FONTERRA SPECIAL MEETING
19 FEBRUARY 2026
CHAIR'S ADDRESS

The Capital Return relates to the sale of Mainland Group to Lactalis which was approved by shareholders in October. Your Co-op has been working to deliver the proposed Capital Return as quickly as possible.

We are targeting a tax-free Capital Return of $2.00 per share to shareholders and unitholders, equivalent to around $3.2 billion, once the sale is complete.

The capital return will be implemented using a Court approved Scheme of Arrangement under the Companies Act, which is a common process for this type of transaction.

Subject to approval by shareholders, settlement of the transaction, and receipt of final Court orders, the Co-op is on track for the capital return to be paid in a timely manner.

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

These may change depending on when final Court orders are received and completion of the transaction occurs.

The record date for being eligible for the payment of the Capital Return will be within the five business days prior to the payment being made to shareholders and unitholders, and five business days' notice of the record date will be provided.

The sale of Mainland Group to Lactalis remains subject to receiving certain regulatory approvals and separation of the business from Fonterra.

The separation activity is progressing well and, provided the remaining regulatory approvals are received within the expected timeframes, the Co-op continues to expect the transaction to be complete in the first quarter of this calendar year – that is by 31 March 2026.

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

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

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

This is designed to ensure no shareholder's compliance with the Co-op's minimum shareholding requirements or their voting entitlement is affected by the capital return.

Further details on how it will work are as follows:

- Fonterra will repurchase and cancel one in every three shares held by each shareholder.
- At the same time, one share held by each shareholder, which is not bought by Fonterra, will be subdivided so that each shareholder ends up holding the same total number of shares as they held before the repurchase.
- Each shareholder will receive a cash sum of $6.00 for each share repurchased and cancelled (which is equivalent to $2.00 for each of the three shares).

The Scheme will also apply to the shares held by the Custodian of the Fonterra Shareholders' Fund. The Custodian will pass on the payment directly to unit holders. There will be no change to the number of units on issue.

As previously indicated, the payment should be tax-free, although it is recommended that shareholders and unit holders obtain independent tax advice on the effect of the capital return based on their individual circumstances.

The Notice of Meeting includes a section on taxation with further details.

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