares or other equity securities of Synlait;
 - ~ issue or grant any right or option that entitles the holder to call for the issue of Shares by Synlait or that is otherwise convertible into, exchangeable for or redeemable by the issue of, Shares or other equity securities by Synlait;
 - ~ create any debt instrument or other obligation which may be convertible into, exchangeable for or redeemable by, the issue of Shares or other equity securities by Synlait;
 - ~ otherwise enter into any agreement whereby any person may be entitled to the allotment and issue of any Shares or other equity securities by Synlait; or
 - ~ make any announcement of an intention to do any of the foregoing other than pursuant to the Offer.
- Synlait may not, without the prior consent of the Underwriter, for a period of one month after the Retail Allotment Date:
 - ~ dispose of or charge, or agree to dispose of or charge, the whole or any substantial part of its business; or
 - ~ enter into any commitment or arrangement which is or may be material in the context of the Offer, the underwriting of any shortfall of the Offer or quotation, except, in each case, as expressly contemplated in this Offer Document, or as disclosed on the NZX Main Board or in writing to the Underwriter prior to the date of the Underwriting Agreement.
- Warranties given by Synlait in the Underwriting Agreement include warranties relating to the content of the Offer Document, compliance by Synlait with relevant laws, the existence of no material litigation, the solvency of Synlait, and the valid issue and allotment of New Shares.

KEY SHAREHOLDER COMMITMENT

Bright and Munchkin are supportive of the Offer.

Bright intends to participate only to maintain (but not to increase) its percentage shareholding in Synlait, and it is working through final approval procedures. Bright will defer part of its settlement in the Institutional Entitlement Offer as described under "Settlement of the Institutional Entitlement Offer and the Institutional Bookbuild" in this Part 5 such that part of its settlement occurs at the Retail Allotment Date.

Munchkin has committed to take up its Entitlements.

BROKER STAMPING FEES

No investor will pay brokerage on taking up their Entitlement or as a subscriber for New Shares under the Offer.

A stamping fee of 0.5% of Application Monies on New Shares allotted will be paid to NZX Firms who submit a valid claim for a broker stamping fee on successful Applications, subject to a fee limit of NZ\$300 per Shareholder. The aggregate fee payable on all successful Applications will be limited to NZ\$50,000. In the event that total stamping fees payable exceeds NZ\$50,000, the stamping fee payable per successful Application will be scaled back on a pro rata basis. This fee will be met by the Underwriter at the Underwriter's absolute discretion. Details of the claims process are to be separately communicated to NZX Firms by the Underwriter. No stamping fees will be paid on any Retail Premium or Institutional Premium achieved.

The sale of the New Shares may be subject to normal brokerage fees.

PRIVACY

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Form or via the online Application process will be held by Synlait and/or the Registry at the addresses set out in the Directory. The information will be used for the purposes of administering your investment in Synlait. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993 (New Zealand), you have the right to access and correct any personal information held about you.

GOVERNING LAW

This Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each Applicant submits to the exclusive jurisdiction of the courts of New Zealand.

TIMES, CURRENCY AND LAWS

All references in this Offer Document to times and dates are to New Zealand, all references to currency are to New Zealand dollars, and all references to applicable statutes and regulations are (unless otherwise stated) references to New Zealand statutes and regulations.

NZX WAIVERS

NZX has granted Synlait waivers from the following Listing Rules in respect of the Offer, subject to certain terms and conditions:

- Listing Rule 7.3.1(a) so that Synlait is not required to obtain shareholder approval for the issue of New Shares in connection with the Offer. This waiver is subject to the conditions that the issue be conducted in accordance with Listing Rules 7.3.4(a) (read in conjunction with Listing Rules 7.3.4(d) to 7.3.4(h)), except that Entitlement need not be renounceable and Synlait ensures that the Institutional Bookbuild and Retail Bookbuild occur.
- Listing Rule 7.10.1, to enable Eligible Institutional Shareholders to be notified of their Entitlement prior to the Record Date and to enable that notification to occur by means other than physical letters of entitlement.
- Listing Rule 7.10.2, to the extent it would otherwise require the Institutional Entitlement Offer to remain open for 12 Business Days, subject to the condition that Synlait's announcement of the Offer, and this Offer Document, clearly state that a shorter than usual offer period will be available to Eligible Institutional Shareholders under the Institutional Entitlement Offer.
- Listing Rule 7.10.8, to the extent it would have required Synlait to notify NZX of the Offer five Business Days prior to the ex date for the Offer, subject to the condition that the Offer is notified to NZX in accordance with Listing Rule 7.10.8 no later than the ex date for the Offer.
- Listing Rule 7.11.1, to the extent that it would require allotments of New Shares to be made to Bright within five Business Days of closing of the Institutional Entitlement Offer, subject to the condition that allotment to Bright occurs in part on the Institutional Settlement Date and in part on the Retail Allotment Date.
- Listing Rule 9.2.1, so that Related Parties of Synlait (including Bright and Synlait's Directors and Senior Leadership Team) can participate in the Offer without shareholders' approval. This waiver is subject to the conditions that:
 - The Independent Directors certify, in a form acceptable to NZX, that:
 - ~ the terms of the Offer are fair and in the best interests of Synlait shareholders, other than the Related Parties or Synlait shareholders that are Associated Persons of the Related Parties;
 - ~ Synlait will pay and receive fair value under the Offer; Synlait was not influenced in its decision to enter into the Offer by the interests of the Related Parties; and
 - ~ the Related Parties will derive no benefit as a result of the Related Party relationship, over and above the Takeovers Code benefit to Bright;
 - ~ Bright participates in the Offer as described under the Key Shareholder Commitment section of this Offer Document; and
 - ~ the Offer is conducted in accordance with the condition to the waiver from Listing Rule 7.3.1(a) set out above.

PART 6: GLOSSARY

Applicant	means an investor whose application for New Shares has been received by the Registry.
Application	means an application to subscribe for New Shares under this Offer Document.
Application Monies	means monies received from Applicants in respect of their Applications.
Application Price	means NZ\$3.00 per New Share.
Approved U.S. Shareholder	means one of a limited number of institutional Shareholders in the United States that Synlait has invited to participate in the U.S. Private Placement.
Board	means the Board of Directors of Synlait.
Bookbuilds	means the Institutional Bookbuild and the Retail Bookbuild.
Bright	means Bright Dairy Holding Limited.
Business Day	has the meaning given to that term in the Listing Rules.
Clearing Price	means the price determined: <ul style="list-style-type: none"> (a) in respect of the Institutional Bookbuild, through the Institutional Bookbuild process; and (b) in respect of the Retail Bookbuild, through the Retail Bookbuild process, each of which may be equal to or above the Application Price.
Closing Date	means 5:00pm (NZ time) on 11 October 2016.
Eligible Institutional Shareholder	means a Shareholder who, as at 5:00pm (NZ time) on the Record Date: <ul style="list-style-type: none"> (a) has a registered address in New Zealand, China, Australia, Hong Kong, Japan, the Netherlands, Singapore, Luxembourg, the United Kingdom, the Cayman Islands, Ireland or a Shareholder in the United States that is an Approved U.S. Shareholder; and (b) is an Institutional Investor (or the nominee of an Institutional Investor), and is invited to participate in the Institutional Entitlement Offer.
Eligible Retail Shareholders	means Shareholders of Synlait with registered addresses in New Zealand as at 5:00pm (NZ time) on the Record Date, not in the United States and not acting for the account or benefit of a person in the United States or persons in any other jurisdictions who would not be able to participate in the Retail Entitlement Offer, and not being an Eligible Institutional Shareholder or Ineligible Institutional Shareholder.
Eligible Shareholder	means an Eligible Retail Shareholder or an Eligible Institutional Shareholder.
Entitlement	means the right to subscribe for 2 New Shares for every 9 Existing Shares at the Application Price.
Entitlement and Acceptance Form	means the personalised entitlement and acceptance form enclosed in this Offer Document for Eligible Retail Shareholders.
Existing Share	means a fully paid ordinary share in Synlait on issue on the NZX Main Board at 5:00pm (NZ time) on the Record Date.

Ineligible Institutional Shareholder	means a Shareholder who is either: (i) not invited to participate in the Institutional Entitlement Offer by Synlait and has an address in any of the jurisdictions noted in the definition of “Institutional Investor”; or (ii) who is not an Eligible Institutional Shareholder but who, if it (and/or the person for whom it holds Shares) had an address in any of the jurisdictions noted in the definition of “Institutional Investor” would, in the opinion of Synlait, be an Eligible Institutional Shareholder.
Ineligible Retail Shareholder	means a Shareholder who is not an Eligible Institutional Shareholder, Ineligible Institutional Shareholder or an Eligible Retail Shareholder.
Ineligible Shareholders	means Shareholders other than Eligible Shareholders.
Institutional Bookbuild	means the bookbuild process conducted by the Lead Manager under which New Shares attributable to Entitlements that are not taken up by Eligible Institutional Shareholders, together with New Shares attributable to Entitlements of Ineligible Institutional Shareholders, are offered to Institutional Investors (which may include Eligible Institutional Shareholders, whether or not they took up their full Entitlement under the Offer).
Institutional Entitlement Offer	means the offer of New Shares to Eligible Institutional Shareholders.
Institutional Investor	means a person: <ul style="list-style-type: none"> (a) in New Zealand, who Synlait considers is an institutional, habitual, or sophisticated investor and to whom an offer of financial products can be made without disclosure under Part 3 of the Financial Markets Conduct Act 2013; (b) in Australia, who Synlait considers is a person to whom an offer of shares for issue may lawfully be made without disclosure under Part 6D.2 of the Corporations Act 2001 (Australia) (as modified by any applicable regulatory instrument); (c) in Hong Kong, who Synlait considers is a professional investor as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong; (d) in the Cayman Islands, who the Company considers is an institutional or professional investor; (e) in the People's Republic of China, who the Company considers is a “qualified domestic institutional investor” as approved by the relevant PRC regulatory authorities to invest in overseas capital markets; (f) in Hong Kong, who the Company considers is a “professional investor” (as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong); (g) in Ireland, who the Company considers is a “qualified investor” (as defined in the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended) or who is a registered holder of at least 900,000 Existing Shares; (h) in Japan, who the Company considers is a “qualified institutional investor” (as defined in article 2, paragraph 3 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948)); (i) in Luxembourg, who the Company considers is a “qualified investor” within the meaning of the European Prospectus Directive (Directive 2003/71/EC) as amended and implemented in Luxembourg;

PART 6: GLOSSARY CONTINUED

- (j) in the Netherlands, who the Company considers is a “qualified investor” within the meaning of the European Prospectus Directive (Directive 2003/71/EC) as amended and implemented in the Netherlands;
 - (k) in Singapore, who the Company considers is an “institutional investor” or a “relevant person” as defined in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore;
 - (l) in the United Kingdom, who the Company considers is a “qualified investor” within the meaning of section 86(7) of the Financial Services and Markets Act 2000, as amended; and
 - (m) in the United States, who is an Approved U.S. Shareholder; and,
- in each case (other than paragraph (m)), who is not acting for the account or benefit of a person in the United States.

Institutional Premium	means the cash excess (if any) of the Clearing Price in the Institutional Bookbuild over the Application Price.
Institutional Settlement Date	means the date of settlement and allotment of New Shares under the Institutional Entitlement Offer and Institutional Bookbuild, expected to be 27 September 2016.
Investor Presentation	means the investor presentation released to NZX on 19 September 2016, a copy of which is annexed to this Offer Document.
Lead Manager	means First NZ Capital Securities Limited.
Listing Rules	means the listing rules of the NZX Main Board, as amended from time to time and for so long as Synlait is admitted to the official list of such exchange.
Munchkin	means Munchkin, Inc.
New Share	means an ordinary share in Synlait offered under the Offer of the same class as (and ranking equally in all respects with) Existing Shares at the time of allotment of the New Shares.
NZ\$ or \$	means the lawful currency of New Zealand.
NZX	means the NZX Limited.
NZX Firm	means an entity designated as an NZX Firm under the NZX Participant Rules.
NZX Main Board	means the main board equity security market operated by NZX.
NZXR	means NZX Regulation.
Offer	means the offer of New Shares pursuant to the Institutional Entitlement Offer, Institutional Bookbuild, U.S. Private Placement, Retail Entitlement Offer and Retail Bookbuild.
Offer Document	means this document, including the Investor Presentation.
Record Date	means 21 September 2016.
Registry	means Computershare Investor Service Limited.

.....

PART 6: GLOSSARY CONTINUED

Retail Allotment Date	means the date for allotment of New Shares under the Retail Entitlement Offer and Retail Bookbuild, expected to be 17 October 2016.
Retail Bookbuild	means the bookbuild process conducted by the Lead Manager under which New Shares attributable to Entitlements that are not taken up by Eligible Retail Shareholders, together with New Shares attributable to Entitlements of Ineligible Retail Shareholders, are offered to Institutional Investors (which may include Eligible Institutional Shareholders whether or not they took up their full Entitlement under the Offer).
Retail Entitlement Offer	means the offer of New Shares to Eligible Retail Shareholders.
Retail Premium	means the cash excess (if any) of the Clearing Price in the Retail Bookbuild over the Application Price.
Share	means one ordinary fully paid share in Synlait.
Shareholder	means a registered holder of Shares on issue.
Synlait	means Synlait Milk Limited.
Takeovers Code	means the Takeovers Code under the Takeovers Act 1993.
Underwriter	means First NZ Capital Securities Limited.
Underwriting Agreement	means the agreement entered into between Synlait and the Underwriter, a summary of the principal terms of which are set out in Part 5, – Details of the Offer under the heading “Underwriting Agreement”.
U.S. Private Placement	means the offer of New Shares by Synlait to Approved U.S. Shareholders as part of the Institutional Entitlement Offer.

DIRECTORY

DIRECTORS OF SYNLAIT MILK LIMITED

Graeme Milne – Independent Chairman
John Penno – Managing Director
Sam Knowles – Independent Director
Bill Roest – Independent Director
Oikai Lu – Director
Hon. Ruth Richardson – Director
Sihang Yang – Director

SYNLAIT MILK LIMITED

1028 Heslerton Road
RD13, Rakaia 7783
New Zealand
Telephone: (03) 373 3000
Email: investors@synlait.com
Website: www.synlait.com
Retail Entitlement Offer Website:
www.synlaitmilkshareoffer.co.nz

LEAD MANAGER, ORGANISING PARTICIPANT AND UNDERWRITER

First NZ Capital Securities Limited
Level 39, ANZ Centre
23-29 Albert Street
Auckland 1010
Telephone: +64 9 302 5500

REGISTRY

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand
Telephone: (09) 488 8777
Facsimile: (09) 488 8787
Outside New Zealand: +64 9 488 8777

LEGAL ADVISERS

MinterEllisonRuddWatts
Lumley Centre
Level 20
88 Shortland Street
Auckland 1010
Telephone: +64 9 353 9700



Synlait Milk Limited
1028 Heslerton Road
RD13, Rakaia 7783
New Zealand
P+ 64 3 373 3000
www.synlait.com