

# Fonterra Special Meeting 2026 - Capital Return

Notice of Special Meeting of Shareholders and Explanatory Notes



To be held virtually at  
10:30am on Thursday, 19 February 2026





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# Fonterra Co-operative Group Limited Special Meeting 2026 - Capital Return

This Special Meeting will be held as a virtual meeting at 10.30 a.m. on Thursday, 19 February 2026. Shareholders may participate using the instructions set out below under the heading 'Virtual meeting'.

## Virtual meeting

To attend the Special Meeting and participate online, use the following link to the virtual meeting platform: <https://fonterra.brandlive.com/Fonterra-Special-Meeting-2026/en>.

Shareholders may attend and participate in the Special Meeting virtually via the online platform and will be able to vote and ask questions during the meeting. Shareholders submitting questions will be required to enter their name and supply number. You cannot attend the Special Meeting or vote on the resolution in person. The Special Meeting will be online only.

More information regarding virtual attendance at the Special Meeting (including how to vote and ask questions virtually during the meeting) is set out in the Fonterra Online Meeting Guide 2026: <https://view.publitas.com/fonterra-comms/special-meeting-fonterra-2026-online-meeting-guide-final>.

## Special Meeting documents

Each shareholder has been sent:

- this Notice of Meeting booklet which includes:
  - A Letter from the Chairman
  - Notice of Meeting (including the text of the matter to be voted on by shareholders)
  - Explanatory Notes regarding the matter to be voted on by shareholders
  - A copy of Fonterra's application to the Court for final orders sanctioning the return of capital to shareholders (Appendix A).
- a Special Meeting Voting Paper/Proxy Paper and a freepost return envelope (only sent to shareholders with voting entitlements).

Further instructions for voting are set out on the back of the Special Meeting Voting Paper/Proxy Paper and below.

## Voting

Shareholders can vote on the matters to be considered at the Special Meeting online or by post.

electionz.com Limited (the Returning Officer) has been authorised by the Board to receive, at the address specified on the freepost envelope included in the voting pack or otherwise set out on the Special Meeting Voting/Proxy Paper, and count, all online and postal votes.

Shareholders can also vote by attending the meeting online or by appointing a proxy or representative (who can attend the meeting online to vote on their behalf).

All online and postal votes must be received by the Returning Officer by 10:30am on Tuesday, 17 February 2026.

## Voting entitlements

A shareholder's voting entitlement is based on their share backed milk supply.

'Supplying Shareholders' receive one vote for every 1,000 kilograms of milksolids backed by shares that they supplied to Fonterra during the season ended 31 May 2025. The voting entitlement of 'Secondary Shareholders' is based on share backed milk supply, up to the 'agreed percentage' in relation to Fonterra's share standard for the relevant supplying farm. By way of example:

- if a Supplying Shareholder supplied 100,000 kilograms of milksolids but held only 75,000 shares, they would have only 75 votes, whereas if they held 100,000 shares they would have 100 votes; and
- if the 'agreed percentage' for a Secondary Shareholder is 50% and the supplying farm supplied 100,000 kilograms of milksolids but the Secondary Shareholder held only 45,000 shares, they would have only 45 votes, whereas if they held 50,000 shares they would have 50 votes.

If a Supplying Shareholder did not supply last season but now owns an existing farm that supplied last season, the voting entitlement for that Supplying Shareholder and any Secondary Shareholder will be based on that farm's supply last season or on the Board's estimate of milksolids production for this season.

In the case of a dry farm conversion and farm amalgamations/divisions, voting entitlement is based on one vote for every estimated 1,000 kilograms of milksolids to be supplied during the season ended 31 May 2026. Milk supplied on Contract Supply and milk which is not backed by shares is excluded from milksolids production when calculating voting entitlements.

In accordance with the Companies Act 1993 (the Companies Act), the Board has fixed Wednesday, 21 January 2026 following the close of trading (the Voting Entitlement Time) as the date for determining voting entitlements of shareholders for this meeting.

Accordingly, those persons who are, at the Voting Entitlement Time, registered as shareholders will be entitled to vote at the Special Meeting in respect of their supply, as noted above, backed by shares registered in their name at the Voting Entitlement Time.

A shareholder's voting entitlement is shown on their Special Meeting Voting/Proxy Paper, which is enclosed with this pack (if applicable). If a shareholder appoints a proxy or representative, the proxy or representative will exercise that shareholder's voting entitlement as described above.

Shareholder questions or requests for corrections relating to voting entitlements should be sent to the Returning Officer (email: [info@electionz.com](mailto:info@electionz.com) or phone: +64 3 377-3530).

## Proxies or representatives

### Proxies

Shareholders may appoint a proxy to attend, and vote at, the Special Meeting on their behalf. If a shareholder wishes to appoint a proxy, the shareholder must ensure that the Returning Officer receives their completed Special Meeting Voting/Proxy Paper by no later than 10:30am on Tuesday, 17 February 2026.

Shareholders can submit their completed Special Meeting Voting/Proxy Papers by posting the completed Special Meeting Voting/Proxy Paper to the address on the Special Meeting Voting/Proxy Paper (or use the enclosed freepost envelope).

If a shareholder appoints a proxy, the shareholder can either direct the proxy how to vote or let them decide on the shareholder's behalf by ticking the box marked "discretion".

A proxy need not be a shareholder. A shareholder may, if they wish, appoint the Chair or any other Director as their proxy. The Chair and all other Directors intend to vote undirected proxies in favour of the Resolution.

If, in appointing a proxy, the shareholder does not name a person to be their proxy, or their named proxy does not attend the Special Meeting, the Chair will be their proxy and will vote in accordance with the shareholder's express direction. If the shareholder has ticked the box marked "discretion", the Chair will exercise that shareholder's vote in favour of the Resolution.

Once appointed, a proxy can be changed or the shareholder's voting direction to their proxy can be changed by lodging a new Special Meeting Voting/Proxy Paper by written notice to Fonterra at its registered office (addressed to the Returning Officer), provided this is received before 10:30am on Tuesday 17 February 2026. A shareholder may revoke the appointment of any proxy by written notice to Fonterra at its registered office (addressed to the Returning Officer) by no later than 7:30am on Thursday, 19 February 2026. If you attend the Special Meeting online you may, but are not required to, revoke your proxy by voting on the Resolution.

### Corporate representatives

A corporation which is a shareholder may appoint a corporate representative to vote on its behalf in the same manner as that in which it could appoint a proxy.

## Votes required and quorum

The special resolution will be passed if it is approved by a majority of 75% or more of the votes of those shareholders entitled to vote and voting on the Resolution.

There are no voting restrictions on the Resolution to be considered at the meeting.

Directors of Fonterra who legally and/or beneficially own shares in Fonterra may vote and be counted in the quorum for consideration of the Resolution.

## Results of voting

The results of voting at the Special Meeting will be posted on NZX, the Farm Source website and our My Co-op app as soon as vote counting is complete and the Chair has declared the results.

# Chair's Letter

Dear Shareholders

## Capital Return

On 4 December 2025 we provided further details on our intention to return approximately \$3.2 billion of capital to shareholders subject to, and following, completion of the divestment of Fonterra's global consumer and associated businesses to Lactalis (the Divestment). Shareholders approved the Divestment at a special meeting held on 30 October 2025.

As I indicated back in October, 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. This is the same method used for the Soprole capital return back in 2023.

## How will the return of capital actually work and how am I affected?

Subject to completion of the Divestment, Fonterra intends to return approximately \$3.2 billion of capital to shareholders - this equates to approximately \$2 per share. The mechanics of how this will work are complex (involving a share buyback, cancellation and subdivision by way of a Court-approved scheme of arrangement), but are designed to ensure that no shareholder's compliance with Fonterra's minimum shareholding requirements or their voting entitlement is affected by the capital return.

Fonterra has obtained a binding tax ruling from Inland Revenue that the amount paid to shareholders will be treated as a return of capital and not as a dividend for New Zealand income tax purposes. This means the payment should generally not be taxable for shareholders, although shareholders are recommended to obtain independent tax advice on the effect of the capital return, based on their individual circumstances.

## What do I need to do?

The capital return requires approval by at least 75% of the votes cast on the resolution at the Special Meeting and is subject to completion of the Divestment.

If the capital return is approved by shareholders at the Special Meeting, Fonterra will then seek final Court approval to undertake the return of capital. It is expected that the scheme will occur and payment be made to shareholders within around 15 business days after the later of: (i) receipt of final Court approval; and (ii) completion of the Divestment (although these target timeframes are indicative only at this stage, and are subject to change).

## Board's recommendation

The Fonterra Board unanimously recommends that you vote in favour of the resolution.

Yours sincerely



Peter McBride  
Chairman



## PART ONE

# Notice of Special Meeting of Shareholders of Fonterra Co-operative Group Limited

Notice is given that the Special Meeting of the Shareholders of Fonterra Co-operative Group Limited ("**Fonterra**") will be held at **10.30 a.m. on Thursday, 19 February 2026 virtually** using the instructions set in this Notice of Meeting booklet.

**Peter McBride**

**Chairman, on behalf of the Board**

**Notice of Meeting dated 23 January 2026**

## Business

Welcome/Introduction.

## Approval of Capital Return

### Resolution 1: Approval of Capital Return

To consider and, if thought fit, to resolve as a special resolution:

*"THAT the scheme of arrangement relating to the return of capital to shareholders, as set out in the Arrangement Document incorporated in the Explanatory Notes in the Notice of Meeting, be approved."*

**It is important you read the Explanatory Notes set out in this Notice of Meeting. This will provide you with the detail that you need to enable you to vote on the special resolution set out above.**

## PART TWO

# Explanatory Notes to Notice of Special Meeting

On 4 December 2025, Fonterra provided an update on its intention to undertake a capital return to shareholders of approximately \$3.2 billion, once the proceeds of the divestment of Fonterra's global consumer and associated businesses to Lactalis (the "**Divestment**") have been received. Shareholders approved the Divestment at a special meeting held on 30 October 2025, with 88.47% of the total votes cast in favour of it.

The proposed capital return is subject to fulfilment of the conditions of the capital return (set out on page 9 of this Notice of Meeting), including completion of the Divestment.<sup>1</sup> If any condition is not met, for whatever reason, then no capital return will be made to shareholders in accordance with this Notice of Meeting, even if the Resolution is passed by shareholders.

The Board has determined that this return of capital should be effected by way of a Court-approved arrangement under Part 15 of the Companies Act 1993 ("**Scheme**"). The Board considers the proposed Scheme to be fair to all shareholders as it achieves a return of capital on a pro rata basis and the share subdivision that will occur at the same time ensures that a shareholder's compliance with Fonterra's minimum shareholding requirements, and their voting rights (which require their milk supply to be backed by shares, as explained on page 3 of this Notice of Meeting booklet) are not affected by the share buyback.

On 9 December 2025, Fonterra applied to the High Court of New Zealand for an order directing Fonterra to put the Scheme to shareholders. The Court made initial orders on 15 December 2025 which require (amongst other things) the Scheme to be approved by special resolution of shareholders (that is, a resolution passed by a 75% majority of the votes of all shareholders entitled to vote and voting at the Special Meeting). If the resolution is passed, Fonterra will seek final orders from the High Court sanctioning the return of capital. The final orders that are being sought by Fonterra sanctioning the Scheme are set out in the copy of Fonterra's application to the Court which appears as Appendix A of this Notice of Meeting booklet.

If shareholders do not approve the Scheme, it will not proceed and Fonterra's application to the High Court will be discontinued.

## The Scheme and its Effect

Subject to approval by shareholders, receipt of final orders from the High Court sanctioning the return of capital, and fulfilment of the other conditions of the capital return (set out on page 9 of this Notice of Meeting) the Scheme will result in:

- the repurchase and cancellation of one in every three shares held by each shareholder in Fonterra (together with all rights attaching to those shares). Fractions of a share to be acquired by Fonterra will be rounded up or down to the nearest whole number (with 0.5 rounded up);
- at the same time, one share held by each shareholder which is not repurchased by Fonterra will be subdivided into such number of ordinary shares as were repurchased from that shareholder, plus one; and
- the payment to each shareholder of \$6 for each share repurchased and cancelled ("**Share Cancellation Payment**").

In this way, Fonterra will return to shareholders, on a pro rata basis, approximately \$3.2 billion of capital.

Each shareholder's individual circumstances are different as to their backing of supply of milksolids with shares, as well as their level of compliance with Fonterra's minimum shareholding requirements. To avoid altering this, a share subdivision will occur at the same time so shareholders will, after the share buyback, continue to hold the same number of shares as they held immediately before that share buyback. Shareholders will not pay any sum for the shares they receive as a result of the share subdivision.

By way of example, if a shareholder supplies 100,000 kgMS to Fonterra and holds 33,334 shares, by virtue of the share buyback they would only hold 22,223 shares. They would therefore cease to be in compliance with Fonterra's minimum shareholding requirements (as they would hold less than 1/3 of 100,000 shares). In addition, their votes would drop from 33 to 22. However, due to the share subdivision, which will occur at the same time as the share buyback, the shareholder will continue to hold 33,334 shares after the buyback, so will remain in compliance with the minimum shareholding requirement and will retain their 33 votes.

For completeness, in relation to the Fonterra Shareholders' Fund ("**Fund**"), shares held by Fonterra Farmer Custodian Limited (as Custodian of the Fund) would be subject to the Scheme. Shares would be acquired from the Custodian in the same proportion as for all other Fonterra shareholders. Due to the share subdivision that will happen at the same time, the Custodian will remain after the Scheme holding the same number of shares as there are issued units, as is currently the case. The payment due to the Custodian will be paid directly to unitholders recorded as being unitholders at the Record Date (as that term is defined below).

Subject to the approval of shareholders, the final orders from the High Court sanctioning the Scheme are expected to be made in mid-March 2026.

The share register is currently expected to close at 5:00pm (New Zealand time) on the date that is five business days after the later of: (a) the date on which the final orders from the High Court sanctioning the Scheme are made; and (b) the date on which the Divestment is completed ("**Record Date**"). This will be for the purpose of determining the shareholders who will participate in the Scheme, the number of shares to be acquired from each such shareholder and consequently the number of shares arising from the share subdivision, as well as the amount to be paid to that shareholder for the shares repurchased by Fonterra. The share repurchase and subdivision will occur on the business day following the Record Date.

Payment to shareholders (and unitholders) will be made in the same manner and into the same account as distributions have previously been made, with a target of one business day after the implementation of the Scheme (and, in any event, within five business days of the Record Date). Each shareholder will also be issued with a new shareholding statement showing the share repurchase and share subdivision, resulting in the same number of shares being held by the shareholder following

<sup>1</sup> Details of the Divestment, including the conditions to completion of that transaction, as set out in the Notice of Special Meeting in relation to the proposed sale of Mainland Group Holdings Limited dated 28 September 2025.

implementation of the Scheme as were held immediately prior to implementation of the Scheme. Both the payment to shareholders and the provision of a new shareholding statement will be undertaken by Fonterra's share registrar.

## Timetable and Key Steps

The timetable of the key steps necessary for the proposed Scheme is set out in the table below.

Activity	Date
Special meeting of shareholders	10.30am on 19 February 2026
Final orders made by High Court*	Mid-March 2026
Completion of the Divestment*	Target date is the first half of 2026
Record Date*	The date that is five business days after the later of (a) the date on which the final High Court orders are made; and (b) the date on which the Divestment is completed
Implementation Date*	One business day after the Record Date
Payment to shareholders*	Target is one business day after the Implementation Date (and, in any event, within five business days of the Record Date)

\* The dates above are indicative only. Completion of the Divestment is expected to occur at the end of a month, following satisfaction or waiver of the positive conditions under the sale and purchase agreement. It is therefore not known at this time exactly when completion will occur.

## Taxation

The following is provided as general guidance as to the tax effect of the capital return in New Zealand. Shareholders should obtain independent taxation advice on the effect of the Scheme based on their individual circumstances.

Fonterra has obtained a binding tax ruling from Inland Revenue that the amount paid to shareholders will be treated as a return of capital and not as a dividend for New Zealand income tax purposes.

This means the payment will generally not be taxable for shareholders unless made in relation to shares which were acquired for the purpose of resale (which will not include shares that a shareholder holds to comply with Fonterra's minimum shareholding requirements).

The binding tax ruling was made subject to the conditions that (a) the amount paid to shareholders on the cancellation of shares will be less than or equal to the "available subscribed capital per share" calculated under the ordering rule in s CD 23 of the Income Tax Act 2007, and (b) the cancellation will be a "fifteen percent capital reduction" as defined in s CD 22(9). Fonterra confirms that it is of the opinion both of these conditions will be met.

## Rationale for the Return of Capital

On 22 August 2025, Fonterra entered into a conditional sale agreement for the Divestment. One of the conditions to the sale was the approval of the Divestment by Fonterra shareholders by ordinary resolution. This approval was obtained at a special meeting held on 30 October 2025.

The other material conditions to be satisfied or waived before completion of the Divestment can occur are:

- Lactalis receiving all consents required under the New Zealand Overseas Investment Act (commonly referred to as Overseas Investment Office (OIO) approval);
- the requirements of the Australian Foreign Acquisitions and Takeovers Act being satisfied (commonly referred to as Foreign Investment Review Board (FIRB) approval);
- satisfaction of the requirements of the merger approval (antitrust/competition law) authorities in each of COMESA (the Common Market for Eastern and Southern Africa), French Polynesia, Kuwait, Vietnam, the Kingdom of Saudi Arabia and New Caledonia;
- separation of the consumer and associated businesses from Fonterra; and
- no material adverse change having occurred in respect of the consumer and associated businesses prior to completion.

The condition in paragraph (a) has been satisfied. Work on the conditions in paragraphs (b) to (d) above is well underway and, subject to these steps being completed, Fonterra is targeting a completion date of the first half of 2026. Fonterra will make an announcement through NZX when these conditions are satisfied.

Fonterra has been through an extensive exercise to determine the best use of the cash proceeds once they are received following completion of the Divestment. Some of the cash proceeds will be used to retire debt or applied as working capital. After taking into account Fonterra's debt and earnings outlook, the Board has determined that approximately \$3.2 billion should be returned to shareholders by a pro rata return of capital effected by way of a Court approved scheme of arrangement under Part 15 of the Companies Act 1993, subject to fulfilment of the conditions of the capital return (set out on page 9 of this Notice of Meeting).

In determining the amount of capital to be returned to shareholders, Fonterra considered a number of factors, including:

- forecast cashflows, including expected capital expenditure;
- Fonterra's ability to meet all of its liabilities and maintain its credit rating;
- the level of sustainable earnings following the disposals;
- potential risks, including cyclically adverse price relativities and tax exposures; and
- the solvency position of the Fonterra Group.

In reviewing the options for the return of capital, Fonterra's objectives included:

- certainty that the return of capital would proceed (with a low level of execution risk);
- ensuring that the payment made to shareholders is appropriately treated as a return of capital for New Zealand tax purposes (see further information under the heading "**Taxation**");
- ensuring the return of capital will be made in a timely manner, so that shareholders receive cash as soon as possible after Fonterra receives the funds from the Divestment; and



- (d) adopting a method that ensured all shareholders are treated on the same basis and that the return of capital does not alter any shareholder's compliance with Fonterra's minimum shareholding requirements, or their level of voting rights.

The Board considers that the above objectives are met and that the return of capital is in the best interests of shareholders.

Following the proposed return of capital return to shareholders, Fonterra's balance sheet metrics are forecast to stay aligned within (or below) its targets, being debt to EBITDA of less than 3.0x and gearing of 30-40%.

Directors of Fonterra and associated persons of Directors who legally and/or beneficially own shares in Fonterra will participate in the return of capital in exactly the same way as all other ordinary shareholders of Fonterra. Directors and/or their associated persons are entitled to vote on the Resolution to approve the return of capital.

### Conditions of the Return of Capital

The capital return by way of payment to shareholders is conditional on:

- (a) the approval of the capital return by shareholders by way of special resolution;
- (b) completion of the Divestment;
- (c) the granting by the High Court of final orders approving and giving effect to the capital return; and
- (d) the Board remaining satisfied that Fonterra will, immediately after the capital return, satisfy the solvency test prescribed by the Companies Act 1993.

If any of these conditions are not met, the capital return will not proceed.

### Reservations Over Shares

As at 11 January 2026, eight banks had "reservations" registered with Fonterra's share registrar (Computershare Investor Services Limited ("**Computershare**")) in respect of a large number of shareholdings.

A registered reservation has the effect of directing Computershare to not allow a transfer of the shares subject to the reservation until authorised to do so by the relevant bank.

As the Scheme will involve a repurchase of shares (being a transfer of shares to Fonterra), Fonterra has obtained an authorisation from each of the eight banks that currently hold reservations to permit each share transfer necessary to give effect to the Scheme. Each such authorisation has been granted on the basis that, immediately following the share buyback and subdivision described above, each reservation will be reinstated against the same number of shares as it applied to immediately prior to the share buyback (so that the relevant bank and shareholder are reinstated to their original positions).

If an additional bank or financier (i.e., one that is not one of the existing eight banks) seeks to register a new reservation, Fonterra will engage directly with that bank or financier to implement a similar arrangement to that described above.

Accordingly, shareholders will not need to engage with their banks to remove a reservation for the purposes of the Scheme. Shareholders who have any questions about any other implications that the Scheme may have in relation to their own financing arrangements should speak directly with their bank.

Unitholders in the Fund are not affected by the above as the Scheme does not involve a repurchase of units.

### Costs of the Scheme

Fonterra estimates that the implementation costs associated with the Scheme (excluding the amount which will be returned to shareholders) will be \$670,000 (plus GST). (These costs include external legal fees, anticipated share registry costs, regulators' fees, preparation and postage of the Notice of Meeting Booklet materials and convening the Special Meeting of Shareholders). The total Share Cancellation Payment will be determined at the time of implementation of the Scheme. As at 11 January 2026, Fonterra had 1,609,190,555 shares on issue. At \$6 for one in every three shares, the total capital return would be \$3,218,281,112.

### Further Information

Shareholders who have any questions about the effect of the Scheme on their investment should consult their financial advisers.

Copies of the Court documents filed in relation to the Scheme and the initial court orders are available on the following website <https://www.fonterra.com/nz/en/investors/investor-information.html>.

### Board Recommendation

The Board unanimously recommends that shareholders vote in favour of the Resolution.

# Arrangement Document

## Scheme of Arrangement pursuant to Part 15 of the Companies Act 1993

**BETWEEN:** Fonterra Co-operative Group Limited and the holders of shares in Fonterra Co-operative Group Limited at 5:00pm (New Zealand time) on the Record Date.

### 1. INTERPRETATION

1.1 In this document, unless the context otherwise requires:

**“Arrangement”** means the arrangement described in this document.

**“Business Day”** means a day on which the New Zealand Stock Exchange operated by NZX Limited is open for trading.

**“Completion Date”** means date on which completion of the Sale Transaction occurs.

**“Conditions”** means the conditions to the Arrangement set out in paragraph 4.

**“Custodian”** means the person acting as the custodian of the Fonterra Shareholders’ Fund established by deed dated 23 October 2012, being Fonterra Farmer Custodian Limited.

**“Fonterra”** means Fonterra Co-operative Group Limited.

**“Implementation Date”** means the Business Day after the Record Date.

**“Record Date”** means the date that is five Business Days after the later of:

- (a) the date on which the final order from the High Court of New Zealand is made pursuant to section 236(1) of the Companies Act 1993 sanctioning the Arrangement; and
- (b) the Completion Date.

**“Sale Transaction”** means the sale of all the shares in Mainland Group Holdings Limited pursuant to the sale and purchase agreement with B.S.A. SAS (Lactalis) dated 22 August 2025.

**“Share”** means a co-operative share in Fonterra.

**“Shareholder”** means each person who is registered in the share register of Fonterra as the holder of a Share at 5:00pm (New Zealand time) on the Record Date.

### 2. DIVIDEND

2.1 Subject to completion of the Sale Transaction, Fonterra will receive a dividend payment from Fonterra Equities Limited.

### 3. ARRANGEMENT

3.1 Subject to prior satisfaction of the Conditions, on the Implementation Date the following steps will occur contemporaneously:

- (a) one (1) Share for every three (3) Shares registered in the name of each Shareholder at 5:00pm (New Zealand time) on the Record Date shall be acquired by Fonterra and cancelled (together with all the rights attaching to those Shares). For this purpose, fractions of a Share to be acquired by Fonterra shall be rounded up or down to the nearest whole Share (with 0.5 rounded up); and
- (b) one (1) Share that each Shareholder is registered in the share register of Fonterra as the holder of (and which is not to be acquired by Fonterra pursuant to sub-paragraph (a) above) shall be subdivided into such number of Shares so that immediately after the acquisition by Fonterra pursuant to sub-paragraph (a) above and such subdivision, each Shareholder is registered in the share register of Fonterra as the holder of the same number of Shares as that Shareholder held immediately prior to the acquisition by Fonterra pursuant to sub-paragraph (a) above and the subdivision.

3.2 Within five Business Days after the Record Date, Fonterra shall pay to each Shareholder (or in respect of the Custodian, as the Custodian may direct Fonterra) \$6.00 for each Share which has been acquired by Fonterra from that Shareholder in accordance with the step in paragraph 3.1(a).

### 4. CONDITIONS

4.1 Completion of the Arrangement is conditional on:

- (a) completion of the Sale Transaction and receipt by Fonterra of the dividend referred to at paragraph 2.1; and
- (b) the Board remaining satisfied that the Fonterra will, immediately after implementation of the Arrangement, continue to satisfy the solvency test prescribed by section 4 of the Companies Act as modified by section 52(4) of the Companies Act 1993.

# Appendix A

## Final Court Orders Application

IN THE HIGH COURT OF NEW ZEALAND  
AUCKLAND REGISTRY  
I TE KŌTI MATUA O AOTEAROA  
TĀMAKI MAKĀURAU ROHE

CIV-2025-404-

UNDER  
IN THE MATTER

Part 15 of the Companies Act 1993  
of an application for orders approving a scheme of arrangement  
under Part 15 of the Companies Act 1993  
**FONTERRA CO-OPERATIVE GROUP LIMITED**, a duly  
incorporated company having its registered office at 109 Fanshawe  
Street, Auckland Central, Auckland 1010, New Zealand and carrying  
on business as a dairy co-operative  
**Applicant**

ORIGINATING APPLICATION FOR ORDERS APPROVING A SCHEME OF  
ARRANGEMENT UNDER PART 15 OF THE COMPANIES ACT 1993  
9 DECEMBER 2025



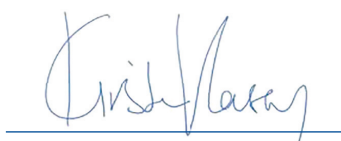
**TO:** The Registrar of the High Court at Auckland

**AND TO:** Any person that the High Court directs to be served

**THIS DOCUMENT NOTIFIES YOU THAT:**

1. The applicant, Fonterra Co-operative Group Limited ("**Fonterra**"), applies to the Court for the following orders:
  - (a) the scheme of arrangement described in the Arrangement Document (which is located at Schedule 1 of this application) ("**Scheme**") is approved;
  - (b) the Scheme is binding with immediate effect upon:
    - (i) Fonterra;
    - (ii) every person who is a Shareholder (as defined in the Arrangement Document) as at 5:00 pm (New Zealand Time) on the Record Date (also defined in the Arrangement Document); and
    - (iii) such other persons as necessary to give effect to the Scheme; and
  - (c) Fonterra is granted leave to apply to the Court for approval of any amendment, modification, or supplement to the Scheme.
2. The grounds on which each of the above orders are sought are:
  - (a) section 236(f) of the Companies Act 1993 ("**Act**") provides jurisdiction for the Court to make orders that the Scheme is binding on Fonterra and such other persons as the Court may specify and upon such terms and conditions as the Court thinks fit;
  - (b) by the date on which this application is determined, Fonterra will have:
    - (i) complied with the initial orders made by this Court under section 236(2) of the Act; and
    - (ii) complied with Part 15 of the Act;
  - (c) the Scheme is such that an intelligent and honest person of business acting in respect of his or her own interest would reasonably approve it;
  - (d) the terms and conditions of the Scheme are otherwise fair and equitable to the shareholders of Fonterra;
  - (e) the Scheme will not adversely impact Fonterra's creditors;
  - (f) as set out in the affidavits and the memorandum of counsel filed in support of this application and the without notice interlocutory application for initial orders, filed herewith; and
  - (g) as set out in any updating affidavits to be filed following implementation of the initial orders and prior to the determination of this application.
3. This application is made in reliance on:
  - (a) Part 15 of the Act;
  - (b) Part 19 of the High Court Rules 2016;
  - (c) *Re CM Banks Ltd* [1944] NZLR 248 (SC), *Weatherston v Waltus Property Investments Ltd* [2001] 2 NZLR 103 (CA), *Re Auckland International Airport Ltd* [2014] NZHC 405, *Re Kirkcaldie & Stains Ltd* [2016] NZHC 112, *Re Tenon Ltd* [2016] NZHC 2947, *Re Tenon Ltd* [2017] NZHC 674, *Re New Zealand Oil & Gas Ltd* [2017], *Re PGG Wrightson Ltd* [2019] NZHC 1780, *Re Tilt Renewables Ltd* [2022] NZHC 1398, *Re Tower Ltd* [2022] NZHC 328, *Re Fonterra Co-Operative Group Ltd* [2023] NZHC 2118; *Re Tower Ltd* [2025] NZHC 455;
  - (d) the memorandum of counsel filed in support of this application and the without notice interlocutory application for initial orders;
  - (e) the evidence filed in support of this application as set out in:
    - (i) the affidavit of Andrew Brian Murray, affirmed 3 December 2025; and
    - (ii) the affidavit of Bruce Ronald Hassall, affirmed 3 December 2025;
  - (f) any further affidavit(s) filed by Fonterra prior to the determination of this application; and
  - (g) any further memoranda of counsel filed prior to the determination of this application.

Dated: 9 December 2025



K M Massey | H M Bain  
Counsel for the Applicant

This document is filed by **Kirsten Margaret Massey**, solicitor for the Applicant, of Russell McVeagh. The address for service of the Applicant is Level 30, Vero Centre, 48 Shortland Street, Auckland 1010.

Documents for service on the Applicant may be left at that address or may be emailed to [kirsten.massey@russellmcveagh.com](mailto:kirsten.massey@russellmcveagh.com) or [hannah.bain@russellmcveagh.com](mailto:hannah.bain@russellmcveagh.com).

## Schedule 1 – Arrangement Document

### Scheme of Arrangement pursuant to Part 15 of the Companies Act 1993

**BETWEEN:** Fonterra Co-operative Group Limited and the holders of shares in Fonterra Co-operative Group Limited at 5:00pm (New Zealand time) on the Record Date.

#### 1. INTERPRETATION

- 1.1 In this document, unless the context otherwise requires: “Arrangement” means the arrangement described in this document.
- “**Business Day**” means a day on which the New Zealand Stock Exchange operated by NZX Limited is open for trading.
- “**Completion Date**” means date on which completion of the Sale Transaction occurs.
- “**Conditions**” means the conditions to the Arrangement set out in paragraph 4.
- “**Custodian**” means the person acting as the custodian of the Fonterra Shareholders’ Fund established by deed dated 23 October 2012, being Fonterra Farmer Custodian Limited.
- “**Fonterra**” means Fonterra Co-operative Group Limited.
- “**Implementation Date**” means the Business Day after the Record Date.
- “**Record Date**” means the date that is five Business Days after the later of:
- the date on which the final order from the High Court of New Zealand is made pursuant to section 236(1) of the Companies Act 1993 sanctioning the Arrangement; and
  - the Completion Date. “Sale Transaction” means the sale of all the shares in Mainland Group Holdings Limited pursuant to the sale and purchase agreement with B.S.A. SAS (Lactalis) dated 22 August 2025.
- “**Share**” means a co-operative share in Fonterra.
- “**Shareholder**” means each person who is registered in the share register of Fonterra as the holder of a Share at 5:00pm (New Zealand time) on the Record Date.

#### 2. DIVIDEND

- 2.1 Subject to completion of the Sale Transaction, Fonterra will receive a dividend payment from Fonterra Equities Limited.

#### 3. ARRANGEMENT

- 3.1 Subject to prior satisfaction of the Conditions, on the Implementation Date the following steps will occur contemporaneously:
- one (1) Share for every three (3) Shares registered in the name of each Shareholder at 5:00pm (New Zealand time) on the Record Date shall be acquired by Fonterra and cancelled (together with all the rights attaching to those Shares). For this purpose, fractions of a Share to be acquired by Fonterra shall be rounded up or down to the nearest whole Share (with 0.5 rounded up); and
  - one (1) Share that each Shareholder is registered in the share register of Fonterra as the holder of (and which is not to be acquired by Fonterra pursuant to sub-paragraph (a) above) shall be subdivided into such number of Shares so that immediately after the acquisition by Fonterra pursuant to sub-paragraph (a) above and such subdivision, each Shareholder is registered in the share register of Fonterra as the holder of the same number of Shares as that Shareholder held immediately prior to the acquisition by Fonterra pursuant to sub-paragraph (a) above and the subdivision.
- 3.2 Within five Business Days after the Record Date, Fonterra shall pay to each Shareholder (or in respect of the Custodian, as the Custodian may direct Fonterra) \$6.00 for each Share which has been acquired by Fonterra from that Shareholder in accordance with the step in paragraph 3.1(a).

#### 4. CONDITIONS

- 4.1 Completion of the Arrangement is conditional on:
- completion of the Sale Transaction and receipt by Fonterra of the dividend referred to at paragraph 2.1; and
  - the Board remaining satisfied that the Fonterra will, immediately after implementation of the Arrangement, continue to satisfy the solvency test prescribed by section 4 of the Companies Act as modified by section 52(4) of the Companies Act 1993.









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