

## **Chairman's email – Notice of Meeting for Special Meeting 2026**

**Subject:** Notice of Meeting and voting info for February Special Meeting

Kia ora [name],

Today I can share further details with you on the upcoming shareholder vote related to the return of capital that's expected from the sale of our global consumer and associated businesses, Mainland Group, to Lactalis.

We are targeting a tax-free capital return of \$2.00 per share to shareholders and unit holders, equivalent to around \$3.2 billion, once the sale is complete.

A Special Meeting will be held virtually **at 10:30am on Thursday 19 February**, at which shareholders will be asked to vote to approve the scheme of arrangement related to the proposed capital return. This is similar to the vote we held in 2023 related to the return of capital from the sale of Soprole.

The Notice of Meeting for the Special Meeting is now available online [[here](#)], and shareholders should receive a physical copy soon.

For those entitled to vote who have also opted to receive electronic communications, look out for an email from [iro@electionz.com](mailto:iro@electionz.com) with your unique Pin and Passcode on Tuesday 27 January when advance voting opens.

Further details on how to vote before or during the meeting are available on pages 3-4 of the Notice of Meeting, and we are keeping [[this Farm Source web page](#)] updated with everything you need to know about the capital return vote.

### **Update on process to complete divestment**

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

Fonterra can confirm that Lactalis has received approval from Australia's Foreign Investment Review Board (FIRB) for the acquisition.

The separation activity is also progressing well and, provided the remaining regulatory approvals are received within the expected timeframes, the Co-op now expects the transaction to be complete in the first quarter of the 2026 calendar year.

Holding the shareholder vote on the capital return in February will enable us to return capital to shareholders and unit holders as soon as possible after the transaction is complete.

### **An overview of how the capital return will work**

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.

The mechanics of how this will work are complex, including a share buyback and then cancellation and subdivision of shares so that you hold the same number of shares after the capital return as you did beforehand.

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.

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. Page 8 of the Notice of the Meeting includes a section on taxation with further details.

### **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 seek final Court approval to undertake the capital return subject to divestment completion.

The record date for being eligible for the capital return will be within the five business days prior to the payment being made to shareholders and unitholders.

The voting process is being overseen independently by electionz.com. 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.

Regards,  
Peter.