



Revised
PRODUCT DISCLOSURE STATEMENT (“PDS”)

**Offer of Supply Shares in
The Tatua Co-operative Dairy Company Limited**

Issued by *The Tatua Co-operative Dairy Company Limited (Tatua)*

This Product Disclosure Statement is dated 28 February 2025.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on the Disclose Register (companiesoffice.govt.nz/disclose). Tatua has prepared this document in accordance with the Financial Markets Conduct Act 2013. You should also seek advice from a financial adviser before making an investment decision.

This Product Disclosure Statement replaces Tatua’s Product Disclosure Statement for the offer of supply shares dated 22 February 2024.

1. Key Information Summary

What is this?

This is an offer of supply shares ("shares") in The Tatua Co-operative Dairy Company Limited. The shares give you a stake in the ownership of Tatua.

You could receive a return reflecting the performance of Tatua if dividends are paid or through a bonus issue of shares. If Tatua runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

About Tatua

Tatua is a co-operative dairy company. Its principal activities are the collection, processing and marketing of milk supplied to it by its shareholders. It also purchases milksolids from other sources and processes non-dairy based products.

Purpose of this offer

The purpose of this offer is to allot shares to persons who are, or who are intending to be, supplying shareholders of Tatua.

Supply shares are a requirement of your relationship with Tatua as a supplying shareholder.

The money raised will be used to meet the capital requirements of Tatua, such as investment in new plant and equipment, and to meet Tatua's obligation to redeem the shares of exiting shareholders, and shareholders otherwise required to surrender shares.

Key terms	Description
Description of equity securities	Shares
Price	50 cents per share
Share standard	Each supplying shareholder is required to hold 10 shares per kilogram of qualifying milksolids they supply to Tatua.
Liabilities, fees and charges	Other than the cost of shares, there are no liabilities, fees or charges payable by you arising from the purchase of shares.
Surrender or transfer of shares	Shares can be surrendered for nominal value of 50 cents, or transferred to a buyer of the supplying shareholder's farm.
Dividends	If the Board of Tatua authorises the payment of a dividend, it will be distributed according to the number of shares held by each supplying shareholder on the date set by the Board. No dividends are guaranteed.
Offer opened	30 January 2017
Offer closes	This is a continuous issue

How you can get your money out

Tatua does not intend to quote these shares on a market licensed in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your shares.

Generally, persons investing in shares in a co-operative company do so in order to transact with the company, and to be entitled to distributions based on their trading with the company, rather than to obtain capital gain on the value of the shares. Holders of the shares are unlikely to be able to transfer or surrender their shares for more than the nominal value of 50 cents per share.

You may offer to, or you may be required to, surrender your shares to Tatua in the circumstances detailed in Section 6 of this PDS: “Key Features of the Shares”.

The amount payable to you on surrender of any shares will usually be the nominal value of the shares on the date the surrender takes effect, but it may in some circumstances be less.

Key drivers of returns

Supply shares are a requirement of your relationship with Tatua as a supplying shareholder. Most of the return from ownership of supply shares in Tatua is reflected in the price Tatua pays to its supplying shareholders for milksolids supplied. However, there may be dividends if the Board of Tatua so decides, and there may be bonus share issues to distribute reserves.

The key financial performance drivers of the business include:

1. Tatua's ability to procure high quality milk from its own supplying shareholders close to its processing facilities.
2. Tatua's ability to procure high quality milk and cream from other sources, in order to optimise use of its processing facilities.
3. Prices Tatua can achieve for its bulk ingredient products in international markets.
4. Tatua's ability to anticipate and satisfy the demand for specialised added value products.
5. Tatua's ability to manage its foreign exchange risk in a volatile market.

Further information on these drivers and Tatua's strategies and plans in relation to them, are set out in Section 2: “Tatua and what it does”.

Key risks affecting this investment

Tatua considers that the most significant risk factors that could affect the returns (including payout for milksolids) received from holding these supply shares are:

1. A change in the premium achieved for specialised products over commodity dairy prices.
2. Prices achieved for bulk ingredient products in international markets.

3. The ability to source a sufficient volume of wholemilk to efficiently operate Tatua's processing plants.
4. Political, economic and regulatory changes in Tatua's key markets. Dairy producers world-wide press governments for protection from competition, and resulting changes in quotas and subsidies particularly affect agricultural product competitiveness.
5. Environmental, biosecurity and food safety issues. Food markets around the world are very concerned to know that the products they purchase have been produced to the highest standards of animal welfare, employee wellbeing, environmental care, and food safety.

In addition, Tatua deals with the same risks as other dairy companies in relation to natural hazards, fire, earthquake, pandemic, inability to access resources, domestic and global competition, and regulation relating to collection, processing and marketing of dairy products. However, it differs from other dairy companies in its focus on high value specialised products in a relatively small number of markets.

This summary does not cover all of the risks of investing in supply shares. You should also read Section 8 and other parts of this PDS that describe risk factors particularly relating to the New Zealand dairy industry.

Where you can find Tatua's financial information

The financial position and performance of Tatua are an essential part of assessing this offer. You should read Section 7 of this PDS and the financial information about Tatua on the Disclose Register (companiesoffice.govt.nz/disclose) and Tatua's website (tatua.com).

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2. TATUA AND WHAT IT DOES

About Tatua

Tatua is a dairy farmer-owned co-operative dairy company registered under the Co-operative Companies Act 1996.

Shareholder farms	101 (dairy season starting 1 June 2023)
Area in shareholder supply	Approximately 10,000 hectares
Shareholder supply farm distribution	Within 12 km of Tatua's processing site
Milk processed per annum	Approximately 225 million litres
Volume of dairy ingredients and dairy foods produced for export worldwide	Approximately 40,000 metric tonnes
Number of countries world-wide to which product is exported	Approximately 40

Meaning of Tatua

The name Tatua has great meaning. At Tatua we have been bringing people and knowledge together for more than 100 years. The name Tatua defines who we are and what we do.

A tatua is a belt woven from New Zealand native harakeke (flax). Being woven from many strands, tatua are strong and durable, and can be passed from generation to generation. They were traditionally worn by a Māori chiefs and warriors to carry their most prized and special tools. Sitting across the abdomen they symbolise the protection and enrichment of future generations..

What Tatua does

Tatua operates within the international dairy market, manufacturing a range of commodity and specialised products, mainly for export. Principal activities are the collection of milk supplied to it by its supplying shareholders, manufacture of dairy products, and selling these in a range of international markets.

Business units

Tatua's success is driven by its ability to rapidly respond to customer requirements through collaborative product development and customised solutions. Its commitment, innovation, agility and product quality has led to enduring customer partnerships. The Tatua business is divided into four specialised business units:

1. Nutritionals - hydrolysates, lactoferrin, phospholipids dairy peptones and soy peptones
2. Flavours – butter, cream, milk, and cheese flavour ingredients
3. Foods – cream-based consumer and foodservice products
4. Ingredients - caseinates, whey protein concentrate, and anhydrous milkfat

The industry in which Tatua operates

The New Zealand dairy industry exports about 95% of its milk and is the country's biggest export earner. Annual exports are typically more than 25% by value of the country's merchandise exports. The industry is characterised by quality and innovation, and its key strengths are the country's efficient pasture based farming system, combined with large-scale processing, creative marketing and considerable expenditure on research and development.

The industry has successfully diversified its product range and the number of markets it exports to, and has built an international reputation as a supplier of dairy products. These range from high quality commodity products such as milk powders, butter and cheese, to specialty foods such as ice cream, and highly specialised food ingredients such as spray dried milk proteins, protein hydrolysates and freeze dried biologically active proteins.

A growing trend is the development of functional foods; and bio-medical and bio-health products. New Zealand dairy products and ingredients are premium quality, with the industry complying with rigorous food safety standards.

Major export markets for the New Zealand dairy industry include China, the United States, Japan, the European Union, Australia, South East Asia and the Middle East.

Current and future activities affecting future financial performance

There are many factors that may impact the global dairy market, including – but not limited to – climatic conditions, political actions, natural disasters and the global economy.

Key initiatives to grow Tatua's earnings premium have included investment in specialised powders drying capacity to allow expansion in both the range and quantity of flavours, bionutrients and hydrolysates. Ongoing investment is also being made in high viscosity UHT processing and packaging equipment to ensure that Tatua products continue to be market leading in terms of product functionality and packaging format.

The operation of subsidiary sales and marketing companies in Japan, China and the United States also help support Tatua's earnings premium. These subsidiaries allow Tatua to provide a high level of technical support to its customers, better control the supply chain for its products, and obtain greater market knowledge.

In terms of financial management, Tatua is focussed on maintaining a balance sheet that enables investment in new business opportunities, provides resilience in times of market downturn, and the flexibility to be a strong seller.

In line with its strategic priorities, Tatua has a strong sustainability focus across the entire supply chain. This has included investment in wastewater management for the manufacturing site, consideration of options to reduce greenhouse gas emissions, and with the support of supplying shareholders, operation of the Tatua 360 responsible farming programme. Tatua 360 includes the core elements of environmental custodianship, animal care, farm systems, milk quality and central to the programme is the welfare, wellbeing and development of people.

Directors and management

Tatua's Constitution requires that the number of directors, including any appointed director(s), shall be not less than six (including at least five directors elected under the provisions of clause 20.4 of the Constitution), nor more than nine. Clause 20.4 provides that, prior to each Tatua Annual General Meeting, the supplying shareholders shall nominate and elect the number of elected directors necessary to fill the number of positions to be vacated when directors retire by rotation at the Annual General Meeting. One third of elected directors retire by rotation each year and are eligible for re-election.

The Constitution grants the Board the power to appoint at any time, and from time to time, any person to be an additional director to the elected directors. This power may not be exercised to increase the total number of directors above nine, and no more than three appointed directors may hold office at any time. Any appointed director(s) shall be appointed for a period of three years, expiring no later than the conclusion of the third Annual General Meeting held after the Annual General Meeting next following their appointment.

An appointed director, whose term expires thus, shall be eligible to be re-appointed. A director appointed or re-appointed by the Board in this manner shall cease to hold office at the conclusion of the first Annual General Meeting after his/her appointment unless supplying shareholders at that Annual General Meeting ratify his/her appointment by ordinary resolution.

The current Board is constituted as follows:

Elected directors:

Stephen Allen (Chair)
Louise Cullen
Mark Dewdney
Julie Langley
Richard Luxton
David Muggeridge
Sarah Stevenson

Appointed directors:

Jackie Lloyd
David Walsh

Senior management:

Brendhan Greaney	(Chief Executive Officer)
Michelle Bull	(General Manager Finance and Administration)
Tim Keir	(General Manager Operations)
Eric Morrison	(General Manager Marketing and Sales)
Paul van Boheemen	(General Manager Co-operative Affairs)
Nicole Watkins	(General Manager People and Capability)
Tim Winter	(General Manager Strategic Projects)

Material disclosures**Director remuneration**

Director remuneration is approved by shareholder resolution at each Annual General Meeting based upon a recommendation from the Director Remuneration Committee, which comprises non-director shareholders. As at 28 February 2025 the following persons held office as director and received the following annual remuneration:

Director	Remuneration (NZD)
Stephen Allen	\$140,000
Louise Cullen	\$88,000
Mark Dewdney	\$70,000
Julie Langley	\$70,000
Jackie Lloyd	\$70,000
Richard Luxton	\$88,000
David Muggeridge	\$70,000
Sarah Stevenson	\$70,000
David Walsh	\$88,000
TOTAL	\$754,000

Director shareholdings

All shares held by Tatua directors have been acquired by directors in their capacity as transacting shareholders of Tatua. There are no Tatua directors that, during the 20 working-day period prior to the date of this PDS, held relevant interests in 5% or more of the current shares on issue. Their shareholding details are not material information.

Updated information on director remuneration, shareholding and interests is provided each year in Tatua's annual report, available on the Disclose Register (companiesoffice.govt.nz/disclose) and Tatua's website (tatua.com).

Directors and Officers Liability Insurance

Tatua paid insurance premiums during the year for Directors and Officers Liability Insurance as permitted by the Constitution and the Companies Act 1993.

This insurance provides cover against costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than Tatua or related body corporate) incurred in their capacity as director or executive employee unless the conduct

involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

Employee remuneration

During the year to 31 July 2023 the following number of employees of Tatua, including subsidiaries, received total remuneration of at least \$100,000. Total remuneration includes salaries, bonus payments and other benefits received in the capacity as an employee during the year, e.g. company vehicles, insurance and superannuation. Bonus payments may relate to multiple years, but are paid in one lump sum.

Remuneration	Number of Employees
\$100,000 - \$109,999	28
\$110,000 - \$119,999	29
\$120,000 - \$129,999	44
\$130,000 - \$139,999	47
\$140,000 - \$149,999	49
\$150,000 - \$159,999	37
\$160,000 - \$169,999	19
\$170,000 - \$179,999	14
\$180,000 - \$189,999	15
\$190,000 - \$199,999	3
\$200,000 - \$209,999	3
\$210,000 - \$219,999	2
\$220,000 - \$229,999	1
\$230,000 - \$239,999	5
\$240,000 - \$249,999	2
\$250,000 - \$259,999	2
\$260,000 - \$269,999	2
\$270,000 - \$279,999	1
\$280,000 - \$289,999	1
\$290,000 - \$299,999	2
\$330,000 - \$339,999	2
\$340,000 - \$349,999	1
\$350,000 - \$359,999	1
\$360,000 - \$369,999	1
\$390,000 - \$399,999	1
\$400,000 - \$409,999	1
\$580,000 - \$589,999	1
\$760,000 - \$769,999	1
\$1,270,000 - \$1,279,999	1
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Updated information on employee remuneration is provided each year in Tatua's annual report, available on the Disclose Register (companiesoffice.govt.nz/disclose) and Tatua's website (tatua.com).

Other equity securities

Classes of shares – The Board shall issue supply shares and may issue other shares in different classes and may, in the terms of issue of any or all classes of shares, negate, alter or add to the rights attaching to any share specified in Section 36(1) of the Act. Such shares shall rank equally with all existing shares of the same class and the issue shall be deemed to be an action which does not affect the rights attaching to existing shares.

There are currently no other classes of share on offer.

3. PURPOSE OF THE OFFER

Purpose of the offer

This is an offer of supply shares ("shares") in Tatua. It is a requirement of your relationship with Tatua that you hold shares if you wish to supply milk to Tatua as a supplying shareholder. The shares give you a stake in the ownership of Tatua.

You could receive a return reflecting the performance of Tatua if dividends are paid or through a bonus issue of shares. If Tatua runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

Monies raised from the issue of shares is used to fund the operations of Tatua, including Tatua's requirements for capital replacement and additional plant and technology to maintain its place in the global market for specialised added value products. Tatua also uses money raised to meet its obligation to redeem shares in the circumstances set out under the heading, "Surrender" in section 6, below.

4. KEY DATES and OFFER PROCESS

(Continuous offer).

The dairying season runs from **1 June to 31 May**.

Applications for supply commencing from the following 1 June must be submitted no later than 1 February. If an application is received after 1 February for supply commencing

from the following 1 June, the Board may decide, in its discretion, whether it will consider that application.

Where an entity has received approval from the Board to commence supply to Tatua, the Board will authorise the issue to that entity sufficient supply shares to cover the quantity of qualifying milksolids which, in the reasonable estimate of the Board, will be supplied from that property in the season ahead, and that entity will be required to pay for those supply shares **by 30 July**. For details of the offer process, Tatua's Constitution may be obtained from the offer register at companiesoffice.govt.nz/disclose.

5. TERMS OF THE OFFER

Tatua's Constitution provides that a supplying shareholder must hold shares in Tatua, based on the quantity of milksolids contained in the milk supplied to Tatua by that supplying shareholder in the previous season ending 31 May ("the share standard"). The number of shares that you must hold depends upon the share standard, which is specified in the Constitution.

You may obtain the required shareholding either by subscribing for new shares issued by Tatua or purchasing shares from another shareholder if such purchase is part of the consideration for the purchase of a farming property from which milk is currently supplied to Tatua.

On the issue of a new share to you by Tatua, you must pay the nominal value of that share, being 50 cents. If Tatua ever issued shares to you for less than the nominal value of 50 cents you would be required subsequently to pay an additional amount to make up any shortfall. Any amounts payable on shares must be paid in accordance with Tatua's directions for payment and Tatua may deduct from any money payable to you any amounts due but not paid on shares.

Payments for new shares must be made to Tatua's nominated bank account at the time of issue (or at such other intervals as Tatua may from time to time determine).

Advice of shareholding

Tatua will notify shareholders of their shareholding details. As soon as practicable after the end of each season Tatua will advise each shareholder of:

- (a) the number of shares held by that shareholder as at 31 May and (if other than supply shares are held) the class or group to which the shares belong; and
- (b) the number of shares to be allotted or surrendered to meet the share standard in accordance with the Constitution with respect to milksolids supplied in the season just ended.

Constitution

Tatua's Constitution and any other deed or agreement setting out the terms of the shares or other terms of the offer may be obtained from the offer register at companiesoffice.govt.nz/disclose.

6. KEY FEATURES OF SHARES

Tatua shall issue supply shares and may issue other classes of shares.

Supply shares

Supply shares in Tatua shall have a nominal value of 50 cents and shall confer on the holder:

- (a) voting rights in accordance with the Constitution;
- (b) the right to share in the distribution of the surplus assets of Tatua on liquidation, as specified in the Constitution; and
- (c) the rights to payments or bonus issues made pursuant to clauses 26 or 27 of the Constitution.

Pre-emptive rights negated

The requirements of Section 45 of the Act regarding the issue of shares are negated.

Ownership of shares and equitable interests

Tatua is entitled to treat the person(s) whose name(s) appears on the Share Register as the absolute owner(s) of that share.

Recognition of trusts and equitable interests

Tatua is not under any obligation to recognise any trust or equity, or partial, equitable, or other claim to, or interest in any share, whether or not it has express notice of such claim or interest.

Advice of equitable interests

Upon written request by Tatua to any partnership or company, that partnership or company shall forthwith provide details of all members holding any equitable interest therein.

Surrender

You may offer to surrender your shares to Tatua if you have ceased to be a supplying shareholder.

Tatua is not obliged to accept any surrender offer except where it is required to do so pursuant to the Constitution or the Co-operative Companies Act 1996, which provide that Tatua must accept a request to surrender shares:

- upon your death where your personal representative has ceased to be a supplying shareholder;
- if you have disposed of or changed the use of your property with the result that you do not have the capacity to continue to be a supplying shareholder; or

- if you have not been a supplying shareholder during the immediately preceding five years.

In addition, Tatua can require you to surrender your shares where:

- you have ceased to be a supplying shareholder; or
- you have failed to comply in a material respect with the requirements of the Terms and Conditions of Supply; or
- your level of shareholding exceeds the number of shares required to be held in accordance with the share standard provided in the Constitution; or
- in accordance with the terms of the Constitution Tatua directors have resolved that requiring you to surrender your shares is in the best interests of Tatua.

Any surrender is subject to the statutory requirement that Tatua can continue to meet the requirements of the solvency test after that surrender.

You should refer to the Constitution if you require more information about the surrender of shares.

Transfer

Your right to transfer shares is limited and subject to restrictions contained in the Constitution. In particular, no shares can be transferred to:

- (a) a person who is not a supplying shareholder; or
- (b) a person whose application to become a supplying shareholder has not been accepted by Tatua.

Any transfer of your shares is also subject to the requirement that you continue to hold the minimum number of shares required to be held by a supplying shareholder under the Constitution as described in section 9 under the heading, “*Transfer of Shares*”.

Tatua may accept a transfer of shares and define the conditions of acceptance.

Form of transfer: The Board may from time to time prescribe the form of transfer of shares.

Execution and delivery of form: The approved form of transfer shall be executed by, or on behalf of, the transferor and the transferee, be delivered to the registered office of Tatua and, where the transferee is not already a supplying shareholder, shall be accompanied by the transferee’s completed acceptance of the terms and conditions of supply of milk made in accordance with clause 15 of the Constitution.

Refusal to register transfer: The Board may delay or refuse to register a transfer where:

- (a) Tatua has a lien on a share or shares included in the transfer;
- (b) a call is due and unpaid or any other money is due to Tatua and unpaid in respect of a share or shares included in the transfer;
- (c) the form of transfer and any other documentation required has not been provided or, if provided, has not been duly executed;
- (d) the transferee is not a sharemilker who complies with the requirements of the Constitution, or is not a supplying shareholder, or has not had an application to become a supplying shareholder accepted by Tatua;
- (e) the transferee would hold shares in excess of the number required to be held under clause 17.2 of the Constitution;
- (f) the Board resolves, in its absolute discretion, that it is not in the best interests of Tatua to register the transfer or that the proposed transferee is not a desirable person to become a supplying shareholder;
- (g) registering the transfer would cause Tatua to become subject to any regulatory or statutory control; or
- (h) the transferee has failed to comply with any request to identify the beneficial owner of the shares subject to the transfer.

Share Register: The share register may be closed at such times as the Board thinks fit not exceeding in aggregate 30 working days in each year.

Retention of forms: Tatua shall retain all transfer forms for transfers which it has registered.

Consideration for surrendered supply shares

The usual consideration for surrendered supply shares shall be their nominal value, but it may, in special circumstances, be less. At the date of this product disclosure statement the nominal value of each share is 50 cents.

Maximum consideration: The maximum consideration payable to you on surrender of supply shares shall be the nominal value of the shares or, if less than the nominal value, the amount paid up on the shares. Clause 7.1 of the Constitution provides that no payment for the surrender of any supply share shall exceed the amount paid up on that share.

Consideration of less than the nominal value: In accordance with clause 7.2 of the Constitution, when the consideration payable for the surrender of supply shares would, if it were required to be paid in respect of all supply shares which the Board anticipates may be required to be surrendered in the next two seasons, cause Tatua to fail to meet the solvency test, the Board may resolve that the consideration for each supply share be set in accordance with the procedure prescribed in clause 7.3 of the Constitution (set out below) and the Board shall notify you of the consideration determined under clause 7.3:

7.3 Procedure for establishing consideration: If the Board has resolved to invoke clause 7.2 the Board shall fix a fair and reasonable consideration for the shares having regard to the following matters, provided that the consideration shall not exceed the maximum consideration possible under the provisions of clause 7.1:

- (a) the Board's estimate of the value of the **shares** if the Company had, at the time of the Board's decision to invoke clause 7.2, passed a resolution to be wound up voluntarily;
- (b) the Board's estimate of value of the shares on the assumption that the Company would continue to operate as a going concern, where it is reasonable for the Board to make that assumption;
- (c) the amounts (if any) which have been paid by the Company on any previous occasions when the procedure in this clause 7.3 has been utilised;
- (d) the future prospects of the Company having regard to the likelihood or otherwise of the continuation in the normal course of satisfactory supplies of milk or milksolids;
- (e) the ability of the Company to pay the consideration and the effect of the payment on the remaining supplying shareholders;
- (f) whether the failure of the Company is imminent; and
- (g) any other matter which the Board or the Shareholder reasonably considers has a bearing on the value of the supply shares.

The Board shall notify the shareholder from whom shares are being surrendered of the consideration determined under clause 7.3 of the Constitution.

Arbitration if consideration disputed: If you consider that the consideration determined by the Board is not fair and reasonable you must notify Tatua within 10 working days of receipt of the notice of the consideration and the consideration shall then be determined by arbitration under the Arbitration Act 1996, provided that the consideration so determined shall not exceed the maximum consideration possible under the Constitution.

Consideration set by agreement: The consideration may be an amount agreed by Tatua and the supplying shareholder, provided that it does not exceed the maximum consideration possible under clause 7.1 of the Constitution.

Payment of Consideration: The consideration owed by Tatua for the surrender of any supply shares shall be payable at a date decided by the Board being no later than 10 years after surrender is accepted or deemed to take effect and in the interim Tatua may, if the Board in its absolute discretion so determines, pay interest on so much of the consideration and at such rate and in such manner as the Board determines. Payment of the consideration may be subject to an agreed discount if payment is requested and made at an earlier date.

Share payments and calls

Unless the Board determines otherwise payment in full for shares is due upon allotment.

Amount payable upon allotment:

- (a) Unless the Board decides otherwise, the amount payable on each share will be payable in full to Tatua at its registered office immediately on allotment, without any call being formally made.
- (b) While a shareholder is supplying milk to Tatua in accordance with the terms and conditions of supply and with the Constitution, the Board may defer payment of any amount payable in cash on any share held by the shareholder and may, instead, deduct such amount from any money due by Tatua to the shareholder by such instalments as the Board thinks fit until the whole amount payable by the shareholder on the share has been paid.
- (c) If a shareholder ceases, or fails, to supply milk in accordance with the terms and conditions of supply and with the Constitution, the Board may, by notice in writing, require the shareholder to pay to Tatua immediately any amount outstanding on the shares held by the shareholder.

Board may make calls: Subject to clause 11.2 of the Constitution, the Board may, from time to time, make such calls as it thinks fit upon the shareholders for any amounts unpaid on any shares held by them which are not made payable at fixed times by the terms of issue of those shares. Each shareholder must pay the amount of every call made on them to Tatua at the times and places specified by the Board. A call may be made payable by instalments. The Board may revoke or postpone any call.

Notice of call: At least 14 days' notice of any call must be given to the holder of the share in respect of which the call is made, specifying the time and place of payment. The Board may deduct from any money due by Tatua to any shareholder the whole or any part of the amount due by the shareholder to Tatua for arrears of calls on the shares held by the shareholder.

Joint shareholders: Joint shareholders are jointly and severally liable to pay all calls in respect of shares registered in their names.

Time of call: A call is deemed to be made at the time when the resolution of the Board making the call is passed.

Default interest: If a call in respect of a share is not paid on or before the due date, the shareholder by whom the call is payable must pay interest on the call from the due date to the date of actual payment at such rate as the Board may reasonably determine, unless the Board waives payment of interest wholly or in part.

Debt owing: Where shares are issued to a shareholder and all the consideration is due on allotment, the Board may treat any amount not paid on allotment as a debt owing by that shareholder to Tatua from the date of allotment, and that shareholder will be liable to pay interest on such amount from the due date to the date of actual payment at such rate as the Board may reasonably determine.

Proceedings for recovery of call: In any proceedings for recovery of a call:

- (a) it is sufficient to prove that:
 - (i) the name of the relevant shareholder is entered in the share register as the holder, or one of the holders, of the shares to which the call relates; and
 - (ii) except in relation to any amount which, by the terms of issue of the shares, is payable on allotment or at a fixed date, the resolution making the call is entered in the records and notice of the call has been duly given; and
 - (iii) proof of the matters mentioned above are conclusive evidence of the debt; and
- (b) it is not necessary to prove the appointment or qualification of any member of the Board which made the call, nor any other matter.

Differential calls: The Board may call up the balance due by a shareholder on any shares without the necessity of making a similar call on all or any of the other shareholders.

The amount paid by you for the shares is only repayable by Tatua if the shares are surrendered as described in this section, under the heading, "Surrender" above, or in the event of the liquidation of Tatua.

In the event of liquidation, monies due to third parties would need to be paid before any payment was made to shareholders. The amount then paid to you could be more or less than the nominal value of the shares.

Acquisition, holding and transfer by Tatua of its own shares

Tatua may acquire, hold and transfer its own shares.

Tatua may purchase or otherwise acquire shares from one or more shareholders in accordance with the provisions of the Act and the Co-operative Companies Act and may, subject to any requirements or restrictions imposed by law, hold any share so purchased or acquired.

The powers conferred by clause 8.1 of the Constitution are in addition to the powers of Tatua to surrender shares pursuant to the provisions of the Co-operative Companies Act. All the provisions of the Act, the Co-operative Companies Act, and the Constitution applying to the issue of shares by Tatua shall apply to the transfer of a share in Tatua held by Tatua itself.

Returns

No returns are promised. The shares are a requirement of your relationship with Tatua as a supplying shareholder.

Tatua has no dividend policy.

Under the Constitution, Tatua may pay dividends on shares as determined by the Board from time to time. There is, however, no obligation on Tatua to pay any dividends and Tatua may retain any profits earned. Dividends may be subject to tax and may have imputation credits attached and/or resident withholding tax deducted.

Tatua has a lien upon each share, upon the proceeds of sale of each share, upon all distributions made in respect of each share and upon any other amounts which may be payable to you in any capacity by Tatua, for:

- (a) unpaid calls owing in respect of the share and interest thereon (if any), or
- (b) other debts, liabilities and obligations to Tatua, or any related company, incurred by you, in any capacity, whether solely or jointly with any other person, and whether or not the date for payment, fulfilment or discharge has arrived.

Bonus shares and other securities

The Board may distribute to its shareholders any monies in any reserve accounts, retained earnings or capital profits by way of the distribution of shares or other securities.

Resolution to make bonus issue: A General Meeting of shareholders may, upon the recommendation of the directors, resolve that payment of any amount payable to shareholders be satisfied by capitalising into shares or other securities of Tatua any part of the amounts standing in credit in any reserve accounts, retained earnings or capital profits of Tatua. Such shares or securities shall be issued to members in lieu of any entitlement to dividends, rebates, or supplementary prices which would otherwise be payable. The sum so capitalised shall be applied by Tatua in paying up any amounts unpaid on the shares or other securities so issued and the directors are empowered to take all measures necessary to give effect to any such resolution.

Basis for bonus issue: Any bonus issue of shares or other securities may be made by the directors on the following basis:

- (a) Such bonus issue may carry with it such imputation credits as the directors (or the shareholders by way of ordinary resolution) consider appropriate.

- (b) Where it is equitable so to do, such bonus issue may be made to all shareholders as the directors think fit and in particular to enable supplying shareholders to meet the requirements to hold shares as set out in clause 17.2 of the Constitution.
- (c) That the redemption or surrender of any such bonus shares or other securities so issued is subject to such terms and conditions as may be attached to them by the directors at the time of their issue.

Basis of allocation: Any issue of shares or securities made in accordance with the Constitution may, at the discretion of the Board, be calculated by reference to the number of fully paid up supply shares registered to each shareholder in Tatua's share register at the date set by the Board.

Payout

Payout (the price paid by Tatua to a supplying shareholder for each kilogram of milksolids supplied) is determined by the Board.

7. TATUA'S FINANCIAL INFORMATION

A copy of Tatua's latest annual report, containing its financial statements, is made available to each shareholder annually. A copy can also be viewed or downloaded from Tatua's website, at tatua.com.

Copies of the following documents are also available free of charge to shareholders on request from the address specified under Section 12 "Contact Details and Application Forms", below:

- a copy of the Constitution (including the Terms and Conditions of Supply);
- a copy of the most recent financial statements and annual report required to be registered under the Financial Markets Conduct Act 2013, together with all documents that are required to be registered with those financial statements; and
- a copy of the most recent Product Disclosure Statement relating to the shares.

The following tables provide key financial information about Tatua covering the past three accounting periods. Full financial statements are available on the offer register at companiesoffice.govt.nz/disclose. If you do not understand this financial information, you should seek advice from a financial adviser or accountant.

SELECTED FINANCIAL INFORMATION FOR THE TATUA GROUP OF COMPANIES			
	Year Ended 31 July 2022	Year Ended 31 July 2023	Year Ended 31 July 2024
Revenues from Sales	\$436,471,888	\$538,535,453	\$486,407,028
EBITDA	\$39,333,592	\$66,430,617	\$51,871,331
NPAT	\$14,286,273	\$30,368,989	\$17,701,060
Dividends	\$0	\$0	\$0
Net Cash Flows from Operating Activities	\$7,346,567	\$43,284,534	\$7,156,096
	As at 31 July 2022	As at 31 July 2023	As at 31 July 2024
Cash & Cash Equivalents	\$10,540,247	\$34,455,110	\$29,888,474
Total Assets	\$339,604,724	\$365,415,207	\$392,831,515
Total Debt	\$76,837,674	\$74,470,576	\$95,678,955
Total Liabilities	\$235,359,251	\$228,367,018	\$244,272,104
Equity	\$104,245,473	\$137,048,189	\$148,559,411
Co-operative Shares Classified as a Liability	\$72,285,666	\$74,136,046	\$75,935,135

A copy of Tatua's most recently audited financial statements prepared in accordance with the Financial Markets Conduct Act 2013 is filed at companiesoffice.govt.nz/disclose. A copy of the financial statements, Constitution and all other required documents are also filed with the Registrar of Companies, and can be viewed at companiesoffice.govt.nz.

8. RISKS TO TATUA'S BUSINESS AND PLANS

In addition to those risks that are common to all New Zealand dairy processors, Tatua faces the following specific risks to its ongoing financial performance:

1. The proportion of its revenues derived from high value specialised products.
Approximately half (40% to 60% depending on commodity prices) of Tatua's revenues come from specialised products, and half from bulk ingredients. Other larger New Zealand dairy companies have a lower proportion of their revenue coming from specialised products (they do produce the same products however).

Larger dairy companies can achieve economies of scale on production of bulk ingredient products that Tatua cannot, and Tatua therefore needs to achieve a premium on its specialised products to offset its higher fixed costs and remain competitive for shareholders. Shareholders in the Tatua catchment could shift their supply to other dairy companies servicing the area if payouts from Tatua are unsatisfactory.

Tatua reduces the risks associated with its focus on specialised products by having diversification in product types and geographic customer distribution, continual re-investment in the business (particularly in product development) and processing plant, and maintaining a conservative approach to debt.

2. A sufficient volume of milksolids is required to ensure that Tatua's processing facility is operated efficiently. To achieve this volume, in addition to milk from its suppliers, Tatua purchases milksolids from other sources. If sufficient milksolids cannot be procured, milk processing will be less efficient and the price paid by Tatua to its supplying shareholders may be reduced.

This risk is partially managed by having milksolids supply contracts that provide medium term supply certainty, and maintaining the ability to source additional supplying shareholder or contract milk if necessary.

3. The risks associated with Tatua's size, and its dependence on a single site. These include weather, natural disaster, environmental, climate change, food safety and animal health related issues. In the event of a pandemic that disrupts manufacture, Tatua may not be able to divert milk to another processing site and Tatua's heavy reliance on a single port for product export may constrain its ability to ship products. Some other dairy companies have sites geographically spread around New Zealand, and can more easily deal with localised risks.

Tatua recognises these risks, which are not easily quantifiable, and addresses them in a number of ways, including: a comprehensive quality management system, security systems to protect its assets, and strong relationships with the other dairy companies in the area. These relationships allow it to diversify its milksolids supply (approximately 25 – 30% of milksolids processed by Tatua is sourced from other sources), and allow it to divert milk to other processors in the event of problems at its own site.

9. TAX

Tax can have significant consequences for investments. If you have any queries relating to the tax consequences of an investment in Tatua, you should obtain professional advice.

10. WHERE YOU CAN FIND MORE INFORMATION

Further information is available on the Disclose Register (companiesoffice.govt.nz/disclose) and the Financial Markets Authority website (fma.govt.nz). A copy of Tatua's financial statements, Constitution and all other documents required are filed with the Registrar of Companies (companiesoffice.govt.nz).

Further information is also available at Tatua's website tatua.com

11. HOW TO APPLY

An application form can be obtained from Tatua. The completed form must be submitted to Tatua at the address supplied under heading 12, below.

12. CONTACT DETAILS AND APPLICATION FORM

Any enquiries about shareholding requirements or the issue, transfer or surrender of shares, or their value should be directed to:

General Manager Co-operative Affairs
The Tatua Co-operative Dairy Company Limited
Private Bag 800
Morrinsville 3340

Telephone (07) 889 3999
Website tatua.com

THE TATUA CO-OPERATIVE DAIRY COMPANY LIMITED

APPLICATION FORM:

TO BECOME A SUPPLYING SHAREHOLDER AND SUPPLY MILK TO THE COMPANY

Before completing this application form, applicants should read The Tatua Co-operative Dairy Company's current Product Disclosure Statement available on the Companies Office website.

SUPPLIER DETAILS:

If your dairy farm is a **company**, then the company will be the applicant for the purpose of this application.

If it is a **partnership/individual(s)** then the applicant will be the partners/individual(s).

Unincorporated trusts, such as family trusts cannot be an applicant, because they are not distinct legal entities. Instead, if your business is an unincorporated trust, the applicant should be the trustees and all the trustees must sign the application form.

A joint application must be signed by all parties. Joint applicants agree that, unless expressly indicated on the application form, the shares will be held by them jointly.

BUSINESS TYPE (TICK ONE BOX):

☐

Company

☐

Partnership

☐

Individual(s)

☐

Other

If "Other", please explain: _____

COMPANY/TRUST/PARNERSHIP DETAILS (IF APPLICABLE):

Company/Trust/Partnership Name

Trading Name, if different to above _____

_____ Company Number _____

Full names of company directors or individuals/partners/trustees of applicant

(Additional details should be completed on a separate piece of paper)

	First Names	Surname	Preferred Name
1.			
2.			
3.			
4.			

Postal and physical address of applicant (registered address of company, if applicable)

Telephone _____ **Mobile** _____

Email address _____

Physical address of the dairy farm from which you are applying to supply Tatua _____

Please write any other information you would like to include in your application below:

Note that collection of additional information relating to your farming activities, including a farm visit, will be undertaken during the application assessment process.

SUBMIT THIS APPLICATION TO:

*General Manager Co-operative Affairs
The Tatua Co-operative Dairy Company Limited
Private Bag 800
Morrinsville 3340*

GLOSSARY

“**Board**” means the directors of Tatua who number not less than the required quorum acting together as a Board of Directors.

“**Constitution**” means the Constitution of Tatua as approved by shareholders from time to time.

“**Season**” means the dairy season, being 1 June to 31 May.

“**Shareholder**” means a person whose name is entered in Tatua’s Share Register as holder for the time being of one or more shares.

“**Share standard**” means the number of shares required to be held for every kilogram of milksolids supplied; currently 10 x 50 cent shares.

“**Supplier**” refers to any person, persons or legal entity who/that is supplying milk to Tatua. This includes sharemilkers.

“**Supplying shareholder**” means a person whose name is entered into Tatua’s Share Register as a holder for the time being of one or more shares and who supplies milk to Tatua.

“**Supply share**” has the meaning set out in the Constitution.

“**Surrender**” means the process of giving up your shares to Tatua.

“**Tatua**” means The Tatua Co-operative Dairy Company Limited.