

This policy applies to all Synlait Milk Limited sites.

Synlait Milk Limited shall achieve this by:

### Context and Purpose

Synlait Milk Limited (Synlait) recognises the importance of complying with its continuous disclosure obligations under the NZX Main Board Listing Rules (“Listing Rules”) and section 270 of the Financial Markets Conduct Act 2013.

This Policy is part of Synlait’s commitment to comply at all times with its continuous disclosure obligations and should be read in conjunction with Synlait’s [01664 Synlait Corporate Affairs Policy](#).

### Scope

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

### Continuous Disclosure Obligations

#### Fundamental Obligation

Synlait has a fundamental obligation under Listing Rule 3.1 to disclose “**material information**” promptly and without delay through the NZX market announcement platform before it is disclosed elsewhere.

**Material information** means specific information in relation to Synlait that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of Synlait’s shares.

#### Knowledge

Synlait is required to disclose material information which it is “**aware**” of. Under the Listing Rules, Synlait becomes aware of material information when a director or senior manager has, or ought reasonably to have, come into possession of the material information. The term “**senior manager**” includes all members of the senior leadership team and any other person who has significant influence over Synlait’s operations.

#### Material Information

Any assessment of material information must be made on a case by case basis by reference to the relevant facts and the Listing Rules. The NZX Guidance Note on Continuous Disclosure (dated 1 January 2019) will assist in applying the Listing Rules to the facts.

When considering whether information is material, Synlait will take a cautious approach and, if in doubt, it will disclose the information. The continuous disclosure flowchart in the Appendix will be followed.

The following non-exhaustive list refers to the types of information which may be material information under the Listing Rules:

- A change in Synlait’s financial forecasts or infant formula volume forecasts.

- A transaction where the consideration payable or receivable is a significant proportion of Synlait's consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case.
- A recommendation or declaration that a dividend will or will not be paid.
- Undersubscription or oversubscription to an issue of Synlait's shares.
- Giving or receiving a notice of any intention to make a takeover.
- Breach of financial covenants in relation to Synlait's banking facilities, or a material acceleration or increase of its financial obligations.
- Any proposed change in the general nature of Synlait's business.
- An acquisition or disposition of shares in Synlait carrying 5% or more of the votes attaching to any class of Synlait's shares.
- An acquisition or disposition of assets (including entering into any agreement or option) where the gross asset value, or the consideration paid or received, is more than 10% of Synlait's average market capitalisation.
- A change to Synlait's market, regulatory environment or product development which is likely to have a material effect on Synlait's results.

### Exceptions

Disclosure under Listing Rule 3.1 is not required if:

- one or more of the following applies:
  - Release of the information would be a breach of law;
  - The information concerns an incomplete proposal or negotiation;
  - The information contains supposition or is insufficiently definite;
  - The information is generated for internal management purposes; or
  - The information is a trade secret; and
- the information is confidential and its confidentiality is maintained; and
- a reasonable person would not expect the information to be disclosed.

If all the requirements above continue to be met, Synlait is permitted to withhold material information where it would otherwise need to be disclosed. It is important to note that Synlait must be able to demonstrate that all three limbs are satisfied, otherwise the information must be disclosed promptly and without delay.

## Continuous Disclosure Procedure

### Responsibility Overview

All staff are expected to be familiar with the contents of this Policy and its procedures so that they can identify events or matters which may require disclosure under the Listing Rules.

All directors and members of the Synlait senior leadership team bear primary responsibility for Synlait's compliance with its disclosure obligations and are therefore responsible for implementing this Policy effectively.

The Disclosure Contacts set out below are responsible for making the final assessment of whether information needs to be disclosed under this Policy.

### Disclosure Contacts

Any material information which may need to be disclosed must be communicated immediately to either the Chief Executive Officer, Chief Financial Officer or Director – Legal, Risk and Governance (each a “**Disclosure Contact**”). The Disclosure Contacts acting jointly will obtain sign off from either the Chair of the Board or the Chair of the Audit and Risk Committee before disclosure.

Where a member of staff is unsure of whether information needs to be disclosed they should discuss this with their line manager without delay.

Where a member of staff is aware of a developing matter which is not yet required to be disclosed but is likely to require disclosure in future, they should notify a Disclosure Contact as soon as practicable. The Disclosure Contacts will then take action to ensure that Synlait satisfies its disclosure obligations at the appropriate time.

The Disclosure Contacts are responsible for conducting an initial assessment of material information referred to them and collecting further information if required. All relevant facts and information communicated to a Disclosure Contact under this Policy will be considered without delay.

The Disclosure Contacts will:

- make the final assessment of whether information needs to be disclosed;
- oversee the drafting of all NZX announcements disclosing material information;
- monitor compliance with this Policy by Synlait and its staff;
- report to the Board on any disclosure matters dealt with in the preceding period; and
- engage external counsel as required to advise on disclosure obligations.

If one or more of the Disclosure Contacts are unavailable, Synlait's obligation to immediately disclose material information under the Listing Rules will take priority, and one Disclosure Contact may make disclosure with the support of the Chairman of the Board or if not available the Chairman of the Audit and Risk Committee, and the legal team approval.

### Trading Halts

Synlait may need to request a trading halt to enable the Disclosure Contacts to manage disclosure issues and maintain an orderly market (including responses to information released by third parties). The Disclosure Contacts will be responsible for considering, approving and implementing trading halts.

### Analysts

Synlait does not generally correct, confirm or comment on analyst forecasts, nor does it publish earnings projections solely because they do not align with analyst estimates.

However, where Synlait is reasonably certain that its actual performance materially deviates from the market's expectations (as may be reflected in analyst reports) the Disclosure Contacts will consider whether this deviation is material information under the Listing Rules and act accordingly.

Synlait must take care when dealing with analysts that it does not inadvertently breach its continuous disclosure obligations by communicating material information which is not otherwise available to the market. This principle also applies to direct enquiries from shareholders.

In all dealings with analysts and shareholders Synlait will observe the principle that any material information must first be disclosed to NZX through the market announcement platform. This does not prevent Synlait from disclosing background or technical information to analysts and shareholders to assist them with their understanding of Synlait's business, provided this is information is not material information.

### False Markets

Synlait does not generally correct, confirm or comment on market speculation and rumours. However, Synlait will promptly and without delay release information if necessary to prevent a market in its shares which is materially influenced by false or misleading information which comes from:

- Synlait or a person associated with Synlait; or
- Any other source which gives the information substantial credibility.

The categories of persons "associated" with Synlait are set out in the Listing Rules. They broadly include directors, senior managers, majority shareholders, joint venture partners and people exercising a substantial degree of influence over Synlait's business (including material customers).

Where this threshold is met, the Disclosure Contacts will be responsible for making disclosure required to correct false information in the market.

### Release of Information

In accordance with Synlait's Shareholder Communication Policy, only the following individuals are authorised to speak with shareholders and the broader investment community:

- Board Chairperson
- Chief Executive Officer
- Chief Financial Officer
- Investor Relations Analyst

Any announcements made through the NXZ market announcement platform must be reviewed and approved before release by the Director – Legal, Risk and Governance, or a delegated member of the legal team.

### 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 Disclosure Contacts to ensure that Synlait's continuous disclosure obligations are being satisfied in accordance with the Listing Rules.

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



Leon Clement  
**Chief Executive Officer**  
Synlait Milk Limited



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

## 1. Document Information

### 1.1 Reference Documents

- [01664 Synlait Corporate Affairs Policy](#)
- 01687 Appendix, Continuous Disclosure Flowchart (page 7 of this document)

### 1.2 Revision History

Section Number	Date	Revision	Description of what has changed
Whole document	31/07/2020	4	Change of template and removal of reference to archived document 03764

The previous revision of this document is available in the Document Control System (DCS). To access please contact the Document Controller.

APPENDIX

Continuous Disclosure Flowchart

