
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the contents of this document or about the action you should take, you are recommended to contact the Secretary of Kerry Co-Operative Creameries Limited (the “**Society**”) or to seek your own personal financial advice from your solicitor, accountant, tax adviser or other appropriate financial adviser.



KERRY CO-OPERATIVE CREAMERIES LIMITED

(an industrial and provident society incorporated in Ireland with registered number 3618R)

PROPOSED ACQUISITION

OF

KERRY DAIRY HOLDINGS (IRELAND) LIMITED

BY

KERRY CO-OPERATIVE CREAMERIES LIMITED

PROPOSED SHARE SUB-DIVISION

AND

PROPOSED SHARE EXCHANGE

WITH

KERRY GROUP PLC

NOTICE OF SPECIAL GENERAL MEETING

Your attention is drawn to the letter from the Chairman of the Society which is set out on pages 2 to 13 of this document, which contains a recommendation of the board of directors of the Society to members of the Society to vote in favour of the Resolution to be proposed at the Special General Meeting referred to below. Please read this document in its entirety.

Notice of a Special General Meeting of the Society to be held at Gleneagle INEC Arena, Killarney, Co Kerry on Monday, 16 December 2024 at 12.00 p.m. for the purpose of considering, and, if thought fit, passing, the Resolution, as is set out on pages 29 to 34 of this document.



Kerry Co-Operative Creameries Limited
Princes Street
Tralee
Co. Kerry

4th December 2024

LETTER FROM THE CHAIRMAN

Dear Member

On 12 November 2024, Kerry Co-Operative Creameries Limited (the “**Co-op**” or the “**Society**”) and Kerry Group plc (“**Kerry Group**”) each announced that they had entered into an agreement in relation to the sale of Kerry Group’s interest in Kerry Dairy Holdings (Ireland) Limited (“**Kerry Dairy Ireland**”) to the Society (the “**Proposed Acquisition**”) for a total enterprise value of €500 million (subject to certain adjustment mechanisms described further below). As part of the Proposed Acquisition, it is proposed that a share sub-division, share for share exchange and share redemption process be undertaken whereby Kerry Group will issue c.€1.4 billion of new shares in Kerry Group to all members of the Society (“**Society Members**”) in exchange for approximately 85% of each of their Society shares (the “**Proposed Share Exchange**”). The remaining 15% of the Society’s shareholding in Kerry Group will be used to part fund the acquisition of Kerry Dairy Ireland (the Proposed Share Exchange and the Proposed Acquisition being together, the “**Proposed Transaction**”).

The Proposed Transaction, which has the support of the board of directors of the Society (the “**Board**”), will provide all Society Members with direct ownership of shares of Kerry Group (“**Kerry Group Shares**”), achieve full ownership in Kerry Dairy Ireland by the Society by 2035 (or earlier) and allow the Society, on behalf of Society Members, to control the future growth and development of Kerry Dairy Ireland.

Kerry Dairy Ireland is fully owned by Kerry Group and is a leading provider of branded dairy consumer products such as cheese, cheese snacks, dairy snacks, and dairy spreads, as well as Irish dairy ingredients such as functional dairy proteins, nutritional dairy bases and cheese solutions along with the provision of related agribusiness products and services. Further information in relation to Kerry Dairy Ireland is set out in Appendix 3 (*Information on Kerry Dairy Ireland*). The Proposed Acquisition comprises two stages:

- (a) the Society will initially acquire a 70% interest (subject to certain adjustments explained in Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Documents*) of this Circular) in Kerry Dairy Ireland (the “**Phase 1 Acquisition**”), while Kerry Group will retain a 30% interest; and
- (b) Kerry Group and the Society have agreed to certain call-put option arrangements that will transfer the remaining 30% interest in Kerry Dairy Ireland to the Society in the period up to 2035 (the “**Phase 2 Acquisition**”).

The Board and the board of Kerry Group have now entered into formal documentation (as summarised in Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Documents*)) to proceed with the Proposed Transaction, subject to the approval of both the Society Members and the members of Kerry Group and certain other conditions summarised in Appendix 2.

The purpose of this Circular is to explain to you:

- the background to, and reasons for, proceeding with the Proposed Transaction;
- the structure and process of the Proposed Transaction;
- the governance arrangements in Kerry Dairy Ireland going forward;
- the member resolution to amend the rules of the Society (the “**Rules**”) required to implement the Proposed Transaction (the “**Resolution**”); and
- the benefits of the Proposed Transaction to Society Members.

A summary of the Resolution required to implement the Proposed Transaction and to be considered at a Special General Meeting of Society Members to be held at **Gleneagle INEC Arena, Killarney, Co Kerry, on Monday, 16 December 2024 at 12.00 p.m.** (the “**SGM**”) is set out in Appendix 1 (*Summary of the SGM Resolution*) and the Resolution is set out in full in the Notice of Special General Meeting at the end of this Circular.

On behalf of the Board, I recommend that you carefully consider the proposal set out in this Circular ahead of the SGM and that you exercise your rights in full by attending and voting on the Resolution at the SGM.

1. **Background and reasons for the Proposed Transaction**

As Society Members, you will be aware that the Society and Kerry Group have a shared heritage which first began over fifty years ago and which has helped to create value, pioneer change and shape the dairy and food industry. However, we have come to a fork in the road where both organisations require the freedom to grow and operate in ways that fit with the objectives both of farmers and of investors - recognising that members may be both - and seeking to meet those respective objectives. Those differing objectives are best illustrated in the composition of our shareholder base today relative to the dairy farmers who originally established the Society fifty years ago.

Enhanced Liquidity

Today, the Society has three different shareholder classes as follows (the “**Society Shares**”):

- (a) 2,604 A shareholders who are, or who have been in the last five years, milk suppliers;
- (b) 2,973 B shareholders who are former milk suppliers; and
- (c) 6,329 C shareholders, the majority of whom became shareholders through inheritance or via commercial activity.

While A shareholders and B shareholders have a say in the running of the Society through voting at shareholder meetings, neither B shareholders nor C shareholders are currently engaged in dairy farming. Unsurprisingly, many Society Members have been seeking a mechanism to realise the value of their investment in Society Shares and/or obtain a direct interest in Kerry Group Shares, to hold until a time of their choosing.

The Society currently holds a c. 11% shareholding in Kerry Group with a value, as at 8 November 2024, of c.€1.7 billion. As at the date of this letter, this holding is the Society's main asset and your proportionate interest as a Society Member is held indirectly via your shareholding in the Society. At present, the value of this investment can only be realised via the twice-yearly share redemption process, or via a share sale on the grey market. If the Proposed Transaction is approved and implemented, Society Members will hold 85% of their investment directly in the form of Kerry Group Shares, with 15% being invested in the acquisition and ownership of Kerry Dairy Ireland.

This proposal has the backing of your Board because it would mean:

- (a) unlocking c.€1.4 billion of value (based on the Kerry Group Share price as at 8 November 2024) for all Society Members without triggering a tax event, with a subsequent sale or transfer of Kerry Group Shares typically being taxed as capital gains;
- (b) the Society would initially own 70%, and ultimately have full ownership, of one of the leading dairy businesses in the country; one that is critical to farmers and the economy of the southwest of Ireland; and
- (c) Kerry Dairy Ireland can continue to grow and support a new generation of farmers.

A new path forward for the Society and Kerry Group

The Proposed Transaction does not present a severing of ties between the Society and Kerry Group. If approved, the Society and Kerry Dairy Ireland will have a continuing relationship with Kerry Group; via the initial shared ownership phase of Kerry Dairy Ireland, as a strategic commercial partner and via the provision over a period of up to five years of a range of corporate support services and facilities. As new owners, we would be gaining not just the business of Kerry Dairy Ireland and its balance sheet, but its leadership team, commercial processes and its c.1,500 staff, the vast majority of whom are from and of our community. Likewise, as direct shareholders in Kerry Group, Society Members will continue to gain from the Kerry Group's progress, and in parallel the Society will focus on ensuring Kerry Dairy Ireland continues to grow as one of the largest dairy processors in the country; one that has the potential to deliver important returns over time – through a sustainable funding model, a strong balance sheet, a 1.1bn litre milk pool and an enviable Tier 1 global customer base across leading global retailers, food companies and brands.

Greater control on milk risk

Unlike most other milk producers in Ireland, Society Members currently have no control over the assets that process their milk and, as a result, there is limited scope to mitigate and manage the impact of rising input costs, milk price volatility and an ever-changing environmental and regulatory landscape. Ownership of Kerry Dairy Ireland brings the agility and flexibility to ease these pinch points and soften the inevitable peaks and troughs caused by volatility. It will also give farmers who invested significantly on their farms a greater voice in a business that is critical to their farming futures.

In addition, the milk supply contracts of producer Society Members are with Kerry Creameries Limited (a subsidiary of Kerry Dairy Ireland) and are due to end in their current form in April 2026. These milk supply contracts have been the subject of a lengthy milk price arbitration process funded by the Society, the settlement of which has also been agreed as part of, and conditional on, the Proposed Transaction (further details of which are set out at section 6 of this letter).

Domestic ownership for an international enterprise

The disposal of Kerry Dairy Ireland had also been speculated in the media for some time. Clearly, the prospect of a third-party acquiring Kerry Dairy Ireland poses a very real risk to the milk supplier

Society Members and the Board considers it likely that the Proposed Transaction represents the final opportunity for the Society to acquire Kerry Dairy Ireland.

Should a third-party acquire Kerry Dairy Ireland, milk supplier Society Members would be dependent on the new business owner in terms of milk price received at farm gate level. Decisions concerning the acquisition of raw materials by private enterprises (other than co-operatives) are likely to be driven by low-cost production and maximisation of shareholder returns as opposed to, as would be the case for a co-operative society, rewarding Society Members with the maximum viable price possible for raw milk and ensuring the milk suppliers within its catchment area are paid the same price per litre supplied irrespective of location and transport distances. These are fundamental principles of the co-operative model and ones which the Board is seeking to safeguard by undertaking the Proposed Transaction.

In addition, should Kerry Dairy Ireland be sold to a third-party, there is no certainty that any third-party purchaser would maintain the current Kerry Dairy Ireland processing operations in the southwest, or in Ireland at all, and could consolidate them with its existing operations in other geographic locations.

The Board, in considering the real risks outlined above, therefore considers that the Proposed Transaction is fundamental to ensuring that there remains a dairy processor capable of processing the milk pool of Society Members in its entirety.

Our proposal, your approval

The terms of the acquisition of Kerry Dairy Ireland have been negotiated with Kerry Group on arm's length commercial terms and the Board believes that the price payable, and the other terms and conditions, reflect fair value. However, the Proposed Transaction (including the Proposed Share Exchange) will only proceed if approved by the requisite majority of our A and B shareholders present and voting at the SGM being convened by this Circular for 12.00 p.m. on Monday, 16 December 2024 at the Gleneagle INEC Arena, Killarney, Co Kerry.

The Proposed Transaction will also require the approval of the shareholders of Kerry Group (excluding the Society, and any associates of the Society who are shareholders in Kerry Group, for these purposes).

We understand that there is much to consider in the detail of the proposal and, in that regard, a series of member information meetings across our catchment area have been held to seek to answer questions and to address any concerns.

The proposal has the approval of your Board. We believe it to be the most advantageous future strategy for the Society and all Society Members. Fundamentally, we believe that this proposal will satisfy the diverse aspirations of you, our shareholder base, and that it offers the best opportunity for the Society to move forward with greater clarity and focus.

On behalf of the Board, I encourage you to carefully read this document and to consider the proposal from your own and your family's perspective and, where possible, attend your local information meetings so that you are fully informed on the merits of our proposal.

2. The Proposed Transaction – Structure and Process

The Society currently holds approximately 19 million Kerry Group Shares, equivalent to a c.11% shareholding in Kerry Group and having a value, as at 8 November 2024, of c.€1.7 billion. The value of the Society's current c.11% shareholding in Kerry Group will be redeployed as follows:

- (a) c.85% (having a value of c.€1.4 billion as at 8 November 2024) will, through the Proposed Share Exchange, be held directly by Society Members, putting

substantial value into the hands of Society Members, alongside future dividend entitlements from Kerry Group; and

- (b) c.15% (having a value of c.€251 million as at 8 November 2024) will provide part of the equity finance for the Phase 1 Acquisition. Additionally, up to €56 million of the debt finance requirement for the Phase 1 Acquisition will be provided by third-party banks, with the balance of the debt finance required (which will vary depending on Kerry Group's share price in the lead up to completion and will determine the value of the equity finance realised) being provided by a loan note from Kerry Group.

Transaction Documents

The key transaction documents for the Proposed Transaction are the Transaction Agreement, the Share Exchange Agreement, the Share Purchase Agreement, the Tax Deed, the Option Agreement, the Shareholders' Agreement, the Phase 1 Seller Loan Agreement and certain other ancillary documents (together, the "**Agreements**"). A summary of the key terms of each of the Agreements is contained in Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Documents*) of this Circular.

Proposed Share Exchange

As noted, in order to effect the Proposed Acquisition, the Society and Kerry Group have agreed to the Proposed Share Exchange, which includes a number of steps:

- (a) a share sub-division process whereby each category of share in the Society (A Ordinary Shares of €1.25 each, B Ordinary Shares of €1.25 each and C Ordinary Shares of €1.25 each) will be sub-divided by ten with the resulting categories of Society Shares having nominal values as follows: (i) A Ordinary Shares of €0.125 each, (ii) B Ordinary Shares of €0.125 each and (iii) C Ordinary Shares of €0.125 each. This process, which requires the approval of Society Members at the SGM, will result in each Society Member holding ten Society Shares (of whatever class they hold) for every Society Share currently held. The sub-division is required to reduce the economic effect of rounding down of each Society Member's shares to the nearest whole share for the purposes of the Proposed Share Exchange (as fractions of shares cannot be transferred);
- (b) a share for share exchange whereby Kerry Group will acquire approximately 85% of the issued Society Shares that are held by Society Members, in exchange for issuing an amount of Kerry Group Shares directly to Society Members equal to approximately 85% of the Kerry Group Shares currently held by the Society;
- (c) the redemption by the Society of the Society Shares held by Kerry Group, as acquired in the step above, in exchange for a promissory note in favour of Kerry Group of equivalent value;
- (d) the redemption by Kerry of the Society's entire shareholding in Kerry Group (approximately 19 million shares), in exchange for a promissory note in favour of the Society of equivalent value; and
- (e) the amounts outstanding under each promissory note will be offset against each other, which will result in a promissory note balance in favour of the Society equal to approximately 15% of the market value of the Society's original 11% shareholding in Kerry Group. This balance will be used by the Society to fund part of the Phase 1 Acquisition.

Illustrative summary of shareholding changes for Society Members		
	Percentage	Number
Total percentage / number of Society Shares held by the Society Member pre-Proposed Transaction	100%	100
Percentage / number of Society Shares retained by Society Member post Proposed Transaction (i.e. continuing investment in Society / Kerry Dairy Ireland) <i>(the number of Society Shares to be 150 following the share sub-division as part of the Proposed Transaction)</i>	15%	15
Percentage / number of Society Shares to be exchanged by Society Member for Kerry Group Shares <i>(the number of Society Shares to be 850 following the share sub-division as part of the Proposed Transaction)</i>	85%	85
Number of Kerry Group Shares received by Society Member in exchange for Society Shares (at a rate of c.6.25 Kerry Group Shares for each pre-sub-division Society Share)		531
Value to Society Member of Kerry Group Shares at a Kerry Group Share price of €87.90* <i>*Being the ten day volume-weighted average Kerry Group Share price (VWAP) as at 8 November 2024 for reference only and subject to change based on prevailing share price</i>		€46,674.90

As a result of the Proposed Share Exchange:

- (a) the Society will no longer hold Kerry Group Shares; and
- (b) the Society Members will directly receive Kerry Group Shares.

Further details on the Proposed Share Exchange, and the documents required to implement the Proposed Share Exchange, are contained in Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Documents*) of this Circular.

Following completion of the Proposed Share Exchange, the Phase 1 Acquisition will be effected pursuant to the Share Purchase Agreement.

The Proposed Acquisition

The Proposed Acquisition comprises of the Phase 1 Acquisition and the Phase 2 Acquisition.

The Phase 1 Acquisition

The Society has agreed to acquire the entire issued share capital of Kerry Dairy Ireland for a total enterprise value of approximately €500 million. Pursuant to the Phase 1 Acquisition, the Society will initially acquire a 70% interest in Kerry Dairy Ireland.

Following negotiations between the Society and Kerry Group, taking into account historical and current performance, the broader dairy market outlook, the business forecasts and the wider strategic benefits available to the Society, an enterprise value of €500 million has been agreed, equating to a €350 million consideration for the Society's initial 70% interest. This initial €350 million consideration is subject to customary cash, debt and working capital adjustments, together with other potential adjustments (as described further in Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Documents*) of this Circular).

Funding of the Phase 1 Acquisition

The funding for the Phase 1 Acquisition will be satisfied by:

- (a) consideration derived from Kerry Group Shares by way of a redemption by Kerry Group of a portion of the Society's shareholding in Kerry Group, to occur in connection with the Proposed Share Exchange, equivalent to approximately 2.9 million Kerry Group Shares;
- (b) a cash payment in an amount up to €56 million (the "**Cash Payment**") funded by way of third-party acquisition debt; and
- (c) a loan agreement to be entered into between Kerry Dairy Ireland or one or more of its subsidiaries and/or the Society and Kerry Group or one of more of its subsidiaries (details of which are set out in Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Documents*) of this Circular),

((a) to (c) together, the "**Phase 1 Consideration**").

The Cash Payment will be payable by the Society to Kerry Group ten days following completion of the Phase 1 Acquisition (or at completion of the Phase 1 Acquisition if it occurs on or after 31 January 2025), at which point the Society will fund the Cash Payment by way of third-party acquisition debt. No interest will accrue on the Cash Payment during this ten-day period.

Assuming that the volume-weighted average price of a Kerry Group Share for a ten business day period prior to completion of the Phase 1 Acquisition is €87.90 (being the volume-weighted average price of a Kerry Group Share as at 8 November 2024) then the Phase 1 Consideration, prior to any adjustments, will be satisfied as follows:

Redemption of a portion of the Society's shareholding in Kerry Group	€251 million
Cash Payment (funded by way of third-party acquisition debt)	€56 million
Phase 1 Seller Loan Agreement	€43 million

The Phase 2 Acquisition

Pursuant to the Phase 2 Acquisition, the Society and Kerry Group have agreed to certain call-put option arrangements that will facilitate the transfer of the remaining 30% interest in Kerry Dairy Ireland from Kerry Group to the Society in the period up to 2035 (or earlier). Under the call-put option arrangements:

- (a) at any time on or prior to 31 July 2035, the Society will have the right to purchase the remaining 30% interest in Kerry Dairy Ireland in exchange for cash in an amount of €150 million (subject to certain adjustments) (the "**Call Option**"); and

- (b) in the event that the Society does not exercise the Call Option by 31 July 2030, Kerry Group will have the right at any time from 1 August 2030 but on or prior to 31 July 2035, to require the Society to purchase the remaining 30% interest in Kerry Dairy Ireland for a consideration of €150 million (subject to certain adjustments) (the “**Put Option**”).

On exercise of either the Put Option or the Call Option, Kerry Dairy Ireland will become wholly owned by the Society.

Funding of the Phase 2 Acquisition

Following exercise of either the Put Option or the Call Option, the consideration payable by the Society for the Phase 2 Acquisition will be an amount of €150 million (the “**Phase 2 Consideration**”), subject to certain adjustments as described further in Section 3 (*Share Purchase Agreement*) and Section 5 (*Option Agreement*) of Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Documents*) of this Circular.

If the Call Option is exercised, the Phase 2 Consideration will be satisfied by way of cash.

If the Put Option is exercised, the Phase 2 Consideration will be satisfied by way of cash and/or a seller loan (the “**Phase 2 Seller Loan Agreement**”).

The funding required for the final 30% stake in Kerry Dairy Ireland will be provided by way of a mix of retained cash in the Kerry Dairy Ireland business, third-party debt and milk supplier contributions.

Although the exact mechanics have yet to be finalised, the current expectation of the Board is that the milk supplier contributions to be raised for this purpose would total c€50 million and would be invested in convertible loan stock to be issued by the Society. This loan stock would be redeemable at par upon retirement from milk supply and would also, once the full contribution has been made, be convertible to A Ordinary Shares by the holder at a conversion rate to be determined by the Board at the time. Once loan stock is converted, it would remain as A Ordinary Shares, the same as any other, and would not be withdrawable on retirement.

The milk supplier contributions would be built up gradually from May 2026 (following the expiry of the current milk supply contract) over six years at 1c per litre supplied from April to October (inclusive) each year up to a full contribution of 5c per litre supplied. This overall contribution would be in line with neighbouring co-operative societies. The milk supplier contributions could be deferred in certain circumstances, such as where milk price is below a particular level, hardship breaks for bad weather, disease or illness and options for the Board to pause for once off or force majeure factors.

The funding model represents a sustainable financial plan that will not overburden the Kerry Dairy Ireland business with debt and retains the ability for the business to invest in growth and to support milk pricing in the future.

Transitional Arrangements

In order to ensure continuity in Kerry Dairy Ireland’s operations and facilitate an orderly ownership transition, the Society, Kerry Group and Kerry Dairy Ireland have agreed that certain transitional services will be provided by Kerry Group to Kerry Dairy Ireland comprising IT services, group shared services, purchasing services and corporate services. Further details on the transitional arrangements are contained in Section 8 (*Other Ancillary Agreements*) of Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Document*) of this Circular.

Intellectual Property ("IP")

The Society, Kerry Group and Kerry Dairy Ireland have also agreed that Kerry Dairy Ireland will be entitled to use the Kerry Group logo for a period of three years following completion of the Phase 1 Acquisition. Kerry Dairy Ireland and, to the extent relevant, its subsidiaries, intend to change their corporate names on the expiry of a period of three years after completion of the Phase 1 Acquisition, such that the corporate names will not contain the word "Kerry".

Certain IP licensing arrangements will also be entered into such that Kerry Dairy Ireland can continue to avail of certain IP it requires which is owned by Kerry Group. Further information on the key terms of the Proposed Transaction documents is set out in Appendix 2 (*Summary of the Key Provisions of the Proposed Transaction Documents*) of this Circular.

Required Approvals

As the Society holds c.11% of the issued share capital of Kerry Group, the Society is considered to be a substantial shareholder of Kerry Group for the purpose of the Irish Listing Rules of Euronext Dublin. The Proposed Transaction therefore constitutes a related party transaction for Kerry Group under the Irish Listing Rules and for the purpose of section 1110O of the Companies Act 2014 (as amended), and is subject to, and conditional upon, the approval of the shareholders of Kerry Group, other than the Society and persons who are associates of the Society for the purposes of the Irish Listing Rules.

Accordingly, an Extraordinary General Meeting of Kerry Group is to be held at 2.00 p.m. at the Rose Hotel, Dan Spring Road, Tralee, Co. Kerry, V92 HKA4, Ireland on Thursday, 19 December 2024 for this purpose (the "**PLC EGM**"), together with other related matters.

It is also a condition of the Proposed Transaction that the Society receives the requisite approval from its members to enable it to enter into the Proposed Transaction. For this purpose, Society Members are being asked to approve amendments to the Rules in order to facilitate the entry by the Society into the Proposed Transaction. A summary of the key changes to the Rules being proposed to Society Members for their consideration and approval at the SGM is set out in the next section of this Circular.

As noted above, the Proposed Transaction will only proceed if approved by the requisite majority of our A and B shareholders present and voting at the SGM being convened by this Circular for 12.00 p.m. on Monday, 16 December 2024 at the Gleneagle INEC Arena, Killarney, Co Kerry.

3. Member Resolution Required to Implement the Proposed Transaction

Appendix 1 (*Summary of the SGM Resolution*) contains further explanation of the Resolution required to implement the Proposed Transaction. In summary, pursuant to the Resolution, Society Members are being asked to approve certain changes to the Rules at the SGM in order to facilitate and implement the Proposed Transaction, including by the introduction of a specific Rule setting out the mechanism through which the Proposed Share Exchange will be carried out.

The opportunity to amend the Rules is also being used to remove provisions relating to obsolete milk quotas from the Rules, to remove certain anomalies preventing the transfer of Society Shares in certain circumstances and to address certain requirements of the Irish Co-operative Organisation Society Limited ("**ICOS**") in regards to how Society Members interact with the Society through corporate entities. Additional explanation regarding each of the proposed changes to the Rules is set out at Appendix 1 (*Summary of the SGM Resolution*) and the full text of the Resolution is set out in the Notice of Special General Meeting at the end of this Circular.

4. Governance arrangements of Kerry Dairy Ireland

Following completion of the Phase 1 Acquisition, Kerry Dairy Ireland will have a new board structure that is reflective of its ownership arrangements. Its board of directors will comprise seven Society nominees, three Kerry Group nominees and two independent non-executive directors, along with the CEO of Kerry Dairy Ireland.

The business will retain the existing Kerry Dairy Ireland management to ensure full business continuity and a seamless transition to full Society ownership in due course.

The new board of Kerry Dairy Ireland would set the milk price going forward and would decide on investments in the business, subject to the terms of the shareholders' agreement between the Society, Kerry Group and Kerry Dairy Ireland to be entered into as part of the Proposed Transaction.

5. Summary of the Benefits of the Proposed Transaction

The Board, and the board of Kerry Group, believe the Proposed Transaction to be the most advantageous future strategy for both entities and their respective shareholders. Fundamentally, we believe that this proposal will satisfy the diverse aspirations of our shareholder base and that it offers the best opportunity for the Society to move forward in a new direction with confidence.

We believe the structure of the Proposed Transaction, with the Society initially acquiring a 70% interest in Kerry Dairy Ireland and Kerry Group retaining the other 30% interest, the transitional arrangements and the ultimate acquisition of the entirety of Kerry Dairy Ireland by 2035 (or earlier), is strategically important for the Society and all of our members.

There are a number of key liquidity and financial benefits for all Society Members in relation to the Proposed Share Exchange, namely:

- (a) Kerry Group Shares to the value of €1.4 billion as at 8 November 2024 will be held directly by all Society Members, putting substantial value into the hands of members alongside a potential future income stream from Kerry Group Share dividends;
- (b) all Society Members will be able to trade the Kerry Group Shares received by them at a time of their individual choosing and will not be reliant on a grey market for the Society's shares or redemption schemes run twice yearly;
- (c) the proposal gives all Society Members more flexibility in managing their share value and solves an issue for many who have been seeking a mechanism to access the majority of the value of their interest in Society Shares;
- (d) Society Members will directly benefit from any increase in Kerry Group's share price through Kerry Group Shares retained by them;
- (e) while all Society Members should receive their own individual tax advice, the tax implications arising from the Proposed Share Exchange are typically different to the tax implications of the Society's existing share redemption scheme. For example, any sums received by individual's resident in Ireland under the Society's share redemption scheme are typically subject to income tax in the hands of the recipient (this statement does not apply to corporate entities); and
- (f) for Irish tax resident individuals, the Proposed Share Exchange should be a tax neutral share for share reorganisation. Capital gains tax (currently 33%) should

only become payable by such individuals in the event of a subsequent sale or transfer of the Kerry Group Shares received as part of the Proposed Share Exchange (with the relevant base cost being derived from the original base cost of the Society Shares exchanged for the Kerry Group Shares concerned).

Kerry Dairy Ireland is one of the leading dairy businesses in the country. As a consequence of the agreed terms with Kerry Group, all Society Members will continue to participate in both the progress of Kerry Group (as direct shareholders) and the Society, via its ownership of Kerry Dairy Ireland. As majority shareholder in the initial 70/30 ownership structure with Kerry Group, and our subsequent full ownership by 2035 (or earlier), the Society will focus on ensuring Kerry Dairy Ireland continues to grow, whilst also ensuring that Society Members, including dairy farmer members, will have a greater voice in a business that is critical to their farming future.

6. Leading Milk Price Settlement

Kerry Group, Kerry Creameries Limited (a subsidiary of Kerry Dairy Ireland) and the Society have also agreed that, subject to and with effect from completion of the Phase 1 Acquisition, a fund of €50 million be established and funded by Kerry Group within Kerry Creameries Limited for the resolution of the ongoing dispute, related claims and arbitrations between Kerry Creameries Limited and certain milk suppliers in relation to the milk price paid and payable by Kerry Creameries Limited for the years 2015, 2016, 2017, 2018, 2019 and 2020 pursuant to the applicable milk supply contract terms.

Should the Phase 1 Acquisition complete, it is proposed that Kerry Creameries Limited would apportion the fund among the milk suppliers concerned (subject to each milk supplier accepting such payment) by reference to the terms of the milk supply contract terms (such terms being applicable by performance, whether or not a milk supplier has actually signed and exchanged the milk supply contract). Based on clear legal advice, the payment would therefore apply to milk volumes supplied (excluding all milk supplies pursuant to fixed price contracts) not in excess of the guaranteed volumes (i.e. 120% of milk quota as at 31 March 2015) by reference to milk solids in the relevant years.

Subject to completion of the Phase 1 Acquisition, and on a without prejudice basis, the Board is satisfied with the leading milk price in respect the years concerned on the basis that the fund is established and distributed as set out above and recommends its acceptance by milk suppliers. The Society will cease to fund any continuing arbitration or other challenges to the leading milk price in respect of the years concerned on that basis. However, if the Phase 1 Acquisition does not complete in accordance with its terms, the current arbitration proceedings will continue, and the Society will not be restricted in relation to the leading milk price dispute.

Once the fund has been established, it has been agreed that Kerry Group will have no liability for any existing or future claims from milk suppliers under the milk supply contract and Kerry Dairy Ireland and Kerry Creameries Limited will indemnify Kerry Group in this regard. Separate communications with further detail in this regard have been issued by both the Society and Kerry Creameries Limited to such milk suppliers.

7. Conclusion

Ultimately, the Board believes that the Proposed Transaction and its structure will:

- (a) give the Society ownership and control (initially subject to the terms of the shareholders' agreement to be entered into as part of the Proposed Transaction with Kerry Group) over Kerry Group's milk processing assets in the region which will deliver returns to the benefit of all current Society Members in proportion to their current shareholding;

- (b) ensure that the Society will have a vested interest in the future growth and success of Kerry Dairy Ireland;
- (c) allow the Society to take ownership and responsibility for operating Kerry Dairy Ireland on a phased basis allowing the interconnected activities of Kerry Dairy Ireland and Kerry Group to be separated in an orderly and phased basis and allow the leadership of the Society to take advantage of the existing knowledge and experience of Kerry Group in Kerry Dairy Ireland during the interim period prior to the Phase 2 Acquisition;
- (d) eliminate the risk that Kerry Dairy Ireland be acquired by a third-party purchaser who is likely to be focused on low-cost production and maximising shareholder returns as opposed to the interests of milk suppliers;
- (e) provide security to milk supplier Society Members by ensuring that there is a milk processor in the southwest region capable of processing the Society's milk pool in its entirety, particularly in light of the Society's current milk supply contract with Kerry Group terminating in April 2026; and
- (f) likely represent the final opportunity for the Society to acquire Kerry Dairy Ireland given Kerry Group's current strategic direction.

8. Recommendation

Your Board believes that the Proposed Transaction is in the best interests of Society Members. Accordingly, your Board recommends and encourages you to attend the SGM on Monday, 16 December 2024 and to vote in favour of the Proposed Transaction by approving the Resolution.

I look forward to seeing you at the SGM.

Yours faithfully,



James Tangney
Chairman
Kerry Co-Operative Creameries Limited

KEY DATES FOR SOCIETY MEMBERS

Announcement of Proposed Transaction	12 November 2024
Member Information meetings	25 November to 5 December 2024
Shareholder circular and Notice of SGM posted	4 December 2024
Special General Meeting	12.00 p.m. on Monday, 16 December 2024
Expected completion date of the Phase 1 Acquisition and Proposed Shares Exchange	By end of January 2025
Longstop date (being the latest date that the Phase 1 Acquisition may complete)	30 June 2025

Notes:

- (a) References to times and dates in this document are to times and dates in Tralee, Ireland.
- (b) These dates and times are indicative only and are subject to change by the Society, in which event details of the new times and dates will be notified to members.
- (c) The Special General Meeting is being held at Gleneagle INEC Arena, Killarney, Co Kerry.

APPENDIX 1

SUMMARY OF THE SGM RESOLUTION

At the SGM, Society Members will be asked to consider a Resolution to amend the Rules. The proposed amendments to the Rules are required to facilitate and implement the Proposed Transaction as well as removing provisions relating to obsolete milk quotas and addressing certain requirements of ICOS. The consent of ICOS to the amendments of the Rules has, as required, been received by the Society. In accordance with the Rules, the Resolution requires the approval of a majority of two-thirds of the Society Members holding A and B Ordinary Shares present and voting at the SGM.

Summaries of the specific changes to the Rules are as follows:

(a) Interpretation (Rule 1)

The Society recognises that members may trade and interact with the Society through companies or other legal entities in which Society Members hold ownership interests. This change to the Rules will recognise such arrangements explicitly and as a result Society Members who interact with the Society through such an entity, and provided they meet certain ownership requirements in such entities (for the purposes of the Rules a “Qualifying Entity”), will be treated one and the same for the purposes of the Rules as their Qualifying Entities and, as such, may hold their Society Shares through such entities and the acts and omissions of that entity will be deemed to be the acts and omissions of the relevant Society Member. This rule change has been proposed at the request of ICOS.

(b) Objects (Partial Deletion of Rule 4(i))

Rule 4(i) currently provides that the Society can invest in any company or other entity provided that no aggregate investment in such entity in any five-year period may exceed €50 million without first obtaining the approval of Society Members (entitled to vote thereon) by ordinary resolution at a special general meeting. The requirement for approval by ordinary resolution of acquisitions of €50 million or more in aggregate in any entity over a five-year period was introduced to Rule 4(i) at a special general meeting of the Society on 5 July 2023 and was included at that time for the purpose of ensuring that Society Members would have a vote on any substantial future acquisition by the Society (such as the Proposed Transaction). Given that Society Members are being asked to approve the Resolution for the purpose of implementing the Proposed Transaction and, if approved by the requisite majority of Society Members, the Society will thereafter acquire Kerry Dairy Ireland on the terms set out in this Circular, the shareholder voting requirement set out in Rule 4(i) will no longer be required and therefore it is proposed that it will be deleted. A Rule with restrictions such as the current Rule 4(i) is not in line with general co-operative rules and governance practice and was inserted for a specific purpose only and its continued presence in the Rules would be impractical for the commercial operation of a co-operative carrying on its own dairy processing business.

(c) Share Exchange (New Rule 4A)

It is proposed that a new Rule 4A be inserted into the Rules for the purposes of completing the Proposed Share Exchange. This new Rule is specific to the Proposed Transaction and, as such, is being inserted for the purposes of completing the Proposed Transaction only. Rule 4A will provide that, where the Society receives, and the Board accepts, an offer from Kerry Group to acquire more than 75% of the issued Society Shares (and therefore, as Kerry Group will acquire 85% of the Society Shares during the Proposed Share Exchange, the Proposed Transaction will fall under this new Rule

4A) and consideration will be provided by the issue to Society Members of Kerry Group Shares (in approximately the same number as the number of Kerry Group Shares owned by the Society per Society Share in issue), the Chair (or other persons nominated by the Board for this purpose) will be appointed as agent and attorney on behalf of Society Members to carry out all matters required to implement the Proposed Share Exchange, including executing all documents, and will do so free from liability in respect of those actions to Society Members (save where such persons act fraudulently). Importantly, Rule 4A provides that all Society Members, regardless of class, must be treated equally in respect of the offer from Kerry Group for Rule 4A to be invoked.

The current Rules provide that a Society Member may hold an interest in the Society up to a total nominal value of €125,000 (the “**Maximum Holding**”) (Rule 5). As a result of the Proposed Share Exchange and, specifically the receipt by Kerry Group of 85% of the shares held by Society Members in exchange for the issue of new Kerry Group Shares, Kerry Group will hold an interest in the Society in excess of the Maximum Holding. Therefore, Rule 4A will provide an exception to the Maximum Holding proscribed by Rule 5 which will permit Kerry Group, for the purposes of the Proposed Share Exchange, to hold an interest in the Society in excess of the Maximum Holding.

Rule 4A further provides that where the Proposed Share Exchange has been carried out, the Board may redeem the Society Shares acquired by Kerry Group as part of the Proposed Share Exchange without redeeming or offering to redeem any Society Shares held by any other person. In order to facilitate the immediate redemption of the Society Shares held by Kerry Group as a result of the Proposed Share Exchange and to avoid any delay in the redemption of the Society Shares held by Kerry Group, the Board will be authorised to pay the amounts owing for the redemption of the Society Shares from Kerry Group directly to Kerry Group in circumstances where the Society Shares acquired by Kerry Group through the Proposed Share Exchange are still held under the register of members of the Society by the Society Members. While Society Members will continue to hold the Society Shares as legal holder following the Proposed Share Exchange until Kerry Group is entered into the register of members or until the Society Shares are redeemed by the Society, Society Members will have no entitlement or claim to the redemption amounts payable to Kerry Group.

Finally, Rule 4A provides that all current share certificates held by Society Members will cease to have effect following the Proposed Share Exchange and Society Members will be re-issued with new share certificates representing their post-Proposed Share Exchange interest in Society Shares (i.e. the 15% of Society Shares (as sub-divided under revised Rule 9A below) not exchanged by Society Members for Kerry Group Shares).

For the purposes of the new Rule 4A, two new definitions will be inserted into the definitions section of the Rules (Rule 1), being a definition of “Kerry Group plc” (new Rule 1(k)) and a definition of “Share Exchange” (new Rule 1(v)).

(d) Sub-division of Shares (Rule 9A)

It is proposed that Rule 9A be amended such that, immediate upon registration of the Rule change, each Society Share, currently having a nominal value of €1.25 under the Rules, will be sub-divided into ten shares having a nominal value of €0.125 each. Therefore, following the Rule change, every Society Member will hold ten Society Shares of €0.125 each for each Society Share they currently hold of €1.25 each. This Rule change will apply to all classes of Society Shares and, other than the change to the nominal value of the Society Shares, the share sub-division will not affect the rights

attaching to Society Shares and all Society Shares will retain their prior designation as A, B or C Ordinary Shares (as the case may be). The share sub-division will not change the value of any Society Member's shareholding in the Society. The sub-division is required to facilitate the Proposed Share Exchange whereby Society Members will exchange 85% of their shareholdings in the Society for newly issued Kerry Group Shares to be issued directly to Society Members by Kerry Group. The sub-division will reduce the economic effect of any rounding down that would occur as a result of the transfer of 85% of each Society Member's shares to the nearest whole share (as fractions of shares cannot be transferred and if Society Members hold a smaller number of Society Shares there is a greater risk of rounding down and loss of entitlements to Kerry Shares as part of the Proposed Share Exchange). The sub-division will require the approval of two-thirds of Society Members holding A and B Ordinary Shares present and voting at the SGM due to the resulting change to the Rules of the Society.

(e) Rights attaching to Shares (Rule 9C)

It is proposed that Rule 9C be amended to update the current Rules whereby a person holding A Ordinary Shares in the Society cannot in any circumstances transfer or transmit (i.e. transfer through a bequest) their A Ordinary Shares to a person unless that person meets the eligibility criteria for the holding of A Ordinary Shares under the Rules (i.e. a supplier of raw milk to the Society or Kerry Dairy Ireland) and whereby B Ordinary Shares may only be transferred or transmitted to persons eligible to hold B Ordinary Shares (persons who previously supplied raw milk to, but ceased to provide raw milk within the specified time periods, to the Society or Kerry Dairy Ireland). The proposed revisions to Rule 9C will allow, subject always to Board consent under Rule 13 (in respect of which the Board has absolute discretion), holders of A Ordinary Shares and B Ordinary Shares to transfer their A Ordinary Shares or B Ordinary Shares (as appropriate) to persons who do not meet the eligibility criteria for the holding of A Ordinary Shares or B Ordinary Shares (as appropriate). However, in such circumstances such holdings may be converted by the Board to the appropriate class of Society Share that such transferee is eligible to hold. These amendments are required to enable the Proposed Share Exchange with Kerry Group, which could not otherwise take place. It is not however the Board's intention following completion of the Proposed Transaction to permit transfers of A Ordinary Shares to non-milk suppliers.

(f) Loans and Borrowing Powers (Rule 17)

It is proposed that "*and or such other terms*" be included to clarify that loans can have terms other than those relating to the time periods for which they apply and the interest rates concerned. This will facilitate the milk producer funding as described in the "*Funding of the Phase 2 Acquisition*" section of the Chairman's letter.

(g) Deletion of Reference to Milk Quotas

It is proposed that existing Rules 6(iv) and (v), 9(C)(v) and 69(a) be amended and existing Rules 1(l) and (m), 9(C)(vii) and 69(b) be deleted in their entirety as they relate to, or are based on, obsolete milk quota provisions and as such no longer serve any continuing purpose.

A copy of the new Rules (together with a version which shows the changes to the Rules proposed to be adopted under the Resolution) is available on the Society's website (www.kerryco-op.com).

APPENDIX 2

SUMMARY OF THE KEY PROVISIONS OF THE PROPOSED TRANSACTION DOCUMENTS

A summary of the key terms of the Proposed Transaction is set out in the Letter from the Chairman at the beginning of this Circular. Further details of the key terms of the Agreements and the Proposed Transaction are set out below.

1. Transaction Agreement

The transaction agreement between the Society and Kerry Group (the “**Transaction Agreement**”) governs the sequencing and interrelated conditionality of the Proposed Share Exchange and the Phase 1 Acquisition. The Transaction Agreement was signed by the Society and Kerry Group on 12 November 2024.

Sequencing of the Proposed Share Exchange and the Phase 1 Acquisition

The Transaction Agreement provides that the following transactions will occur in the following sequence on the Completion Date (as defined below) (the “**Phase 1 Transaction**”):

(a) The Proposed Share Exchange:

Subject to the Conditions to Completion described below, the Proposed Share Exchange will be carried out pursuant to the Share Exchange Agreement (further details of which are provided at Section 2 (Share Exchange Agreement) of this Appendix 2) and as a consequence, Kerry Group will hold a majority of Society Shares for a short period before the completion of the Redemptions.

(b) The Redemptions:

Immediately following completion of the Proposed Share Exchange at step (a) above, (i) Kerry Group will redeem the Society’s entire shareholding in Kerry Group (the “**Kerry Group Redemption**”) in exchange for a promissory note of equal value (the “**Kerry Group Promissory Note**”); and (ii) the Society will redeem Kerry Group’s entire shareholding in the Society (as acquired in the Proposed Share Exchange) (the “**Society Redemption**” and together with the Kerry Group Redemption, the “**Redemptions**”) in exchange for a promissory note of equal value (the “**Society Promissory Note**”).

The value of the Kerry Group Shares and the Society Shares redeemed under the Kerry Group Redemption and the Society Redemption respectively will be determined by reference to the volume-weighted average Kerry Group share price (measured over a ten business day period prior to completion of the Phase 1 Acquisition (the “**VWAP**”).

The amounts outstanding under the Society Promissory Note and the Kerry Group Promissory Note will be offset against each other, which will result in a balance on the Kerry Group Promissory Note equal to approximately 15% of the market value of the Society’s original 11% shareholding in Kerry Group (the “**Kerry Group Promissory Note Balance**”). The Kerry Group Promissory Note Balance will be used to fund part of the Phase 1 Consideration.

(c) The Phase 1 Acquisition:

Following completion of the Proposed Share Exchange and Redemptions, the Phase 1 Acquisition will complete pursuant to the Share Purchase Agreement. Further details on the Phase 1 Acquisition including the financing arrangements and documents

required to implement the Phase 1 Acquisition are contained in Section 3 (*Share Purchase Agreement*) of this Appendix 2.

Conditions to Completion

The conditions for completion of the Phase 1 Transaction are:

- (a) approval by Society Members of the Resolution proposed under this Circular;
- (b) approval by the shareholders of Kerry Group of the shareholder resolutions to be proposed and considered at the PLC EGM;
- (c) clearance from the Irish Competition and Consumer Protection Commission (the “CCPC”) in respect of the Phase 1 Acquisition and such other regulatory approvals as the Society and Kerry Group agree are required;
- (d) no material adverse event having occurred and remaining in existence on the Completion Date (as defined below); and
- (e) no temporary restraining order or preliminary or permanent injunction, judgment, order or decree of any court or governmental or regulatory authority or competent jurisdiction prohibiting the Phase 1 Transaction being in effect on the Completion Date, no insolvency event having occurred in respect of Kerry Group, the Society or Kerry Dairy Ireland and no legislation having been enacted which would prohibit the Phase 1 Transaction,

(the “**Conditions to Completion**”).

Completion of the Phase 1 Transaction is expected to take place before the end of January 2025 or if the Conditions to Completion are not satisfied or waived by 23 December 2024, on the later of 31 January 2025 and the last business day of the month in which the Conditions to Completion are satisfied (the “**Completion Date**”).

If any of the Conditions to Completion are not satisfied, or waived by the parties, by 30 June 2025, or such later date as may be agreed between the parties, either party may terminate the Transaction Agreement.

Warranties

In the Transaction Agreement, each party has provided certain warranties relating to its capacity and authority to enter into the Transaction Agreement. The Society has provided Kerry Group with certain warranties relating to title to the Society’s Kerry Group Shares.

Kerry Group and the Society each indemnify the other for loss arising in connection with any misrepresentation in information regarding a party provided to the other party for inclusion in that party’s circular.

2. Share Exchange Agreement

A share exchange agreement for the purposes of implementing the Proposed Share Exchange is in agreed form between Kerry Group and the Society (the “**Share Exchange Agreement**”). The Share Exchange Agreement will be signed prior to the Completion Date by Kerry Group, the Society and the Chair of the Society on behalf of the Society Members (in accordance with the amended Rules proposed to be adopted under this Circular).

Pursuant to the Share Exchange Agreement:

- (a) Kerry Group will acquire approximately 85% of the Society Shares; and

- (b) in consideration for step (a) above, the Society Members will be entitled to receive in aggregate a number of Kerry Group Shares equal to approximately 85% of the Kerry Group Shares held by the Society prior to completion of the Phase 1 Acquisition (the “**Kerry Consideration Shares**”), with each individual Society Member receiving the number of Kerry Group Shares per Society Share exchanged by them with Kerry Group pursuant to paragraph (a) above determined by the Share Exchange Ratio (being an amount equal to the total number of Kerry Group Shares held by the Society at completion of the Phase 1 Transaction divided by the total number of Society Shares in issue to six decimal places, the “**Share Exchange Ratio**”),
- (the “**Share Exchange**”).

The number of Society Shares to be acquired by Kerry Group, and the Share Exchange Ratio, will be confirmed by the Society to Kerry Group prior to the Share Exchange. The number of Kerry Consideration Shares to be allotted and issued by Kerry Group shall be based upon the Share Exchange Ratio.

Fractional Entitlements

It is likely that the application of the Share Exchange Ratio will result in fractional entitlements to a Kerry Group Share where a Society Member’s aggregate entitlement to Kerry Group Shares is not a whole number of Kerry Group Shares. Any fractional entitlements to Kerry Group Shares which arise will be aggregated, so far as possible, into whole Kerry Group Shares and sold in the market on behalf of the relevant Society Members. The total proceeds of the sale (net of expenses) will be paid in due proportion to the relevant Society Members. Any amounts less than €5.00 (net of expenses) may instead be donated to a charity nominated by the Society.

Warranties

Customary warranties will be given by each of Kerry Group, the Society and the Society Members pursuant to the Share Exchange Agreement.

Kerry Consideration Shares

Applications will be made by Kerry Group to Euronext Dublin, the Financial Conduct Authority (the “FCA”) and the London Stock Exchange for the Kerry Consideration Shares to be admitted to: (i) listing on the Official List of Euronext Dublin and the equity shares (commercial companies) segment of the Official List of the FCA and (ii) trading on the regulated market of Euronext Dublin and the London Stock Exchange’s main market for listed securities.

The Kerry Consideration Shares will be issued as fully paid and free and clear of any pre-emptive rights and liens and will rank *pari passu* in all respects with existing Kerry Group A Ordinary Shares, including in respect of the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Completion Date. The Kerry Group Shares will trade under the same ISIN number as the existing A Ordinary Shares (IE0004906560) and will be held in uncertificated form.

3. Share Purchase Agreement

A share purchase agreement was signed by Kerry Group and the Society on 12 November 2024 (the “**Share Purchase Agreement**”). It governs the terms and conditions of the Phase 1 Acquisition (i.e. the disposal of up to 70% of Kerry Group’s interest in Kerry Dairy Ireland) and certain aspects of the Phase 2 Acquisition relating to the Phase 2 Consideration.

Completion

Completion of the Share Purchase Agreement shall take place on the Completion Date following satisfaction of the conditions under the Conditions to Completion.

Consideration and Adjustments

The purchase price payable by the Society to Kerry Group for the Phase 1 Acquisition and the Phase 2 Acquisition is €500 million, subject to certain adjustments (the “**Total Consideration**”). The purchase price payable by the Society to Kerry Group under the Phase 1 Acquisition shall be an amount equal to €350 million subject to the following adjustments:

- (a) customary completion accounts adjustments in respect of cash, debt and working capital as at the Completion Date (the “**Completion Accounts Adjustment**”);
- (b) a potential downward only valuation adjustment should Kerry Dairy Ireland not achieve agreed adjusted EBITDA targets through to fiscal year end 2025 (the “**EBITDA Adjustment**”);
- (c) an adjustment mechanism if the value of the Kerry Group Promissory Note Balance (being the proceeds realised from the redemption of the portion of the Society’s Kerry Group Shares that will be used to fund the Phase 1 Consideration) is less than approximately €200 million, whereby the Society may acquire a lower percentage interest in Kerry Dairy Ireland in the Phase 1 Acquisition of between 70% and 64.1%. In such circumstances: (i) the remaining percentage in Kerry Dairy Ireland will be retained by Kerry Group at the Phase 1 Acquisition and will be subject to the Phase 2 Acquisition; and (ii) the Phase 1 Consideration and the Phase 2 Consideration payable will be the relevant percentage of the Total Consideration; and
- (d) an adjustment mechanism to reduce the Total Consideration if there is a material adverse movement in the value realised by the Society as a result of the Proposed Share Exchange, whereby if the VWAP is less than €60, the Total Consideration would be reduced on a euro-for-euro basis to reflect the reduction in value of the Kerry Group Promissory Note Balance (being the proceeds realised from the redemption of the portion of the Society’s Kerry Group Shares that will be used to fund the Phase 1 Consideration) (the “**VWAP Adjustment**”).

The Phase 1 Consideration and the Phase 2 Consideration will be satisfied in the manner set out in Section 2 of the Letter from the Chairman. As noted in Section 2, the Cash Payment will be payable by the Society to Kerry Group ten days following the completion of the Phase 1 Acquisition (or at the date of the Phase 1 Acquisition if the Completion Date occurs on or after 31 January 2025), at which point the Society will fund the Cash Payment by way of third-party acquisition debt. In the event and to the extent that the Society is unable to secure third-party acquisition debt to fund the Cash Payment, Kerry Group or one of its subsidiaries may enter into a bridge loan agreement with the Society for this purpose (which will be issued on standard terms of a bridge financing).

The Completion Accounts Adjustment to the Phase 1 Consideration (if any) shall be satisfied by way of an adjustment to the original principal amount of the Phase 1 Seller Loan Agreement.

The EBITDA Adjustment for the Phase 1 Consideration (if any) shall be satisfied by way of an adjustment to the original principal amount of the Phase 1 Seller Loan Agreement and/or the Phase 2 Seller Loan Agreement.

The EBITDA Adjustment for the Phase 2 Consideration (if any) shall be satisfied (i) if completion of the Option Agreement (as defined below) has not occurred, by way of a reduction to the Phase 2 Consideration payable on exercise of the Call Option or the Put Option; or (ii) if completion of the Option Agreement has occurred, by way of an adjustment to the original principal amount of (a) firstly, the Phase 2 Seller Loan Agreement, and (b) secondly, the Phase 1 Seller Loan Agreement.

In the event that any such adjustment payment due from Kerry Group to the Society is greater than the balance of the principal outstanding on the Phase 1 Seller Loan Agreement and/or the Phase 2 Seller Loan Agreement (as applicable), such excess shall be paid in cash.

Warranties and Indemnities

Kerry Group has provided the Society with certain customary warranties under the Share Purchase Agreement relating to: (i) Kerry Group's title to the shares it holds in Kerry Dairy Ireland; and (ii) Kerry Group's capacity and authority to enter into the Share Purchase Agreement.

Kerry Group has also provided a suite of standard warranties in respect of the Dairy Business (as defined in Appendix 3 below) and tax matters with customary limitations on liability under those warranties. The maximum liability of Kerry Group for breach of these business warranties and tax warranties will be 30% and 50% (respectively) of the consideration then paid by the Society to Kerry Group under the Share Purchase Agreement and the Option Agreement. Each claim under these warranties must exceed an amount equal to 0.1% of the consideration then paid by the Society to Kerry Group under the Share Purchase Agreement and the Option Agreement and the aggregate liability of Kerry Group in respect of all claims must exceed an amount equal to 1% of the consideration then paid by the Society to Kerry Group under the Share Purchase Agreement and the Option Agreement. Any claim under the business warranties must be brought within 18 months of the Completion Date and any claim under the tax warranties must be brought within a period of up to five or seven years (depending on the nature of the claim) after the Completion Date.

Kerry Group has also undertaken to indemnify, and to keep indemnified, Kerry Dairy Ireland and its subsidiaries against all loss or liabilities suffered or incurred by Kerry Dairy Ireland and its subsidiaries ("**Kerry Dairy Ireland Group**") resulting from or in connection with certain matters, including certain pension schemes and employee matters, certain litigation proceedings and disputes, certain pre-Completion Date reorganisations of the Kerry Dairy Ireland Group, and the replacement of a spray dryer at the Listowel site (in the event that any such replacement is required within a defined period post-Completion Date).

Kerry Group's total liability under the Share Purchase Agreement is equal to the Phase 1 Consideration and, upon exercise of the option pursuant to the Option Agreement, the Phase 2 Consideration.

Financial Commitments

Kerry Group or one or more of its subsidiaries may, depending on the Kerry Group share price, enter into the Phase 1 Seller Loan Agreement with Kerry Dairy Ireland or one or more of its subsidiaries and/or the Society. Further details on the Phase 1 Seller Loan Agreement are provided at Section 7 (*Phase 1 Seller Loan Agreement*) of this Appendix 2.

Closing Deliverables

In addition to the delivery of standard closing deliverables by Kerry Group and the Society, the Tax Deed, Shareholders' Agreement, Option Agreement, Transitional Services Agreement, Phase 1 Seller Loan Agreement and IP Licencing Agreements will be entered into by the relevant parties on completion of the Phase 1 Acquisition and each of which agreements are described further below.

Costs and Expenses

The Society and Kerry Group will bear their own legal and professional costs, expenses and taxes relating to the Proposed Transaction.

Effect of Joint Ownership of Kerry Dairy Ireland

The Society and Kerry Group will enter into the Shareholders' Agreement on the Completion Date. Further details on the Shareholders' Agreement are provided at Section 6 (*Shareholders' Agreement*) of this Appendix 2.

4. **Tax Deed**

On completion of the Phase 1 Acquisition, Kerry Group and the Society will enter into a tax deed of covenant ("**Tax Deed**") pursuant to which Kerry Group will agree to indemnify the Society for tax liabilities of Kerry Dairy Ireland and Kerry Dairy Ireland's subsidiaries occurring prior to completion of the Phase 1 Acquisition.

Kerry Group's liability under the Tax Deed is subject to customary limitations agreed between it and the Society. The Tax Deed contains various other provisions, including administrative provisions in respect of the preparation of corporation tax returns of Kerry Dairy Ireland and Kerry Dairy Ireland's subsidiaries relating to periods commencing before completion of the Phase 1 Acquisition, as well as provisions dealing with the conduct of tax claims where the Society becomes aware that there may be a claim against Kerry Group under the Tax Deed.

5. **Option Agreement**

An option agreement will be entered into in connection with the Phase 2 Acquisition between the Society and Kerry Group (the "**Option Agreement**"). It governs the terms and conditions of the Put Option and the Call Option over the remaining interest in Kerry Dairy Ireland. The key terms of each are set out below:

Call Option

In consideration of the Society granting Kerry Group the Put Option, Kerry Group grants to the Society an option to purchase all (and not some only) of the remaining interest in Kerry Dairy Ireland. The Call Option may only be exercised by the Society from the Completion Date up to (and including) 31 July 2035 (the "**Call Option Period**"). If the Call Option is not exercised during the Call Option Period, the Call Option will lapse and cease to be exercisable.

Put Option

In consideration of Kerry Group granting the Society the Call Option, the Society grants to Kerry Group an option to require the Society to purchase all (and not some only) of the remaining interest in Kerry Dairy Ireland. The Put Option may only be exercised by Kerry Group once (a) the Call Option has not been exercised and (b) in the period from (and including) 1 August 2030 up to (and including) 31 July 2035 (the "**Put Option Period**"). If the Put Option is not exercised during the Put Option Period, it will lapse. The Put Option may be exercised by Kerry Group before the Put Option Period commences if the Society defaults on the terms of the Shareholders' Agreement, becomes insolvent or is subject to a change of control.

Consideration

The consideration for the Phase 2 Acquisition shall be the Phase 2 Consideration as reduced by the VWAP Adjustment and/or the EBITDA Adjustment, if any, (further details of which are provided above in the paragraph above named "Consideration and Adjustments" of Section 3 (*Share Purchase Agreement*) of this Appendix 2).

If the Call Option is exercised, the Phase 2 Consideration will be satisfied by the Society in cash on completion of the Call Option.

If the Put Option is exercised, the Phase 2 Consideration will be satisfied by the Society either (i) wholly in cash or (ii) in a combination of cash and by way of entry into the Phase 2 Seller Loan Agreement.

The amount of the Phase 2 Seller Loan Agreement would be the minimum amount required such that, immediately following completion of the Put Option, the net debt to EBITDA ratio of Kerry Dairy Ireland and the Society (on a consolidated basis) is no greater than 2:1 or such other amount as is agreed between Kerry Group and the Society to facilitate completion of the Put Option. If the net debt to EBITDA ratio of Kerry Dairy Ireland and the Society (on a consolidated basis) immediately following completion of the Put Option would be greater than 2:1 such that a portion of the Phase 2 Consideration

would be payable by way of the Phase 2 Seller Loan Agreement, Kerry Group may, in its discretion, elect to revoke the exercise of the Put Option.

Warranties

Kerry Group will give warranties to the Society in respect of various matters, including (i) its capacity and authority to enter into and perform the Option Agreement and (ii) its title to the remaining interest in Kerry Dairy Ireland. The maximum aggregate liability of Kerry Group in respect of all and any claims under the warranties is limited to an amount equal to the Phase 2 Consideration and any claim must be made within six years of the completion of the Put Option or Call Option, as applicable.

6. Shareholders' Agreement

A shareholders' agreement will be signed by the Society, Kerry Group and Kerry Dairy Ireland on the Completion Date and is the document which governs the terms on which the parties have agreed to regulate their relationship as shareholders of Kerry Dairy Ireland and the operation of the Dairy Business for so long as it remains under joint ownership (the "**Shareholders' Agreement**").

The Shareholders' Agreement contains customary terms and conditions, and the following is a summary of the principal terms and conditions of the Shareholders' Agreement:

Governance

The board of Kerry Dairy Ireland will consist of up to thirteen directors, comprised of seven Society directors, three individuals nominated by Kerry Group, two independent directors (who the Society and Kerry Group may agree to appoint to the board from time to time) and the Chief Executive Officer Kerry Dairy Ireland. The Society shall also be entitled to nominate one of its directors to the position of Chairperson.

Dividend Policy

Kerry Group shall be entitled to a fixed return as a dividend of €7.5 million per annum during the period of the joint ownership. Any amount not paid annually to Kerry Group shall be payable to Kerry Group by the Society as an addition to the Phase 2 Consideration.

Reserved Matters

The Society and Kerry Group shall each be required to agree in writing before Kerry Dairy Ireland is authorised to carry out any matters reserved, including, but not limited to, the carrying on of any material business other than the existing activities of Kerry Dairy Ireland, disposing of any of the assets of Kerry Dairy Ireland above certain financial thresholds other than in the ordinary course of business and incurring indebtedness resulting in a net debt to EBITDA ratio of greater than 2:1 (subject to certain carve-outs including working capital facilities).

Maintenance, Operational and Capital Expenditure

The Society and Kerry Group will take all reasonable steps to ensure that Kerry Dairy Ireland's maintenance, operational and capital expenditure is made at a reasonable level required to ensure all plant and machinery, vehicles and operations remain fit for purpose and compliant with all laws and regulations.

Arms' Length Transactions

All transactions between Kerry Dairy Ireland (or a subsidiary) and Kerry Group are to be conducted at arms' length market rates based on third-party agreements and linked to market indices.

Non-Compete

For so long as Kerry Group is a shareholder of Kerry Dairy Ireland and for two years thereafter, Kerry Group shall be subject to a non-compete obligation with the Dairy Business (with standard carve-outs, including for any material transactions involving Kerry Group where a target company is operating a competing business which is not considered material in the context of the Dairy Business as a whole).

Drag Along

If the Society has not exercised the Call Option on or prior to 31 July 2035, and Kerry Group has not exercised the Put Option on or prior to 31 July 2035, the Society will have the right thereafter to exercise drag along provisions. These provisions will allow the Society to sell 100% of Kerry Dairy Ireland (including the 30% interest held by Kerry Group) (the “**Drag Along Provision**”) provided that the proceeds of such sale payable to Kerry Group shall be an amount equal to the Phase 2 Consideration (as adjusted, plus any amount of accrued and unpaid fixed dividend unpaid up to the completion of such sale and less the applicable portion of any damages otherwise recoverable in respect of warranties and indemnities given by Kerry Group in the Agreements). Should the Drag Along Provision be exercised, upon completion of the sale of 100% of the interest in Kerry Dairy Ireland to a third party, Kerry Group will cease to hold any interest in Kerry Dairy Ireland.

Restrictions on Transfer of Shares

The only permissible transfer of shares in Kerry Dairy Ireland shall be to either: (i) an affiliate of Kerry Group or the Society, (ii) in accordance with the Option Agreement (as summarised at Section 5 (Option Agreement) of this Part II), (iii) on default of Kerry Group or the Society or (iv) in accordance with the Drag Along Provision.

7. Phase 1 Seller Loan Agreement

Kerry Group or one or more of its subsidiaries may enter into a loan agreement with Kerry Dairy Ireland or one or more of its subsidiaries and/or the Society pursuant to which it will make available a loan (the “**Phase 1 Seller Loan Agreement**”). The amount to be advanced under the Phase 1 Seller Loan Agreement is estimated to be €43 million at a VWAP of €87.90 (being the VWAP as at 8 November 2024) and will be less than this amount if the VWAP is greater than €87.90 and will be more than this amount if the VWAP is less than €87.90. The funds advanced under the Phase 1 Seller Loan Agreement will be used by the Society to satisfy a portion of the Phase 1 Consideration.

The Phase 1 Seller Loan Agreement will be based on arm’s length terms substantially similar to the third-party acquisition debt funding the Cash Payment and envisages a cross company guarantee from certain of Kerry Dairy Ireland’s subsidiaries and limited recourse security over the shares held by the Society in Kerry Dairy Ireland. It will be fully subordinated to the third-party acquisition debt funding the Cash Payment.

The interest rate of the Phase 1 Seller Loan Agreement is to be determined based on the final position in the facility agreement for the third-party acquisition debt funding the Cash Payment (the “**Third-Party Facility Agreement**”). The loan will be amortising, and the amortisation schedule will be determined following agreement of the Third-Party Facility Agreement. Ongoing representations, warranties and events of default provisions are expected to substantially align with the final position in the Third-Party Facility Agreement.

8. Other Ancillary Agreements

Transitional Services Agreement

A transitional services agreement will cover certain transitional services to be provided by Kerry Group and its subsidiaries (the “**Kerry PLC Group**”) to Kerry Dairy Ireland (the “**Transitional Services Agreement**”). These transitional services will comprise services relating to IT, marketing, R&D, regulatory, food safety and quality, procurement, finance, HR and benefits, treasury, legal, corporate affairs and tax.

Under the Transitional Services Agreement, these services will be provided for up to five years.

As part of the transition, Kerry Group will assist Kerry Dairy Ireland to develop these services and allow for full separation. Kerry Group will deliver the transition services to Kerry Dairy Ireland at an agreed cost, subject to annual indexation, and will be responsible for obtaining any consents necessary to provide the services. Kerry Group will provide Kerry Dairy Ireland with a discount against the annual charges for up to three years to assist Kerry Dairy Ireland to fund the IT transition. Liability

under the Transitional Services Agreement is subject to a mutual cap of the greater of a fixed amount or a percentage of the total charges paid under the Transitional Services Agreement.

IP Licencing Agreements

The Kerry PLC Group will enter into certain intellectual property related agreements in connection with the following matters “the IP Licensing Agreements”.

The Kerry PLC Group will, prior to Phase 1 Completion, assign all intellectual property (including trademarks) which has been used exclusively in the Dairy Business to a member of the Kerry Dairy Ireland Group.

Where trademarks are (as of the date of Phase 1 Completion) not used exclusively in the Dairy Business, the Kerry PLC Group will enter into a perpetual intellectual property licence with Kerry Dairy Ireland Group, to allow continued use of these trademarks (subject to certain restrictions) by the Dairy Business.

Additionally, certain intellectual property is used in the manufacturing processes of both the Dairy Business and the remaining business of the Kerry Group (the “**Shared Process IP**”). The Kerry PLC Group and Kerry Dairy Ireland Group will therefore enter a number of perpetual intellectual property cross-licences for this Shared Process IP in order to allow continued use of this Shared Process IP by the Kerry Dairy Ireland Group or the Kerry PLC Group (as applicable). The Kerry PLC Group will not restrict Kerry Dairy Ireland Group’s use of the Shared Process IP with respect to future expansion.

APPENDIX 3

INFORMATION ON KERRY DAIRY IRELAND

Kerry Dairy Ireland and its subsidiaries own and operate the dairy business of Kerry Group (the “**Dairy Business**”). As a current business division of Kerry Group, Kerry Dairy Ireland is a leading dairy and ingredients business, and the cornerstone of Kerry Group’s dairy operations. It is rooted in a rich agricultural heritage, processing over 1.1 billion litres of milk annually from 2,740 family farms across Munster. The Dairy Business employs over 1,500 staff, and exports to over 58 countries worldwide.

Kerry Dairy Ireland’s seven dairy manufacturing facilities across Ireland and the UK have a keen focus on growth, quality compliance and innovative technologies. Its global customer base expands across a range of channels and markets serving dairy, hybrid dairy and dairy free products.

The Dairy Business has a strong portfolio of dairy food brands in Ireland and Great Britain, particularly in the snacking brands category including Cheestrings, Dairygold, Easi Singles, Low Low, Kerrymaid and Charleville. Kerry Dairy Ireland also operates a successful portfolio of agri-services stores under the brand name “Farm & Home Store”, as well as a feed mill in Farranfore.

Key areas of strategic focus for the Dairy Business include selective investments in innovation and sustainability, as well as tactical market expansion in global markets ensuring its successful future.

As set out in the pro-forma financial information below, for the financial year 2023, Kerry Dairy Ireland generated revenue of €1,277 million and EBITDA of €52 million. This was down from €1,569 million and €72 million respectively in the 2022 financial year. For the first half of 2024, Kerry Dairy Ireland reported EBITDA of €35 million which represents approximately 20% EBITDA growth year-on-year.

Summary Pro-Forma Financial Information on Kerry Dairy Ireland

Kerry Dairy Ireland Pro-Forma Income Statement

€'m	2022	2023	H1 2024
Revenue	1,569	1,277	577
Gross Profit	209	159	94
Overheads	(138)	(106)	(59)
EBITDA	72	52	35
KPIs			
<i>Gross Profit %</i>	13%	12%	16%
<i>EBITDA %</i>	5%	4%	6%

Kerry Dairy Ireland Pro-Forma Balance Sheet

€'m	Dec'22	Dec'23	Jun'24
Fixed Assets	339	359	351
Net Working Capital	136	31	118
Other Assets	(14)	(14)	(9)
Total Net Assets	461	376*	460

**The December 2023 net assets position above varies from the December 2023 attributable net assets position disclosed by Kerry Group as it is based on the reported net working capital and the current liabilities position as at that date while the Kerry Group attributable net assets position reflects the agreed target working capital.*

KERRY CO-OPERATIVE CREAMERIES LIMITED
(the “Society”)
(an industrial and provident society incorporated in Ireland with registered number 3618R)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Society will be held on Monday, 16 December 2024 at 12.00 p.m. at Gleneagle INEC Arena, Killarney, Co Kerry for the purpose of considering and, if thought fit, passing the following resolution:

RESOLUTION UNDER RULE 64 – ALTERATION OF RULES

THAT, in accordance with Rule 64 of the Rules of the Society, the following amendments to the Rules of the Society be approved and adopted:

- (a) The following definition be added to Rule 1 (Definitions) as a new Rule 1(k), with all following sub-paragraphs of Rule 1 to be re-numbered accordingly:

““Kerry Group plc” means Kerry Group plc, a public limited company incorporated in Ireland with registered number 111471 and having its registered office at Prince’s Street, Tralee, County Kerry.”

- (b) The following definition (existing Rule 1(l)) be deleted in its entirety from Rule 1 (Definitions), with all following sub-paragraphs of Rule 1 to be re-numbered accordingly:

““the Milk Quota Regulations” shall have the meaning set out in Rule 69 of these Rules.”

- (c) The following definition (existing Rule 1(m)) be deleted in its entirety from Rule 1 (Definitions), with all following sub-paragraphs of Rule 1 to be re-numbered accordingly:

““Milk Quota Year” means the period between 1 April and 31 March or such other period as may be prescribed by the Milk Quota Regulations.”

- (d) The following definition be added to Rule 1 (Definitions) as a new Rule 1(v), with all following sub-paragraphs of Rule 1 to be re-numbered accordingly:

““Share Exchange” shall have the meaning given to that term in Rule 4A.”

- (e) The following text be added at the end of Rule 1 (Definitions) immediately following existing Rule 1(cc):

“It is acknowledged that Members may trade or otherwise interact with the Society or its subsidiaries through Qualifying Entities. All acts and omissions of a Qualifying Entity shall for all purposes of these Rules and in accordance with and subject to such terms and conditions as may be determined by the Board from time to time at its sole discretion be deemed to be the acts and omissions of any Member who has an ownership interest in such Qualifying Entity. For this purpose, a “Qualifying Entity” is a company or partnership in respect of which the Member has an ownership interest which meets qualifying criteria laid down from time to time by the Board at its sole discretion and “Qualifying Entities” shall be construed accordingly.”

- (f) The title of existing Part II of the Rules be deleted and substituted for:
- “II. NAME, REGISTERED OFFICE, OBJECTS AND SHARE EXCHANGE”
- (g) The following text be deleted from the end of existing Rule 4(i):
- “The Society may proceed to invest in (whether by way of subscription or acquisition in the shares or other securities of) any entities or undertakings in accordance with this Rule 4i) on condition that no investment in (whether by way of subscription or acquisition in the shares or other securities of) any entities or undertakings would cause the aggregate sum invested by the Society to exceed €50 million in any five year rolling period with the earliest calculation of any such five year period commencing on the 5th of July 2023. Where a particular investment would have the effect of causing the aggregated sum invested by the Society to exceed the limits prescribed in this Rule 4i) such investment must first be approved by the Society obtaining approval by way of an ordinary resolution passed by shareholders present and entitled to vote and voting at a Special General Meeting for which notice specifying the intention to propose such a resolution has been duly given according to the Rules.”
- (h) The following be added as a new Rule 4A immediately following existing Rule 4 (Objects):
- “4A SHARE EXCHANGE
- i. If the Board receives an offer from Kerry Group plc to acquire more than 75% of the issued Shares of the Society on the same terms and conditions for each class of Shares and for each Member, and for the same proportion of each Member’s Shares (such number of each Member’s Shares which may be rounded down to the nearest whole number so that no fraction of a Share would be acquired from any Member), in consideration for the issue to each Member (or their nominee) in respect of each Share to be acquired by Kerry Group plc of, approximately, such number of Kerry Group plc A Ordinary Shares of €0.125 credited as fully paid as is equal to the number of Kerry Group plc A Ordinary Shares of €0.125 owned by the Society divided by the total number of Shares in issue upon completion, and rounded down to six decimal places (and whereby the total number of Kerry Group plc A Ordinary Shares of €0.125 to be issued to any Member in exchange for their Shares may be rounded down to the nearest whole number of shares so that no fraction of a share would be issued to any Member) whether by way of a share purchase, exchange, amalgamation, scheme of arrangement, takeover offer, or otherwise (the “**Share Exchange**”), and the Board approves such offer, the Chairman and/or such other person or persons as is or are nominated by the Board (each an “**Authorised Signatory**”) shall be irrevocably appointed as agent and attorney to effect the Share Exchange, and to execute and deliver all necessary documents and instruments in relation to the Share Exchange, for and on behalf of each Member, and to do all acts and things, as he, she or they may consider necessary or desirable to give effect to the sale of the Shares concerned held by each Member to Kerry Group plc pursuant to the Share Exchange. Notwithstanding Rule 13, the consideration for the transfer of Shares under the Share Exchange may exceed the amount standing to the credit of such Shares in the Society’s books. Notwithstanding Rule 5, Kerry Group plc may hold an interest, the nominal value of which exceeds €125,000 in the shares of the Society, where such interest is acquired by it as a result of the Share Exchange.

- ii. Each Authorised Signatory shall have no liability to any Member or Members with respect to actions taken or omitted to be taken in his or her capacity as Authorised Signatory, except to the extent that he or she has acted fraudulently.
 - iii. Where the Society's Members have become party to the Share Exchange in accordance with this Rule 4A, the Board may at its discretion (and in accordance with Rule 68) redeem the Shares acquired by Kerry Group plc subject to the Share Exchange without redeeming or offering to redeem any other Shares and the Board shall be entitled to pay the redemption amounts or proceeds concerned directly to Kerry Group plc where such Shares subject to the Share Exchange are held by the Members as nominee on behalf of Kerry Group plc and prior to the registration of Kerry Group plc as the holder of such Shares in the Register, and each Member who may continue as the legal holder of such Shares prior to Kerry Group plc's registration as the holder of such Shares in the Register or their redemption shall have no entitlement to or claim in relation to such redemption amounts or proceeds or their payment by the Society to Kerry Group plc.
 - iv. With effect from completion of the Share Exchange, all certificates representing holdings of Shares subject to the Share Exchange ("**Pre-Share Exchange Certificates**" and each a "**Pre-Share Exchange Certificate**") shall cease to have effect as documents of title to such Shares and the Society will issue a replacement certificate to every Member representing the Shares retained by them and which were not subject to the Share Exchange ("**Replacement Certificates**" and each a "**Replacement Certificate**") following the earlier of redemption of the Shares acquired by Kerry Group plc pursuant to the Share Exchange or registration of Kerry Group plc as the holder of such Shares in the Register. Kerry Group plc shall also be issued with share certificates in respect of the Shares acquired by it pursuant to the Share Exchange following its registration as the holder of such Shares in the Register."
- (i) The following text be deleted from the end of existing Rule 6.iv.:
- "or has at any time transferred, leased or otherwise alienated his milk quota for a period in excess of six months, or for any shorter periods aggregated to a total of six months in a five year period, to another person who does not, or did not at the relevant time supply the milk to which the quota related to the Society or a Nominated Purchaser"
- (j) The following changes be made to existing Rule 6.v:
- (i) the words "or transferring, leasing or otherwise alienating his milk quota," be deleted from the first paragraph of existing Rule 6.v.; and
 - (ii) the words "or so alienating his milk quota" be deleted from sub-paragraph (d) of existing Rule 6.v.
- (k) In order to effect a sub-division of each of the categories of shares in the Society by 10 (ten) that the reference to "€1.25" be deleted in each instance to which it is referred to in existing Rule 9.A.i. and be replaced in each case by "€0.125".
- (l) The words "A Ordinary shares" and "Date of the Adoption" each be deleted in existing Rule 9.A. ii. and be substituted for "A Ordinary Shares" and "date of the adoption" respectively.

- (m) The words “allotted, issued, transferred or transmitted” be deleted in existing Rule 9.C.i. and substituted for “allotted or issued”.
- (n) The following text be added to the end of existing Rule 9.C.ii.:

“or, where the holder (including bodies corporate) was never a person eligible to hold A Ordinary Shares, to C Ordinary Shares.”
- (o) The words “convert such Member's shares to B Ordinary Shares” at the end of existing Rule 9.C.iii. be deleted and substituted for “convert such Member’s A Ordinary Shares to B Ordinary Shares and the phrase “person eligible to hold B Ordinary Shares” shall be construed accordingly”.
- (p) The words “allotted, issued, transferred or transmitted” be deleted in existing Rule 9.C. iv. and substituted for “allotted or issued”.
- (q) The following be added as a new Rule 9.C.v., and all following sub-paragraphs of Rule 9.C. to be re-numbered accordingly:

“Upon it being brought to the attention of the Board that a person who holds B Ordinary Shares in the capital of the Society is not and was never a person who is eligible to hold A Ordinary Shares, the Board shall (without prejudice to any other rights which the Board may have under any other Rule or Rules) convert the B Ordinary Shares so held by him to C Ordinary Shares.”
- (r) The text of existing Rule 9. C.v. (to be re-numbered Rule 9.C.vi. as a result of Rule change (q) above) be revised as follows:
 - (i) to delete the following text: “or if he with the prior approval of the Board transfers, leases or otherwise disposes of or alienates his Milk Quota to another person, society, company or milk processing plant who or which does not supply Raw Milk to the Society or a Nominated Purchaser”; and
 - (ii) by inserting the words “A Ordinary” after the words “convert the” and before the words “Shares held by”.
- (s) Existing Rule 9.C.vii. be deleted in its entirety.
- (t) The word “Share” be deleted in the sixth line of existing Rule 9.C.x. and be substituted for the word “Shares”.
- (u) The following words be inserted after the word “interest” and before the word “as” in the first paragraph of existing Rule 17:

“and on such other terms”
- (v) The following changes be made to existing Rule 69(a):
 - (i) the words “a milk quota under the Milk Quota Regulations and” be deleted from the first sentence of existing Rule 69(a).
 - (ii) the words “sub-paragraph (c)” be deleted and substituted for “sub-paragraph (b); and

- (iii) the final sentence of existing Rule 69(a) reading as follows “The Society or Nominated Purchaser shall not be obliged to accept any milk from any Member in excess of that Member's milk quota under the Milk Quota Regulations” be deleted in its entirety.
- (w) Existing Rule 69(b) (Milk Quota Regulations) be deleted in its entirety and all following sub-paragraphs of Rule 69 be re-numbered accordingly.
- (x) The Form of Transfer set out in section I of Part XV (Appendices) of the Rules be updated as follows:
 - (i) to delete the words “Quota (gallons)” and “Quota”; and
 - (ii) to delete the nominal value amount of “€1.25” and substitute this nominal value amount with “€0.125”.

By Order of the Board of Directors



Lorraine Mulvihill
Secretary

4 December 2024

Special General Meeting Notes for Members:

- (a) Admission to the Special General Meeting will be by admission card, which is attached to this Notice. Admission cards should be presented, at the registration desks, on the day of the meeting. Members approved for admission at the registration desk will be issued with an Attendance Card ("**Attendance Card**"). It is important that a member retains their Attendance Card for the duration of the Special General Meeting as it will be necessary to do so in order to receive their ballot paper which permits them to vote on the resolution.
- (b) Registration desks will open at 10.00 a.m.
- (c) A copy of the Rules of the Society incorporating the Rule changes proposed for adoption at the Special General Meeting pursuant to the resolution (together with a comparison against the existing Rules of the Society) are available on the Society's website (www.kerryco-op.com).
- (d) Voting will take place by show of hands or by ballot, if demanded in accordance with the Rules of the Society. If the resolution is taken by a show of hands, members present will be asked to indicate their voting preference by raising their Attendance Card when requested to do so by the returning officer. If the resolution is taken by means of a ballot, members present will be required to present themselves at a ballot issue desk where their Attendance Card will be exchanged for a ballot paper. Members will then proceed to cast their vote on their ballot paper in an area designated for doing so. Ballot papers should be completed and deposited in the ballot boxes provided. In no case will a member be permitted to take a ballot paper out of the meeting.
- (e) Under Rule 64 of the Rules of the Society, the resolution will require the approval of two-thirds of members holding A and B Ordinary Shares present and voting at the Special General Meeting.
- (f) The Irish Co-operative Organisation Society Limited (ICOS) and the current auditors of the Society will be appointed to take responsibility for the security of the ballot and the counting of votes. They will provide counters at the meeting.
- (g) Scrutineers will be appointed by authority of the Board to supervise the counting of the votes.
- (h) After any ballot, the ballot boxes will, under the direction of the independent returning officer and with the attendance of the scrutineers, be collected and the votes will be counted in a special room or secure area to which no one will be admitted save the counters, the scrutineers and such other persons, if any, as the Chairman of the meeting may nominate.
- (i) On completion of the count, the returning officer will deliver the result of the ballot to the Chairman of the meeting, who will announce the decision to the meeting.
- (j) During the Special General Meeting, members may not use cameras, smart phones or other audio, video or electronic recording devices, unless expressly authorised by the Chairman of the meeting.
- (k) The Society, acting through the Board, reserves the right to add to or to change any of the above procedures at its discretion.

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