



Market Announcement

16 March 2023

Fonterra confirms further details of Transitional Buyback

Alongside the release of Fonterra's Interim Results and confirmation that Flexible Shareholding will take effect on Tuesday 28 March, the Co-operative is today announcing further details of its on-market share buyback programme (**Transitional Buyback**).

The Transitional Buyback will commence on 28 March 2023 and is expected to continue until 9 June 2023. It will replace the current \$50 million [buyback programme](#), which will end on 27 March 2023.

As previously announced, Fonterra has allocated up to \$300 million for a package of liquidity support measures. This includes the Transitional Buyback, which is aimed at supporting liquidity in the Fonterra Shareholders' Market (FSM) as shareholders transition to the new Flexible Shareholding capital structure, and new market maker arrangements that are designed to support liquidity over the long term.

The Transitional Buyback will be structured in a way that gives the Co-operative capacity to buy back shares throughout the entire 11-week period referred to above. This involves having capacity to buy shares in each week as well as additional flexibility to accommodate different levels of liquidity across the period.

The maximum number of Co-operative Shares that may be acquired as part of this Transitional Buyback is 75 million. This limit has been set in accordance with section 65 of the Companies Act. It represents no more than 5% of the shares on issue as at the date 12 months prior to the acquisition of shares, less any other shares acquired under section 65 in the previous 12 months (including shares purchased as part of the \$50 million buyback).

Fonterra will acquire shares at prevailing market prices during the term of the Transitional Buyback. It will only purchase shares under the Transitional Buyback where Fonterra believes the price represents value to the Co-operative and is in the best interests of Fonterra and its shareholders. The prices at which shares are acquired under the Transitional Buyback may not be indicative of Fonterra's long-term view of the value of its shares. Shareholders should seek advice from their financial advisor, accountant, lawyer or rural professional before making any decisions about the sale or purchase of shares.

The number of shares purchased under the Transitional Buyback from time to time, and the average price, will be notified to the NZX and ASX on the business day following the date on which those shares are bought.

Throughout the Transitional Buyback period, Fonterra will continue to assess market conditions, its prevailing share price, available investment opportunities and all other relevant considerations. Fonterra reserves the right to extend, suspend without notice or terminate the buyback programme at any time. Shares bought back will be cancelled upon acquisition, so the number of shares on issue will reduce accordingly.

Fonterra's former directors (and other persons to whom Fonterra's Securities Trading Policy and Standard apply) and their associated entities have, during Fonterra's capital structure review process, been restricted by Fonterra from trading Fonterra securities and units in the Fonterra Shareholders' Fund (**Units**).

As a result of the announcements by the Co-operative today, Fonterra has determined that those persons will again be able to trade Fonterra securities and Units in accordance with Fonterra's Securities Trading Policy. They and their associated entities may now wish to do so – e.g., to achieve their desired correlation between shareholding and supply for the purposes of the Co-operative's Share Standard.

This announcement is made in accordance with FSM Listing Rule 3.12.2.

ENDS

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