

This Policy applies to all Synlait Milk Limited (Synlait) sites, to Synlait's Directors, and to all employees involved in the takeover response process.

Purpose

The Policy sets out the procedures to be followed if there is a takeover offer for Synlait to ensure that Synlait is well prepared and able to respond to any offer in a professional, timely and co-ordinated manner in the best interests of Synlait and its shareholders.

Communication

Upon receiving a takeover offer, or becoming aware of an imminent takeover offer, Synlait's Directors will consider their continuous disclosure obligations as per the NZX Listing Rules, in order to establish whether an announcement to the market is required.

Establishment of an Independent Takeover Committee

Upon receiving a takeover offer, an independent takeover committee (**Takeover Committee**) may be established by the Board to manage the takeover process. The composition of the Takeover Committee will include Independent Directors of Synlait.

An independent advisor will be appointed by the Board to prepare a thorough report on the merits of the takeover offer.

The Takeover Committee will consider any requests for due diligence to be undertaken and make a recommendation to the Board based on the best interests of Synlait and its shareholders. As due diligence includes the release of confidential information to a third party, Synlait may refuse due diligence, especially if the offeror is a direct competitor of Synlait.

Notice of Intention and Takeover Offer

Once a valid notice of intent regarding a takeover offer (**Takeover Notice**) has been received, Synlait will notify the NZX and provide the NZX with a copy of the Takeover Notice. The process of appointing an independent advisor will then take place.

The independent advisor will prepare a report on the merits of the takeover offer. The Independent Directors must ensure that the independent advisor is provided with the right level of information in order to complete a thorough report and that the report is comprehensive in detail and is accurate.

The report will be sent to shareholders, together with Synlait's Target Statement. This will assist shareholders in their decision as to whether to accept or reject the takeover offer by having an expert opinion from an independent source.

The Independent Directors will advise shareholders as soon as reasonably possible, that before they respond to any takeover offer, they should wait until they are in receipt of Synlait's Target Statement and the independent advisor's report.

Within two working days of receiving the Takeover Notice, Synlait will send the offeror of the takeover a class notice (as defined in the Takeover Code) disclosing details of its equity securities.

Synlait will also within two working days after the record date (as defined in the Takeover Code) send the offeror a copy of its financial products registers as at the record date.

Synlait's Target Statement

The Independent Directors will approve the contents of Synlait's Target Statement and Synlait will ensure it is provided within the required time period. Synlait's Target Statement will include:

- the number of shares held by all Directors and senior officers of Synlait;

- recent trading by these people;
- which of these people intend to accept the takeover offer;
- any relationships between the offeror and Synlait;
- any information that Synlait holds which may correct any misleading or incorrect information in the takeover offer;
- any material changes in Synlait's financial or trading position or prospects since its last annual report;
- any material changes planned by Synlait in reply to the takeover offer; and
- any other information that could reasonably be expected to be material to a decision by shareholders whether to accept the takeover offer or not.

Additional Obligations

Each time Synlait makes an announcement or sends shareholders any information about the takeover offer, it will provide a copy of this communication to both the Takeovers Panel and the NZX.

Synlait and the Directors will comply with all legal and regulatory obligations, including the NZX Listing Rules, the Companies Act 1993, the Financial Markets Conduct Act 2013 and the Takeovers Code.

Synlait and each Director of Synlait will maintain a record of all expenses incurred in response to a takeover offer, to enable Synlait to seek recovery from the offeror.

Policy Compliance

As per the Compliance Programme Internal Policy Owners and Delegates are required to proactively attest and report to complianceupdates@synlait.com when they become aware of any partial or non-compliance to this policy or any legislation that is linked to this internal policy.

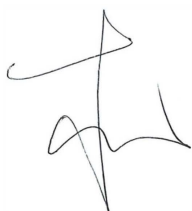
Policy Control

As per the Compliance Programme, this document will be formally reviewed every three years or more frequently if operational or legislation changes require.

The Delegated Author for this document is the Head of Legal and Governance who is responsible for monitoring and managing areas of compliance, ensuring key subject matter experts and collaborators have been consulted during the review and coordinating the update to this document. Any proposed changes to this document must be provided through to the Delegate Author for consideration.

This document is owned by the Chief Commercial Officer who is responsible for endorsement of any proposed changes and for ensuring that mechanisms are in place to ensure the policy is adhered to.

Responsibility for the final approval of the refreshed document (or roll-over of the document in its current form) is by the Audit and Risk Committee.



Julia Zhu
Chair Audit and Risk Committee
Synlait Milk Limited



Rob Stowell
Chief Commercial Officer
Synlait Milk Limited