

Dairy Crest Pension Trustees Limited

25 February 2019

The Dairy Crest Group Pension Fund (the "Fund")

This Letter is for information only: No action is needed

As you may have seen in the press, Saputo inc ("Saputo") has made an offer to buy 100% of the shares of the Dairy Crest Group plc, which includes Dairy Crest Limited, the principal employer supporting the Fund.

The Trustee was given notice of the proposed acquisition and, together with its advisers, engaged in amicable and constructive discussions regarding the pension terms with Saputo. This letter explains what it means for the Fund if the purchase goes ahead.

Direct support

The employers that directly provide support to the Fund will not change. Dairy Crest Limited will continue to be the principal employer of the Fund and Dairy Crest Group plc will continue as a participating employer.

Saputo is one of the top ten global dairy producers and a market leader. The proposed acquisition will give Dairy Crest an opportunity to combine its premium brands with those of a major international dairy group, giving greater scale and scope of activities from which Dairy Crest brands and products can benefit. The Trustee believes that being part of a larger strong financial group with the resources and incentives to develop the brands, products and international markets will allow the companies within the Dairy Crest group to maximise their potential, and so improve their ability to support the Fund.

Support from Saputo

Saputo has agreed to give the Trustee an important guarantee in respect of Dairy Crest's liabilities to the Fund and, in light of this, the Trustee has agreed certain changes to agreements in place with Dairy Crest. The approach to the next valuation of the Fund (as at 31 March 2019) has also been agreed and Saputo has committed to paying certain contributions to the Fund that will be required following that valuation.

The Trustee will continue to be responsible for the Fund and its assets after the proposed acquisition has completed.

Dairy Crest Pension Trustees Limited

Trustee view

The Trustee believes that the combination of the continued support by Dairy Crest as well as additional support provided by the Saputo guarantee, strengthens the security of the Fund over the long term.

If you require further information about the proposed acquisition

Information about the proposed arrangements can be found on the Dairy Crest website: <https://www.dairycrest.co.uk/investors/offer-for-dairy-crest/> or the Saputo website <http://www.saputo.com/en/investors/newsroom> and in section 11 of the announcement of the proposed purchase to the market, which can be accessed at this website address: <http://investegate.co.uk/saputo-inc-/rns/recommended-cash-acquisition-of-dairy-crest-plc/201902220714468448O/>.

If you have any further queries, then please contact the administrators of the Fund:

Insured pensioners

Legal & General Assurance Society – dcgps@landg.com

Helpline: 01737 375151

Deferred and uninsured pensioner members

Premier Pensions Management Limited – dairycrest@premiercompanies.co.uk

Helpline: 0800 122 3560

If you require further information about the Fund

A list of available documents and contact information can be found at **www.dairycrestpensiontrustees.co.uk**

Yours sincerely,

Chair of the Trustee Board
On behalf of Dairy Crest Pension Trustees Limited