

Disclosure of beginning to have substantial holding

Section 276, Financial Markets Conduct Act 2013

To NZX Limited
and
To Synlait Milk Limited

Date this disclosure made: 2 March 2017

Date on which substantial holding began: 2 March 2017

Substantial product holder(s) giving disclosure

Full name(s): The a2 Milk Company Limited, The a2 Milk Company (New Zealand) Limited

Summary of substantial holding

Class of quoted voting products: Ordinary shares

Summary for The a2 Milk Company Limited, The a2 Milk Company (New Zealand) Limited

For this disclosure,—

- (a) total number held in class: 14,634,119
- (b) total in class: 179,149,619
- (c) total percentage held in class: 8.169%

Details of relevant interests

Details for The a2 Milk Company Limited, The a2 Milk Company (New Zealand) Limited

Nature of relevant interest(s): power to acquire, or control the acquisition of, ordinary shares, pursuant to an agreement dated 2 March 2017 for the sale and purchase of 14,634,119 ordinary shares in Synlait Milk Limited between FrieslandCampina Investments Holding B.V. as vendor and The a2 Milk Company Limited, through its wholly-owned subsidiary, The a2 Milk Company (New Zealand) Limited, as purchaser for a total consideration of \$47,926,739.73 (**Agreement**). Settlement under the Agreement is to occur on 9 March 2017. A copy of the Agreement is attached to this disclosure in accordance with clause 139 of the Financial Markets Conduct Regulations 2014 (two pages).

For that relevant interest,—

- (a) number held in class: 14,634,119
- (b) percentage held in class: 8.169%
- (c) current registered holder(s): New Zealand Central Securities Depository Limited
- (d) registered holder(s) once transfers are registered: JBWere (NZ) Nominees Limited

For a derivative relevant interest, also—

- (a) type of derivative: Not applicable
- (b) details of derivative: Not applicable
- (c) parties to the derivative: Not applicable
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: Not applicable

Details of transactions and events giving rise to substantial holding

Details of the transactions or other events requiring disclosure: pursuant to an agreement dated 2 March 2017 for the sale and purchase of 14,634,119 ordinary shares in Synlait Milk Limited between FrieslandCampina Investments Holding B.V. as vendor and The a2 Milk Company Limited, through its wholly-owned subsidiary, The a2 Milk Company (New Zealand) Limited, as purchaser for a total consideration of \$47,926,739.73 (**Agreement**). Settlement under the Agreement is to occur on 9 March 2017. A copy of the Agreement is attached to this disclosure in accordance with clause 139 of the Financial Markets Conduct Regulations 2014 (two pages).

Additional information

Address(es) of substantial product holder(s): PO Box 109349, Newmarket, Auckland 1149

Contact details: Jaron McVicar, jaron.mcvicar@a2milk.com, +64 21 820 784

Nature of connection between substantial product holders: The a2 Milk Company Limited is the holding company of The a2 Milk Company (New Zealand) Limited.

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: FrieslandCampina Investments Holding B.V.

Certification

I, Jaron McVicar, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

The a2 Milk Company™

PRIVATE AND CONFIDENTIAL

FrieslandCampina Investments Holding B.V.
Stationsplein 4,
3818 LE, Amersfoort
The Netherlands

By email: Hans.Laarakker@frieslandcampina.com

ACQUISITION OF SHARES IN SYNLAIT MILK LIMITED

1. This letter agreement (**Agreement**) relates to a proposal that we have been discussing with you, which would involve The a2 Milk Company Limited (**a2MC**) acquiring, through its wholly-owned subsidiary, The a2 Milk Company (New Zealand) Limited (**a2MC NZ**), 14,634,119 fully paid ordinary shares in Synlait Milk Limited (**SML Shares**) held by FrieslandCampina (**FC**).
2. The date on which this Agreement has been signed by each of the parties is referred to as the **Agreement Date**.

Agreement for Sale and Purchase

3. By signing where indicated below, FC agrees to sell, and a2MC agrees to procure the purchase by a2MC NZ of, the SML Shares at a price of NZ \$3.275 per share, for an aggregate purchase price of NZ \$47,926,739.73 (**Sale**), with effect from the Agreement Date.

Settlement

4. Settlement of the Sale (**Settlement**) will occur on the date that is five working days after the Agreement Date. Settlement shall be effected by an off-market share transfer executed by the parties through the issuance of irrevocable transaction instructions to their respective custodians pursuant to which FC's custodian will transfer the SML Shares to a2MC NZ's custodian account and a2MC NZ's custodian will transfer the aggregate purchase price to FC's custodian account.
5. On Settlement, FC shall pay to a2MC NZ any dividends or other entitlements received by FC after the Agreement Date in respect of the SML Shares.
6. FC warrants that the SML Shares will be transferred free of all encumbrances and security interests (as that term is defined in section 17 of the Personal Property Securities Act 1999), and FC agrees to take all steps necessary to enable transfer of the SML Shares to a2MC NZ by the share registry.

Disclosure

7. The parties acknowledge that, upon signature of all parties to this letter and delivery of a copy to the others, immediate disclosure of this Agreement is required by New



The a2 Milk Company Limited

Company No 1014105

Registered office - C/- Simpson Grierson, Level 27, 88 Shortland Street Auckland New Zealand

www.thea2milkcompany.com

For personal use only

Zealand substantial product holder disclosure law through NZX and to Synlait Milk Limited.

Voting Rights Unaffected

8. Until Settlement, FC shall be free to exercise all voting rights as it sees fit.

General

9. The parties acknowledge and agree that the aggregate purchase price for the SML Shares is the only amount payable to FC under this Agreement. The aggregate purchase price for the SML Shares shall be paid in full. It is further acknowledged and agreed that a2MC and a2MC NZ shall not have any responsibility for any brokerage, commission or other fees incurred by FC and that FC shall not have any responsibility for any brokerage, commission or other fees incurred by a2MC or a2MC NZ.
10. This Agreement creates legally binding and enforceable obligations on the parties in accordance with its terms. This Agreement is the entire agreement between the parties in relation to the sale and purchase of the SML Shares and replaces all earlier negotiations and representations, whether oral or written, between the parties relating to the sale and purchase of the SML Shares.
11. Each party must do any thing, including execute and deliver any documents as may reasonably be required by any other parties, to obtain the full benefit of this Agreement according to its true intent.
12. This Agreement may be signed in one or more counterparts and may be exchanged as PDF copies.
13. This Agreement is governed by the laws of New Zealand. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of any dispute arising.

Yours faithfully
The a2 Milk Company Limited



Geoffrey Babidge
Managing Director

The terms of this Agreement are agreed and accepted by FrieslandCampina:



Authorised signatory **Joris Keetens**

Date: **March 2nd 2017**

For personal use only