

## Chairman's Email

21 June 2023

### Subject: Notice of Meeting and voting info for July Special Meeting

Kia ora [name],

In March this year we provided details on our intention to return 50 cents per share, which is approximately \$800 million of capital, to shareholders following completion of the sale of Soprole.

Today I can share further information with you on the Special Meeting that will be held virtually at 10:30am on Wednesday 12 July, at which shareholders will be asked to vote to approve the scheme of arrangement related to this proposed capital return.

Your voting packs have been posted and should be arriving in your mailbox over the coming days.

In the meantime, the Notice of Meeting document can be viewed [here](#) and a guide showing how you can join the virtual meeting is available [here](#). Information related to the Special Meeting will be kept updated on [this Farm Source page](#).

You can vote online **from tomorrow morning** once you receive an email from [iro@electionz.com](mailto:iro@electionz.com) with your Pin and Passcode. Voting will remain open until 10.30am on Monday, 10 July 2023. You can also vote via post, at the meeting or by proxy – for details see further information on pages 1-2 of the Notice of Meeting.

### How the return of capital will work

If approved by shareholders, the capital return will be a pro rata return of capital effected by a Court approved scheme of arrangement under Part 15 of the Companies Act 1993.

One in every six of your shares will be bought back by Fonterra and immediately cancelled. In return you will receive \$3.00 for each cancelled share.

At the same time as the share cancellation, a share subdivision will occur so that, immediately after the share buyback and subdivision, you will continue to hold the same number of shares as you held before the share buyback and subdivision. The share subdivision ensures that no shareholder's compliance with their minimum shareholding requirements in relation to Fonterra's Share Standard or their voting entitlement is affected by the share buyback.

While shareholders will receive \$3.00 for each share that Fonterra buys back, shareholders will not pay anything for the shares they receive as a result of the share subdivision.

The tax consequences of the return of capital are set out under the heading "Taxation" in the Explanatory Notes to the Notice of Meeting. We recommend that you obtain independent tax advice on the effect of the capital return, based on your individual circumstances.

## **Next steps**

The capital return requires approval by at least 75% of the votes cast on the resolution at the Special Meeting.

If the return of capital is approved by shareholders at the Special Meeting, there's nothing you need to do after that. Fonterra will then seek final Court approval to undertake the return of capital. It is expected that the scheme will occur on 11 August 2023 with payment to be made by 17 August 2023 (these dates are indicative only at this stage).

The voting process is being overseen independently by **electionz.com** and you can expect to receive email and/or text reminders while the voting period is open. If you have any queries regarding the voting process, please call electionz.com during normal office hours on 0800 666 034.

Peter.