

This Policy applies to all Synlait Milk Limited (“Synlait”) sites.

## Scope

This Policy applies to all employees, officers, directors, contractors and consultants engaged by Synlait from time to time, together referred to as “staff” in this Policy.

## Purpose

- Synlait recognises that related party transactions and major transactions typically require shareholder approval under the NZX Main Board Listing Rules (“Listing Rules”) and section 129 of the Companies Act 1993 (the “Act”).

This Policy has been put in place to set out the process for entering into major and related party transactions and should be read in conjunction with Synlait’s Delegated Authorities Policy and the Continuous Disclosure Policy.

## Related Party Transactions

### Shareholder Approval Required

Synlait has an obligation under the Listing Rules to not enter into a Material Transaction where a related party is a direct party or beneficiary, unless the transaction has received, or is conditional upon, shareholder approval.

### What is a “Material” Transaction?

A “Material Transaction” broadly includes any transaction, or series of related transactions, where Synlait:

- buys, sells or issues shares, or borrows, guarantees or gives security where the underlying asset or liability exceeds 10% of Synlait’s average market capitalisation (“AMC”);
- provides or obtains any services where the gross cost to Synlait in any financial year is likely to exceed 1% of AMC; or
- undertakes an amalgamation (except with a wholly owned subsidiary).

The “AMC” is broadly the weighted average price of Synlait’s shares taken during a 5 – 20-day trading period prior to the Material Transaction, multiplied by the number of Synlait’s voting shares.

### Who are Related Parties?

The following persons are defined as a “Related Party” under the Listing Rules:

- Synlait’s directors and senior management;
- Persons with an interest (legal or beneficial) in 10% or more of Synlait’s shares;
- Persons “associated” with Synlait, or with the persons referred to above; and
- Persons in respect of whom there are current arrangements intended to result in that person becoming a Synlait Related Party in future.

Associated persons broadly include directors, senior managers, majority shareholders, joint venture partners and people exercising a substantial degree of influence over the relevant business.

Any person who has been a Related Party at any time within the 6 months before a Material Transaction will be deemed to be a Related Party, even if the person has ceased to meet the requirements at the time of the transaction.

## Approval Process

Any transaction which may constitute a Related Party transaction must be promptly communicated to the Legal Team for review.

All proposed Related Party transactions (including transactions with Bright Dairy) must be approved by Synlait's shareholders, or a valid waiver from the NZX, before being committed to. The Synlait Legal Team will be responsible for working with the NZX regarding any waiver applications

These processes also apply to any proposed variation to an existing Material Transaction between Synlait and a Related Party.

## Major Transactions

### Shareholder Approval Required

Synlait has an obligation under the Listing Rules and the Act not to enter into a major transaction unless the transaction has received, or is conditional upon, shareholder approval.

### What is a “Major” Transaction?

A transaction, or series of related transactions, will be a “Major Transaction” if it meets the definitions contained within the Listing Rules (5.1.1) or the Act (section 129).

## Approval Process

Any transaction which may constitute a Major Transaction must be communicated to the Legal Team for review.

All proposed Major Transactions must be approved by Synlait's shareholders before being committed to. The NZX may grant a waiver in some circumstances. The Synlait Legal Team will be responsible for working with the NZX on any waiver applications.

## Financial Statement Disclosures

Synlait is required to disclose transactions with related parties in its Financial Statements.

## Compliance

Breaches of this Policy may lead to disciplinary action being taken against relevant staff. In serious cases this action may include dismissal.

## Review Frequency

This Policy will be reviewed regularly by the Board to ensure that Synlait's obligations in relation to Related Party and Major Transactions are being satisfied in accordance with the Listing Rules and the Act.

For this policy to be successful, the active participation and support of all our staff is essential.



**Grant Watson**  
**Chief Executive Officer**  
**Synlait Milk Limited**



**Deborah Marris**  
**Director – Legal, Risk and Governance**  
**Synlait Milk Limited**

## 1. Document Information

### 1.1 Reference Documents

- N/A

### 1.2 Revision History

Section Number	Date	Revision	Description of what has changed
Whole document	7/07/2020	3	Change of template
Whole document	30/07/2020	4	Update of template
Whole document	14/06/2022	5	Renamed document (previously 01681 – Major and Related Party Transactions), change of CEO.