

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

PART TWO OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT.

This document contains a proposal which, if implemented, will result in the cancellation of the admission of the Dairy Crest Shares to the Official List and to trading on the main market of the London Stock Exchange.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your Dairy Crest Shares, please send this document (but not the accompanying personalised Forms of Proxy) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred part only of your holding of Dairy Crest Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and any accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this document nor any of the accompanying documents do, or are intended to, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus.

**Recommended cash acquisition of
Dairy Crest Group plc
by
Saputo Dairy UK Ltd
a wholly-owned subsidiary of
Saputo Inc.
to be effected by means of a scheme of arrangement of
Dairy Crest Group plc under Part 26 of the Companies Act 2006**

This document, together with the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Chairman of Dairy Crest in Part One of this document, which contains the unanimous recommendation of the Dairy Crest Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. A letter from Greenhill & Co. International LLP ("Greenhill") explaining the Scheme appears in Part Two of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

Notices of the Court Meeting and the General Meeting of Dairy Crest, each of which will be held at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS on 1 April 2019, are set out on pages 80 to 88 of this document. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting at 11.15 a.m. or as soon thereafter as the Court Meeting is concluded or adjourned.

Action to be taken by Dairy Crest Shareholders is set out on pages 29 and 30 of this document. The blue Form of Proxy is to be used in connection with the Court Meeting and the yellow Form of Proxy is to be used in connection with the General Meeting. Whether or not you intend to attend both or either of the Court Meeting or the General Meeting, Dairy Crest Shareholders are asked to complete and sign the enclosed blue and yellow Forms of Proxy in accordance with the instructions printed thereon and return them, either by post or, during normal business hours only, by hand to Dairy Crest's Registrars, Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and, in any event, not later than 48 hours before the relevant Meeting, excluding any part of a day that is not a business day. For your convenience, a freepost facility (for use in the UK only) has been provided with respect to Forms of Proxy. Dairy Crest Shareholders who hold Dairy Crest Shares in uncertificated form (that is, in CREST) may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on page 30 of this document. If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to the Chairman of the Court Meeting or to Dairy Crest's Registrars, Link Asset Services, on behalf of the Chairman of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, if the yellow Form of Proxy is not lodged by the relevant time, it will be invalid.

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service, please contact Link Asset Services on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

Greenhill, which is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, is acting exclusively as financial adviser to Dairy Crest and for no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Dairy Crest for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this document. Neither Greenhill, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Greenhill in connection with this document, any statement contained herein or otherwise.

Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (together "Shore Capital"), which are authorised and regulated in the United Kingdom by the FCA, are acting exclusively for Dairy Crest and no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Dairy Crest for providing the protections afforded to their clients or for providing advice in relation to the matters referred to in this document. Neither Shore Capital, nor any of their affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Shore Capital in connection with this document, any statement contained herein or otherwise.

Peel Hunt LLP ("Peel Hunt"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Dairy Crest and for no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Dairy Crest for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this document. Neither Peel Hunt, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with this document, any statement contained herein or otherwise.

Lazard & Co., Limited ("Lazard") is authorised and regulated by the FCA in the United Kingdom. Lazard is acting as financial adviser to Saputo Inc. and for no one else in connection with the matters set out in this document and will not be responsible to anyone other than Saputo for providing the protections afforded to clients of Lazard, nor for providing advice in relation to the matters set out in this document. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with the Acquisition, this document, any statement contained herein or otherwise.

Certain terms used in this document are defined in Part Eight: Definitions.

IMPORTANT NOTICES

The release, publication or distribution of this document and any accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this document (and any accompanying documents) come who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Neither this document (nor any of the accompanying documents) do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document and the accompanying Forms of Proxy have been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Unless otherwise determined by Saputo or required by the Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote, or procure the vote, in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction and persons receiving such documents (including agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition.

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. If, in the future, Saputo exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend such Takeover Offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations. Financial information included in this document has been, or will be, prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of Dairy Crest Shares to enforce their rights and any claim arising out of the US federal laws, since Dairy Crest and Saputo are located in a non-US jurisdiction, and some or all of their respective officers and directors may be residents of a non-US jurisdiction. US holders of Dairy Crest Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

The receipt of cash pursuant to the Scheme by US holders of Dairy Crest Shares as consideration for the transfer of Dairy Crest Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Dairy Crest Shareholder (including US holders of Dairy Crest Shares) is urged to consult his, her or its independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him, her or it.

Neither the SEC nor any securities commission of any state of the United States has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date. Nothing in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Dairy Crest, the Dairy Crest Group, Saputo or the Saputo Group except where otherwise stated.

Forward-looking statements

This document (including information incorporated by reference in this document), oral statements made regarding the Acquisition, and other information published by the Saputo Group and/or Dairy Crest contain statements which are, or may be deemed to be, "forward-looking statements" including for the purposes of the US Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of the Saputo Group and/or the Dairy Crest Group about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this document include statements relating to the expected effects of the Acquisition on the Saputo Group and the Dairy Crest Group, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Saputo and Dairy Crest believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction or not of the Conditions, as well as additional factors, such as conditions relating to the economic, industry, competitive and regulatory environments in which the Saputo Group and the Dairy Crest Group operate or which could affect their activities, their ability to attract and retain customers and consumers, as well as the availability and cost of milk and other raw materials and energy supplies, the Saputo Group's and the Dairy Crest Group's operating costs and the pricing of their finished products on the various markets in which they carry on business. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither the Saputo Group nor Dairy Crest, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules,

the Market Abuse Regulation (EU No 596/2014) ("MAR"), the Disclosure Guidance and Transparency Rules of the FCA and any applicable Canadian securities laws), none of Saputo, Saputo Inc. or Dairy Crest is under any obligation, and Saputo, Saputo Inc. and Dairy Crest expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

No statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for Saputo Inc., Saputo or Dairy Crest, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Saputo Inc., Saputo or Dairy Crest, as appropriate.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Publication on website and availability of hard copies

A copy of this document and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Saputo Inc.'s website at <http://www.saputo.com/en/investors> and Dairy Crest's website at <https://www.dairycrest.co.uk/investors> promptly and in any event by no later than 12:00 noon on the following business day after publication. For the avoidance of doubt, the contents of those websites are not incorporated into, and do not form part of, this document.

Dairy Crest Shareholders may request a hard copy of this document by contacting the Registrars during business hours on +44 (0) 371 664 0300 or by submitting a request in writing to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you have received this document in electronic form, copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

Electronic communications

Please be aware that addresses, electronic addresses and certain information provided by Dairy Crest Shareholders, persons with information rights and other relevant persons for the receipt of communications from Dairy Crest may be provided to Saputo during the Offer Period as required under Section 4 of Appendix 4 of the Code.

This document is dated 8 March 2019.

TO VOTE ON THE ACQUISITION

This page should be read in conjunction with the rest of this document and, in particular, the section headed "**ACTIONS TO BE TAKEN**" set out on pages 29 and 30 of this document and the notices of the Court Meeting and the General Meeting at the end of this document.

The Scheme will require approval at a meeting of Dairy Crest Shareholders convened pursuant to an order of the Court (the "Court Meeting") to be held at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS at 11.00 a.m. on 1 April 2019. Implementation of the Scheme will also require approval of Dairy Crest Shareholders at the General Meeting to be held at the same place at 11.15 a.m. on 1 April 2019 (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned).

Dairy Crest Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, speak and vote at the Meetings. A proxy need not be a Dairy Crest Shareholder.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDERS' OPINION. WHETHER OR NOT YOU INTEND TO ATTEND THE COURT MEETING AND/OR THE GENERAL MEETING, YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR APPOINT A PROXY THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE (AS APPROPRIATE) AS SOON AS POSSIBLE.

THE DAIRY CREST DIRECTORS RECOMMEND UNANIMOUSLY THAT YOU VOTE, OR PROCURE THE VOTE, IN FAVOUR OF THE RESOLUTIONS TO BE PROPOSED AT THE COURT MEETING AND THE GENERAL MEETING AS THE DAIRY CREST DIRECTORS WHO ARE INTERESTED IN DAIRY CREST SHARES HAVE IRREVOCABLY UNDERTAKEN TO DO IN RESPECT OF THEIR OWN BENEFICIAL HOLDINGS OF DAIRY CREST SHARES.

Whether or not you plan to attend the Meetings, you should:

1. complete, sign and return the blue Form of Proxy for use at the Court Meeting, or alternatively, if you hold your Dairy Crest Shares in CREST, appoint a proxy through the CREST electronic proxy appointment service, so as to be received no later than 11.00 a.m. on 28 March 2019; and
2. complete, sign and return the yellow Form of Proxy for use at the General Meeting, or alternatively, if you hold your Dairy Crest Shares in CREST, appoint a proxy through the CREST electronic proxy appointment service, so as to be received no later than 11.15 a.m. on 28 March 2019.

The Forms of Proxy may be returned by post or, during normal business hours only, by hand to Dairy Crest's Registrars, Link Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. For your convenience, a freepost facility (for use in the UK only) has been provided with respect to Forms of Proxy.

If the blue Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to the Chairman of the Court Meeting or to Dairy Crest's Registrars, Link Asset Services, on behalf of the Chairman of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, if the yellow Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the Form of Proxy it will be invalid.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST

members who have appointed (a) service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Dairy Crest's Registrars, Link Asset Services, (participant ID RA10) not later than 11.00 a.m. on 28 March 2019 in the case of the Court Meeting and not later than 11.15 a.m. on 28 March 2019 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours before the time and date set for the adjourned meeting, excluding any part of a day that is not a business day). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Link Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Dairy Crest may treat as invalid a CREST Proxy Instruction in the circumstances set out in the Regulations.

Forms of Proxy may alternatively be submitted electronically by logging on to the following website, www.signalshares.com, and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 11.00 a.m. on 28 March 2019 in respect of the Form of Proxy for the Court Meeting and no later than 11.15 a.m. on 28 March 2019 in respect of the Form of Proxy for the General Meeting (or in the case of adjournment(s), not later than 48 hours, (excluding any part of a day that is not a business day) before the time fixed for the adjourned meeting(s)). You may submit your proxy electronically using the share portal service at www.signalshares.com. If not already registered for the share portal, you will need your investor code which is located on your share certificate.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described in this document), will not prevent a holder of Scheme Shares from attending, speaking and voting in person at the Court Meeting and/or General Meeting, or any adjournments thereof, if such holder of Scheme Shares is entitled and wishes to do so.

If you wish to appoint more than one proxy in respect of your shareholding, please contact Link Asset Services on the number provided below to obtain (an) additional Form(s) of Proxy. Alternatively, you may photocopy the enclosed Form(s) of Proxy or, if you are a CREST member, please follow the procedures set out in the CREST Manual.

The results of the Court Meeting and the General Meeting will be announced through a Regulatory Information Service and also published on Dairy Crest's website at <https://www.dairycrest.co.uk/investors> once the votes have been counted and verified.

Shareholder helpline

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service, please contact Link Asset Services on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme.

<u>Event</u>	<u>Time and/or date</u>
Latest time for lodging Forms of Proxy for the:	
Court Meeting (blue form)	11.00 a.m. on 28 March 2019 ⁽¹⁾
General Meeting (yellow form)	11.15 a.m. on 28 March 2019 ⁽²⁾
Voting Record Time for the Court Meeting and the General Meeting	6.00 p.m. on 28 March 2019 ⁽³⁾
Court Meeting	11.00 a.m. on 1 April 2019
General Meeting	11.15 a.m. on 1 April 2019 ⁽⁴⁾
The following dates are indicative only and are subject to change⁽⁵⁾	
Court Hearing	11 April 2019
Last day of dealings in, or for registration of transfers of, Dairy Crest Shares	12 April 2019
Dealings in Dairy Crest Shares suspended	5.00 p.m. on 12 April 2019
Scheme Record Time	6.00 p.m. on 12 April 2019
Effective Date of the Scheme	15 April 2019 (D)
Delisting of Dairy Crest Shares	By 7.00 a.m. on D+1
Despatch of cheques and crediting of CREST for Cash Consideration due under the Scheme	By D+14
Long Stop Date	31 August 2019 ⁽⁶⁾

Notes:

- (1) It is requested that blue Forms of Proxy for the Court Meeting be lodged not later than 48 hours before the time appointed for the Court Meeting, excluding any part of a day that is not a business day. Blue Forms of Proxy not so lodged may be handed to the Chairman of the Court Meeting or Link Asset Services on behalf of the Chairman of the Court Meeting before the start of the Court Meeting.
- (2) Yellow Forms of Proxy for the General Meeting must be lodged not later than 48 hours before the time appointed for the General Meeting, excluding any part of a day that is not a business day. Yellow Forms of Proxy for the General Meeting not lodged by this time will be invalid.
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day which is two days before the date of the adjourned meeting, excluding any part of a day that is not a business day.
- (4) Or as soon as the Court Meeting shall have concluded or been adjourned.
- (5) These dates are indicative only and will depend, among other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) a copy of the Court Order is delivered to the Registrar of Companies.
- (6) This is the latest date by which the Scheme may become Effective unless Saputo and Dairy Crest agree (and the Panel and, if required, the Court permit) a later date.

All references in this document to times are to London time unless otherwise stated. The dates and times given are indicative only and are based on Dairy Crest's current expectations and may be subject to change (including as a result of changes to the regulatory timetable). If any of the expected times and/or dates above change, the revised times and/or dates will be notified to Dairy Crest Shareholders by announcement through a Regulatory Information Service.

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PART ONE

LETTER FROM THE CHAIRMAN OF DAIRY CREST



Directors:

Stephen Alexander (*Non-executive Chairman*)
Mark Allen (*Chief Executive Officer*)
Tom Atherton (*Deputy Chief Executive Officer & Group Finance Director*)
Adam Braithwaite (*Executive Director*)
Sue Farr (*Non-executive Director*)
John Gibney (*Non-executive Director*)
Richard Macdonald (*Non-executive Director*)
Moni Mannings (*Non-executive Director*)

Registered office:

Claygate House
Littleworth Road
Esher
Surrey KT10 9PN
*Incorporated in England and Wales
with registered number 03162897*

8 March 2019

To the holders of Dairy Crest Shares and, for information only, to holders of options and/or awards under the Dairy Crest Share Schemes and persons with information rights

Dear Shareholder

RECOMMENDED ACQUISITION OF DAIRY CREST GROUP PLC BY SAPUTO DAIRY UK LTD

1. Introduction

On 22 February 2019, Dairy Crest and Saputo announced that they had agreed the terms of a recommended cash offer pursuant to which Saputo will acquire the entire issued and to be issued share capital of Dairy Crest.

I am writing to you today to set out the background to the Acquisition and the reasons why the Dairy Crest Directors consider the terms of the Acquisition to be fair and reasonable and are unanimously recommending that you vote, or procure the vote, in favour of the Acquisition. In addition, paragraphs 3 and 9 of this letter set out, respectively, Saputo's reasons for making the Acquisition and its intentions with regard to the management, employees and locations of business of Dairy Crest. I also draw your attention to the letter from Greenhill set out in Part Two: Explanatory Statement of this document which gives details about the Acquisition and the Scheme and to the additional information set out in Part Seven: Additional Information on Dairy Crest and Saputo of this document.

In order to approve the terms of the Acquisition, Scheme Shareholders will need to vote, or procure the vote, in favour of the resolutions to be proposed at the Court Meeting and the General Meeting to be held on 1 April 2019. Details of the actions you are asked to take are set out in paragraph 9 of Part Two: Explanatory Statement of this document. The recommendation of the Dairy Crest Directors is set out in paragraph 20 of this letter.

2. Summary of the terms of the Acquisition

The Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Dairy Crest and Scheme Shareholders under Part 26 of the Companies Act.

Under the terms of the Acquisition, which will be subject to the terms and conditions set out in Part Three: Conditions to the Implementation of the Scheme and to the Acquisition of this document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

620 pence in cash for each Scheme Share

The Acquisition values Dairy Crest's entire issued and to be issued share capital at approximately £975 million.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Dairy Crest Shares, Saputo reserves the right to reduce the consideration payable under the terms of the Acquisition at such date by an amount up to the amount of such dividend and/or distribution and/or return of capital.

The price of 620 pence in cash for each Scheme Share represents:

- a premium of approximately 11.7 per cent. to the Closing Price of a Dairy Crest Share of 555 pence on the Rule 2.7 Announcement Latest Practicable Date;
- a premium of approximately 27.1 per cent. to the 30 day volume weighted average share price of a Dairy Crest Share of 488 pence on the Rule 2.7 Announcement Latest Practicable Date; and
- a premium of approximately 33.8 per cent. to the 90 day volume weighted average share price of a Dairy Crest Share of 464 pence on the Rule 2.7 Announcement Latest Practicable Date.

3. Saputo's reasons for making the Acquisition

One of the Saputo Group's key strategies is to grow through acquisitions, where it has a successful track record. The Saputo Group's interest in Dairy Crest is motivated by a desire to increase its international presence and enter the UK market by acquiring and investing in a well-established and successful industry player with a solid asset base and an experienced management team. The Saputo Group does not currently have any operations in Europe and sees Dairy Crest as an attractive platform for growth in the UK. Saputo believes that the Saputo Group's position as a large international dairy processor with a strong financial position would help Dairy Crest accelerate its growth plans, thereby delivering direct benefits for Dairy Crest and its stakeholders, including employees, while retaining and preserving Dairy Crest's heritage and brands. Saputo intends that, under its ownership, Dairy Crest would continue to manufacture its products from its existing facilities in the UK. Saputo would seek to support Dairy Crest's innovation and new product development through Dairy Crest's research and development functions in order to service the customer base. Therefore, Saputo does not envisage any material change to the research and development functions of Dairy Crest as a result of the Acquisition. Saputo does not intend to dispose of any material part of Dairy Crest's business, or redeploy any fixed assets of Dairy Crest, following the Acquisition.

The Combined Group's headquarters will be located at Saputo Inc.'s head office in Montréal, Québec, Canada, while Saputo intends that the management of its UK operations will continue to be based in Surrey, England.

4. The Dairy Crest Board's reasons for the recommendation

Through decisive leadership, Dairy Crest has transformed itself from a supply-driven commoditised business to a leading UK manufacturer of foods and added-value ingredients. Pivotal to this transformation was the sale, executed by Dairy Crest's current management team, of its Dairies operation to Müller in 2015.

The Dairy Crest Directors remain confident that Dairy Crest's existing strategy and the decisions taken to transform the business mean that its future prospects are strong. Having reviewed the offer from Saputo, the Dairy Crest Board believes that the terms of

the Acquisition, including valuation, reflect both the strength of the Dairy Crest business today and its future prospects to develop the business further with enhanced scale and geographic reach, including through the sharing of best operational practices.

The Dairy Crest Directors note that:

- the Acquisition provides an opportunity for Dairy Crest Shareholders to receive the certainty of a cash payment for their holdings at a valuation that reflects the positive future prospects for Dairy Crest;
- the Acquisition is priced at an attractive premium of:
 - approximately 11.7 per cent. to the Closing Price of a Dairy Crest Share of 555 pence on the Rule 2.7 Announcement Latest Practicable Date;
 - approximately 27.1 per cent. to the 30 day volume weighted average share price of a Dairy Crest Share of 488 pence on the Rule 2.7 Announcement Latest Practicable Date; and
 - approximately 33.8 per cent. to the 90 day volume weighted average share price of a Dairy Crest Share of 464 pence on the Rule 2.7 Announcement Latest Practicable Date;
- the Acquisition reflects the value created by Dairy Crest's strategy to date and the future value that the strategy is expected to create; and
- the Acquisition is expected to deliver a number of strategic benefits to Dairy Crest's business, including increased international know-how and a stronger balance sheet to deliver its growth ambitions.

In considering the Acquisition, the Dairy Crest Directors have taken into account Saputo's strategy, culture and its intentions for the Dairy Crest business and employees. The Dairy Crest Directors firmly believe that the Acquisition presents a unique opportunity which results in a positive outcome for all of its stakeholders, including farmers, other suppliers, customers, employees and shareholders.

5. Irrevocable undertakings

Saputo has received irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is to be effected by way of a Takeover Offer, to accept, or procure the acceptance of, such Takeover Offer) from all the Dairy Crest Directors who hold Dairy Crest Shares in respect of 85,062 Dairy Crest Shares, in aggregate, representing all of the Dairy Crest Shares held by the Dairy Crest Directors (and/or their connected persons) and approximately 0.055 per cent. of the issued ordinary share capital of Dairy Crest at the close of business on the Latest Practicable Date.

The irrevocable undertakings from the Dairy Crest Directors will cease to be binding only if (a) Saputo announces that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Code at the same time; or (b) the Scheme or Takeover Offer lapses or is withdrawn and no new, revised or replacement Scheme or Takeover Offer has been announced, in accordance with Rule 2.7 of the Code in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time. The irrevocable undertakings remain binding in the event that a higher competing offer for Dairy Crest is made.

Further details of these irrevocable undertakings are set out in paragraph 10 of Part Seven: Additional Information on Dairy Crest and Saputo of this document.

6. Information relating to Dairy Crest

Dairy Crest is a producer of leading British food brands and value-added ingredients. The Company manufactures and markets a portfolio of market-leading brands including

Cathedral City cheese, Clover dairy spread, Country Life butter and Frylight cooking spray. It also produces ingredients for the high growth global infant formula market – demineralised whey powder, a by-product from the cheese-making process, and galactooligosaccharides (“GOS”), a lactose-based prebiotic which helps to improve gut health.

During the last financial year, Dairy Crest raised just under £70 million through a share placement to increase cheese production capacity at its creamery in Davidstow, Cornwall. The proceeds are also being used to enable the site to become self-sufficient in the supply of water and to improve energy resilience, thereby reducing its environmental impact.

As announced in a recent trading update on 31 January 2019, Dairy Crest’s four key brands – Cathedral City, Clover, Country Life and Frylight – all delivered strong volume and revenue growth for the third quarter ended 31 December 2018. In particular, volume of sales and revenue for Cathedral City grew by around 10% in the third quarter, helped in part by new product launches, including flavoured snack bars, Lactose Free and a refreshed kids’ snacking range.

The Company employs approximately 1,100 people in seven locations in the United Kingdom – five operating sites, an Innovation Centre on the campus of Harper Adams University and a Head Office situated in the outskirts of London.

For the twelve months ended 31 March 2018, Dairy Crest reported revenue of approximately £457 million, profit before tax (including Exceptional Items) of approximately £179 million and adjusted profit before tax of approximately £62 million.

For the six months ended 30 September 2018, Dairy Crest reported revenue of approximately £225 million, profit before tax (including Exceptional Items) of approximately £18 million and adjusted profit before tax of approximately £23 million.

7. Information relating to Saputo

Saputo is a newly-incorporated English private company which is an indirectly wholly-owned subsidiary of Saputo Inc. and has been formed at the direction of Saputo Inc. for the purposes of the Acquisition. Saputo has undertaken no activity since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

The Saputo Group produces, markets and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. The Saputo Group is one of the top ten dairy processors in the world, the largest cheese manufacturer and the leading fluid milk and cream processor in Canada, the top dairy processor in Australia and the second largest in Argentina. In the United States, the Saputo Group ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. The Saputo Group’s products are sold in several countries under well-known brand names such as *Saputo*, *Alexis de Portneuf*, *Armstrong*, *COON*, *Cracker Barrel* (used under licence), *Dairyland*, *DairyStar*, *Devondale*, *Friendship Dairies*, *Friigo Cheese Heads*, *La Paulina*, *Milk2Go/Lait’s Go*, *Montchevre*, *Murray Goulburn Ingredients*, *Neilson*, *Nutralait*, *Scotsburn* (used under licence), *Stella*, *Sungold*, *Treasure Cave* and *Woolwich Dairy*. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol “SAP”.

The Saputo Group has approximately 15,000 employees, operates 62 plants and sells its products in more than 40 countries.

For the twelve months ended 31 March 2018, Saputo Inc.’s consolidated revenues amounted to approximately CDN\$11,543 million (£6,706 million) and its net earnings amounted to CDN\$853 million (£495 million).

For the nine months ended 31 December 2018, Saputo Inc.’s consolidated revenues amounted to approximately CDN\$10,265 million (£5,964 million) and its net earnings amounted to CDN\$631 million (£367 million).

8. Financing arrangements

The cash consideration payable by Saputo under the terms of the Acquisition will be funded from debt to be provided under a Credit Agreement arranged and fully underwritten by National Bank of Canada and Bank of Montréal. Following completion of the Acquisition, the Dairy Crest Group's existing financial indebtedness will be refinanced using debt to be provided under the Credit Agreement.

Lazard, in its capacity as financial adviser to Saputo Inc., confirms that it is satisfied that resources are available to Saputo to satisfy in full the cash consideration payable under the terms of the Scheme.

9. Saputo's intentions with regards to the management, employees and locations of business of Dairy Crest

Saputo recognises that to maintain Dairy Crest's capabilities in the dairy industry it is important to retain the skills, knowledge and expertise within Dairy Crest's existing management and employees.

It is Saputo's intention that Dairy Crest continues to be managed and run by the current senior management and employees. This will retain the benefit of those senior managers' knowledge of the local market dynamics, the dairy industry, the Dairy Crest business and its key relationships.

Saputo expects that the existing non-executive Dairy Crest Directors will resign from office as directors of Dairy Crest with effect from the Effective Date.

Given that the Saputo Group does not have a presence in the UK, Saputo foresees only limited rationalisation of employee roles following the Acquisition, mainly targeted at corporate and support functions, notably those related to Dairy Crest's status as a public listed company. Any such reductions would be subject to appropriate consultation with employees and employee representative bodies.

Following the completion of the Acquisition, the existing employment rights, including pension rights, of management and employees of the Dairy Crest Group will be fully safeguarded in accordance with contractual and statutory requirements. Saputo does not intend to make any material change in the conditions of employment of the employees and management of the Dairy Crest Group and Saputo has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of Dairy Crest's management. However, Saputo may following completion of the Acquisition put in place incentive arrangements such as long-term incentive plans for certain members of Dairy Crest's management team in a manner consistent with the Saputo Group's existing compensation practices and corporate objectives.

Saputo does not intend to make any material change in the balance of skills and functions of the employees and management of Dairy Crest Group following the Acquisition, save as described above.

10. Pensions

Saputo recognises the importance of fulfilling the Dairy Crest Group's pension obligations and of ensuring that its pension schemes are appropriately funded in accordance with statutory requirements.

The most significant pension scheme operated by the Dairy Crest Group is the Dairy Crest Group Pension Fund (the "DB Scheme"), which is a defined benefit pension scheme. The DB Scheme is closed to new entrants and to the future accrual of benefits for existing members. Saputo does not currently intend to make any change to the benefits provided by the DB Scheme.

Saputo has held amicable and constructive discussions with the trustee of the DB Scheme, including with respect to interaction and information sharing going forward and the investment and security arrangements to underpin the future funding of the DB Scheme.

Saputo Inc. and the trustee have entered into a legally binding Memorandum of Understanding relating to the future funding of the DB Scheme. Under the Memorandum of Understanding, Saputo Inc. has agreed to guarantee all present and future employer obligations to make payments in respect of the DB Scheme. This commitment has been given in exchange for certain confirmations from the trustee relating to the future funding of the DB Scheme and the release or amendment of certain existing obligations of Dairy Crest Group plc and Dairy Crest Limited in respect of the DB Scheme.

The trustee has confirmed in the Memorandum of Understanding that based on the information provided by Saputo to date, and subject to the entry into the legal documents to give effect to the Memorandum of Understanding, the trustee does not believe that the Acquisition is materially detrimental to the ability of the DB Scheme to meet its liabilities or to the likelihood of the accrued benefits being received.

The Dairy Crest Group also operates a defined contribution pension scheme. Saputo does not currently intend to make any changes to the terms of this scheme.

No statements made in paragraphs 3 and 9 above or this paragraph 10 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

11. Dairy Crest's views on Saputo's intentions

In considering the recommendation of the Acquisition to Dairy Crest Shareholders, the Dairy Crest Directors have given due consideration to Saputo's intentions, as stated in paragraphs 3, 9 and 10 above, for management, employees, locations of business and pension arrangements.

The Dairy Crest Directors believe that Saputo would be a good owner of the Dairy Crest Group and there is a strong strategic and commercial rationale for a combination of the two businesses. The Dairy Crest Directors welcome the Saputo Group's desire to increase its international presence and enter the UK market by acquiring and investing in Dairy Crest, which it sees as a well-established and successful industry player with a solid asset base and an experienced management team with knowledge of local market dynamics, the dairy industry, the Dairy Crest business and its key relationships. The Dairy Crest Directors also welcome the fact that the Saputo Group's position as a large international dairy processor with a strong financial position should help Dairy Crest accelerate its own growth plans, thereby delivering direct benefits for Dairy Crest and its stakeholders, including employees, farmers, other suppliers, customers and shareholders, while retaining and preserving Dairy Crest's heritage and brands.

The Dairy Crest Directors welcome the confirmation by Saputo that it intends that, under its ownership, Dairy Crest would continue to manufacture its products from its existing facilities in the UK and that it would also seek to support Dairy Crest's innovation and new product development through its existing research and development functions and, accordingly, does not envisage any material change to the research and development functions of Dairy Crest as a result of the Acquisition.

The fact that Saputo has stated that it does not intend to dispose of any material part of Dairy Crest's business, or redeploy any fixed assets of Dairy Crest, following the Acquisition is also good news for the business and Dairy Crest's stakeholders.

The Dairy Crest Directors note that, as it does not have a UK presence already, Saputo foresees only limited rationalisation of employee roles following the Acquisition, mainly targeted at corporate and support functions, notably those related to Dairy Crest's status as a public listed company. The Dairy Crest Directors note that Saputo does not have any firm plans in this respect currently, and therefore they are unable to comment further at present, but they welcome Saputo's confirmation that any such reductions would be subject to appropriate consultation with employees and employee representative bodies and that it does not intend to make any material change in the balance of skills and functions of the employees and management of Dairy Crest Group following the Acquisition, save as described above.

The Dairy Crest Directors are also reassured that Saputo does not intend to make any material change in the conditions of employment of the employees and management of the Dairy Crest Group and that, following the completion of the Acquisition, the existing employment rights, including pension rights, of management and employees of the Dairy Crest Group will be fully safeguarded in accordance with contractual and statutory requirements.

In relation to pension arrangements, the Dairy Crest Directors note that Saputo Inc. and the trustee of the DB Scheme have entered into a legally binding Memorandum of Understanding relating to the future funding of the DB Scheme under which Saputo Inc. has agreed to guarantee all present and future employer obligations to make payments in respect of the DB Scheme in exchange for certain confirmations from the trustee relating to the future funding of the DB Scheme and the release or amendment of certain existing obligations of Dairy Crest Group plc and Dairy Crest Limited in respect of the DB Scheme.

The Dairy Crest Directors also note that the trustee has confirmed in the Memorandum of Understanding that based on the information provided by Saputo to date, and subject to the entry into the legal documents to give effect to the Memorandum of Understanding, the trustee does not believe that the Acquisition is materially detrimental to the ability of the DB Scheme to meet its liabilities or to the likelihood of the accrued benefits being received.

12. Dairy Crest Share Schemes

The effect of the Acquisition on options and awards granted pursuant to the Dairy Crest Share Schemes is as follows:

LTISP, ESOS, DBP 2004 and DBP 2014

The outstanding awards granted pursuant to the LTISP, the ESOS, the DBP 2004 and the DBP 2014 are already capable of exercise and will continue to be exercisable. The period during which the awards granted pursuant to the LTISP and the DBP 2014 may be exercised will, however, be curtailed as a result of the Acquisition.

LTAP

The outstanding awards granted pursuant to the LTAP in 2013 and 2014 which are already capable of exercise will continue to be exercisable. The period during which such awards may be exercised will, however, be curtailed as a result of the Acquisition. The outstanding awards granted pursuant to the LTAP in 2014, 2015, 2016 and 2017 which are not currently capable of exercise will become capable of exercise on the date the Scheme is sanctioned by the Court for a period of six months. In accordance with the rules of the LTAP, the unvested awards may be exercised to such extent as the Remuneration Committee determines. In light of the circumstances, the Remuneration Committee has determined that, subject to the Scheme being sanctioned by the Court, the unvested awards under the LTAP may be exercised in full.

LTIP

The outstanding awards granted pursuant to the LTIP are not currently capable of exercise but will become capable of exercise on the date the Scheme is sanctioned by the Court for a period of six months. In accordance with the rules of the LTIP and in light of the circumstances the Remuneration Committee has determined that, subject to the Scheme being sanctioned by the Court, the LTIP awards may be exercised in full.

Sharesave Scheme and SAYE Scheme

The outstanding options granted pursuant to the Sharesave Scheme are not currently capable of exercise but will become capable of exercise as a result of the Scheme and may be exercised for a period of one month following notification by Dairy Crest.

The outstanding options granted pursuant to the SAYE Scheme are not currently capable of exercise but will become capable of exercise immediately following the sanction of the Scheme by the Court for a period of six months.

Options granted pursuant to the Sharesave Scheme and the SAYE Scheme may only be exercised over such number of Dairy Crest Shares as may be acquired using the savings held in the option holder's linked savings account.

EBT

The trustee of the EBT has previously agreed to satisfy the exercise of awards under the LTISP, the ESOS, the DBP 2004, the DBP 2014, the LTAP and the LTIP. The trustee of the EBT currently holds some Dairy Crest Shares but does not hold sufficient shares to satisfy all the outstanding awards under the LTISP, the ESOS, the DBP 2004, the DBP 2014, the LTAP and the LTIP. Dairy Crest is therefore proposing to fund the EBT so that the trustee of the EBT may subscribe for the additional Dairy Crest Shares it needs to satisfy such awards.

Proposal Letters

Dairy Crest Share Scheme Participants will be sent separate letters on or shortly after the date of this document explaining the effects of the Acquisition on their options and awards and the actions that they may take.

Dairy Crest has indicated that it does not intend to grant any awards or options under the Dairy Crest Share Schemes prior to the Long Stop Date.

13. Action to be taken by Dairy Crest Shareholders

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Dairy Crest Shareholders in respect of the Scheme are set out in paragraph 9 of Part Two: Explanatory Statement of this document.

14. Overseas shareholders

Overseas holders of Dairy Crest Shares should refer to Part Six: Additional Information for Overseas Shareholders of this document, which contains important information relevant to such holders.

15. The Scheme and the Meetings

The Acquisition is being implemented by way of a Court-sanctioned scheme of arrangement between Dairy Crest and the Scheme Shareholders under Part 26 of the Companies Act, although Saputo reserves the right to elect to implement the Acquisition by way of a Takeover Offer (subject to Panel consent, where necessary). The procedure involves an application by Dairy Crest to the Court to sanction the Scheme, which will involve the Scheme Shares being transferred to Saputo, in consideration for which Scheme Shareholders will receive cash (on the basis described in paragraph 2 above).

To become Effective, the Scheme requires, among other things, the approval of a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy at the Court Meeting, representing not less than 75 per cent. in nominal value of the Scheme Shares held by such Scheme Shareholders present and voting at the Court Meeting (or any adjournment of the Court Meeting) and the passing of the Special Resolution necessary to implement the Scheme at the General Meeting. Following the Court Meeting and the General Meeting and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court. Dairy Crest will give adequate notice of the time and date of the Court Hearing, once known, by issuing an announcement through a Regulatory Information Service. The Scheme will only become Effective upon a copy of the Court Order being delivered to the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended and/or voted at the

Court Meeting or the General Meeting (and, if they attended and/or voted, whether or not they voted in favour).

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. Whether or not you intend to attend the Court Meeting and/or the General Meeting, you are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy through the CREST electronic proxy appointment service (as appropriate) as soon as possible.

Further details of the Scheme and the Meetings are set out in paragraphs 2 and 3 of Part Two: Explanatory Statement of this document.

16. Saputo Inc.'s current trading and prospects

Saputo Inc. published its interim results for the fiscal quarter period ending ended 31 December 2018 on 7 February 2019 in its management's discussion and analysis for the third quarter of the fiscal year 2019. The management's discussion and analysis for the third quarter of the fiscal year 2019 is incorporated by reference into this document.

As at 31 December 2018, Saputo Inc. had unaudited cash resources of CDN\$145.9 million, unaudited total current assets of CDN\$3,241.6 million, unaudited total liabilities of CDN\$4,595.7 million and unaudited net earnings of CDN\$631.1 million for the nine-month period ended 31 December 2018.

17. Dairy Crest's current trading and prospects

On 31 January 2019, Dairy Crest published a trading update for the nine months ended 31 December 2018, as follows:

"The company's key brands – Cathedral City, Clover, Country Life and Frylight – all delivered strong volume and revenue growth for the third quarter ended 31 December 2018. On a combined basis, the four brands generated revenue growth of around 10% for the third quarter and 6% for the nine months ended 31 December 2018.

In line with our expectations at the time of the Interim Results, Cathedral City had a particularly good third quarter. Both volume and revenue grew by around 10%, helped in part by new product launches, including flavoured snack bars, Lactose Free and a refreshed kids' snacking range.

Dairy Crest's spreads brands continue to gain market share. Clover Light with no artificial ingredients was launched in August 2018 and has been voted 'Product of the Year' in the UK spreads category in the world's largest consumer survey for product innovation.

Frylight returned to double digit volume and revenue growth in the third quarter, although over the nine month period the brand declined due to the challenging first half of the year.

Following a reduction in cream prices, we started to promote Country Life again which led to positive volume and revenue growth in the quarter. The partnership with English Heritage offering 2 for 1 entry began this month.

Demand for our functional ingredients – demineralised whey powder and galacto-oligosaccharides (GOS) – continues to increase. In January 2019, daily Promovita GOS 'shots' for consumers went on sale for the first time.

There is significant uncertainty around Brexit and the impact of a potentially disorderly exit is hard to predict. Whilst our supply chain and customer base are primarily located in the UK, we are taking steps to reduce our exposure, including accelerating the purchase of ingredients and packaging materials.

Notwithstanding this, the outlook for the full year remains in line with our expectations."

Current trading for Dairy Crest continues in line with the statements made in the trading update referred to above.

18. United Kingdom taxation

Your attention is drawn to paragraph 6 of Part Two: Explanatory Statement of this document headed "United Kingdom taxation". Although this document contains certain tax-related information, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

19. Further information

You are advised to read the whole of this document and not just rely on the summary information contained in this letter.

Your attention is drawn in particular to the further information contained in Part Two: Explanatory Statement, Part Three: Conditions to the Implementation of the Scheme and to the Acquisition, Part Four: The Scheme of Arrangement and Part Seven: Additional Information on Dairy Crest and Saputo of this document, which provides further details concerning the Scheme.

20. Recommendation

The Dairy Crest Directors, who have been so advised by Greenhill as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, Greenhill has taken into account the commercial assessments of the Dairy Crest Directors. Greenhill is providing independent financial advice to the Dairy Crest Directors for the purposes of Rule 3 of the City Code.

Accordingly, the Dairy Crest Directors unanimously recommend Dairy Crest Shareholders to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting as the Dairy Crest Directors who are interested in Dairy Crest Shares have irrevocably undertaken to do in respect of all of their Dairy Crest Shares (amounting to 85,062 Dairy Crest Shares, in aggregate, and representing approximately 0.055 per cent. of the issued ordinary share capital of Dairy Crest at the close of business on the Latest Practicable Date).

Yours faithfully,

Stephen Alexander
Chairman

PART TWO

EXPLANATORY STATEMENT

(In compliance with section 897 of the Companies Act)

Greenhill & Co. International LLP
Lansdowne House
57 Berkeley Square
Mayfair
London
W1J 6ER

8 March 2019

To the holders of Dairy Crest Shares and, for information only, to holders of options and/or awards under the Dairy Crest Share Schemes and persons with information rights

Dear Shareholder

RECOMMENDED ACQUISITION OF DAIRY CREST BY SAPUTO DAIRY UK LTD

1. Introduction

On 22 February 2019, Dairy Crest and Saputo announced that they had agreed the terms of a recommended cash offer pursuant to which Saputo will acquire the entire issued and to be issued share capital of Dairy Crest. The Acquisition is being implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Your attention is drawn to the letter from the Chairman of Dairy Crest set out in Part One of this document, which forms part of this Explanatory Statement. The letter contains, among other things: (a) information on the reasons for and effect of the Acquisition on the Dairy Crest Group; and (b) the unanimous recommendation by the Dairy Crest Directors to Dairy Crest Shareholders to vote, or procure the vote, in favour of the resolutions to be proposed at the Court Meeting and the General Meeting.

We have been authorised by the Dairy Crest Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information. In giving its advice, Greenhill is advising the Dairy Crest Directors in relation to the Acquisition and is not acting for any Dairy Crest Director in their personal capacity nor for any Dairy Crest Shareholder in relation to the Acquisition. Greenhill will not be responsible to any such person for providing the protections afforded to its clients or for advising any such person in relation to the Acquisition. In particular, Greenhill will not owe any duties or responsibilities to any particular Dairy Crest Shareholder concerning the Acquisition.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part Four: The Scheme of Arrangement of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including Part One: Letter from the Chairman of Dairy Crest, the Conditions and certain further terms set out in Part Three: Conditions to the Scheme and to the Acquisition and the additional information set out in Part Seven: Additional Information on Dairy Crest and Saputo of this document. For overseas holders of Dairy Crest Shares, your attention is drawn to Part Six: Additional Information for Overseas Shareholders, which forms part of this Explanatory Statement.

2. Summary of the terms of the Acquisition and the Scheme

The Acquisition

The Acquisition is being effected by way of a scheme of arrangement between Dairy Crest and Scheme Shareholders under Part 26 of the Companies Act. Following the Scheme becoming Effective, the entire issued share capital of Dairy Crest will be held by Saputo.

Under the terms of the Acquisition, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

620 pence in cash for each Scheme Share

The Acquisition values Dairy Crest's entire issued and to be issued share capital at approximately £975 million.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Dairy Crest Shares, Saputo reserves the right to reduce the consideration payable under the terms of the Acquisition at such date by an amount up to the amount of such dividend and/or distribution and/or return of capital.

The price of 620 pence in cash for each Scheme Share represents:

- a premium of approximately 11.7 per cent. to the Closing Price of a Dairy Crest Share of 555 pence on the Rule 2.7 Announcement Latest Practicable Date;
- a premium of approximately 27.1 per cent. to the 30 day volume weighted average share price of a Dairy Crest Share of 488 pence on the Rule 2.7 Announcement Latest Practicable Date; and
- a premium of approximately 33.8 per cent. to the 90 day volume weighted average share price of a Dairy Crest Share of 464 pence on the Rule 2.7 Announcement Latest Practicable Date.

The Scheme

It is proposed that, under the Scheme, the Scheme Shares will be transferred to Saputo (or such other nominee(s) of Saputo as agreed by Saputo and Dairy Crest) so that the entire issued share capital of Dairy Crest is held by Saputo (or its nominee(s)). Holders of Scheme Shares whose names appear on the register of Dairy Crest at the Scheme Record Time, that is 6.00 p.m. on the business day following the date of the Court Hearing, will receive 620 pence in cash for each Scheme Share held by them.

Amendments to Dairy Crest's articles of association

It is proposed, as part of the Special Resolution to be proposed at the General Meeting relating to the Scheme, to amend Dairy Crest's articles of association to ensure that any Dairy Crest Shares issued under the Dairy Crest Share Schemes or otherwise on or after the Voting Record Time and before the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Dairy Crest's articles of association so that any Dairy Crest Shares issued to any person other than Saputo (and/or such other its nominee(s) of Saputo as agreed by Saputo and Dairy Crest) after the Scheme Record Time will be automatically acquired by Saputo on the same terms as under the Scheme. This will avoid any person (other than Saputo (and/or such other its nominee(s) of Saputo as agreed by Saputo and Dairy Crest) being left with Dairy Crest Shares after dealings in such shares have ceased (which is expected to occur at 5.00 p.m. on 12 April 2019). Part (b) of the Special Resolution set out in the notice of General Meeting on pages 84 to 88 of this document seeks the approval of Dairy Crest Shareholders for such amendment.

Conditions

The Acquisition and, accordingly, the Scheme is subject to a number of Conditions set out in full in Part Three: Conditions to the Implementation of the Scheme and to the Acquisition of this document, including:

- (a) the Scheme becoming unconditional and becoming Effective by no later than the Long Stop Date;
- (b) approval of the resolution to be proposed at the Court Meeting by the requisite majority of Scheme Shareholders on or before 23 April 2019, being the 22nd day

after the expected date of the Court Meeting set out in this document (or such later date, if any, as Dairy Crest and Saputo may agree and the Court may allow);

- (c) approval of the Special Resolution necessary to approve and implement the Scheme by the requisite majority of Dairy Crest Shareholders at the General Meeting on or before 23 April 2019, being the 22nd day after the expected date of the General Meeting set out in this document (or such later date, if any, as Dairy Crest and Saputo may agree and the Court may allow); and
- (d) the sanction of the Scheme with or without modification (but subject to any such modification being acceptable to Dairy Crest and Saputo) by the Court on or before 3 May 2019, being the 22nd day after the expected date of the Court Hearing set out in this documents (or such later date, if any, as Dairy Crest and Saputo may agree and the Court may allow) and the delivery of a copy of the Court Order to the Registrar of Companies.

The Scheme will require approval by Scheme Shareholders at the Court Meeting and Dairy Crest Shareholders at the General Meeting and the sanction of the Court at the Court Hearing. The Meetings and the nature of the approvals required to be given at them are described in more detail in paragraph 3 below. All Scheme Shareholders are entitled to attend the Court Hearing in person or through representatives to support or oppose the sanctioning of the Scheme should they so wish.

The Scheme can only become Effective if all Conditions to the Scheme, including Scheme Shareholder and Dairy Crest Shareholder approvals and the sanction of the Court, have been satisfied (unless, where applicable, the relevant Condition is waived). The Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration. Subject to the sanction of the Scheme by the Court, this is expected to occur on 15 April 2019. Unless the Scheme becomes Effective by no later than the Long Stop Date, the Scheme will not become Effective and the Acquisition will not proceed (unless extended with the agreement of Saputo and Dairy Crest and (if required) with the consent of the Panel and approval of the Court).

Offer-related arrangements

Saputo Inc. and Dairy Crest have entered into a confidentiality agreement dated 4 February 2019 (the "Confidentiality Agreement") pursuant to which Saputo Inc. has undertaken, amongst other things, to: (a) keep confidential information relating to the Acquisition and to Dairy Crest and not to disclose it to third parties (other than certain permitted parties) unless required by law or regulation; and (b) use the confidential information for the sole purpose of considering, evaluating, negotiating, implementing or advising on the potential Acquisition. These confidentiality obligations remain in force until 3 February 2021. The agreement also contains provisions pursuant to which Saputo Inc. has agreed to procure that, subject to customary exceptions (including the Scheme) no member of the Saputo Group may directly or indirectly deal in Dairy Crest Shares without the prior written consent of Dairy Crest. These standstill obligations remain in force until 3 February 2020.

Financing

The cash consideration payable by Saputo under the terms of the Acquisition will be funded from debt to be provided under a Credit Agreement arranged and fully underwritten by National Bank of Canada and Bank of Montréal. Following completion of the Acquisition, the Dairy Crest Group's existing financial indebtedness will be refinanced using debt to be provided under the Credit Agreement.

Cash confirmation

Lazard, as financial adviser to Saputo Inc., is satisfied that sufficient resources are available to Saputo to enable it to satisfy, in full, the Cash Consideration payable to Scheme Shareholders under the terms of the Acquisition.

3. Dairy Crest Meetings

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and Dairy Crest Shareholders at the separate General Meeting. The Court Meeting will be held on 1 April 2019 at 11.00 a.m., with the General Meeting held on the same day at 11.15 a.m. (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned). The Court Meeting is being held with the permission of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Dairy Crest Shareholders to enable the Dairy Crest Directors to implement the Scheme and to amend the articles of association of Dairy Crest as described in paragraph 2 above.

Notices of both the Court Meeting and the General Meeting are set out at the end of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Dairy Crest at the Voting Record Time.

If the Scheme becomes Effective, it will be binding on all Dairy Crest Shareholders, irrespective of whether or not they attended and/or voted at the Court Meeting or the General Meeting (and irrespective of whether or not they voted in favour of the resolutions at such Meetings).

Any Dairy Crest Shares which Saputo or any other member of the Saputo Group (or their respective nominees) may acquire before the Court Meeting are not Scheme Shares and therefore none of Saputo or any other member of the Saputo Group (or their respective nominees) is entitled to vote at the Court Meeting in respect of any Dairy Crest Shares held or acquired by it or them and will not exercise, or procure the exercise of, the voting rights attaching to such Dairy Crest Shares at the General Meeting.

Court Meeting

The Court Meeting has been convened for 11.00 a.m. on 1 April 2019 to enable Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each member present, in person or by proxy, will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a majority in number of Scheme Shareholders present and voting, in person or by proxy, representing at least 75 per cent. in nominal value of the Scheme Shares held by those Scheme Shareholders present and voting in person or by proxy.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. Whether or not you intend to attend the Court Meeting, you are therefore strongly urged to complete, sign and return your Forms of Proxy, in particular your blue Form of Proxy, or appoint a proxy through the CREST electronic proxy appointment service (as appropriate) as soon as possible.

You will find the Notice of the Court Meeting in Part Nine: Notice of Court Meeting of this document.

General Meeting

In addition, the General Meeting has been convened for 11.15 a. m. on 1 April 2019 (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned) to consider and, if thought fit, pass the Special Resolution to approve:

- (a) the authorisation of the Dairy Crest Directors to take all such actions as they may consider necessary or appropriate to give effect to the Scheme; and
- (b) the amendment of the articles of association of Dairy Crest in the manner described in paragraph 2 above.

The Special Resolution will require votes in favour representing at least 75 per cent. of the votes cast at the General Meeting in person (including by corporate representative) or by proxy. The vote of Dairy Crest Shareholders at the General Meeting will be held by way of a poll. Each holder of Dairy Crest Shares who is entered on the register of members of Dairy Crest at the Voting Record Time and is present in person or by proxy will be entitled to one vote for each Dairy Crest Share so held.

You will find the Notice of the General Meeting in Part Ten: Notice of General Meeting of this document.

4. The Dairy Crest Directors and the effect of the Scheme on their interests

The names of the Dairy Crest Directors and details of their interests are set out in Part Seven: Additional Information on Dairy Crest and Saputo of this document.

Save as set out in this document, the effect of the Scheme on the interests of Dairy Crest Directors does not differ from its effect on the like interests of any other Scheme Shareholder or Dairy Crest Share Scheme Participant.

5. Delisting of Dairy Crest Shares, re-registration and settlement of Cash Consideration

Delisting of Dairy Crest Shares and re-registration

It is intended that dealings in Dairy Crest Shares will be suspended at 5.00 p.m. on the business day prior to the Effective Date. It is further intended that an application will be made to the UK Listing Authority for the cancellation of the listing of the Dairy Crest Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Dairy Crest Shares on the London Stock Exchange's main market for listed securities, in each case, with effect as of or shortly following the Effective Date.

It is also intended that, following the Scheme becoming Effective, Dairy Crest will be re-registered as a private limited company under the relevant provisions of the Companies Act.

Settlement

Subject to the Acquisition becoming Effective (and except as provided in Part Six: Additional Information for Overseas Shareholders of this document in relation to certain overseas Dairy Crest Shareholders), settlement of the Cash Consideration to which any Dairy Crest Shareholder is entitled under the Scheme will be effected in the following manner:

(a) *Dairy Crest Shares in uncertificated form (that is, in CREST)*

Where, at the Scheme Record Time, a Scheme Shareholder holds Dairy Crest Shares in uncertificated form, the Cash Consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Saputo procuring that Link Asset Services is instructed to create through Euroclear an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Dairy Crest Shares in respect of the Cash Consideration due to him, her or it.

As from the Scheme Record Time, each holding of Dairy Crest Shares credited to any stock account in CREST will be disabled and all Dairy Crest Shares will be removed from CREST in due course.

Saputo reserves the right to pay all, or any part of, the Cash Consideration referred to above to all or any Scheme Shareholder(s) who hold Dairy Crest Shares in uncertificated form in the manner referred to in sub-paragraph (b) below if, for any reason, it wishes to do so.

(b) *Dairy Crest Shares in certificated form*

Where, at the Scheme Record Time, a Scheme Shareholder holds Dairy Crest Shares in certificated form, settlement of the Cash Consideration due under the Scheme in respect of the Scheme Shares will be despatched:

- (i) by first class post, by cheque drawn on a branch of a UK clearing bank; or
- (ii) by such other method as may be approved by the Panel.

All such cash payments will be made in pounds Sterling. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned. Cheques will be despatched not later than the 14th day following the Effective Date to the person(s) entitled to them at the addresses as appearing in the register of members of Dairy Crest at the Scheme Record Time. None of Dairy Crest, Saputo, Saputo Inc., any nominee(s) of Saputo or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way and such cheques shall be sent at the risk of the persons entitled to them.

(c) *General*

All documents and remittances sent to Dairy Crest Shareholders will be sent at their own risk.

By 7.00 a.m. on the business day following the Effective Date, each certificate representing a holding of Scheme Shares will have ceased to be a valid document of title and should be destroyed or, at the request of Dairy Crest, delivered up to Dairy Crest, or to any person appointed by Dairy Crest to receive the same. By 7.00 a.m. on the business day following the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled.

Except with the consent of the Panel and subject to the provisions of sub-paragraph (d) below, settlement of the Cash Consideration to which any Dairy Crest Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Saputo might otherwise be, or claim to be, entitled against such Dairy Crest Shareholder.

(d) *Dividends*

If any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Dairy Crest Shares, Saputo reserves the right to reduce the Cash Consideration payable under the terms of the Acquisition for the Dairy Crest Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this document to the Cash Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Cash Consideration as so reduced. If Saputo exercises its right to reduce the Cash Consideration payable under the terms of the Acquisition for the Dairy Crest Shares by an amount up to the amount of a dividend and/or distribution and/or return of capital that has not been paid, Dairy Crest Shareholders will be entitled to receive and retain any such dividend and/or other distribution and/or other return of capital. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Saputo alone to receive the dividend or distribution and to retain it; or (ii) cancelled, the Cash Consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph. Any exercise by Saputo of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

6. United Kingdom taxation

The comments set out below summarise certain limited aspects of the UK taxation treatment of certain Scheme Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and what is understood to be current HM Revenue and Customs ("HMRC") practice, both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and do not deal with certain categories of Scheme Shareholder such as charities, trusts, dealers in securities, persons who have or could be treated for tax purposes as having acquired their Scheme Shares by reason of their employment or as carried interest, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies.

References below to "UK Holders" are to Scheme Shareholders who are resident and, in the case of individuals, domiciled or deemed domiciled for the relevant period, solely in the UK for UK tax purposes, who hold their Scheme Shares as an investment (other than under a personal equity plan or individual savings account) and who are the absolute beneficial owners of their Scheme Shares.

IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION, AND IN PARTICULAR IF YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISOR IMMEDIATELY.

UK taxation of chargeable gains

The transfer of Scheme Shares under the Scheme in return for cash should be treated as a disposal of the UK Holder's Scheme Shares for the purposes of capital gains tax ("CGT") or corporation tax on chargeable gains (as applicable) and therefore may, depending on the UK Holder's particular circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK tax on chargeable gains or, alternatively, an allowable capital loss.

Individual Scheme Shareholders

Subject to available reliefs or allowances, gains arising on a disposal of Scheme Shares by an individual UK Holder will be subject to CGT at the rate of 10 per cent. except to the extent that the gain, when it is added to the UK Holder's other taxable income and gains in the relevant tax year, takes the individual UK Holder's aggregate income and gains over the higher rate threshold (£50,000 for the 2019/20 tax year), in which case it will be taxed at the rate of 20 per cent.

The CGT annual exemption (£12,000 for the 2019/20 tax year) may be available to individual UK Holders to offset against chargeable gains realised on the disposal of their Scheme Shares.

Corporate Scheme Shareholders

Subject to available reliefs or allowances, gains arising on a disposal of Scheme Shares by a UK Holder within the charge to UK corporation tax will be taxed at the main rate of UK corporation tax, which is 19% for the tax year beginning 1 April 2019.

For UK Holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption in respect of their Scheme Shares), indexation allowance may be available to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the disposal of their Scheme Shares. However, the Finance Act 2018 contains provisions which limit the availability of indexation allowance for disposals on and after 1 January 2018 to any indexation allowance calculated up to December 2017.

The substantial shareholding exemption may apply to exempt from corporation tax any chargeable gain (or disallow any loss) arising to UK Holders within the charge to UK

corporation tax where a number of conditions are satisfied, including that, generally, the corporate UK Holder (together with certain associated companies) has held not less than 10% of the ordinary issued share capital of Dairy Crest for a period of at least one year before the date of disposal.

UK stamp duty and stamp duty reserve tax (SDRT)

No UK stamp duty or SDRT should be payable by Scheme Shareholders on the transfer of their Scheme Shares under the Scheme.

7. Dairy Crest Share Schemes

The effect of the Scheme in relation to options and awards outstanding under the Dairy Crest Share Schemes is described in paragraph 12 of the letter from the Chairman of Dairy Crest in Part One of this document.

8. Overseas holders

Overseas holders of Dairy Crest Shares should refer to Part Six: Additional Information for Overseas Shareholders of this document which contains important information relevant to such holders.

9. Actions to be taken

Actions to be taken by Dairy Crest Shareholders

The Scheme will require approval at a meeting of Scheme Shareholders convened by order of the Court to be held at the offices of Eversheds Sutherland (International) LLP at One Wood Street, London, EC2V 7WS at 11.00 a.m. on 1 April 2019. The approval required at this Court Meeting is that those voting to approve the Scheme must:

- (a) represent a simple majority in number of those Scheme Shareholders present and voting in person or by proxy; and
- (b) also represent at least 75% in nominal value of the Scheme Shares held by those Scheme Shareholders present and voting in person or by proxy.

The Scheme requires the sanction of the Court at the Court Hearing where Dairy Crest Shareholders may be present and be heard in person or through representation to support or oppose the sanctioning of the Scheme. Implementation of the Scheme will also require approval by the Special Resolution at the General Meeting to be held immediately after the Court Meeting, as described in paragraph 3 above. The approval required for this Special Resolution to be passed is a vote in favour of not less than 75% of the votes cast.

If the Scheme becomes Effective it will be binding on all holders of Scheme Shares irrespective of whether or not they attended and/or voted at the Court Meeting or the General Meeting (and irrespective of whether or not they voted in favour of the resolutions at such Meetings).

Forms of Proxy

Dairy Crest Shareholders will find accompanying this document a blue Form of Proxy and a yellow Form of Proxy. The blue Form of Proxy is to be used in connection with the Court Meeting and the yellow Form of Proxy is to be used in connection with the General Meeting. Whether or not you intend to attend these Meetings, please complete and sign both Forms of Proxy in accordance with the instructions printed on them and return them, either by post or, during normal business hours only, by hand to Dairy Crest's Registrars, Link Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible but, in any event, at least 48 hours before the relevant Meeting, excluding any part of a day that is not a business day. For your convenience, a freepost facility (for use in the UK only) has been provided with respect to Forms of Proxy.

If the blue Form of Proxy relating to the Court Meeting is not lodged by the relevant time, it may be handed to the Chairman of the Court Meeting or to Dairy Crest's Registrars, Link

Asset Services, on behalf of the Chairman of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, if the yellow Form of Proxy is not lodged so as to be received by the time mentioned above and in accordance with the instructions on that Form of Proxy, it will be invalid. The completion and return of either Form of Proxy will not preclude you from attending the Court Meeting or the General Meeting and voting in person, if you are so entitled and so wish.

Dairy Crest Shareholders who hold Dairy Crest Shares through CREST and who wish to appoint a proxy or proxies for the Court Meeting and General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Link Asset Services (ID RA10) at least 48 hours before the Court Meeting or the General Meeting, as applicable, excluding any part of a day that is not a business day. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Dairy Crest may treat as invalid a CREST Proxy Instruction in the circumstances set out in the Regulations.

10. Further information

The terms of the Scheme are set out in full in Part Four: The Scheme of Arrangement of this document. Further information regarding Dairy Crest and Saputo is set out in Part Seven: Additional Information on Dairy Crest and Saputo of this document. Documents made available on Dairy Crest's and Saputo's websites are listed in paragraph 17 of Part Seven: Additional Information on Dairy Crest and Saputo of this document.

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service, please contact Link Asset Services on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training

purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

At the Court Meeting, it is particularly important that as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. Whether or not you intend to attend the Court Meeting, you are therefore strongly urged to complete, sign and return your blue Form of Proxy or appoint a proxy electronically as soon as possible.

Yours faithfully,

Seamus Moorhead

for and on behalf of **Greenhill & Co. International LLP**

8 March 2019

PART THREE

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION

Conditions and Certain Further Terms of the Scheme and the Acquisition

A. Conditions to the Scheme and Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, by no later than the Long Stop Date or such later date (if any) as Saputo and Dairy Crest may, with the consent of the Panel, agree and (if required) the Court may allow.

Scheme approval

2. The Scheme will be conditional upon:
 - (a) approval of the Scheme at the Court Meeting (or at any adjournment thereof, provided that the Court Meeting may not be adjourned beyond the 22nd day after the expected date of the Court Meeting set out in this document or such later date (if any) as Saputo and Dairy Crest may agree) by a majority in number of the Scheme Shareholders who are on the register of members of Dairy Crest at the Scheme Voting Record Time present and voting, either in person or by proxy, representing three-quarters or more in value of the Scheme Shares held by those Scheme Shareholders;
 - (b) the Special Resolution being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof, provided that the General Meeting may not be adjourned beyond the 22nd day after the expected date of the General Meeting set out in this document or such later date (if any) as Saputo and Dairy Crest may agree); and
 - (c) the sanction of the Scheme without modification or with modification on terms acceptable to Saputo and Dairy Crest (provided that the Court Hearing may not be adjourned beyond the 22nd day after the expected date of the Court Hearing set out in this document or such later date (if any) as Saputo and Dairy Crest may agree) and the delivery of a copy of the Court Order to the Registrar of Companies for registration.

In addition, Saputo and Dairy Crest have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

General Third Party clearances

3. All notifications to and filings with Third Parties which are necessary or are reasonably considered appropriate by Saputo having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated or waived (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case, in connection with the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Dairy Crest or any other member of the Wider Dairy Crest Group by any member of the Wider Saputo Group or the carrying on by any member of the Wider Dairy Crest Group of any material aspect of its business.

4. No Third Party having intervened (as defined below) and there not continuing to be outstanding any statute, regulation or order of any Third Party in each case which would or might reasonably be expected (to an extent or in a manner which is or would be material in the context of the Wider Dairy Crest Group taken as a whole) to:
- (a) make the Scheme or the Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Saputo or any member of the Wider Saputo Group of any shares or other securities in, or control or management of, Dairy Crest or any member of the Wider Dairy Crest Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or delay the same or impose additional material conditions or obligations with respect to the Scheme or the Acquisition or such acquisition, or otherwise materially impede, challenge or interfere with the Scheme or Acquisition or such acquisition, or require material amendment to the terms of the Scheme or Acquisition or the acquisition or proposed acquisition of any Dairy Crest Shares or the acquisition of control or management of Dairy Crest or the Wider Dairy Crest Group by Saputo or any member of the Saputo Group;
 - (b) materially limit or delay, or impose any material limitations on, the ability of any member of the Wider Saputo Group or any member of the Wider Dairy Crest Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Dairy Crest Group or any member of the Wider Saputo Group;
 - (c) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture, by any member of the Wider Saputo Group of any shares or other securities in any member of the Dairy Crest Group;
 - (d) require, prevent or materially delay the divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the Wider Saputo Group or by any member of the Wider Dairy Crest Group of all or any portion of their respective businesses, assets or properties or materially limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
 - (e) except pursuant to sections 974 to 991 of the Companies Act, require any member of the Wider Saputo Group or of the Wider Dairy Crest Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of either group owned by any third party;
 - (f) materially limit the ability of any member of the Wider Saputo Group or of the Wider Dairy Crest Group to conduct or integrate or co-ordinate its businesses, or any part of its businesses, with the businesses, or any part of the businesses, of any other member of the Wider Saputo Group or of the Wider Dairy Crest Group;
 - (g) result in any member of the Wider Dairy Crest Group or the Wider Saputo Group ceasing to be able to carry on business under any name under which it presently does so; or
 - (h) otherwise materially adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider Dairy Crest Group or of the Wider Saputo Group,

and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated or waived.

5. All Authorisations which are necessary or are reasonably considered necessary or appropriate by Saputo in any relevant jurisdiction for or in respect of the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Dairy Crest or any other member of the Wider Dairy Crest Group by any member of the Wider Saputo Group or the carrying on by any member of the Wider Dairy Crest Group of any material part of its business having been obtained, in terms and in a form in each case reasonably satisfactory to Saputo, from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider Dairy Crest Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same.

Certain matters arising as a result of any arrangement, agreement etc.

6. Since 31 March 2018, except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Dairy Crest Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any circumstance, which, in each case as a consequence of the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control of, Dairy Crest or any other member of the Wider Dairy Crest Group by any member of the Wider Saputo Group or otherwise, could or might reasonably be expected to result in (in any case to an extent which is or would be material in the context of the Wider Dairy Crest Group taken as a whole):
 - (a) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Dairy Crest Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity date or repayment date or the ability of any member of the Wider Dairy Crest Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
 - (b) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Dairy Crest Group or any such mortgage, charge or other security interest (wherever created, arising or having arisen) becoming enforceable;
 - (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Dairy Crest Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
 - (d) any asset or interest of any member of the Wider Dairy Crest Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Dairy Crest Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Dairy Crest Group otherwise than in the ordinary course of business;
 - (e) any member of the Wider Dairy Crest Group ceasing to be able to carry on business under any name under which it presently does so;
 - (f) the creation of material liabilities (actual or contingent) by any member of the Wider Dairy Crest Group other than in the ordinary course of business;
 - (g) the rights, liabilities, obligations or interests of any member of the Wider Dairy Crest Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member

in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated or adversely modified or affected; or

- (h) the financial or trading position or the value of any member of the Wider Dairy Crest Group being prejudiced or adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would be reasonably likely to result in any of the events or circumstances which are referred to in paragraphs (a) to (h) of this Condition 6 in any case to an extent which is or would be material in the context of the Wider Dairy Crest Group taken as a whole.

- 7. Since 31 March 2018 and except as Disclosed, no member of the Wider Dairy Crest Group having:

- (a) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury, other than as between Dairy Crest and wholly-owned subsidiaries of Dairy Crest and other than any shares issued or shares transferred from treasury upon the exercise of any options granted under any of the Dairy Crest Share Schemes;

- (b) purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital;

- (c) recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue (other than to Dairy Crest or a wholly-owned subsidiary of Dairy Crest);

- (d) except as between Dairy Crest and its wholly-owned subsidiaries or between such wholly-owned subsidiaries made or authorised any change in its loan capital;

- (e) (other than any acquisition or disposal in the ordinary course of business or a transaction between Dairy Crest and a wholly-owned subsidiary of Dairy Crest or between such wholly-owned subsidiaries) merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any undertaking and trade investments) or authorised the same;

- (f) issued or authorised the issue of, or made any change in or to, any debentures or (except in the ordinary course of business or except as between Dairy Crest and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material in the context of the Wider Dairy Crest Group taken as a whole;

- (g) entered into, varied, or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:

- (A) is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude; or

- (B) could materially restrict the business of any member of the Wider Dairy Crest Group; or

- (C) is other than in the ordinary course of business,

and which in any case is material in the context of the Wider Dairy Crest Group taken as a whole;

- (h) except as between Dairy Crest and its wholly-owned subsidiaries or between such wholly-owned subsidiaries entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Dairy Crest Group;
- (i) entered into or varied in a material way the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Dairy Crest Group;
- (j) taken any corporate action or had any legal proceedings instituted or threatened against it or any petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer over all or any part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction which, in any such case, is or would be material in the context of the Wider Dairy Crest Group taken as a whole;
- (k) been unable, or admitted in writing that it is unable, to pay its debts as they fall due or having stopped or suspended (or threatened to stop or suspend) payment of its debts as they fall due generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (l) waived or compromised any claim which is material in the context of the Wider Dairy Crest Group taken as a whole, otherwise than in the ordinary course of business;
- (m) made any material alteration to its memorandum or articles of association save pursuant to the Special Resolution;
- (n) made or agreed or consented to:
 - (A) save for changes required by law or otherwise approved by Saputo, any material change to:
 - (i) the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependants; or
 - (ii) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder; or
 - (iii) the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
 - (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,
 - (B) save for changes required by law or otherwise approved by Saputo, any change to the trustees including the appointment of a trust corporation;
- (o) proposed any modification to, agreed to propose any modification to or modified any material terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Dairy Crest Group; or
- (p) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 7.

No adverse change, litigation or regulatory enquiry

8. Since 31 March 2018 and except as Disclosed:

- (a) there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Dairy Crest Group which in any case is material in the context of the Wider Dairy Crest Group taken as a whole;
- (b) no contingent or other liability of any member of the Wider Dairy Crest Group having arisen or become apparent or increased which in any case is material in the context of the Wider Dairy Crest Group taken as a whole;
- (c) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Dairy Crest Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Dairy Crest Group which in any case is material in the context of the Wider Dairy Crest Group taken as a whole; and
- (d) (other than as a result of the Acquisition) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Dairy Crest Group which in any case is material in the context of the Wider Dairy Crest Group taken as a whole;
- (e) other than with the consent of Saputo, no action having been taken or proposed by any member of the Wider Dairy Crest Group, or having been approved by Dairy Crest Shareholders or consented to by the Panel, which falls or would fall within or under Rule 21.1 of the Code or which otherwise is or would be materially inconsistent with the implementation by Saputo of the Acquisition on the basis contemplated as at the Announcement Date; and
- (f) no member of the Wider Dairy Crest Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Wider Dairy Crest Group taken as a whole.

No discovery of certain matters

9. Saputo not having discovered:

- (a) that any financial or business or other information concerning the Wider Dairy Crest Group disclosed at any time by or on behalf of any member of the Wider Dairy Crest Group, whether publicly, to any member of the Wider Saputo Group or otherwise, is misleading or contains any misrepresentation of a material fact or omits to state a material fact necessary to make any information contained therein not misleading and which was not subsequently corrected before 21 February 2019 by disclosure either publicly or otherwise to Saputo to an extent which in any case is material in the context of the Wider Dairy Crest Group taken as a whole;
- (b) that any member of the Wider Dairy Crest Group is subject to any liability (actual or contingent) which is not disclosed in Dairy Crest's annual report and accounts for the financial year ended 31 March 2018 which has not been Disclosed and which in any case is material in the context of the Wider Dairy Crest Group taken as a whole; or
- (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Dairy Crest Group to an extent which is material in the context of the Wider Dairy Crest Group taken as a whole.

10. Saputo not having discovered, other than Disclosed:

- (a) that any past or present member of the Wider Dairy Crest Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Dairy Crest Group;
- (b) that there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Dairy Crest Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise; or
- (c) that circumstances exist whereby a person or class of persons would be reasonably likely to have a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Dairy Crest Group;

in each case to an extent or in a manner which is material in the context of the Wider Dairy Crest Group taken as a whole.

Anti-corruption, sanctions and criminal property

11. Saputo not having discovered, other than Disclosed:

- (a) (i) any past or present member, director, officer or employee of the Wider Dairy Crest Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, Part 3 of the Criminal Finances Act 2017 or any other anti-corruption or anti-tax evasion legislation applicable to the Wider Dairy Crest Group or (ii) any person that performs or has performed services for or on behalf of the Wider Dairy Crest Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, Part 3 of the Criminal Finances Act 2017 or any other applicable anti-corruption or anti-tax evasion legislation; or
- (b) any asset of any member of the Wider Dairy Crest Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (c) any past or present member, director, officer or employee of the Dairy Crest Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United

Nations, the United Kingdom, the United States, the European Union or any of its member states; or

- (d) a member of the Dairy Crest Group has engaged in any transaction which would cause Saputo to be in breach of any law or regulation upon its acquisition of Dairy Crest, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United Kingdom, the United States, the European Union or any of its member states.

For the purpose of these Conditions:

- (A) "Third Party" means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, authority (including any national or supranational anti-trust or merger control authority), court, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction, including, for the avoidance of doubt, the Panel;
- (B) a Third Party shall be regarded as having "intervened" if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided and "intervene" shall be construed accordingly; and
- (C) "Authorisations" means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals, in each case, of a Third Party.

B. Waiver and invocation of the Conditions

The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Saputo to be or remain satisfied by no later than the date referred to in Condition 1 in Part A above (or such later date as Saputo and Dairy Crest may, with the consent of the Panel, agree and (if required) the Court may allow).

Subject to the requirements of the Panel, Saputo reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions in Part A above that are capable of being waived.

Under Rule 13.5(a) of the Code (subject to Rule 13.2 of the Code), Saputo may not invoke a Condition so as to cause the Scheme not to proceed, or to lapse, or be withdrawn, unless the circumstances which give rise to the right to invoke the Condition are of material significance to Saputo in the context of the Acquisition. Conditions 1 and 2 of Part A of this Appendix 1 and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Code.

Saputo shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in Part A above by a date earlier than the latest date specified above for the fulfilment of that condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.

If the Panel requires Saputo to make an offer or offers for any Dairy Crest Shares under the provisions of Rule 9 of the Code, Saputo may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

C. Implementation by way of Takeover Offer

Saputo reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent. In such event, such Takeover Offer will be implemented on the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at 90% (or such other percentage (being more than 50%) as Saputo may decide (subject to the Panel's consent)) (i) in nominal value of the shares to which such Takeover Offer relates; and (ii) of the voting rights attaching to those shares.

D. Certain further terms of the Acquisition

Dairy Crest Shares will be acquired by Saputo fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at the Announcement Date or subsequently attaching or accruing to them, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after the Announcement Date.

If, on or after the Announcement Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Dairy Crest Shares, Saputo reserves the right (without prejudice to any right of Saputo to invoke Condition 7(c) in Part A above), to reduce the consideration payable under the terms of the Acquisition for the Dairy Crest Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. If Saputo exercises its right to reduce the consideration payable under the terms of the Acquisition for the Dairy Crest Shares by an amount up to the amount of a dividend and/or distribution and/or return of capital that has not been paid, Dairy Crest Shareholders will be entitled to receive and retain any such dividend and/or other distribution and/or other return of capital. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Saputo to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph. Any exercise by Saputo of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Part Three and such further terms as may be required to comply with the Listing Rules and the provisions of the Code.

The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders is set out in Part Six: Additional Information for Overseas Shareholders of this document.

This document and any rights or liabilities arising hereunder, the Acquisition, the Scheme, and any Forms of Proxy will be governed by English law and be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

PART FOUR
THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (CH D)

CR-2019-001164

IN THE MATTER OF DAIRY CREST GROUP PLC
and
IN THE MATTER OF THE COMPANIES ACT 2006
SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)
between
DAIRY CREST GROUP PLC
AND
THE HOLDERS OF THE SCHEME SHARES
(as defined below)

PRELIMINARY

(a) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

£, Sterling, pence or p	the lawful currency of the UK
Acquisition	the direct or indirect acquisition of the entire issued and to be issued share capital of Dairy Crest by Saputo (other than Dairy Crest Shares already held by Saputo, if any) to be implemented by way of the Scheme or (should Saputo so elect, subject to the consent of the Panel) by way of the Takeover Offer;
Announcement Date	22 February 2019;
Articles	the articles of association of the Company (as amended from time to time);
business day	a day, other than a Saturday or Sunday or public holiday, when banks are open in London for general banking business;
certificated form or in certificated form	in relation to a Scheme Share, one which is not in uncertificated form (that is, not in CREST);
Code	the UK City Code on Takeovers and Mergers;
Companies Act	the Companies Act 2006, as amended from time to time;
Company	Dairy Crest;

Conditions	the conditions to the implementation of the Acquisition, as set out in Part Three: Conditions to the Scheme and to the Acquisition of the Scheme Document;
Court	the High Court of Justice in England and Wales;
Court Hearing	the hearing of the Court at which the Court Order will be sought;
Court Meeting	the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which is set out at the end of this document, for the purpose of approving the Scheme, including any adjournment thereof;
Court Order	the order of the Court sanctioning this Scheme;
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;
Dairy Crest	Dairy Crest Group plc, a company incorporated in England and Wales with registered number 03162897;
Dairy Crest Group	Dairy Crest and its subsidiary undertakings;
Dairy Crest Share Scheme Participants	participants in the Dairy Crest Share Schemes;
Dairy Crest Share Schemes	the DBP 2004, the DBP 2014, the ESOS, the LTAP, the LTIP, the LTISP, the SAYE Scheme and the Sharesave Scheme;
Dairy Crest Shareholders	the registered holders of Dairy Crest Shares from time to time;
Dairy Crest Shares	the ordinary shares of 25 pence each in the capital of Dairy Crest;
Dairy Crest's Registrars	Link Asset Services, of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU who are Dairy Crest's registrars;
DBP 2004	the Dairy Crest 2004 Deferred Bonus Plan;
DBP 2014	the Dairy Crest Deferred Bonus Plan 2014;
Effective	in the context of the Acquisition, the Scheme having become effective in accordance with its terms, upon the delivery of a copy of the Scheme Court Order to the Registrar of Companies;
Effective Date	the date on which this Scheme becomes Effective in accordance with its terms;
ESOS	the Dairy Crest 2006 Executive Share Option Scheme;
Euroclear	Euroclear UK & Ireland Limited;
Excluded Shares	(i) any Dairy Crest Shares beneficially owned by Saputo or any other member of the Saputo Group; (ii) any Dairy Crest Shares held in treasury by Dairy Crest; and (iii) any other Dairy Crest Shares which Saputo and Dairy Crest agree will not be subject to the Scheme;

holder	a registered holder and includes any person(s) entitled by transmission;
Latest Practicable Date	6 March 2019;
Link Asset Services	a trading name of Link Market Services Limited;
Long Stop Date	31 August 2019;
LTAP	the Dairy Crest Group plc Long Term Alignment Plan;
LTIP	the Dairy Crest Group plc Long Term Incentive Plan;
LTISP	the Dairy Crest Long Term Incentive Share Plan (which, for the avoidance of doubt, includes the award known as the Transformational Incentive Award);
Panel	the Panel on Takeovers and Mergers;
Registrar of Companies	the Registrar of Companies in England and Wales;
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
Rule 2.7 Announcement	the announcement dated 22 February 2019 by Saputo of its firm intention to make an offer to acquire the entire issued and to be issued ordinary share capital of Dairy Crest, to be implemented by way of this Scheme;
Saputo	Saputo Dairy UK Ltd, being an English private limited company which is a wholly-owned subsidiary of Saputo Inc. and which has been recently incorporated at the direction of Saputo Inc. for the purposes of the Acquisition and the Scheme;
Saputo Group	Saputo Inc. and its subsidiary undertakings from time to time;
SAYE Scheme	the Dairy Crest Group plc Save as You Earn Scheme;
Scheme	this scheme of arrangement in its present form or with or subject to any modification, addition or condition which Dairy Crest and Saputo each agree and which is approved or imposed by the Court;
Scheme Document	the circular dated 8 March 2019 sent by Dairy Crest to Dairy Crest Shareholders and persons with information rights, of which this Scheme forms a part;
Scheme Record Time	6.00 p.m. on the business day immediately following the date of the Court Hearing (or such later time as Saputo and Dairy Crest may agree);
Scheme Shareholders	holders of Scheme Shares;
Scheme Shares	Dairy Crest Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and (iii) (if any) issued on or after the Voting Record Time and before the Scheme Record Time, either on

terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

but in each case other than the Excluded Shares;

Sharesave Scheme

the Dairy Crest Sharesave Scheme;

Sterling

the lawful currency of the United Kingdom;

Takeover Offer

if (subject to the consent of the Panel) Saputo elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act), the offer to be made by or on behalf of Saputo to acquire the entire issued and to be issued share capital of Dairy Crest on the terms and subject to the conditions to be set out in the Takeover Offer Document and, where the context admits, any subsequent revision, variation, extension or renewal of such Takeover Offer;

Takeover Offer Document

should the Acquisition be implemented by means of a Takeover Offer, the document to be sent to Dairy Crest Shareholders which will contain, *inter alia*, the terms and conditions of the Takeover Offer;

**uncertificated form or in
uncertificated form**

in relation to a Scheme Share, one which is recorded on the relevant register as being held in uncertificated form in CREST; and

Voting Record Time

6.00 p.m. on the day which is two business days (excluding any part of a day that is not a business day) before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two business days (excluding any part of a day which is not a business day) before the date of such adjourned meeting.

- (b) References to clauses, sub-clauses and paragraphs are to clauses, sub-clauses and paragraphs of this Scheme.
- (c) The issued share capital of Dairy Crest as at the Latest Practicable Date was £38,880,910.50, divided into 155,523,642 ordinary shares of 25 pence each, all of which were credited as fully paid. Dairy Crest does not hold any shares in treasury.
- (d) As at the Latest Practicable Date, no member of the Saputo Group holds any Dairy Crest Shares.
- (e) Saputo has, subject to the satisfaction or, where capable, waiver of the Conditions, agreed to appear by Counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.
- (f) References to times are to London time.

1. Transfer of Scheme Shares

- (a) Upon and with effect from the Effective Date, Saputo (and/or such other nominee(s) of Saputo as agreed between Saputo and Dairy Crest) shall acquire all the Scheme Shares fully paid with full title guarantee, free from all liens, equities, charges, encumbrances and other interests, and together with all rights at the Effective Date

or thereafter attached to them, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether made by a reduction of share capital or share premium account or otherwise) made on or after the Announcement Date in respect of the Scheme Shares.

- (b) For the purposes of such acquisition, the Scheme Shares shall be transferred to Saputo (and/or such other nominee(s) of Saputo as agreed between Saputo and Dairy Crest) by means of a form of transfer or other instrument or instruction of transfer and, to give effect to such transfers, any person may be appointed by Saputo (and/or such other nominee(s) of Saputo as agreed between Saputo and Dairy Crest) as attorney or agent on behalf of the holder or holders concerned, and is authorised on behalf of the holder or holders concerned, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer of, or to procure the transfer by means of CREST or otherwise give any instructions to transfer, the Scheme Shares and every form, instrument or instruction of transfer so executed or instruction so given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred. Such form, instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to Saputo (and/or such other nominee(s) of Saputo as agreed between Saputo and Dairy Crest), together with the legal interest in such Scheme Shares, pursuant to such form, instrument or instruction of transfer, or by means of CREST.
- (c) Pending the registration of Saputo (or its nominee(s)) as the holder of any Scheme Share to be transferred pursuant to this Scheme, Saputo shall be empowered upon and with effect from the Effective Date to appoint any person to act as attorney or, failing that, agent to exercise on behalf of each Scheme Shareholder (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges attaching to its Scheme Shares, to sign any consent to short notice of a general or separate class meeting and to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Saputo to attend general and separate class meetings of the Company and authorises the Company to send to Saputo (or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to it as a member of the Company, such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares. The authorities granted pursuant to clauses 1(b) and 1(c) shall be treated for all purposes as having been granted by deed.
- (d) The Company shall register, or procure the registration of, any transfer(s) of shares effected in accordance with clauses 1(a) and 1(b) of this Scheme.

2. Consideration for the transfer of Scheme Shares

- (a) In consideration for the transfer of the Scheme Shares to Saputo (and/or such other nominee(s) of Saputo as agreed between Saputo and Dairy Crest) referred to in clause 1(a), Saputo shall, subject as provided below, pay, or procure that there shall be paid, to or for the account of each Scheme Shareholder (as appearing in the register of members of Dairy Crest at the Scheme Record Time):

for each Scheme Share at the Scheme Record Time 620 pence in cash

- (b) If any dividend or other distribution (including any return of capital) is authorised, declared, made, paid or payable by Dairy Crest in respect of the Dairy Crest Shares on or after the Announcement Date and before the Effective Date, Saputo reserves the right to reduce the consideration (as set out in clause 2(a) above) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Scheme to the consideration payable under the

terms of the Scheme will be deemed to be a reference to the consideration as so reduced. If Saputo exercises its right to reduce the consideration payable under the terms of the Scheme for the Dairy Crest Shares by an amount up to the amount of a dividend and/or distribution and/or return of capital that has not been paid, Dairy Crest Shareholders will be entitled to receive and retain any such dividend and/or other distribution and/or other return of capital. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Scheme on a basis which entitles Saputo to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Scheme will not be subject to change in accordance with this clause. Any exercise by Saputo of its rights referred to in this clause shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Scheme.

3. Share certificates and cancellation of CREST entitlements

With effect from no later than 7.00 a.m. on the business day following the Effective Date:

- (a) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised in the certificates and every holder of Scheme Shares shall be bound by the request of Dairy Crest to deliver up the same to Dairy Crest, or, as it may direct, to destroy the same;
- (b) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form; and
- (c) subject to completion and stamping of any form of transfer or other instrument or instruction of transfer as may be required in accordance with clause 1(b) above, the Company will make, or procure to be made, appropriate entries in its register of members with effect from the Effective Date to reflect the transfer of Scheme Shares to Saputo (and/or its nominee(s)) in accordance with clause 1 and the Company shall comply with its obligations set out in clause 1(d) in this respect.

4. Despatch of consideration

- (a) No later than 14 days after the Effective Date (or such other period as may be approved by the Panel), Saputo shall:
 - (i) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure to be despatched, to the persons entitled to such shares (or as they may direct) in accordance with the provisions of sub-clauses (c) and (d), cheques for the sums payable to them respectively in accordance with clause 2; and
 - (ii) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, ensure that Dairy Crest's Registrars, Link Asset Services, is instructed to create through Euroclear an assured payment obligation in favour of the appropriate CREST account(s) of the persons entitled thereto in accordance with the CREST assured payment arrangements (as set out in the CREST Manual) in respect of the sums payable to them respectively in accordance with clause 2, provided that Saputo reserves the right to make payment of the consideration by cheque as aforesaid in sub-clause (i) if, for any reason, it wishes to do so.
- (b) In the case of Dairy Crest Shares acquired following the sanction of the Scheme pursuant to the exercise of options and/or awards granted under the Dairy Crest Share Schemes, settlement of the consideration payable under the Scheme or the Articles shall be made in accordance with the proposals to be sent to the Dairy Crest Share Scheme Participants.
- (c) All deliveries of cheques required to be made pursuant to this Scheme shall be effected by sending the same by first class post (or by international standard post,

if overseas) in pre-paid envelopes addressed to the persons entitled to them at their respective registered addresses as appearing in the register of members of Dairy Crest at the Scheme Record Time (or in the case of any joint holders, at the address of the joint holder whose name stands first in the register of members of Dairy Crest in respect of such joint holding) and none of Dairy Crest, Saputo, Saputo Inc. or their respective agents or nominees or Dairy Crest's Registrars, Link Asset Services, shall be responsible for any loss or delay in the transmission of any cheques sent in accordance with this sub-clause (c) which shall be sent at the risk of the person or persons entitled to them.

- (d) All cheques shall be in pounds Sterling drawn on a UK clearing bank and shall be made payable to the person or persons to whom, in accordance with the foregoing provisions of this clause 4, the envelope containing the same is addressed (save that, in the case of joint holders, Saputo reserves the right to make the cheque payable to all joint holders), and the encashment of any such cheque shall be a complete discharge of Saputo's obligation under this Scheme to pay the monies represented thereby. The creation of an appropriate assured payment obligation as set out in clause 4(a)(ii) shall be a complete discharge of Saputo's obligation under this Scheme with reference to payments made through CREST.
- (e) The preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

5. Dividend mandates

Each mandate relating to the payment of dividends on any Scheme Shares and other instructions (including communication preferences) given to Dairy Crest by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

6. Operation of this Scheme

- (a) This Scheme shall become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration.
- (b) Unless this Scheme has become Effective on or before the Long Stop Date, or such later date (if any) as Saputo and Dairy Crest may agree and (if required) the Panel and the Court may allow, this Scheme shall never become Effective.

7. Modification

Dairy Crest and Saputo may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Code.

8. Governing law

This Scheme and all rights and obligations arising from it are governed by English law. Any dispute of any kind whatsoever arising directly or indirectly as a result of or in connection with this Scheme initiated by Dairy Crest, Saputo, any present or future shareholder of Dairy Crest, or any director of Dairy Crest or Saputo, irrespective of the causes of action, including whether based on contract or tort, shall be exclusively submitted to the courts of England and Wales. The rules of the Code will apply to this Scheme on the basis provided in the Code.

Dated: 8 March 2019

PART FIVE

FINANCIAL INFORMATION

1. Saputo Group financial information incorporated by reference

The following sets out the financial information in respect of the Saputo Group required by Rule 24.3 of the Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Code. The following documents are available in "read-only" format for printing, reviewing and downloading:

<u>Information incorporated by reference</u>	<u>Hyperlinks</u>
Quarterly Report for the third quarter of fiscal year 2019	http://www.saputo.com/en/investors/shareholder-reports/2019 The quarterly report of Saputo Inc. for the third quarter of fiscal year 2019 which ended on 31 December 2018.
Quarterly Report for the second quarter of fiscal year 2019	http://www.saputo.com/en/investors/shareholder-reports/2019 The quarterly report of Saputo Inc. for the second quarter of fiscal year 2019 which ended on 30 September 2018.
Quarterly Report for the first quarter of fiscal year 2019	http://www.saputo.com/en/investors/shareholder-reports/2019 The quarterly report of Saputo Inc. for the first quarter of fiscal year 2019 which ended on 30 June 2018.
Annual Report and Accounts for the year ended 31 March 2018	https://www.saputo.com/en/investors/shareholder-reports/2018 The audited accounts of Saputo Inc. for the financial year ended 31 March 2018 are set out on pages 37 to 75 (both inclusive) of Saputo Inc.'s annual report for the financial year ended 31 March 2018.
Annual Report and Accounts for the year ended 31 March 2017	https://www.saputo.com/en/investors/shareholder-reports/2017 The audited accounts of Saputo Inc. for the financial year ended 31 March 2017 are set out on pages 35 to 73 (both inclusive) of Saputo Inc.'s annual report for the financial year ended 31 March 2017.

2. Effect of Scheme becoming Effective on the Saputo Group

From the Effective Date, the earnings, assets and liabilities of the Saputo Group will include the consolidated earnings, assets and liabilities of the Dairy Crest Group.

As set out in paragraph 8 of Part One: Letter from the Chairman of Dairy Crest and paragraph 2 of Part Two: Explanatory Statement, the Cash Consideration payable by Saputo under the terms of the Acquisition will be funded from debt to be provided under a Credit Agreement arranged and fully underwritten by National Bank of Canada and Bank of Montréal. Following completion of the Acquisition, the Dairy Crest Group's existing financial indebtedness will be refinanced using debt to be provided under the Credit Agreement.

3. Dairy Crest financial information incorporated by reference

The following sets out the financial information in respect of Dairy Crest as required by Rule 24.3 of the Code. The following documents, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code. The following documents are available in "read-only" format for printing, reviewing and downloading.

Information incorporated by reference	Hyperlinks
Interim results for the six months ended 30 September 2018	<p>https://www.dairycrest.co.uk/media/1638/final-interims-2018.pdf</p> <p>The unaudited consolidated interim accounts of Dairy Crest for the six months ended 30 September 2018 are set out on pages 12 to 28 (both inclusive) of Dairy Crest's interim results for the six months ended 30 September 2018.</p>
Annual Report and Accounts for the year ended 31 March 2018	<p>https://www.dairycrest.co.uk/media/1209/annual-report-2018.pdf</p> <p>The audited consolidated accounts of Dairy Crest for the financial year ended 31 March 2018 are set out on pages 67 to 121 (both inclusive) of Dairy Crest's annual report and accounts for the financial year ended 31 March 2018.</p>
Annual Report and Accounts for the year ended 31 March 2017	<p>https://www.dairycrest.co.uk/media/1222/annual-report-2017.pdf</p> <p>The audited consolidated accounts of Dairy Crest for the financial year ended 31 March 2017 are set out on pages 66 to 119 (both inclusive) of Dairy Crest's annual report and accounts for the financial year ended 31 March 2017.</p>

4. Publication on website and hard copies

A copy of this document and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Saputo Inc.'s website at <http://www.saputo.com/en/investors> and Dairy Crest's website at <https://www.dairycrest.co.uk/investors>. For the avoidance of doubt, the contents of those websites are not incorporated into, and do not form part of, this document.

Dairy Crest Shareholders may request a hard copy of this document by contacting the Registrars during business hours on +44 (0) 371 664 0300 or by submitting a request in writing to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you have received this document in electronic form, copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

PART SIX

ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

1. General

This document has been prepared for the purposes of complying with English law, the Code, the Listing Rules and the rules of the London Stock Exchange and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the UK.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

Overseas shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

2. US securities laws

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. Except in relation to non-IFRS financial performance measures, namely, adjusted profit before tax, the financial information included and/or incorporated by reference in this document has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Saputo exercises its right to implement the acquisition of the Dairy Crest Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US laws and regulations.

Adjusted profit before tax represents the Dairy Crest Group's profit before tax from continuing operations, before "exceptional items", "other finance expense – pensions" and "amortisation from acquired intangible assets" (in each case as referred to in Dairy Crest's annual report and accounts for the year ended 31 March 2018). The Dairy Crest Directors consider this measure appropriate because it reports the underlying performance of the Dairy Crest Group excluding the material values that can be associated with exceptional items and volatility of the pension interest. This allows the Dairy Crest Directors to measure the longer-term performance of the Dairy Crest Group on a comparable basis.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Dairy Crest Shareholder is urged to consult his, her or its independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to such Dairy Crest Shareholder.

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Saputo and Dairy Crest are located in countries other than

the US, and some or all of their officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Neither the SEC nor any securities commission of any state of the United States has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Saputo or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Dairy Crest Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Scheme and/or the Acquisition becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

PART SEVEN

ADDITIONAL INFORMATION ON DAIRY CREST AND SAPUTO

1. Responsibility

- 1.1 The Dairy Crest Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the Dairy Crest Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Saputo Responsible Persons, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this document (including any expressions of opinion) relating to Saputo, the Saputo Group, the Saputo Responsible Persons and their respective immediate families and the related trusts of and persons connected with the Saputo Responsible Persons, and persons deemed to be acting in concert (as such term is defined in the Code) with Saputo. This includes (without limitation) responsibility for the information set out in paragraphs 3, 7, 9 and 10 of Part One: Letter from the Chairman of Dairy Crest of this document. To the best of the knowledge and belief of the Saputo Responsible Persons (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The Dairy Crest Directors and their respective positions are:

<u>Name</u>	<u>Position</u>
Stephen Alexander	Chairman
Mark Allen	Chief Executive Officer
Tom Atherton	Deputy Chief Executive Officer and Group Finance Director
Adam Braithwaite	Executive Director
Sue Farr	Non-executive Director
John Gibney	Non-executive Director
Richard Macdonald	Non-executive Director
Moni Mannings	Non-executive Director

The company secretary of Dairy Crest is Roger Robotham.

The business address of each of the Dairy Crest Directors is Claygate House, Littleworth Road, Esher, Surrey, KT10 9PN.

2.2 The Saputo Responsible Persons and their respective positions are:

<u>Name</u>	<u>Position</u>
Directors of Saputo Inc.	
Lino A. Saputo Jr	Chairman of the board and Chief Executive Officer
Louis-Philippe Carrière	Senior advisor to Saputo Inc.
Henry Demone	Non-executive director
Anthony Fata	Lead director and Chairman of CGHR Committee
Annalisa King	Non-executive director
Karen Kinsley	Non-executive director
Tony Meti	Non-executive director and Chairman of Audit Committee
Diane Nyisztor	Non-executive director
Franziska Ruf	Non-executive director
Annette Verschuren	Non-executive director
Director of Saputo	
Maxime Therrien	Director

The registered office of Saputo Inc. and the business address of each of the Saputo Responsible Persons is 6869 Boulevard Métropolitain E, St-Léonard, Québec, H1P 1X8.

2.3 The registered office of Saputo is Suite 1, 3rd Floor, 11-12 St. James's Square, London, United Kingdom, SW1Y 4LB.

3. Disclosures in respect of Dairy Crest securities and Saputo securities

3.1 For the purposes of this paragraph 3, paragraphs 4 to 8 and paragraph 14:

- (a) "**acting in concert**" has the meaning given to it in the Code;
- (b) "**arrangement**" includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (c) "**close relative**" has the meaning given to it in the Code;
- (d) "**dealing**" has the meaning given to it in the Code;
- (e) "**derivative**" has the meaning given to it in the Code;
- (f) "**disclosure period**" means the period beginning on 22 February 2018 (being the date that is 12 months before the start of the offer period) and ending on the Latest Practicable Date;
- (g) "**interest**" or "**interests**" in relevant securities shall have the meaning given to it in the Code and references to interests of Saputo Responsible Persons or interests of Dairy Crest Directors in relevant securities shall include all interests of any other person whose interests in shares the Saputo Responsible Persons or, as the case may be, the Dairy Crest Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;
- (h) "**offer period**" means the period starting on 22 February 2019 and ending on the Latest Practicable Date;
- (i) "**relevant Saputo securities**" means relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of Saputo including equity share capital of Saputo (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and

(j) “**relevant Dairy Crest securities**” means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Dairy Crest including equity share capital of Dairy Crest (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof.

3.2 As at the close of business on the Latest Practicable Date, neither Saputo nor any Saputo Responsible Person, nor, so far as Saputo is aware, any person acting in concert (within the meaning of the Code) with it nor any person with whom it or any person acting in concert with it has an arrangement has: (i) any interest in or right to subscribe for any relevant Dairy Crest securities, (ii) any short positions in respect of relevant Dairy Crest securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant Dairy Crest securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

3.3 As at the Latest Practicable Date, the Dairy Crest Directors (and their close relatives and related trusts) held the following interests in, or rights to subscribe in respect of, relevant Dairy Crest securities:

Issued share capital

<u>Name</u>	<u>Number of Dairy Crest Shares</u>
Stephen Alexander	4,270
Mark Allen	24,258 ¹
Tom Atherton	21,884
Adam Braithwaite	16,378 ²
Sue Farr	5,661 ³
John Gibney	11,111
Richard Macdonald	1,500 ⁴

1. *Mark Allen’s spouse is the beneficial and registered holder of 17,000 Dairy Crest Shares.*
2. *Adam Braithwaite’s Dairy Crest Shares are held in his HSBC Stocks and Shares ISA*
3. *Sue Farr’s spouse is the beneficial and registered holder of these Dairy Crest Shares.*
4. *Brooks Macdonald Nominees Limited is the registered holder of these Dairy Crest Shares.*

Share options/awards

<u>Director</u>	<u>Dairy Crest Share Scheme</u>	<u>Details of Options/Awards</u>
Mark Allen	The Dairy Crest Long Term Incentive Share Plan	Right to acquire 43,434 Dairy Crest Shares Option is ordinarily exercisable over the vested shares between 3 July 2015 to 3 July 2022
	The Dairy Crest Long Term Incentive Share Plan (Transformational Incentive Award)	Right to acquire 276,987 Dairy Crest Shares Option is ordinarily exercisable over the vested shares between 23 December 2017 to 23 December 2024
	The Dairy Crest 2006 Executive Share Option Scheme	Right to acquire 1,898 Dairy Crest Shares Option is ordinarily exercisable over the vested shares between 3 July 2015 to 3 July 2022

<u>Director</u>	<u>Dairy Crest Share Scheme</u>	<u>Details of Options/Awards</u>
Mark Allen (<i>continued</i>)	The Dairy Crest Group plc Long Term Alignment Plan	<p>Right to acquire 97,476 Dairy Crest Shares</p> <p>Option is ordinarily exercisable over 50% of the vested shares between 15 August 2017 to 14 August 2023 and over the balance between 15 August 2018 to 14 August 2023</p> <p>Right to acquire 99,342 Dairy Crest Shares</p> <p>Option is ordinarily exercisable over 50% of the vested shares between 16 December 2018 to 15 December 2024 and over the balance between 16 December 2019 to 15 December 2024</p> <p>Right to acquire 84,628 Dairy Crest Shares</p> <p>Option is ordinarily exercisable over 50% of the vested shares between 26 May 2019 to 25 May 2025 and over the balance between 26 May 2020 to 25 May 2025</p> <p>Right to acquire 72,920 Dairy Crest Shares</p> <p>Option is ordinarily exercisable over 50% of the vested shares between 3 June 2020 to 2 June 2026 and over the balance between 3 June 2021 to 2 June 2026</p> <p>Right to acquire 66,131 Dairy Crest Shares</p> <p>Option is ordinarily exercisable over 50% of the vested shares between 25 May 2021 to 24 May 2027 and over the balance between 25 May 2022 to 24 May 2027</p>
	The Dairy Crest Group plc Long Term Incentive Plan	<p>Right to acquire 180,403 Dairy Crest Shares</p> <p>Option is ordinarily exercisable over vested shares between 28 June 2021 to 27 June 2028</p>
	The Dairy Crest 2004 Deferred Bonus Plan	<p>Right to acquire 3,669 Dairy Crest Shares</p> <p>Option is ordinarily exercisable over vested shares between 27 June 2016 to 26 June 2023</p>

Director	Dairy Crest Share Scheme	Details of Options/Awards
Mark Allen (<i>continued</i>)	The Dairy Crest Deferred Bonus Plan 2014	Right to acquire 39,586 Dairy Crest Shares Option is ordinarily exercisable over vested shares between 16 December 2017 to 15 December 2024
	The Dairy Crest Sharesave Scheme	Right to acquire 1,943 Dairy Crest Shares Option is ordinarily exercisable between 1 September 2019 and 1 March 2020
	The Dairy Crest Group plc Save as You Earn Scheme	Right to acquire 2,022 Dairy Crest Shares Option is ordinarily exercisable between 1 April 2021 and 1 October 2021
Tom Atherton	The Dairy Crest Long Term Incentive Share Plan	Right to acquire 5,179 Dairy Crest Shares Option is ordinarily exercisable between 3 July 2015 to 3 July 2022
	The Dairy Crest 2006 Executive Share Option Scheme	Right to acquire 1,740 Dairy Crest Shares Option is ordinarily exercisable over the vested shares between 3 July 2015 to 3 July 2022
	The Dairy Crest Group plc Long Term Alignment Plan	Right to acquire 37,664 Dairy Crest Shares Option is ordinarily exercisable over 50% of the vested shares between 15 August 2017 to 14 August 2023 and over the balance between 15 August 2018 to 14 August 2023 Right to acquire 49,898 Dairy Crest Shares Option is ordinarily exercisable over 50% of the vested shares between 16 December 2018 to 15 December 2024 and over the balance between 16 December 2019 to 15 December 2024 Right to acquire 49,048 Dairy Crest Shares Option is ordinarily exercisable over 50% of the vested shares between 26 May 2019 to 25 May 2025 and over the balance between 26 May 2020 to 25 May 2025

<u>Director</u>	<u>Dairy Crest Share Scheme</u>	<u>Details of Options/Awards</u>
Tom Atherton (<i>continued</i>)		Right to acquire 45,912 Dairy Crest Shares
		Option is ordinarily exercisable over 50% of the vested shares between 3 June 2020 to 2 June 2026 and over the balance between 3 June 2021 to 2 June 2026
		Right to acquire 40,150 Dairy Crest Shares
		Option is ordinarily exercisable over 50% of the vested shares between 25 May 2021 to 24 May 2027 and over the balance between 25 May 2022 to 24 May 2027
	The Dairy Crest Group plc Long Term Incentive Plan	Right to acquire 128,859 Dairy Crest Shares
	Option is ordinarily exercisable over the vested shares between 28 June 2021 to 27 June 2028	
	The Dairy Crest Deferred Bonus Plan 2014	Right to acquire 16,058 Dairy Crest Shares
		Option is ordinarily exercisable over the vested shares between 16 December 2017 to 15 December 2024
	The Dairy Crest Group plc Save as You Earn Scheme	Right to acquire 4,044 Dairy Crest Shares
		Option is ordinarily exercisable between 1 April 2021 and 1 October 2021
Adam Braithwaite	The Dairy Crest Group plc Long Term Alignment Plan	Right to acquire 19,432 Dairy Crest Shares
		Option is ordinarily exercisable over 50% of the vested shares between 16 December 2018 to 15 December 2024 and over the balance between 16 December 2019 to 15 December 2024
		Right to acquire 16,840 Dairy Crest Shares
		Option is ordinarily exercisable over 50% of the vested shares between 26 May 2019 to 25 May 2025 and over the balance between 26 May 2020 to 25 May 2025

<u>Director</u>	<u>Dairy Crest Share Scheme</u>	<u>Details of Options/Awards</u>
Adam Braithwaite (continued)		Right to acquire 15,812 Dairy Crest Shares Option is ordinarily exercisable over 50% of the vested shares between 3 June 2020 to 2 June 2026 and over the balance between 3 June 2021 to 2 June 2026
		Right to acquire 30,114 Dairy Crest Shares Option is ordinarily exercisable over 50% of the vested shares between 25 May 2021 to 24 May 2027 and over the balance between 25 May 2022 to 24 May 2027
	The Dairy Crest Group plc Long Term Incentive Plan	Right to acquire 84,283 Dairy Crest Shares Option is ordinarily exercisable over the vested shares between 28 June 2021 to 27 June 2028
	The Dairy Crest Sharesave Scheme	Right to acquire 1,943 Dairy Crest Shares Option is ordinarily exercisable between 1 September 2019 and 1 March 2020
	The Dairy Crest Group plc Save as You Earn Scheme	Right to acquire 2,022 Dairy Crest Shares Option is ordinarily exercisable between 1 April 2021 and 1 October 2021

- 3.4 As at the Latest Practicable Date, the interests in, or rights to subscribe in respect of, relevant Dairy Crest securities held by the EBT, which is deemed to be acting in concert with Dairy Crest, was 812,018 Dairy Crest Shares.
- 3.5 As at the Latest Practicable Date, other than as disclosed in paragraph 3.3 and paragraph 3.4 above, no person acting in concert with Dairy Crest held any interests in, or rights to subscribe in respect of, relevant Dairy Crest securities.
- 3.6 As at the Latest Practicable Date, none of the Dairy Crest Directors held any interests in, or rights to subscribe in respect of, relevant Saputo securities.
- 3.7 During the offer period, neither Dairy Crest, the Dairy Crest Directors nor any person acting in concert with any of the foregoing, has dealt in relevant Saputo securities.
- 3.8 Save as disclosed above, as at the close of business on the Latest Practicable Date, so far as Dairy Crest is aware, neither any person acting in concert (within the meaning of the Code) with it, nor any person with whom Dairy Crest or any person acting in concert with Dairy Crest has an arrangement has: (i) any interest in or right to subscribe for any relevant Dairy Crest securities; (ii) any short positions in respect of relevant Dairy Crest securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement

to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant Dairy Crest securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

4. Interests and Dealings – General

4.1 As at the Latest Practicable Date:

- (a) no member of the Saputo Group had any interest in, right to subscribe in respect of, or any short position including under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Dairy Crest securities nor has any member of the Saputo Group dealt in any relevant Dairy Crest securities during the disclosure period;
- (b) none of the Saputo Responsible Persons had any interest in, right to subscribe in respect of, or any short position including under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Dairy Crest securities, nor has any such person dealt in any relevant Dairy Crest securities during the disclosure period;
- (c) so far as Saputo is aware, no person deemed to be acting in concert with Saputo or Saputo Inc. had any interest in, right to subscribe in respect of, or any short position including under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Dairy Crest securities, nor has any such person dealt in any relevant Dairy Crest securities, during the disclosure period;
- (d) so far as Saputo is aware, no person who has an arrangement with Saputo or Saputo Inc. had any interest in, right to subscribe in respect of, or any short position including under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Dairy Crest securities, nor has any such person dealt in any relevant Dairy Crest securities during the disclosure period; and
- (e) neither Saputo, nor (so far as Saputo is aware) any person acting in concert with it, has borrowed or lent any relevant Dairy Crest securities, save for any borrowed shares which have been either on-lent or sold.

4.2 Save as disclosed in paragraph 3 above, as at the Latest Practicable Date:

- (a) no member of the Dairy Crest Group had any interest in, right to subscribe in respect of, or any short position including under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Saputo securities nor has any such person dealt in any relevant Dairy Crest securities or relevant Saputo securities during the offer period;
- (b) none of the Dairy Crest Directors had any interest in, right to subscribe in respect of, or any short position including under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Dairy Crest securities or relevant Saputo securities nor has any such person dealt in any relevant Dairy Crest securities or relevant Saputo securities during the offer period;
- (c) no person deemed to be acting in concert with Dairy Crest had any interest in, right to subscribe in respect of, or any short position including under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Dairy Crest securities, nor has any such person dealt in any relevant Dairy Crest securities during the offer period;

- (d) no person who has an arrangement with Dairy Crest had any interest in, right to subscribe in respect of, or any short position including under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Dairy Crest securities, nor has any such person dealt in any relevant Dairy Crest securities during the offer period; and
- (e) neither Dairy Crest, nor any person acting in concert with Dairy Crest has borrowed or lent any relevant Dairy Crest securities, save for any borrowed shares which have been either on-lent or sold.
- 4.3 Save as disclosed in this document, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the resolution to be proposed at the General Meeting.
- 4.4 Save as disclosed in this document, none of: (i) Saputo, or any person acting in concert with Saputo; or (ii) Dairy Crest or any person acting in concert with Dairy Crest, has, in either case, any arrangement in relation to relevant securities.
- 4.5 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Saputo or any person acting in concert with it and any of the Dairy Crest Directors or the recent directors, shareholders or recent shareholders of Dairy Crest having any connection with or dependence upon or which is conditional upon the Acquisition.
- 4.6 Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any Dairy Crest Shares to be acquired by Saputo pursuant to the Scheme will be transferred to any other person, however Saputo reserves the right to transfer any such shares to any member of the Saputo Group.
- 4.7 No relevant securities of Dairy Crest have been redeemed or purchased by Dairy Crest during the disclosure period.

5. Interests of significant shareholders of Saputo Inc.

Name	Number of Saputo Inc. shares	Percentage of Saputo Inc. common stock
Jolina Capital Inc.*	127,059,848	32.63
Placements Italcant Inc.**	40,000,000	10.27

* *Jolina Capital Inc. is a holding company controlled by Mr Emanuele (Lino) Saputo.*

** *Placements Italcant Inc. is a holding company controlled by Mr Francesco Saputo.*

6. Dairy Crest Directors' service contracts and emoluments

6.1 *Executive Directors*

The particulars of the executive director service contracts between Dairy Crest and the executive Dairy Crest Directors are set out below. No such contract has been entered into or amended during the six months preceding publication of this document.

(a) *Mark Allen*

Pursuant to a service agreement dated 19 July 2002, Mark Allen receives an annual salary of £560,000. Mr Allen's service agreement is terminable by either party on not less than 12 months' written notice. Pursuant to a deed of correction dated 13 May 2014, payments on termination by Dairy Crest (other than due to summary termination) are calculated as 90% of the sum of the following items: (i) annual salary; (ii) benefits; (iii) pension; and (iv) 50% of the maximum bonus to which he would have been entitled in the financial year during which the termination of his employment falls.

Mr Allen participated in Dairy Crest's final salary pension scheme until its closure and has chosen to draw a pension from the scheme. He also participates in Dairy Crest's defined contribution pension scheme to which Dairy Crest makes employer pension contributions which (together with salary supplement in lieu of pension) are equivalent to 23% of his annual salary. Mr Allen is entitled to participate in any share option scheme (including any SAYE share option scheme) subject to the rules of the applicable scheme. Mr Allen and his spouse and children under the age of 18 years (or under 21 if in full-time education and unmarried) are entitled to private medical expenses insurance. Mr Allen also receives life assurance with cover in the event of his death during the continuance of his employment. The rate of life assurance cover is currently up to seven times annual salary. Mr Allen is a member of the Company's permanent health insurance scheme and is also covered by accident insurance and by the directors' liabilities and legal expenses insurance policy. Mr Allen is eligible to participate in Dairy Crest's company car scheme during the term of the service agreement.

Mr Allen is eligible to participate in Dairy Crest's annual performance related bonus scheme (at the absolute discretion of the Remuneration Committee) under which he is currently eligible to receive a maximum annual bonus of up to 100% of his base salary.

Mr Allen is subject to the following restrictions under his service agreement for the 6 months after the termination of his employment: (i) non-compete; (ii) non-solicit of customer; (iii) non-dealing with suppliers or customers; and (iv) non-solicit of employees. Mr Allen is also subject to a confidentiality undertaking without limitation in time.

(b) *Tom Atherton*

Pursuant to a service agreement dated 15 July 2013 (and commencing with effect from 23 May 2013), Tom Atherton receives an annual salary of £400,000. Mr Atherton's service agreement is terminable by either party on not less than 12 months' written notice. Dairy Crest may, at its discretion, terminate Mr Atherton's employment by making a payment in lieu of notice consisting of salary (up to 12 months' salary plus an additional three per cent to account for presumed salary increases from any salary review that may have taken place in the notice period), pension (at 23% of salary) and other benefits. If Dairy Crest elects to make termination payments in monthly instalments, mitigation applies and payments will cease or may be reduced in the event that Mr Atherton enters alternative employment during the notice period.

Under the terms of the service agreement, Mr Atherton and his spouse or civil partner are entitled to life assurance up to seven times the basic salary. Mr Atherton, his wife/partner and all dependant children under the age of 18 years (or 21 if in full-time education and unmarried) are also entitled to receive private medical insurance. Mr Atherton and his chosen dependants have accident insurance up to four times the annual rate of basic salary, which covers for injuries sustained during the course of employment which result in Permanent Disablement (as defined in the insurance policy) or death. Mr Atherton also receives life assurance with cover in the event of his death during the continuance of his employment. The rate of life assurance cover is currently up to seven times annual salary. Mr Atherton participates in Dairy Crest's company car scheme during the term of the service agreement. Mr Atherton is a member of the Dairy Crest's defined contribution pension scheme to which Dairy Crest makes employer pension contributions which (together with salary supplement in lieu of pension) are equivalent to 23% of base salary. Mr Atherton is also entitled to permanent health insurance and is covered by the directors' and officers' liability policy. At Dairy Crest's absolute discretion, Mr Atherton may participate in any share option scheme.

Mr Atherton is eligible to participate in Dairy Crest's annual performance related bonus scheme (at the absolute discretion of the Remuneration Committee) under which he is currently eligible to receive a maximum annual bonus of up to 100% of his base salary.

Mr Atherton is subject to the following restrictions under his service agreement for the 12 months after the termination of his appointment: (i) non-compete; (ii) non-solicit of customers; (iii) non-dealing with suppliers; (iv) non-interference with customers; and (v) non-solicit of employees. Mr Atherton is also subject to a confidentiality undertaking without limitation in time.

(c) *Adam Braithwaite*

Pursuant to a service agreement dated 19 July 2016, Adam Braithwaite receives an annual salary of £268,695. Mr Braithwaite's service agreement is terminable by either party on not less than 12 months' written notice. Dairy Crest may, at its discretion, terminate Mr Braithwaite's employment by making a payment in lieu of notice consisting of salary (up to 12 months' salary plus an additional 3% to account for presumed salary increases from any salary review that may have taken place in the notice period), pension and other benefits. The termination payments are subject to mitigation and will be reduced in the event that Mr Braithwaite enters alternative employment during the notice period.

Under the terms of the service agreement, Mr Braithwaite and his spouse or civil partner are entitled to life assurance up to seven times the basic salary. Mr Braithwaite, his wife/partner and all dependant children under the age of 18 years (or 21 if in full-time education and unmarried) are also entitled to receive private medical insurance. Mr Braithwaite and his chosen dependants have accident insurance up to four times the annual rate of basic salary, which covers for injuries sustained during the course of employment which result in Permanent Disablement (as defined in the insurance policy) or death. Mr Braithwaite also receives life assurance with cover in the event of his death during the continuance of his employment. The rate of life assurance cover is currently up to seven times annual salary. Mr Braithwaite is entitled to participate in Dairy Crest's company car scheme during the term of the service agreement. Mr Braithwaite is a member of Dairy Crest's defined contribution pension scheme to which Dairy Crest makes employer pension contributions which (together with salary supplement in lieu of pension) are equivalent to 23% of base salary. Mr Braithwaite is also entitled to permanent health insurance and is covered by the directors' and officers' liability policy. At Dairy Crest's absolute discretion, Mr Braithwaite may participate in any share option scheme.

Mr Braithwaite is eligible to participate in Dairy Crest's annual performance related bonus scheme (at the absolute discretion of the Remuneration Committee) under which he is currently eligible to receive a maximum annual bonus of up to 100% of his base salary.

Mr Braithwaite is subject to the following restrictions under his service agreement for the 12 months after the termination of his appointment: (i) non-compete; (ii) non-solicit of customers; (iii) non-dealing with suppliers; (iv) non-interference with customers; and (v) non-solicit of employees. Mr Braithwaite is also subject to a confidentiality undertaking without limitation in time.

6.2 ***Non-executive Directors***

The particulars of the non-executive director appointment letters between Dairy Crest and the Non-executive Dairy Crest Directors are set out below. No such contract has been entered into or amended during the six months preceding publication of this document.

(a) *Stephen Alexander*

As non-executive chairman, Stephen Alexander is entitled to an annual fee of £155,000 under a letter of appointment dated 19 December 2014. The fee is subject to an annual review by the Dairy Crest Board. Mr Alexander's appointment is for an indefinite period until terminated by either party on three months' written notice.

Mr Alexander is subject to various restrictions on activities during his appointment and to a confidentiality undertaking without limitation in time.

(b) *Susan Farr*

As non-executive director, Susan Farr is entitled to an annual fee of £50,000 under a letter of appointment dated 6 October 2011. The fee is subject to annual review and will be increased (if applicable) by the percentage change in the retail price index. She also receives an annual fee of £10,000 for acting as Chairman of the Corporate Responsibility Committee. Ms Farr's appointment is for an indefinite period until terminated by either party on three months' written notice.

Ms Farr is subject to various restrictions on activities during her appointment and to a confidentiality undertaking without limitation in time.

(c) *John Gibney*

As non-executive director, John Gibney is entitled to an annual fee of £50,000 under a letter of appointment dated 9 May 2018. The fee is subject to annual review and will be increased (if applicable) by the percentage change in the retail price index. He also receives an annual fee of £10,000 for acting as Chairman of the Audit Committee. Mr Gibney's appointment is for an indefinite period until terminated by either party on three months' written notice.

Mr Gibney is subject to various restrictions on activities during his appointment and to a confidentiality undertaking without limitation in time.

(d) *Richard Macdonald*

As non-executive director, Richard Macdonald is entitled to an annual fee of £50,000 under a letter of appointment dated 4 October 2010. The fee is subject to annual review and will be increased (if applicable) by the percentage change in the retail price index. He also receives an annual fee of £10,000 for acting as Chairman of the Remuneration Committee and £10,000 for acting as the Senior Independent Director. Mr Macdonald's appointment is for an indefinite period until terminated by either party on three months' written notice.

Mr Macdonald is subject to various restrictions on activities during his appointment and to a confidentiality undertaking without limitation in time.

(e) *Moni Mannings*

As non-executive director, Moni Mannings is entitled to £50,000 under a letter of appointment dated 27 November 2017. The fee is subject to annual review and will be increased (if applicable) by the percentage change in the retail price index. Ms Mannings' appointment is for an indefinite period until terminated by either party on three months' written notice.

Ms Mannings is subject to various restrictions on activities during her appointment and to a confidentiality undertaking without limitation in time.

Dairy Crest has customary directors' and officers' indemnity insurance in place in respect of the Dairy Crest Directors.

6.3 **General**

Save as disclosed above, there are no service contracts or letters of appointment between any Dairy Crest Director or any person who has been proposed as a director of Dairy Crest and any member of the Dairy Crest Group and no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this document.

7. **Market quotations**

The following table shows the closing middle market prices for Dairy Crest Shares as derived from the Official List for the first dealing day of each month from 1 October 2018 to 1 March 2019 inclusive, for 21 February 2019 (being the last business day before the commencement of the Offer Period) and for 6 March 2019 (being the Latest Practicable Date):

<u>Date</u>	<u>Dairy Crest Share price (p)</u>
1 October 2018	459.2
1 November 2018	448.8
3 December 2018	456.2
2 January 2019	431.2
1 February 2019	482.8
21 February 2019	555.0
1 March 2019	627.0
6 March 2019	628.0

8. **Material Contracts**

8.1 **Dairy Crest material contracts**

Save as otherwise set out below, no member of the Dairy Crest Group has, during the period beginning on 22 February 2017 and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

Facility Agreement

Dairy Crest and Dairy Crest Limited (as Original Borrowers) (1); Dairy Crest, Dairy Crest Limited, Dairy Crest UK Limited and Dairy Crest Facilities Limited (as Original Guarantors), (2); Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank London), Lloyds Bank plc, The Royal Bank Of Scotland plc and Abbey National Treasury Services plc (as Mandated Lead Arrangers) (3); Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank London), Lloyds Bank plc, The Royal Bank Of Scotland plc and Abbey National Treasury Services plc (as Original Lenders) (4); and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (as Facility Agent) (5) entered into a £240m Revolving Credit Facility Agreement on 6 October 2015 (the "Facility Agreement") pursuant to which the Original Lenders agreed to provide committed £240m revolving credit facilities to the Original Borrowers and any future additional borrowers (as the case may be).

Under the terms of the Facility Agreement, the Original Lenders made available to the Original Borrowers a single currency revolving credit facility under Tranche A (in an amount of £160 million) and Tranche B (in an amount of £80 million).

The facilities under the Facility Agreement can be used to finance the general corporate purposes of the Borrowers and to finance the making of acquisitions as permitted under the Facility Agreement.

Loans under the Facility Agreement can be drawn in sterling and Loans under each Tranche may be utilised up to and including the date falling 7 days before the final repayment date in respect of the Tranche.

The Facility Agreement was made available on typical market terms on an unsecured basis repayable on the fifth anniversary of the date of the Facility Agreement (in the case of Tranche A) and on the third anniversary of the date of the Facility Agreement (in the case of Tranche B). The repayment date in respect of Tranche B was subsequently extended to 6 October 2020 pursuant to an extension notification dated 25 September 2017 between Dairy Crest and the Facility Agent (on behalf of the Original Lenders). As a result, Loans utilised under both Tranche A and Tranche B are repayable on 6 October 2020 although they may be repaid at any time prior to such date, subject to the payment of break costs and certain other specified conditions regarding the giving of notice and the minimum amount of any partial prepayments.

Loans under the Facility Agreement carry an interest rate of LIBOR plus a margin linked to the ratio of Total Consolidated Net Borrowings to Consolidated EBITDA (in each case as defined in the Facility Agreement).

The Facility Agreement contains financial covenants relating to Total Consolidated Net Borrowings to Consolidated EBITDA and Consolidated Profits to Net Financial Costs (as defined in the Facility Agreement).

The Facility Agreement contains customary events of default, including failure to comply with obligations under the Facility Agreement, misrepresentation, certain insolvency events and a cross-default clause in relation to any other financial indebtedness. Upon the occurrence of an event of default (subject to any applicable remedy periods), the Original Lenders may demand immediate repayment of all loans outstanding under the Facility Agreement. The Facility Agreement provides that Dairy Crest may request that any of its wholly-owned subsidiaries becomes an additional borrower under the Facility Agreement. Any member of the Dairy Crest Group which is or becomes a Material Subsidiary (as such term is defined in the Facility Agreement) must become an additional guarantor.

2017 Equipment Lease Agreement

Lombard Business Leasing Limited (as Lessor) (1); and Dairy Crest Limited (as Lessee) (2) entered into an equipment lease agreement on 29 March 2017 (the "2017 Lease Agreement") pursuant to which the Lessor agreed to lease certain equipment to the Lessee for a period of 84 months for a quarterly rental (including VAT) of £843,600 (plus an Administration Fee (as defined in the 2017 Lease Agreement) (including VAT) of £238,418.34 payable on 29 March 2017).

There is a Discount Rate (as defined in the 2017 Lease Agreement) of 3% per annum and a 2% Default Rate (as defined in the 2017 Lease Agreement) used in determining the Total Loss Settlement Sum (as defined in the 2017 Lease Agreement) to be paid where assets have been destroyed or lost.

The obligations of the Lessee under the 2017 Lease Agreement are guaranteed by Dairy Crest.

The 2017 Lease Agreement contains customary representations and warranties, undertakings, insurance provisions and events of default/termination events, including failure to comply with obligations under the 2017 Lease Agreement, certain insolvency events and a cross-default provision in relation to any other financial indebtedness. Upon the occurrence of an event of default (subject to any applicable remedy periods), the Lessor may give notice to terminate the 2017 Lease Agreement.

2018 Equipment Lease Agreement

Lombard Business Leasing Limited (as Lessor) (1); and Dairy Crest Limited (as Lessee) (2) entered into an equipment lease agreement on 23 March 2018 (the "2018 Lease Agreement") pursuant to which the Lessor agreed to lease certain equipment to the Lessee for a period of 72 months for a quarterly rental (including VAT) of £699,480 (plus an Administration Fee (as defined in the 2018 Lease Agreement) (including VAT) of £176,652.07 payable on 23 March 2017).

There is a Discount Rate (as defined in the 2018 Lease Agreement) of 3% per annum and a 2% Default Rate (as defined in the 2018 Lease Agreement) used in determining the Total Loss Settlement Sum (as defined in the 2018 Lease Agreement) to be paid where assets have been destroyed or lost.

The obligations of the Lessee under the 2018 Lease Agreement are guaranteed by Dairy Crest.

The 2018 Lease Agreement contains customary representations and warranties, undertakings, insurance provisions and events of default/termination events, including failure to comply with obligations under the 2018 Lease Agreement, certain insolvency events and a cross-default provision in relation to any other financial indebtedness. Upon the occurrence of an event of default (subject to any applicable remedy periods), the Lessor may give notice to terminate the 2018 Lease Agreement.

8.2 **Saputo Group material contracts**

Save for the offer related arrangements described at paragraph 9 below, no member of the Saputo Group has, during the period beginning on 22 February 2017 and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

9. **Offer-related arrangements between Saputo and Dairy Crest**

Saputo Inc. and Dairy Crest entered into a confidentiality agreement dated 4 February 2019 (the "Confidentiality Agreement") pursuant to which Saputo Inc. has undertaken, amongst other things, to: (a) keep confidential information relating to the Acquisition and to Dairy Crest and not to disclose it to third parties (other than certain permitted parties) unless required by law or regulation; and (b) use the confidential information for the sole purpose of considering, evaluating, negotiating, implementing or advising on the potential Acquisition. These confidentiality obligations remain in force until 3 February 2021. The agreement also contains provisions pursuant to which Saputo Inc. has agreed to procure that, subject to customary exceptions (including the Scheme) no member of the Saputo Group may directly or indirectly deal in Dairy Crest Shares without the prior written consent of Dairy Crest. These standstill obligations remain in force until 3 February 2020.

10. **Irrevocable undertakings**

The following holders of Dairy Crest Shares have given irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is to be effected by way of a Takeover Offer, to accept, or procure the acceptance of, such Takeover Offer) in relation to the following Dairy Crest Shares:

Name	Number of Dairy Crest Shares	Percentage of issued ordinary share capital of Dairy Crest
Stephen Alexander	4,270	0.003%
Mark Allen	24,258	0.016%
Tom Atherton	21,884	0.014%
Adam Braithwaite	16,378	0.011%
Sue Farr	5,661	0.004%
John Gibney	11,111	0.007%
Richard Macdonald	1,500	0.001%
Total	85,062	0.055%

The irrevocable undertakings will lapse if:

- (a) Saputo announces that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Code at the same time; or
- (b) the Scheme or Takeover Offer lapses or is withdrawn and no new, revised or replacement Scheme or Takeover Offer has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time.

11. Offer-related fees and expenses

11.1 Saputo Group fees and expenses

The aggregate fees and expenses expected to be incurred by the Saputo Group in connection with the Acquisition (excluding any applicable VAT) are expected to be approximately:

<u>Category</u>	<u>Amount (£m)⁽¹⁾</u>
Financing arrangements	2.9
Financial and corporate broking advice	5.3
Legal advice	2.3 ⁽²⁾
Accounting advice	0.4
Other professional services	0.1
Other costs and expenses	5.3
<u>Total</u>	<u>16.3</u>

Notes:

(1) The fees and expenses have been and will be incurred by Saputo in various different currencies, which have been converted to GBP for the purposes of this disclosure and are therefore subject to change caused by currency fluctuations.

(2) These services are charged by reference to hourly rates. Amounts included here reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.

11.2 Dairy Crest fees and expenses

The aggregate fees and expenses expected to be incurred by Dairy Crest in connection with the Acquisition (excluding any applicable VAT) are expected to be approximately:

<u>Category</u>	<u>Amount (£m)</u>
Financial and corporate broking advice	4.4
Legal advice	1.5 ⁽¹⁾⁽²⁾
Accounting advice	0.0
Other professional services	0.6
Other costs and expenses	0.4
<u>Total</u>	<u>6.9</u>

(1) This includes a discretionary element.

(2) These services are charged by reference to hourly rates. Amounts included here reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.

12. Financing

The cash consideration payable by Saputo under the terms of the Acquisition will be funded from debt to be provided under a Credit Agreement arranged and fully underwritten by National Bank of Canada and Bank of Montréal. Following completion of the Acquisition, the Dairy Crest Group's existing financial indebtedness will be refinanced using debt to be provided under the Credit Agreement.

Lazard, in its capacity as financial adviser to Saputo Inc., confirms that it is satisfied that resources are available to Saputo to satisfy in full the cash consideration payable under the terms of the Scheme.

Saputo Foods Limited Credit Agreement

Description of facility and parties

In order to finance the Cash Consideration payable to Dairy Crest Shareholders under the terms of the Scheme and to refinance certain existing indebtedness of the Dairy Crest Group, Saputo Foods Limited, a corporation incorporated under the Canada Business Corporations Act, entered into a Canadian law governed GBP 1,265,000,000 committed term facility agreement dated 21 February 2019 as borrower, with (among others) National Bank of Canada and Bank of Montreal as lenders, National Bank of Canada as administrative agent and Saputo Inc. as covenantor (the "Credit Agreement"). Of the GBP 1,265,000,000 made available under the Credit Agreement (the "Facility") GBP 975,722,681 may be used to finance the acquisition and GBP 289,277,319 may be used to refinance certain existing indebtedness of the Dairy Crest Group and to pay costs associated with the acquisition.

National Bank of Canada and Bank of Montreal are original lenders and mandated lead arrangers under the Credit Agreement, and will seek to syndicate their commitments, including during the Certain Funds Period (as defined in the Credit Agreement). Saputo Foods Limited and Saputo Inc. have full discretion to refuse to a transfer of an existing lender's commitments during the Certain Funds Period.

Maturity

The Facility is split into three Tranches (A, B and C), each of which has a different maturity date.

Tranche A (GBP 400,000,000) has a final maturity date on the first anniversary date of the initial drawdown under the Facility. Tranche B (GBP 265,000,000) has a final maturity date on the second anniversary date of the initial drawdown under the Facility. Tranche C (GBP 600,000,000) has a final maturity date on the third anniversary date of the initial drawdown under the Facility.

Guarantees and security

The obligations of Saputo Foods Limited under the Credit Agreement are unconditionally guaranteed by Saputo Inc. and various of its Canadian, US and Australian subsidiaries.

The Credit Agreement is unsecured.

Prepayment

Subject to certain conditions, Saputo Foods Limited may voluntarily prepay loans under the Credit Agreement by giving the Agent not less than one Business Day's prior notice in respect of prepayments of loans outstanding by way of prime rate loans and not less than three Business Days' prior notice in respect of loans outstanding by way of banker's acceptances or Libor advances. Any such prepayment shall be in a minimum amount of GBP5,000,000 or CAD5,000,000 or USD5,000,000.

If at any time Libor is unavailable and subject to certain conditions, Saputo Foods Limited may repay any outstanding Libor advance, at its option.

The Credit Agreement provides that any unused portion of the Facility or of any Tranche shall cease to be available upon the expiry of the availability period (which expires 120 days after the end of the Certain Funds Period).

Interest

Interest is payable under the Facility Agreement at a rate of:

- (a) in respect of prime rate advances denominated in Canadian dollars or where no specific provision for interest on any amount outstanding and payable by Saputo Foods Limited is made under the Credit Agreement, the Canadian Prime Rate (being the rate per annum equal to the greater of (i) the NBC Prime Rate in effect on such day and (ii) the BA CDOR Rate in effect on such day plus 1% per annum) plus the Relevant Margin (as set out below);
- (b) in respect of prime rate advances denominated in US dollars, the US Prime Rate (being the rate per annum equal to the greater of (i) the NBC US Prime Rate in effect on such day and (ii) the Federal Funds Effective Rate on such day plus 1% per annum) plus the Relevant Margin; and
- (c) in respect of Libor advances, the Libor Rate plus the Relevant Margin.

The Relevant Margin is determined on the basis of Saputo Inc.'s credit rating and, for prime rate advances, ranges between 0.00% and 1.00% and, for other advances, ranges between 0.80% and 2.00%.

Financial ratios

Under the Credit Agreement, Saputo Inc. covenants to maintain at all times, on a consolidated basis:

- (a) an Interest-Bearing Debt to EBITDA ratio no greater than 3.50:1.00, provided that for any twelve month period (the "Step Up Period") following the date on which Saputo Foods Limited notifies National Bank of Canada (as administrative agent) that Saputo Inc. or any of its subsidiaries have completed an acquisition or series of acquisitions in the twelve preceding consecutive months for which the aggregate consideration exceeds USD 1,000,000,000, the Interest-Bearing Debt to EBITDA ratio shall be no greater than 4.00:1.00 (provided that immediately after the end of any Step Up Period, the Interest-Bearing Debt to EBITDA ratio shall be no greater than 3.50:1.00 for at least two consecutive fiscal quarters before another Step Up Period may begin; and
- (b) an Interest Coverage ratio of not less than 2.50:1.00.

Covenants

The Credit Agreement contains certain restrictive covenants (binding on Saputo Inc., Saputo Foods Limited and each guarantor under the Credit Agreement), including, among others, limitations on: consolidations, amalgamations and mergers; the sale of assets; the making of loans and investments; corporate restructuring; the creation of security; changes in business; redemption of shares and the entering into of derivative instruments.

Flow of funds to Saputo

The proceeds of the Facility will be flowed down to Saputo for application towards (a) payment of the Cash Consideration payable to Dairy Crest Shareholders under the terms of the Scheme; (b) refinancing Dairy Crest Group debt; and (c) payment of acquisition costs through a combination of intercompany loans and equity contributions which will be put in place prior to the date on which any such amounts become due.

13. Ratings

No ratings agency has currently accredited Dairy Crest with any current credit rating or outlook.

On 26 February 2019, Moody's Investor's Service placed Saputo Inc.'s A3 senior unsecured notes ratings and (P)A3 medium term note program rating on review for possible downgrade, based on the expected increase in financial leverage which may result from

the Acquisition. Additionally, on 26 February 2019, DBRS placed Saputo Inc.'s A (low) rating on review for possible downgrade, based on the expected increase in financial leverage which may result from the Acquisition.

14. Persons acting in concert

14.1 In addition to the Saputo Responsible Persons and the members of the Wider Saputo Group (including Saputo's holding companies and their subsidiaries and their related pension schemes), the persons who, for the purposes of the Code, are acting in concert with Saputo are:

<u>Name</u>	<u>Type</u>	<u>Registered Office</u>	<u>Relationship with Dairy Crest</u>
Lazard	Financial Services	50 Stratton Street, London, W1J 8LL	Financial adviser

14.2 In addition to the Dairy Crest Directors, the persons who, for the purposes of the Code, are acting in concert with Dairy Crest are:

<u>Name</u>	<u>Type</u>	<u>Registered Office</u>	<u>Relationship with Dairy Crest</u>
Greenhill	Financial Services	Lansdowne House, 57 Berkeley Square, London, W1J 6ER	Financial adviser
Peel Hunt	Financial Services	Moor House, 120 London Wall, London EC2Y 5ET	Joint corporate broker
Shore Capital	Financial Services	Bond Street House, 14 Clifford Street, London W1S 4JU	Joint corporate broker

15. No significant change

Dairy Crest published trading updates on 31 January 2019, 17 September 2018 and 17 July 2018 and interim results on 7 November 2018. Save as disclosed in these updates or interim results, there has been no significant change in the financial or trading position of Dairy Crest since 22 May 2018, being the date to which the audited consolidated accounts contained within Dairy Crest's 2018 Annual Report were prepared.

16. Consent

16.1 Greenhill has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

16.2 Peel Hunt has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

16.3 Shore Capital has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

16.4 Lazard has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

17. Documents published on a website

Until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, if earlier), the following documents will be available on Dairy Crest's website at <https://www.dairycrest.co.uk/investors> and Saputo Inc.'s website at <http://www.saputo.com/en/investors>:

- (a) the articles of association of Dairy Crest;
- (b) the articles of association of Dairy Crest as proposed to be amended pursuant to the Special Resolution;
- (c) the articles of association of Saputo;
- (d) the constitutional documents of Saputo Inc.;
- (e) the audited accounts of Dairy Crest for the last two financial years;
- (f) the audited accounts of Saputo Inc. for the last two financial years;
- (g) the letters to be sent to the Dairy Crest Share Scheme Participants setting out the proposals relating to their Dairy Crest Share Scheme options and awards, as set out in paragraph 12 of Part One: Letter from the Chairman of Dairy Crest;
- (h) the Rule 2.7 Announcement;
- (i) this document and the Forms of Proxy;
- (j) the Confidentiality Agreement;
- (k) the Credit Agreement;
- (l) in relation to the Credit Agreement:
 - (i) Syndication and Flex Letter;
 - (ii) Agency Fee Letter;
 - (iii) Underwriting Fee Letter;
 - (iv) Interlender Agreement; and
 - (v) Guarantee and Subordination Agreement;
- (m) the irrevocable undertakings as set out at paragraph 10 above; and
- (n) the consent letters referred to at paragraph 16 above.

18. Sources of information and bases of calculation

- (a) The value attributed to the existing issued and to be issued ordinary share capital of Dairy Crest is based upon:
 - (i) the 155,523,642 Dairy Crest Shares in issue on the Latest Practicable Date; and
 - (ii) 2,652,397 Dairy Crest Shares which may be issued on or after the date of this document to satisfy the exercise of options outstanding under the Dairy Crest Share Schemes as at the Latest Practicable Date; less
 - (iii) 812,018 Dairy Crest Shares as at the Latest Practicable Date held by the Dairy Crest Employees' Share Ownership Plan Trust which can be used to satisfy the exercise of options granted under the Dairy Crest Share Schemes.
- (b) Unless otherwise stated, the financial information relating to Saputo is extracted (without material adjustment) from Saputo's Annual Report and Accounts for the year ended 31 March 2018, from the announcement of Saputo Inc.'s quarterly results

for the three months ended 30 June 2018, from the announcement of Saputo Inc.'s quarterly results for the three and six month periods ended 30 September 2018, from the announcement of Saputo Inc.'s quarterly results for the three and nine month periods ended 31 December 2018 and from Saputo Inc.'s internal records.

- (c) Unless otherwise stated, the exchange rate used is: £1.00:CDN\$1.7213.
- (d) Unless otherwise stated, the financial information relating to Dairy Crest is extracted (without material adjustment) from Dairy Crest's Annual Report and Accounts for the year ended 31 March 2018 and from the announcement of Dairy Crest's interim results for the six months ended 30 September 2018.

PART EIGHT

DEFINITIONS

Acquisition	the direct or indirect acquisition of the entire issued and to be issued share capital of Dairy Crest by Saputo (other than Dairy Crest Shares already held by Saputo, if any) to be implemented by way of the Scheme or (should Saputo so elect, subject to the consent of the Panel) by way of the Takeover Offer;
Announcement Date	22 February 2019;
Board	the board of directors of Dairy Crest, and the term Dairy Crest Board shall be construed accordingly;
business day	a day, other than a Saturday or Sunday or public holiday, when banks are open in London for general banking business;
Canada	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof;
Cash Consideration	the cash amount of 620 pence payable by Saputo under the Acquisition in respect of each Dairy Crest Share, subject to any applicable adjustment in accordance with the terms of the Acquisition;
certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST);
Closing Price	the closing middle market quotation of a share derived from the Daily Official List;
Code or City Code	the City Code on Takeovers and Mergers;
Combined Group	the enlarged group following the Acquisition, comprising the Saputo Group and the Dairy Crest Group;
Company	Dairy Crest;
Companies Act	the Companies Act 2006, as amended from time to time;
Conditions	the conditions to the implementation of the Acquisition, as set out in Part Three: Conditions to the Scheme and to the Acquisition of this document or, if applicable, in the Takeover Offer Document and Condition means any of them;
Confidentiality Agreement	the confidentiality agreement dated 4 February 2019 between Saputo Inc. and Dairy Crest;
Court	the High Court of Justice in England and Wales;
Court Hearing	the hearing at which the Court sanctions the Scheme under section 899 of the Companies Act;
Court Meeting	the meeting(s) of Scheme Shareholders to be convened by an order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part Nine: Notice of Court Meeting, for the purpose of approving the Scheme, including any adjournment thereof;

Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
Credit Agreement	the credit agreement dated 21 February 2019 between Saputo Foods Limited, Saputo Inc., National Bank of Canada, Bank of Montréal and others;
CREST	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form;
CREST Manual	the CREST Manual published by Euroclear, as amended from time to time;
Daily Official List	the daily official list of the FCA;
Dairy Crest	Dairy Crest Group plc, a company incorporated in England and Wales with registered number 03162897;
Dairy Crest Directors	the persons whose names are set out in paragraph 2.1 of Part Seven: Additional Information on Dairy Crest and Saputo of this document or, where the context so requires, the directors of Dairy Crest from time to time;
Dairy Crest Group	Dairy Crest and its subsidiary undertakings;
Dairy Crest Scheme Participants	participants in the Dairy Crest Share Schemes;
Dairy Crest Share Schemes	the DBP 2004, the DBP 2014, the ESOS, the LTAP, the LTIP, the LTISP, the SAYE Scheme and the Sharesave Scheme;
Dairy Crest Shareholders	the registered holders of Dairy Crest Shares from time to time;
Dairy Crest Shares	ordinary shares of 25 pence each in the capital of Dairy Crest;
DBP 2004	the Dairy Crest 2004 Deferred Bonus Plan;
DBP 2014	the Dairy Crest Deferred Bonus Plan 2014;
DB Scheme	the Dairy Crest Group Pension Fund;
dealing day	a day on which dealing in domestic securities may take place on, and with the authority of, the London Stock Exchange;
Dealing Disclosure	an announcement pursuant to Rule 8 of the City Code containing details of dealings in interests in relevant securities of a party to an offer;
Disclosed	information which has been fairly disclosed by or on behalf of Dairy Crest: (i) in the annual report and accounts of the Dairy Crest Group for the year ended 31 March 2018; (ii) in the interim results announcement of the Dairy Crest Group for the six months ended 30 September 2018; (iii) in the Rule 2.7 Announcement; (iv) in any other public announcement by, or on behalf of, Dairy Crest in accordance with the Listing Rules, Disclosure Guidance and Transparency Rules of the FCA

	(as applicable) prior to the date of the Rule 2.7 Announcement; (v) in writing prior to the date of the Rule 2.7 Announcement by or on behalf of Dairy Crest to Saputo (or its respective officers, employees, agents or advisers in their capacity as such); or (vi) in the virtual data room operated by or on behalf of Dairy Crest in respect of the Acquisition prior to the date of the Rule 2.7 Announcement;
disclosure period	the period commencing on 22 February 2018 (being the date that is 12 months before the start of the Offer Period) and ending on the Latest Practicable Date;
EBT	the Dairy Crest Employees' Share Ownership Plan Trust;
Effective	in the context of the Acquisition: (a) if the Acquisition is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Scheme Court Order to the Registrar of Companies; or (b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having become, or been declared, unconditional in all respects in accordance with the requirements of the Code;
Effective Date	the date on which the Scheme becomes effective in accordance with its terms;
ESOS	the Dairy Crest 2006 Executive Share Option Scheme;
Euroclear	Euroclear UK & Ireland Limited;
Exceptional Items	the items referred to in Note 4 to Dairy Crest's annual report and accounts for the year ended 31 March 2018 (pages 87 and 88);
Excluded Shares	(i) any Dairy Crest Shares beneficially owned by Saputo or any other member of the Saputo Group; (ii) any Dairy Crest Shares held in treasury by Dairy Crest and (iii) any other Dairy Crest Shares which Saputo and Dairy Crest agree will not be subject to the Scheme;
executive Dairy Crest Directors	each of Mark Allen, Tom Atherton and Adam Braithwaite;
Explanatory Statement	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in this document;
FCA	the Financial Conduct Authority;
Form(s) of Proxy	either or both (as the context demands) of the blue Form of Proxy in relation to the Court Meeting and the yellow Form of Proxy in relation to the General Meeting;
General Meeting	the general meeting of Dairy Crest convened by the notice set out in Part Ten: Notice of General Meeting of this document, including any adjournment of such meeting;
Greenhill	Greenhill & Co. International LLP., a company incorporated in England and Wales with registered number OC332045;

holder	a registered holder and includes any person entitled by transmission;
Latest Practicable Date	6 March 2019 (being the latest practicable date before the publication of this document);
Lazard	Lazard & Co., Limited;
Link Asset Services	a trading name of Link Market Services Limited;
Listing Rules	the rules and regulations made by the FCA in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000, and contained in the UK Listing Authority's publication of the same name;
London Stock Exchange	London Stock Exchange plc;
Long Stop Date	31 August 2019;
LTAP	the Dairy Crest Group plc Long Term Alignment Plan;
LTIP	the Dairy Crest Group plc Long Term Incentive Plan;
LTISP	the Dairy Crest Long Term Incentive Share Plan (which, for the avoidance of doubt, includes the award known as the Transformational Incentive Award);
Meetings	the Court Meeting and the General Meeting, and Meeting means either of them;
non-executive Dairy Crest Directors	each of Stephen Alexander, Sue Farr, John Gibney, Richard Macdonald and Moni Mannings;
Offer Period	the period commencing on 22 February 2019 and ending: (i) on the earlier of the date on which the Scheme becomes Effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide); or (ii) the earlier of the date on which the Acquisition has become, or has been declared, unconditional as to acceptances and the date on which the Acquisition lapses or is withdrawn (or such other date as the Panel may decide), in each case other than where such lapsing or withdrawal is a result of Saputo exercising its right to implement the Acquisition by way of a Takeover Offer or a Scheme (as appropriate);
Official List	the official list of the London Stock Exchange;
Opening Position Disclosure	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Acquisition if the person concerned has such a position;
Panel	the Panel on Takeovers and Mergers;
Peel Hunt	Peel Hunt LLP, joint corporate broker to Dairy Crest;
Registrar of Companies	the Registrar of Companies in England and Wales;
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended;
Regulatory Information Service	an information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;

Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Dairy Crest Shareholders in that jurisdiction;
Rule 2.7 Announcement	the announcement of a firm intention to make an offer for the entire issued and to be issued share capital of Dairy Crest pursuant to Rule 2.7 of the Code made by Saputo on 22 February 2019;
Rule 2.7 Announcement Latest Practicable Date	21 February 2019;
Saputo	Saputo Dairy UK Ltd, an English private limited company which is a wholly-owned subsidiary of Saputo Inc. and has been recently incorporated at the direction of Saputo Inc. for the purposes of the Acquisition;
Saputo Directors	the directors of Saputo (being Maxime Therrien) and the directors of Saputo Inc. (being Lino A. Saputo, Jr, Louis-Philippe Carrière, Henry Demone, Anthony Fata, Annalisa King, Karen Kinsley, Tony Meti, Diane Nyisztor, Franziska Ruf and Annette Verschuren), as at the date of this document or, where the context so requires, the directors of Saputo or Saputo Inc. (as applicable) from time to time;
Saputo Foods Limited	a corporation incorporated under the Canada Business Corporations Act, a wholly-owned subsidiary of Saputo Inc.;
Saputo Group	Saputo Inc. and its subsidiary undertakings;
Saputo Responsible Persons	the persons whose names are set out in paragraph 2.2 of Part Seven: Additional Information on Dairy Crest and Saputo of this document;
SAYE Scheme	the Dairy Crest Group plc Save as You Earn Scheme;
Scheme	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Dairy Crest and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Dairy Crest and Saputo, as set out in Part Four: The Scheme of Arrangement of this document;
Scheme Record Time	6.00 p.m. on the business day immediately following the date of the Court Hearing or such later time as Saputo and Dairy Crest may agree;
Scheme Shareholders	holders of Scheme Shares;
Scheme Shares	Dairy Crest Shares: <ul style="list-style-type: none"> (i) in issue at the date of this document; (ii) (if any) issued after the date of this document and prior to the Voting Record Time; and (iii) (if any) issued on or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders

	thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,
	but in each case other than the Excluded Shares;
SEC	US Securities and Exchange Commission;
Sharesave Scheme	the Dairy Crest Sharesave Scheme;
Shore Capital	Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited, joint corporate broker to Dairy Crest;
Special Resolution	the special resolution to be proposed by Dairy Crest at the General Meeting in connection with, among other things, the approval of the Scheme and the amendment of Dairy Crest's articles of association and such other matters as may be necessary to implement the Scheme and the delisting of the Dairy Crest Shares;
Substantial Interest	a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking;
Takeover Offer	if (subject to the consent of the Panel) Saputo elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act), the offer to be made by or on behalf of Saputo, or any other wholly-owned subsidiary of Saputo Inc, to acquire the entire issued and to be issued ordinary share capital of Dairy Crest on the terms and subject to the conditions to be set out in the Takeover Offer Document and, where the context admits, any subsequent revision, variation, extension or renewal of such Takeover Offer;
Takeover Offer Document	should the Acquisition be implemented by means of a Takeover Offer, the document to be sent to Dairy Crest Shareholders which will contain, inter alia, the terms and conditions of the Takeover Offer;
Third Party	each of the following: government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other similar body or person whatsoever in any jurisdiction;
treasury shares	any Dairy Crest Shares held by Dairy Crest as treasury shares;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
UK Listing Authority or UKLA	the FCA, in its capacity as UK Listing Authority;
uncertificated or in uncertificated form	a share or other security recorded on the relevant register as being held in uncertificated form in CREST;
US Exchange Act	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
US or United States	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

Voting Record Time	6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting, in each case excluding any day that is not a business day;
Wider Dairy Crest Group	Dairy Crest and the subsidiaries and subsidiary undertakings of Dairy Crest and associated undertakings (including any joint venture, partnership, firm or company in which any member of the Dairy Crest Group is interested or any undertaking in which Dairy Crest and such undertakings (aggregating their interests) have a Substantial Interest); and
Wider Saputo Group	Saputo Inc. and the subsidiaries and subsidiary undertakings of Saputo Inc. and associated undertakings (including any joint venture, partnership, firm or company in which any member of the Saputo Group is interested or any undertaking in which Saputo Inc. and such undertakings (aggregating their interests) have a Substantial Interest).

For the purposes of this document, “**subsidiary**”, “**subsidiary undertaking**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the Companies Act.

All references to “**pounds**”, “**pounds Sterling**”, “**Sterling**”, “**£**”, “**pence**”, are to the lawful currency of the United Kingdom and references to “**CAN\$**” are to the lawful currency of Canada.

All the times referred to in this document are London times unless otherwise stated. References to the singular include the plural and vice versa.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

PART NINE

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE

CR-2019-001164

BUSINESS AND PROPERTY COURTS OF ENGLAND AND
WALES COMPANIES COURT (Ch D)

INSOLVENCY AND COMPANIES COURT JUDGE MULLEN

IN THE MATTER OF DAIRY CREST GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 7 March 2019 made in the above matters, the Court has given permission for Dairy Crest Group plc (the "Company") to convene a meeting of the holders of Scheme Shares (as defined in the Scheme of Arrangement referred to below) (the "Court Meeting") for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between the Company and the holders of Scheme Shares and that such meeting will be held at the offices of Eversheds Sutherland (International) LLP, One Wood St, London EC2V 7WS at 11.00 a.m. on 1 April 2019 at which place and time all holders of Scheme Shares are requested to attend.

At the Court Meeting, the following resolution will be proposed:

"That the scheme of arrangement dated 8 March 2019 (the "Scheme"), between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and jointly consented to by the Company and Saputo Dairy UK Ltd, be approved and the directors of the Company be authorised to take all such actions as they consider necessary or appropriate for carrying the Scheme into effect."

A copy of the Scheme of Arrangement and a copy of the statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

Holders of Scheme Shares may vote in person at the meeting or they may appoint another person as their proxy to attend, speak and vote in their stead. A proxy need not be a member of the Company. A holder of Scheme Shares may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that holder. A blue Form of Proxy for use at the meeting is enclosed with this notice. Dairy Crest Shareholders with Scheme Shares held through CREST may also appoint a proxy or proxies using CREST by following the instructions set out on pages 29 and 30 of this document. Completion and return of a Form of Proxy, or the appointment of proxies through CREST (or any other procedure described in the document of which this notice forms part), will not preclude a holder of Scheme Shares from attending and voting in person at the meeting, or any adjournment of such meeting if such holder of Scheme Shares is entitled and wishes to do so.

In the case of joint holders of Scheme Shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the

names stand in the register of members of the Company in respect of the relevant joint holding.

It is requested that forms appointing proxies (together with any power of attorney or other authority under which they are signed, or a notarially certified copy of such authority) be lodged with the Company's Registrars, Link Asset Services, in accordance with the instructions printed on such forms not later than 48 hours before the start of the meeting excluding any part of a day that is not a business day.

Entitlement to attend and vote at the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting, in each case excluding any part of a day that is not a business day (the "Voting Record Time"). Changes to the register of members after such time will be disregarded.

By the said order, the Court has appointed Stephen Alexander, or failing him, any other director of the Company to act as chairman of the meeting and has directed the chairman to report the result of the meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 8 March 2019

EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP

One Wood St, London EC2V 7WS

Solicitors for the Company

Notes:

1. Pursuant to the Company's articles of association and Regulation 41 of the Uncertificated Securities Regulations 2001 (the "Regulations"), only holders of Scheme Shares in the capital of the Company at the Voting Record Time (each, a "Scheme Shareholder") are entitled to attend, speak and vote at this meeting and may appoint a proxy to attend, speak and vote instead of them. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at this meeting. Voting on the resolution will be by way of a poll. Each Scheme Shareholder present at this meeting will be entitled to one vote for every Scheme Share registered in his, her or its name and each corporate representative or proxy will be entitled to one vote for each Scheme Share which he/she represents. Scheme Shareholders who submit a proxy form with voting instructions in advance of this meeting specifying the chairman of the Company as their proxy, but who attend this meeting in person, need not complete a poll card unless they wish to change their vote.
2. A blue Form of Proxy is enclosed for use at this meeting. To be valid, completed Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned by post or, during normal business hours only, by hand along with the power of attorney or other authority, if any, under which they are signed or a notarially certified or office copy of such power or authority, so as to arrive at the offices of the Company's Registrars, Link Asset Services ("Link Asset Services"), at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and by not later than 11.00 a.m. on 28 March 2019, or if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting, excluding any part of a day that is not a business day. For your convenience, a freepost facility (for use in the UK only) has been provided with respect to the blue Form of Proxy. If the Form of Proxy is not returned by the relevant time, it may be handed to the Chairman of the meeting or to Link Asset Services, on behalf of the Chairman of the meeting, before the start of the meeting.
3. A Scheme Shareholder entitled to attend, speak and vote at this meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him, her or it. A Scheme Shareholder may appoint more than one proxy in relation to this meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by him, her or it. A proxy need not be a Scheme Shareholder but must attend this meeting to represent him, her or it. A separate Form of Proxy should be used for each proxy appointment. If you intend appointing additional proxies, please contact Link Asset Services during business hours on +44 (0) 371 664 0300 or by submitting a request in writing

to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice. Alternatively, you may photocopy the enclosed Form of Proxy. A Scheme Shareholder appointing more than one proxy should indicate the number of shares for which each proxy is authorised to act on his, her or its holding and mark the box indicating that the proxy instruction is one of multiple instructions being given. Failure to specify the number of shares to which each proxy form relates or specifying a number which, when taken together with the number of shares set out in the other proxy appointments, is in excess of the number of shares held by the Scheme Shareholder may result in the proxy appointment being invalid. A Scheme Shareholder must inform Link Asset Services in writing of any termination of the authority of a proxy. If more than one valid proxy appointment is received, the appointment received last before the latest time for the receipt of the proxies will take precedence.

4. Scheme Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for this meeting or any adjournment of this meeting by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual available via www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Asset Services (ID RA10) no later than 11.00 a.m. on 28 March 2019 or, if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting, excluding any part of a day that is not a business day. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.
7. Completion and return of a Form of Proxy, or the appointment of proxies through CREST, will not preclude a Scheme Shareholder from attending and voting in person at this meeting, or any adjournment of this meeting.
8. The Form of Proxy may alternatively be submitted electronically by logging on to the following website www.signalshares.com and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 11.00 a.m. on 28 March 2019 (or in the case of adjournment, not later than 48 hours before the time fixed for the adjourned meeting, excluding any part of a day that is not a working day). You may submit your proxy electronically using the share portal service at www.signalshares.com. If not already registered for the share portal, you will need your investor code which is located on your share certificate.
9. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first named being the most senior).

10. You may not use any electronic address provided either in this notice or in any related documents (including the enclosed proxy form) to communicate with the Company for any purposes other than those expressly stated.
11. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at this meeting. In accordance with the provisions of the Companies Act 2006 (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
12. As at 6 March 2019 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 155,523,642 ordinary shares, carrying one vote each. The Company does not hold any ordinary shares in treasury. Therefore, the total voting rights in the Company as at 6 March 2019 were 155,523,642.
13. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "nominated person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for this meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
14. The statements of the rights of Scheme Shareholders in relation to the appointment of proxies in this notice do not apply to nominated persons. Those rights can only be exercised by Scheme Shareholders. If you are receiving this notice as such a nominated person, you are reminded that your main contact in terms of your investment remains as it was (the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration of it) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters which are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
15. The venue is wheelchair accessible. Please let the Company know in advance if any attendee will need wheelchair assistance or has any other needs to ensure appropriate arrangements are in place. Anyone accompanying a member in need of assistance will be admitted to this meeting. Other guests will only be admitted at the discretion of the Company.
16. The Company thanks the attendees in advance for their co-operation with the security staff at the venue and kindly requests that each attendee provides one piece of identification, such as photographic ID or a bank card. The Company does not permit cameras or recording equipment at this meeting and should be grateful if attendees would ensure that they switch off their mobile telephone before the start of this meeting. The Company does not permit behaviour which may interfere with anyone's safety or the orderly conduct of this meeting.

PART TEN

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of Dairy Crest Group plc (the "Company") will be held at the offices of Eversheds Sutherland (International) LLP at One Wood Street, London EC2V 7WS at 11.15 a.m. on 1 April 2019 (or as soon thereafter as the meeting of the holders of Scheme Shares (as defined in the Scheme as referred to in the resolution set out below) convened for 11.00 a.m. on the same day and at the same place by an order of the High Court of Justice, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

SPECIAL RESOLUTION

THAT for the purpose of giving effect to the scheme of arrangement dated 8 March 2019 (as amended or supplemented) between the Company and the holders of Scheme Shares (as defined in such scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, in its original form or subject to such modification, addition, or condition as may be agreed between the Company and Saputo Dairy UK Ltd and approved or imposed by the Court (the "Scheme"):

- (a) the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (b) with effect from the passing of this resolution, the articles of association of the Company be and are amended by the adoption and inclusion of the following new Article 191:

"191. SCHEME OF ARRANGEMENT

191.1 For the purposes of this Article 191:

- a. "Offeree Scheme" means the scheme of arrangement dated 8 March 2019 under Part 26 of the Companies Act 2006 (the "2006 Act") between the Company and the Scheme Shareholders (as defined in the Offeree Scheme), in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court of Justice of England and Wales;
- b. "Offeror" means Saputo Dairy UK Ltd, a company incorporated in England and Wales (company number 11834952) whose registered office is at Suite 1, 3rd Floor, 11-12 St. James's Square, London, United Kingdom, SW1Y 4LB;
- c. "Option Holder" means the holder of an option or award granted pursuant to a Dairy Crest Share Scheme (as defined in the Offeree Scheme); and
- d. "Trustee" means Computershare Trustees (Jersey) Limited in its capacity as trustee of the Dairy Crest Employees' Share Ownership Plan Trust.

191.2 Notwithstanding any other provision of these Articles (other than Articles 191.4 and 191.5), if the Company issues any shares (other than to the Offeror, any subsidiary of the Offeror or any nominee(s) of the Offeror) on or after the adoption of this Article 191 and at or prior to the Scheme Record Time (as defined in the Offeree Scheme), such shares shall be issued subject to the terms of the Offeree Scheme (and shall be Scheme Shares for the purposes of the Offeree Scheme) and the holder or holders of such shares shall be bound by the Offeree Scheme accordingly.

191.3 Notwithstanding any other provision of these Articles (other than Articles 191.4 and 191.5), subject to the Offeree Scheme becoming Effective (as defined in the Offeree

Scheme), any shares issued to any person (other than to the Offeror, any subsidiary of the Offeror or any nominee(s) of the Offeror) after the Scheme Record Time (a "New Member") (each a "Post-Scheme Share") shall be issued on terms that they shall (on the Effective Date (as defined in the Offeree Scheme) or, if later, on issue) (but subject to the terms of Articles 191.4 and 191.5 below), be immediately transferred to the Offeror (or as it may direct) (the "Purchaser"), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of the Offeror to the New Member of an amount in cash for each Post-Scheme Share equal to the consideration to which a New Member would have been entitled had such Post-Scheme Share been a Scheme Share.

- 191.4 Notwithstanding any other provision of these Articles, subject to the Scheme becoming Effective, if any shares are issued to the Trustee on or after the Scheme Record Time (the "Trustee Shares"), the Trustee may within five business days transfer the same (whether legally or beneficially) to any Option Holder who has, on or after the Scheme Record Time, exercised an option or award granted pursuant to any Dairy Crest Share Scheme (as defined in the Offeree Scheme). Such Option Holder will be immediately obliged to transfer the Trustee Shares that they receive as a result of the foregoing provisions of this Article 191.4 to the Purchaser in consideration for the cash consideration to which the Option Holder would have been entitled had such Trustee Shares been Scheme Shares. If the Trustee does not transfer the Trustee Shares as described in this Article 191.4 within five business days, the Purchaser will have a right to call for such shares to be transferred to the Purchaser and/or its nominee pursuant to Article 191.3 above.
- 191.5 Any New Member (other than, for the avoidance of doubt, a person who becomes a New Member by virtue of a transfer pursuant to this Article 191.5) may, prior to the issue of Post-Scheme Shares to him or her pursuant to the exercise of an option under one of the Dairy Crest Share Schemes (as defined in the Offeree Scheme), give not less than two business days' written notice to the Company in such manner as the Directors shall prescribe of his or her intention to transfer some or all of such Post-Scheme Shares to his or her spouse or civil partner and may, if such notice has been validly given, on such Post-Scheme Shares being issued to him or her, immediately transfer to his or her spouse or civil partner any such Post-Scheme Shares, provided that such Post-Scheme Shares will then be immediately transferred by that spouse or civil partner (as applicable) to the Purchaser in consideration for the cash consideration such person would have been entitled to had such Post-Scheme Shares been Scheme Shares. If notice has been validly given pursuant to this Article 191.5 but the New Member does not immediately transfer to his or her spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares will be transferred to the Purchaser and/or its nominee(s) pursuant to Article 191.3 above.
- 191.6 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date, the value of the consideration per Post-Scheme Share to be paid under Article 191.3 shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article 191 to such shares shall, following such adjustment, be construed accordingly.
- 191.7 To give effect to any transfer of Post-Scheme Shares to the Purchaser required pursuant to this Article 191, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the

New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to Article 191.3 above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares as soon as practicable and in any event within 14 days of the date on which the Post-Scheme Shares are issued to the New Member.

191.8 If the Offeree Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) paragraph 2 of Part Two of the Offeree Scheme (the "Effective Date"), this Article 191 shall cease to be of any effect.

191.9 Notwithstanding any other provision of these Articles, both the Company and the Directors shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date."

8 March 2019

By Order of the Board

Roger Robotham
Company Secretary

Registered Office:
Claygate House,
Littleworth Road,
Esher, Surrey,
KT10 9PN

Registered in England and Wales No. 03162897

Notes:

1. Pursuant to the Company's articles of association and Regulation 41 of the Uncertificated Securities Regulations 2001 (the "Regulations"), only holders of ordinary shares of 25 pence in the capital of the Company (each, a "Shareholder") are entitled to attend, speak and vote at this meeting and may appoint a proxy to attend, speak and vote instead of them. Changes to entries on the register of members after 6.00 p.m. on 28 March 2019 shall be disregarded in determining the rights of any person to attend and vote at this meeting. Voting on the resolution will be by way of a poll. Each Shareholder present at this meeting will be entitled to one vote for every ordinary share registered in his/her name and each corporate representative or proxy will be entitled to one vote for each ordinary share which he/she represents. Shareholders who submit a proxy form with voting instructions in advance of this meeting specifying the chairman of the Company as their proxy, but who attend this meeting in person, need not complete a poll card unless they wish to change their vote. A Shareholder may appoint more than one proxy in relation to this meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of the Company.
2. A yellow Form of Proxy is enclosed for use at this meeting. To be valid, completed Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned by post or, during normal business hours only, by hand, along with the power of attorney or other authority, if any, under which they are signed or a notarially certified or office copy of such power or authority, so as to arrive at the offices of the Company's Registrars, Link Asset Services ("Link Asset Services"), at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and by not later than 11.15 a.m. on 28 March 2019, or if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting, excluding any part of a day that is not a business day. For your convenience, a freepost facility (for use in the UK only) has been provided with respect to the yellow Form of Proxy. If the Form of Proxy is not lodged by the relevant time, it will be invalid.
3. A Shareholder entitled to attend, speak and vote at this meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her. A Shareholder may appoint more than one proxy

in relation to this meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by him/her. A proxy need not be a Shareholder but must attend this meeting to represent him/her. A separate Form of Proxy should be used for each proxy appointment. If you intend appointing additional proxies, please contact Link Asset Services during business hours on +44 (0) 371 664 0300 or by submitting a request in writing to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice. Alternatively, you may photocopy the enclosed Form of Proxy. Alternatively, you may photocopy the enclosed proxy form. A Shareholder appointing more than one proxy should indicate the number of shares for which each proxy is authorised to act on his/her holding and mark the box indicating that the proxy instruction is one of multiple instructions being given. Failure to specify the number of shares to which each proxy form relates or specifying a number which, when taken together with the number of shares set out in the other proxy appointments, is in excess of the number of shares held by the Shareholder may result in the proxy appointment being invalid. If the proxy form is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he or she votes. A Shareholder must inform Link Asset Services in writing of any termination of the authority of a proxy. If more than one valid proxy appointment is received, the appointment received last before the latest time for the receipt of the proxies will take precedence.

4. Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for this meeting or any adjournment of this meeting by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual available via www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Asset Services (ID RA10) no later than 11.15 a.m. on 28 March 2019 or, if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting, excluding any part of a day that is not a business day. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.
7. Completion and return of a Form of Proxy, or the appointment of proxies through CREST, will not preclude a Shareholder from attending and voting in person at this meeting, or any adjournment of this meeting.
8. The Form of Proxy may alternatively be submitted electronically by logging on to the following website www.signalshares.com and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 11.15 a.m. on 28 March 2019 (or in the case of adjournment, not later than 48 hours before the time fixed for the adjourned meeting, excluding any part of the day that is not a working day). You may submit your proxy

electronically using the share portal service at www.signalshares.com. If not already registered for the share portal, you will need your investor code which is located on your share certificate.

9. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first named being the most senior).
10. You may not use any electronic address provided either in this notice or in any related documents (including the enclosed proxy form) to communicate with the Company for any purposes other than those expressly stated.
11. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at this meeting. In accordance with the provisions of the Companies Act 2006 (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
12. As at 6 March 2019 (being the latest practicable date prior to the date of publication of this notice), the Company's issued share capital consisted of 155,523,642 ordinary shares, carrying one vote each. The Company does not hold any ordinary shares in treasury. Therefore, the total voting rights in the Company as at 6 March 2019 were 155,523,642.
13. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "nominated person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for this meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
14. The statements of the rights of Shareholders in relation to the appointment of proxies in this notice do not apply to nominated persons. Those rights can only be exercised by Shareholders. If you are receiving this notice as such a nominated person, you are reminded that your main contact in terms of your investment remains as it was (the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration of it) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters which are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
15. The venue is wheelchair accessible. Please let the Company know in advance if any attendee will need wheelchair assistance or has any other needs to ensure appropriate arrangements are in place. Anyone accompanying a member in need of assistance will be admitted to this meeting. Other guests will only be admitted at the discretion of the Company.
16. The Company thanks the attendees in advance for their co-operation with the security staff at the venue and kindly requests that each attendee provides one piece of identification, such as photographic ID or a bank card. The Company does not permit cameras or recording equipment at this meeting and should be grateful if attendees would ensure that they switch off their mobile telephone before the start of this meeting. The Company does not permit behaviour which may interfere with anyone's safety or the orderly conduct of this meeting.
17. Under Section 319A of the Companies Act 2006, any Shareholder attending this meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at this meeting but no such answer need be given if:
 - (a) to do so would interfere unduly with the preparation for the this meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of this meeting that the question be answered.
18. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.dairycrest.co.uk/investors.

