

15 MARCH 2021

CHAIRMAN'S EMAIL: CAPITAL STRUCTURE SURVEY RESULTS

Dear [name]

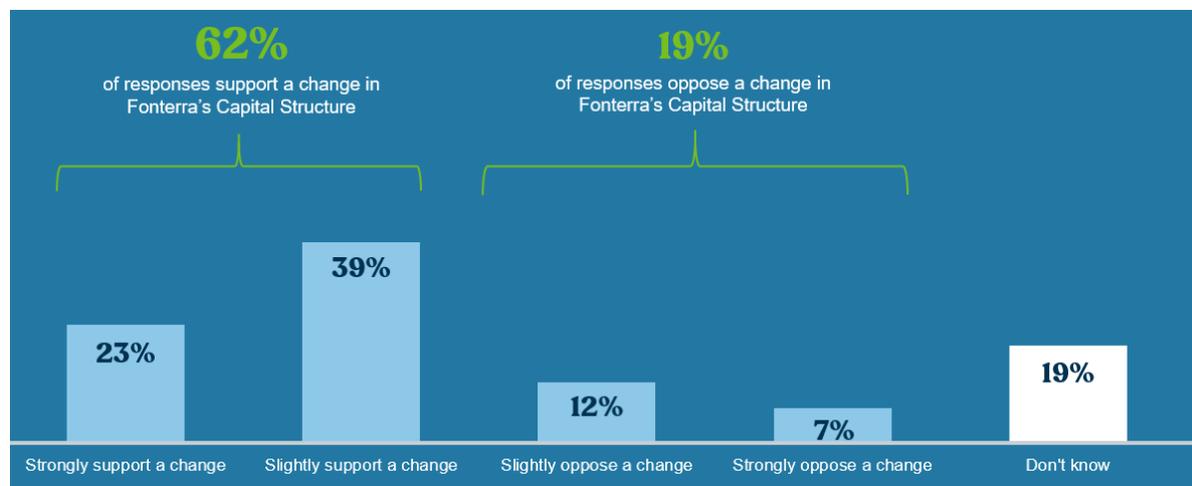
In late January we invited you to take part in a capital structure survey to gauge farmer sentiment and better understand what's important to you. I'm pleased to now share the high-level results with you.

I'd like to thank the 1,800 of you who shared your views with us. This feedback is being carefully considered as we continue to develop and prioritise our potential options.

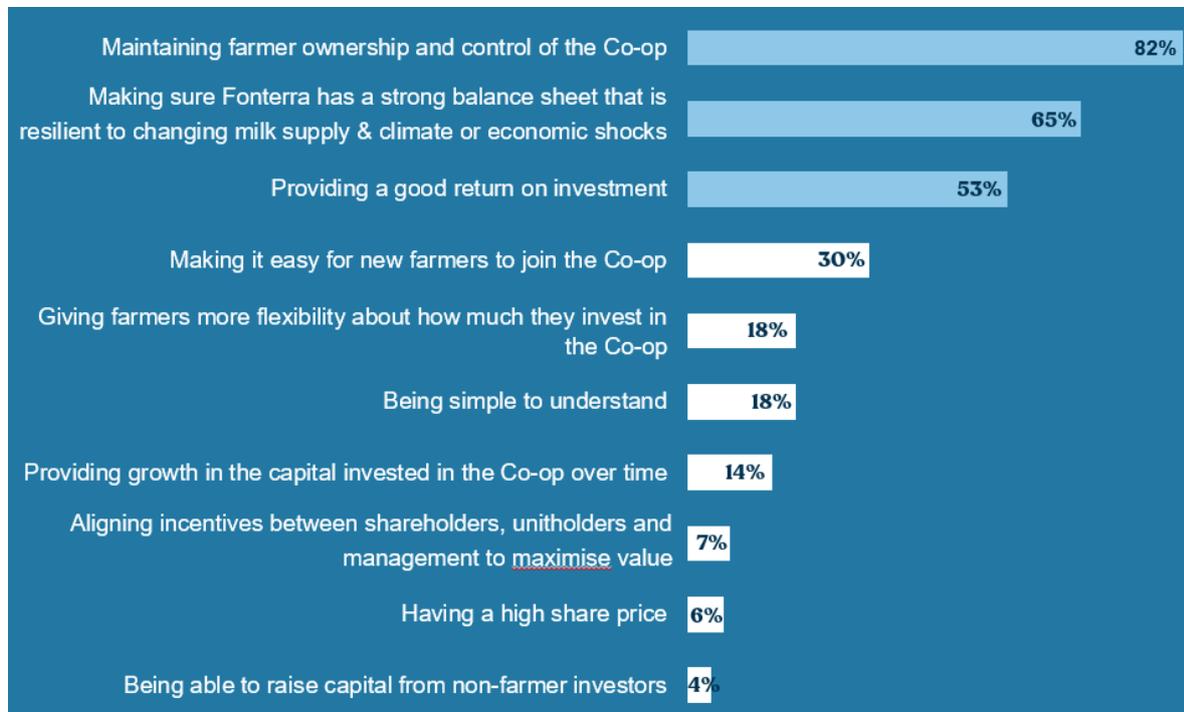
Just to recap, there are three core objectives behind the review:

1. Ensuring we have a financially sustainable Co-op for generations to come
2. Maintaining farmer ownership and control to maximise the sustainable milk price over time
3. Ensuring a sustainable milk supply to support an efficient Co-op of scale

The survey results confirm that there is a strong appetite for change, with 62% of respondents either strongly or slightly supporting a change. A common theme among the nearly 20% of respondents who were undecided was that they'd like to learn more about what the potential options are. We will be laying those options out clearly when we get to that stage.



The results also gave us an insight into what you consider are the main priorities when it comes to capital structure. We asked you to select up to three areas most important to you, and you can see below the percentage of respondents who put the following factors in their top three.



Those areas in light blue are the standouts, but we also heard that our capital structure should make it easy for new farmers to join the Co-op and for existing farmers to have more flexibility.

Another theme to come through was the desire for our Co-op to think long term. This was the kind of typical view expressed: *“Take a long-term approach to decisions, we want to be a strong company for the next 100 years.”*

Then there were a range of views on other matters such as flexibility, access to capital, share price, the performance of the Co-op, reasons for supplying Fonterra and reasons for holding dry shares.

We are continuing to progress the review and your feedback is helping shape the options we are considering. We intend to be in a position to consult with you in the next couple of months and if we decide to go ahead with a change, we would likely aim for a farmer vote around the time of the Annual Meeting in November.

We look forward to discussing these results with you further during our farmer roadshow next week.

Peter.