

**FONTERRA CO-OPERATIVE GROUP LIMITED (NS)**

(the "**Company**")

**Directors' Certificate**

*(Condition of NZX Regulation Limited's waiver from NZX Listing Rule 5.1.1(b))*

**BACKGROUND**

- A. The Company intends to transition to the NZX Main Board.
- B. In a decision of NZX Regulation Limited ("**NZ RegCo**") dated on or around the date of this certificate (the "**Decision**"), NZ RegCo granted the Company a waiver (the "**Waiver**") from Rule 5.1.1(b) of the NZX Listing Rules (the "**Rules**") to the extent required to allow the Company to enter into and perform its Primary Business Undertakings, these being:
  - i. any transaction or series of linked or related transactions entered into by the Company relating to the purchase and payment by the Company for Milk; or
  - ii. any transaction or series of linked or related transactions entered into by the Company with a customer for the supply by the Company of dairy products derived from, or manufactured using, Milk supplied to the Company.
- C. The Waiver was given on the condition that the directors of the Company (the "**Directors**") give this certificate.
- D. Capitalised terms not defined in this certificate shall have the meanings given to them in the Decision.

**CERTIFICATION**

We, being all of the Directors, certify that in our opinion:

- 1. the relief sought under the Waiver is, and the transactions comprising the Primary Business Undertakings are, in the best interest of each of:
  - (a) the Company; and
  - (b) the Company's shareholders ("**Shareholders**") as a whole; and
- 2. the transactions comprising the Primary Business Undertakings will:
  - (a) not significantly change the nature of the Company's business; and
  - (b) be in the ordinary course of the Company's business.

**GROUNDS FOR THE CERTIFICATION**

A summary of the core grounds for the certification given by the Directors above are as follows:

- 1. The Company was established as a co-operative and its core purpose and principal activities (as set out in its constitution) include collecting and processing the milk supplied to it by its Shareholders and selling the resulting products, so as to maximise the wealth of its Shareholders.
- 2. Shareholders are well aware of the Company's core purpose and principal activities and have invested in the Company on that basis.

3. The Waiver allows the Company to undertake its principal business activities and to achieve the core purpose for which it was set up, without the necessity of each transaction or related series of transactions which trigger the bright line test under Rule 5.1.1(b) of the Rules being approved by Shareholders prior to entry or being conditional upon such Shareholder approval.
4. There are certain types of transactions that the Company undertakes (due to it being a co-operative), which are fundamental to its business, that may cause the Company to more readily meet the 'bright line' test under Rule 5.1.1(b) of the Rules, including (but not limited to):
  - a) large milk payments and other incentives made to its supplying shareholders; and
  - b) long term supply contracts or master supply agreements with its customers, where all supplies contemplated under a long term supply contract or master supply agreement are treated as a "related series of transactions" with that customer.
5. Without the Waiver, the Company's business operations would be seriously disrupted by requiring prior Shareholder approval and may result in disclosure of confidential and commercially sensitive information. This is ultimately to the detriment of the Company and its Shareholders as a whole.

**DATED:** 20 December 2024

**SIGNED:**



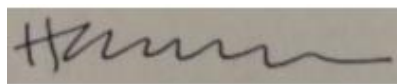
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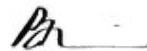
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Holly Suzanna KRAMER




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Alison Jane WATTERS