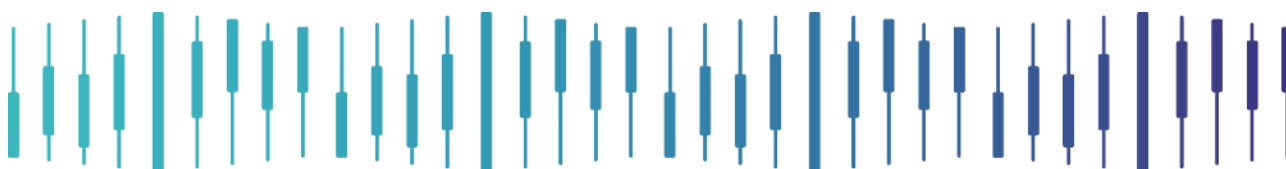


29 July 2025

NZ RegCo Decision

The a2 Milk Company Limited (“ATM”)
Waiver from NZX Listing Rule 7.8.5(b)



Background

1. The information on which this decision is based is set out in Appendix One to this decision. This standing waiver will not apply if that information is not, or ceases to be, full and accurate in all material respects.
2. The NZX Listing Rule (**Rules**) to which this decision relates is set out in Appendix Two.
3. Capitalised terms that are not defined have the meanings given to them in the Rules.

Waiver from NZX Listing Rule 7.8.5(b)

Decision

4. Subject to the condition set out in paragraph 5 below, and on the basis that the information provided by ATM is complete and accurate in all material respects, NZ RegCo grants ATM a standing waiver from Rule 7.8.5(b) to the extent that this Rule requires ATM to provide an Independent Appraisal Report to accompany a notice of meeting to consider a resolution to approve granting CEO Performance Rights to a Managing Director or to an Associated Person of a Managing Director.
5. The waiver in paragraph 4 above is provided on the conditions that:
 - a. the issuance of Equity Securities under the LTI plan to an ATM Managing Director is made in accordance with Rule 4.6.1; and
 - b. the terms of the CEO Performance Rights are negotiated by ATM's non-interested directors.

Reasons

6. The policy behind Rule 7.8.5(b) is to ensure that security holders being asked to vote on resolutions to approve transactions to which Rule 7.8.5(b) applies receive the benefit of an independent evaluation that allows them to understand and scrutinise the merits of that transaction.
7. In coming to the decision to provide the waiver set out in paragraph 4 above, NZ RegCo has considered that:
 - (a) the material terms of the Managing Director's employment agreement (including his/her participation in the LTI plan) were, or will be, negotiated on an arm's length, commercial basis, prior to the commencement of his/her employment and directorship with ATM;
 - (b) the terms of the CEO Performance Rights and the Managing Director's participation in the LTI plan will be determined by the non-interested Directors of ATM at their sole discretion. The Managing Director will not participate in the board discussion;

- (c) the need for an Appraisal Report will only arise because the Managing Director is also a director of ATM, as well as its chief executive officer. The Managing Director's participation in the LTI plan, and the grant of the CEO Performance Rights, are part of his/her remuneration package and reflects incentives for the Managing Director in his/her role as Managing Director and do not relate to his/her role as a director of ATM;
- (d) if shareholder approval were not sought on an advisory basis and under the ASX Listing Rules for the Managing Director (or an Associated Person) to acquire performance rights under the LTI plan, ATM would be able to under NZX Rule 4.6.1 grant the CEO Performance Rights without first obtaining shareholder approval and providing an Appraisal Report;
- (e) the standing waiver is only a waiver from Rule 7.8.5(b) and ATM must continue to ensure that each grant of CEO Performance Rights is otherwise made in accordance with the NZX Listing Rules;
- (f) ATM's shareholders will be asked to consider the CEO Rights Resolution with the knowledge of the waiver having been granted;
- (g) each notice of meeting to consider a CEO Rights Resolution will set out the information required by Rules 7.8.2 and 7.8.4, to enable shareholders to understand the effect and consequences of that resolution;
- (h) the number of CEO Performance Rights that may be granted to the Managing Director (or to their Associated Person) will be fixed and known at the time of each meeting to consider a CEO Rights Resolution, so ATM shareholders will have certainty as to what they are approving. Shareholders can ascertain what ATM's outstanding obligations in respect of the CEO Performance Rights are, through the continuous disclosure obligations that are required to be made by ATM and the Managing Director under the Rules, the ASX Rules and the Financial Markets Conduct Act 2013. ATM also provides disclosure on the CEO Performance Rights in its annual report;
- (i) the terms of the Managing Director's participation in the LTI plan and terms of the CEO Performance Rights themselves will comply with the LTI plan and will be determined against performance measures applying to other participants in the LTI plan; and
- (j) there is precedent for the decision.

Appendix One

1. The a2 Milk Company Limited (**ATM**) is a Listed Issuer with ordinary shares Quoted on the NZX Main Board and quoted on the ASX.
2. ATM operates a Long-Term Incentive (**LTI**) plan. Participation in the LTI plan is by invitation only, at the discretion of the ATM board. Under the LTI plan, prospective participants are offered awards of performance rights. Each performance right entitles the participant to receive one fully paid share in ATM, subject to the performance conditions and vesting conditions set by the board being met, and subject to compliance with applicable laws at the time shares are issued or transferred to a participant following vesting of performance rights. A prospective participant, who is a resident of Australia or New Zealand, is permitted to renounce his or her offer in favour of an immediate family member, a company whose members comprise no persons other than the participant and immediate family members or (if a resident of Australia) the corporate trustee of a self-managed superannuation fund of which the participant is a director.
3. ATM's current CEO, Mr David Bortolussi, is also the Managing Director of ATM. It is intended that the waiver sought will apply in respect of Mr Bortolussi and also in respect of any future Managing Director of ATM. Subject to board discretion, on an annual basis, the Managing Director is invited to participate in the LTI plan and be granted performance rights under the plan (**CEO Performance Rights**).
4. ATM submits that the terms of the LTI plan between the CEO/Managing Director and non-interested directors were negotiated on an arm's length commercial basis, prior to the commencement of the CEO/Managing Director employment with ATM. Other than the Managing Director, all ATM directors are currently independent. The independent directors are all non-interested for the purposes of the CEO Performance Rights.
5. ATM considers that the grant of the CEO Performance Rights to the Managing Director is advantageous to ATM because it further aligns the Managing Director's interests with ATM and its shareholders.
6. ATM intends to grant the CEO Performance Rights to the Managing Director (or to an eligible Associated Person of the Managing Director) only if the granting of those rights and any subsequent issue of shares on vesting of performance rights is permitted under Rules 4.1.2(c) and 4.6.1 and does not require ATM shareholder approval under the Rules.
7. By contrast, under the ASX listing rules (**ASX Rules**):
 - (a) unless an exception applies, ATM must not issue or agree to issue to a director of the company or his/her associate, and must not permit a director of the company or his/her associate to acquire under an employee incentive scheme, equity securities without the approval of shareholders (ASX Rules 10.11 and 10.14); and
 - (b) ASX Rules 10.11 and 10.14 do not apply to a grant of rights to acquire equity securities to directors or their associates under an employee incentive scheme, where the equity securities to be acquired in satisfaction of the rights are required by the terms of the scheme to be purchased on-market (ASX Rules 10.12 *Exception 9* and 10.16(b)).

8. ATM sought and received shareholder approval at its 2023 and 2024 annual meetings both on an advisory basis and for the purposes of ASX Rule 10.14 such that ATM would be authorised to issue new shares to the current Managing Director (or to an Associated Person of the Managing Director) following the vesting of his performance rights. Approval on an advisory basis means that ATM seeks shareholder approval for an action that does not require shareholder approval under the Rules, ASX Listing Rules or ATM's constitution.
9. Prior to the passing of the resolution at the 2023 annual meeting, the practice had been for ATM shares that had been acquired on market to be transferred to the Managing Director following vesting of the relevant performance rights. The passing of the resolutions at the 2023 and 2024 annual meetings has provided ATM the ability to either issue new ATM shares, or transfer existing ATM shares that have been acquired on-market, to the Managing Director following vesting of the performance rights granted after those annual meetings.
10. ATM intends to continue to seek shareholder approval, on an advisory basis and for the purposes of ASX Rule 10.14, to the grant of a specified number of CEO Performance Rights to the Managing Director (or to an Associated Person of the Managing Director) under the LTI plan each year. It is proposed that, at each future annual meeting for so long as the Managing Director role is in place, ATM proposes that:
 - (a) the shareholder approval be sought on an advisory basis, since the grant of the CEO Performance Rights does not require ATM shareholder approval under the ASX Rules if the grant complies with the relevant exceptions in the ASX Rules; and
 - (b) ATM will seek shareholder approval for the purposes of ASX Listing Rule 10.14, such approval then also operating as an exception to ASX Listing Rule 10.11. If the resolution is passed, ATM will have the flexibility to satisfy vested CEO Performance Rights through an issue of shares rather than only being able to satisfy them through an acquisition of shares on-market. If the resolution is not passed, ATM can still satisfy the vested CEO Performance Rights through an acquisition of shares on-market as it has done in the past.
11. Rule 7.8.5(b) requires that a notice of meeting to consider a resolution of the nature referred to in Rule 7.8.4 must be accompanied by an Independent Appraisal Report if more than 50% of the Financial Products to be issued are intended or likely to be acquired by Directors or Associated Persons of Directors.
12. As a resolution to approve the grant of CEO Performance Rights (**CEO Rights Resolution**) relates solely to the grant of performance rights to the Managing Director or Associated Person of the Managing Director, Rule 7.8.5(b) applies to a notice of meeting containing a CEO Rights Resolution.
13. As noted above, ATM intends to grant the CEO Performance Rights only if the granting of those rights and any subsequent issue of shares on vesting of performance rights is permitted under Rules 4.1.2(c) and 4.6.1. Issuances to Executive Directors in accordance with the requirements of Rule 4.6.1 do not require shareholder approval under the Rules.

Appendix Two

Rule 7.8.5

A notice of meeting to consider a resolution of the nature referred to in Rule 7.8.4 (other than a resolution to permit an issue under Rule 4.7.1) must be accompanied by an Appraisal Report if:

- (a) the resolution is required by Rule 4.13,
- (b) more than 50% of the Financial Products to be issued are intended or likely to be acquired by Directors or Associated Persons of Directors, or
- (c) more than 50% of the Financial Products to be acquired or redeemed or the financial assistance to be given is intended or likely to go to Directors or Associated Persons of Directors.