

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT (*EXPLANATORY STATEMENT*) COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. THIS DOCUMENT CONTAINS PROPOSALS WHICH, IF IMPLEMENTED IN FULL, WILL RESULT IN THE CANCELLATION OF THE TRADING OF NMR SHARES ON THE AQUIS STOCK EXCHANGE GROWTH MARKET.

If you are in any doubt about the Acquisition or the action you should take, you are recommended to seek your own personal independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

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

The release, publication or distribution of this document and/or the accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions or applicable requirements. Any failure to comply with any such restrictions or applicable requirements may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful. This document is not a prospectus, a prospectus-equivalent document or an exempted document.

The accompanying Forms of Proxy are personalised. If you have recently purchased or been transferred NMR Shares, you should contact NMR's registrars, Equiniti, on the telephone number set out on page 5 of this document to obtain replacements for these documents.

Recommended cash acquisition of
NATIONAL MILK RECORDS PLC

(Incorporated in England and Wales with company registration number 03331929)

by

ASSOCIATED BRITISH FOODS PLC

(Incorporated in England and Wales with company registration number 00293262)

**to be implemented by way of a scheme of arrangement
under Part 26 of the Companies Act 2006**

and

**Circular to shareholders and Explanatory Statement under section 897 of the
Companies Act 2006, Notice of Court Meeting and Notice of General Meeting**

This document (including any documents incorporated into this document by reference to another source) should be read as a whole together with the accompanying Forms of Proxy. Your attention is drawn in particular to Part I (*Letter from the Chair of National Milk Records Plc*) of this document, which contains the unanimous recommendation of the NMR Directors that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and NMR Shareholders vote in favour of the Resolution at the General Meeting.

A letter from Canaccord Genuity Limited explaining the Scheme and constituting an Explanatory Statement in compliance with section 897 of the Companies Act 2006 appears in Part II (*Explanatory Statement*) of this document. Terms and expressions defined for the purposes of this document are set out in Part VIII (*Definitions*) on pages 63 to 70.

It is important that Scheme Shareholders use their votes so that the Court can be satisfied that there is a fair and reasonable representation of their views.

Notices of the Court Meeting and the General Meeting, each of which will be held at the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU on 21 July 2023, are set out in Parts IX (*Notice of Court Meeting*) and X (*Notice of General Meeting*) of this document. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting will start at 11.15 a.m. on that date (or as soon thereafter as the Court Meeting is concluded or adjourned).

Whether or not you intend to be present at the Meetings in person, please complete and sign each of the Forms of Proxy in accordance with the instructions printed on them and return them to the Registrars as soon as possible and, in any event, so as to be received by the Registrars by 11.00 a.m. on 19 July 2023 in respect of the Court Meeting and by 11.15 a.m. on 19 July 2023 in respect of the General Meeting.

If the BLUE Form of Proxy for the Court Meeting is not returned by the specified time, it may be handed to representatives of the Registrars, on behalf of the Chair of the Court Meeting, or the Chair of the Court Meeting or emailed to ProxyVotes@equiniti.com with the subject line "NMR Court Proxy" before the start of that meeting and it will still be valid. In the case of the General Meeting, however, unless the WHITE Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a Form of Proxy will not prevent NMR Shareholders from attending, voting and speaking in person at either the Court Meeting or the General Meeting respectively, or any adjournment thereof, if they so wish and are so entitled.

If you hold your NMR Shares in uncertificated form through CREST, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the Court Meeting set out in Part IX (*Notice of Court Meeting*) and the Notice of the General Meeting set out in Part X (*Notice of General Meeting*) of this document). Proxies submitted via CREST (under CREST Participant ID RA19) must be received by Equiniti not later than 11.00 a.m. on 19 July 2023 in the case of the Court Meeting and by 11.15 a.m. on 19 July 2023 in the case of the General Meeting or, in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (but excluding any day which is not a Business Day).

At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person, or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of the Scheme Shareholders who are present in person or by proxy, entitled to vote and vote, representing not less than 75 per cent. in value of those Scheme Shareholders present and voting, in person or by proxy.

At the General Meeting, voting on the Resolution will be by poll and each NMR Shareholder present in person, or by proxy will be entitled to one vote for each NMR Share held as at the Voting Record Time. The approval required for the Resolution to be passed is NMR Shareholders who are present, entitled to vote and vote, either in person or by proxy, at the General Meeting who represent not less than 75 per cent. in value of the NMR Shares voted by those NMR Shareholders.

NMR Shareholders are strongly encouraged to appoint the Chair of the relevant Meeting as their proxy. If a Scheme Shareholder or an NMR Shareholder (as the case may be) wishes to appoint a person other than the Chair of the relevant Meeting as its proxy then it may do so. This should be done as soon as possible and at least 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the relevant Meeting.

If you have any questions about this document, the Court Meeting, the General Meeting or on the completion and return of the Forms of Proxy, please call the shareholder helpline referred to below. International rates apply to calls from outside the UK. Please note that calls may be monitored or recorded and the shareholder helpline cannot provide advice on the merits of the Acquisition or give any financial, legal or tax advice.

Questions at the Meetings

NMR Shareholders can submit questions on the business of the relevant Meeting in advance by email to meetingenquiries@nmrp.com with the subject line 'Court Meeting Questions/General Meeting Questions' (as relevant), provided that such emails are received no later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. In addition, for both the Court Meeting and the General Meeting, NMR Shareholders (and any of their respectively duly appointed proxies and/or corporate representatives) may also submit questions in person at the relevant Meetings.

Subject to time limitations, the Chair of the Meetings will ensure that relevant matters relating to the formal business of the relevant Meeting are addressed in the relevant Meeting. Where multiple Scheme Shareholders and/or NMR Shareholders submit questions of a similar nature or theme, the questions will all be read aloud at the Court Meeting or General Meeting (as applicable) for transparency, but only one response may be provided to prevent repetition of responses on the same theme.

Your attention is drawn to pages 9 and 10 of this document, and to paragraph 14 in Part II (*Explanatory Statement*), which explain in detail the actions you should take in respect of the Meetings and in relation to the Scheme.

Your attention is drawn to Part I (*Letter from the Chair of National Milk Records*) which is set out on pages 12 to 18 (inclusive) of this document.

Action to be taken by NMR Shareholders is set out on pages 9 and 10 and at paragraph 14 of Part II (*Explanatory Statement*) of this document. NMR Shareholders will find enclosed with this document a BLUE Form of Proxy and a WHITE Form of Proxy, each of which has been stamped for your convenience (prepaid for use in the UK only). The BLUE Form of Proxy is to be used in connection with the Court Meeting and the WHITE Form of Proxy is to be used in connection with the General Meeting. Whether or not you intend to attend both or either of these Meetings in person, please complete and sign both Forms of Proxy and return them (together with any power of attorney or other authority under which they are signed) in accordance with the instructions to NMR's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, by post, to be received by 11.00 a.m. on 19 July 2023 (in the case of the BLUE Form of Proxy for the Court Meeting, subject as set out in the next paragraph) or 11.15 a.m. on 19 July 2023 (in the case of the WHITE Form of Proxy for the General Meeting) (or in the case of an adjournment of either Meeting, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding any part of such 48 hour period falling on a non-working day)).

Notwithstanding the instructions set out above, in the event that a Scheme Shareholder intends to appoint the Chair as its proxy, if the BLUE Form of Proxy relating to the Court Meeting is not returned by or lodged by 11.00 a.m. on 19 July 2023 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding any part of such 48 hour period falling on a non-working day)), it may be handed to the Chair of the Court Meeting or to the Registrars (on behalf of the Chair of the Court Meeting) or emailed to ProxyVotes@equiniti.com with the subject line "NMR Court Proxy" before the start of the Court Meeting and will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not lodged so as to be received by the time mentioned above and in accordance with the instructions on that Form of Proxy, it will be invalid.

Completion and return of a Form of Proxy, or other due submission of a proxy appointment, will not prevent you from attending and voting in person at either of the Meetings, or any adjournment thereof, should you so wish.

Capitalised words and phrases used in this document shall have the meanings given to them in Part VIII (*Definitions*).

IMPORTANT INFORMATION

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

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

The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the content of this document, you should consult your own legal, financial or tax adviser for legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and publication of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date.

No profit forecasts or estimates

Except where otherwise stated, nothing in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of NMR or ABF for any period and, in particular, no statement in this document should be interpreted to mean that earnings or earnings per share for ABF or any member of the ABF Group, or NMR or any member of the NMR Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for NMR or ABF, as appropriate.

Forward-looking statements

This document (including any information incorporated by reference in this document), oral statements made regarding the Acquisition, and other information published by ABF and/or NMR may contain certain forward looking statements with respect to the financial condition, results of operations and business of ABF and/or NMR and certain plans and objectives of ABF and/or NMR with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by ABF and/or NMR in the light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither ABF nor NMR assumes any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

No representations

No person within ABF or NMR, and no adviser, dealer, salesperson or other person is authorised to give any information or to make any representations with respect to the Acquisition other than such information or representations contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by either ABF or NMR.

Rounding

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

Overseas Shareholders

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

The release, publication or distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions or applicable requirements. Failure to comply with any such restrictions or applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

Neither this document nor the accompanying documents constitute, or form part of, any offer to sell or issue or an invitation to purchase or subscribe for any securities or the solicitation of an offer to buy any securities pursuant to these documents or otherwise in any jurisdiction in which such offer, invitation or solicitation is unlawful.

The Acquisition is not being made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or by any facility of a national, state or other securities exchange, of a Restricted Jurisdiction and no person may vote, or procure the vote, in favour of (or against) the Acquisition by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this document and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from a Restricted Jurisdiction. **Further details concerning Overseas Shareholders are contained in paragraph 13 of Part II (*Explanatory Statement*) of this document.**

NMR Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

Electronic communications

Please be aware that addresses, electronic addresses and certain information provided by NMR Shareholders and other relevant persons for the receipt of communications from NMR may be provided to ABF during the Offer Period as requested under section 4 of Appendix 4 to the Code.

Availability of hard copies/helpline

If you have received this document in electronic form or via a website notification, you may request a hard copy of this document and/or any information incorporated into this document by reference to another source by contacting NMR's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA (telephone number: +44 (0)333 207 6385. If calling from outside of the UK, please ensure the country code is used. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Calls are charged at the standard geographical rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate.

You may also request that all future documents, announcements and information to be sent to you in relation to the Scheme should be in hard copy form. You will not receive copies of this document or any document or information incorporated by reference into this document unless such a request is made.

The helpline is available to answer questions regarding this document, the Meetings or the completion and return of the Forms of Proxy. However, it cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

Website publication

In accordance with Rule 26.1 of the Code, a copy of this document, and the information incorporated by reference herein, will be available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, free of charge on NMR's website at <https://www.nmr.co.uk/investors/offer-for-nmr> and on ABF's website at <https://www.abf.co.uk/investors/offer-for-national-milk-records-plc> as soon as possible and in any event by no later than 12.00 noon (London time) on 3 July 2023 until the end of the Offer Period. For the avoidance of doubt, neither the content of any website referred to in this document or the Announcement nor the content of any website accessible from hyperlinks, is incorporated into, or forms part of, this document.

Times

All references to time are to the time in London, England (unless specified otherwise).

This document is dated 30 June 2023.

Disclosure requirements of the Code

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

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

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3. Opening Position Disclosures must also be made by the offeree and by any offeror and Dealing Disclosures must also be made by the offeree, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

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

TO VOTE IN FAVOUR OF THE ACQUISITION

Detailed instructions on the **ACTION TO BE TAKEN** are set out on pages 9 and 10 and at paragraph 14 of Part II (*Explanatory Statement*) of this document and are summarised below.

The Scheme will require approval at a meeting of the Scheme Shareholders convened by order of the Court to be held at the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU at 11.00 a.m. on 21 July 2023.

Implementation of the Scheme will also require approval of the Resolution by NMR Shareholders at the General Meeting to be held at the same place at 11.15 a.m. on 21 July 2023 (or, if later, as soon as the Court Meeting has been concluded or adjourned).

Whether or not you plan to attend the Meetings in person, please:

1. Complete and return the BLUE Form of Proxy to be received by no later than 11.00 a.m. on 19 July 2023.
2. Complete and return the WHITE Form of Proxy to be received by no later than 11.15 a.m. on 19 July 2023.

If you require assistance relating to the completion and return of the Forms of Proxy, please telephone the Registrars, Equiniti on +44 (0)333 207 6385. If calling from outside of the UK, please ensure the country code is used. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Calls from outside the United Kingdom will be charged at the applicable international rate.

The completion and return of the Forms of Proxy will not prevent you from attending and voting at the Court Meeting or the General Meeting (as the case maybe), or any adjournment thereof, in person should you wish to do so.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE AND IN PARTICULAR THE BLUE FORM OF PROXY FOR THE COURT MEETING.

This page should be read in conjunction with **ACTION TO BE TAKEN** on pages 9 and 10 and at paragraph 14 of Part II (*Explanatory Statement*) of this document and the rest of this document.

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ACTION TO BE TAKEN

This page should be read in conjunction with the rest of this document, the accompanying Forms of Proxy and any document incorporated by reference.

The Scheme requires approval at a meeting of Scheme Shareholders convened by order of the Court to be held at the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU at 11.00 a.m. on 21 July 2023.

Implementation of the Scheme also requires the passing of the Resolution by NMR Shareholders at the General Meeting to be held at the same place at 11.15 a.m. on 21 July 2023 (or, if later, as soon as the Court Meeting has been concluded or adjourned).

Documents

Please check you have received the following with this document:

- a BLUE Form of Proxy for use in respect of the Court Meeting;
- a WHITE Form of Proxy for use in respect of the General Meeting; and
- a pre-paid business return envelope (for use in the UK and Channel Islands only).

If you have not received, or have not been able to access online, all of these documents, please contact the Registrars, Equiniti, on the shareholder helpline referred to below. If you have previously elected or been deemed to consent to receive documents and information from NMR by means of its website, you will not receive a hard copy of this document but will receive a separate notification in accordance with your prescribed method.

Sending Forms of Proxy by post

Whether or not you plan to attend the Meetings, **PLEASE COMPLETE AND SIGN BOTH** the BLUE and WHITE Forms of Proxy and return them to the Registrars, Equiniti, Aspect House, Spencer Rd, Lancing, West Sussex, BN99 6DA as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 19 July 2023 in the case of BLUE Forms of Proxy for the Court Meeting and by no later than 11.15 a.m. on 19 July 2023 in the case of WHITE Forms of Proxy for the General Meeting or, if the Court Meeting or General Meeting is adjourned, not later than 48 hours before the time appointed for the adjourned meeting (excluding any part of such 48 hour period falling on a non-working day). This will enable your votes to be counted at the Meetings in the event of your absence.

The Forms of Proxy have a pre-paid address for your convenience for use in the UK only. If the BLUE Form of Proxy for use at the Court Meeting is not lodged by the above time, it may be handed to the Chair to the Court Meeting or to the Registrars (on behalf of the Chair of the Court Meeting) or emailed to ProxyVotes@equiniti.com with the subject line "NMR Court Proxy" before the start of the Court Meeting and will still be valid. However, if the WHITE Form of Proxy for the General Meeting is not returned so as to be received by the above time, it will be invalid.

The appointment of a proxy or proxies by completing, signing and returning the Forms of Proxy by post or by any other procedure described in this document) will not prevent you from attending and voting at the Meetings (or either of them), or any adjournment thereof, in person at one or both of the Meetings.

Additionally, NMR Shareholders can submit questions on the business of the relevant Meeting in advance by email to meetingenquiries@nmp.com with the subject line 'Court Meeting Questions/General Meeting Questions' (as relevant), provided that such emails are received no later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. In addition, for both the Court Meeting and the General Meeting, NMR Shareholders (and any of their respectively duly appointed proxies and/or corporate representatives) may also submit questions in person at the relevant Meetings.

CREST Proxy Voting Service

If you hold your Scheme Shares in uncertificated form (i.e. in CREST), you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the Court Meeting set out on pages 73 to 74 of this document and the Notice of the General Meeting set out on pages 78 to 79 of this document). Proxies submitted via CREST (under the issuer's agent ID RA19) must be received by the Registrars, Equiniti not later than 11.00 a.m. on 19 July 2023 in the case of the Court Meeting and by 11.15 a.m. on 19 July 2023 in the case of the General Meeting (or, in the case of an adjourned Meeting, not less than 48 hours prior to the time and date set for the adjourned Meeting (excluding any day which is not a Business Day)).

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE AND IN PARTICULAR THE BLUE FORM OF PROXY FOR THE COURT MEETING.

Further information about proxies and voting

Further information in relation to the appointment of proxies for and voting at the Court Meeting and the General Meeting respectively is set out in paragraph 14 of Part II (*Explanatory Statement*) of this document, in the notes to the notice of the Court Meeting set out in Part IX (*Notice of Court Meeting*) of this document, in the notes to the notice of the General Meeting set out in Part X (*Notice of General Meeting*) of this document, and in the instructions printed on the Forms of Proxy.

NMR Share Schemes

Participants in the NMR Share Schemes will be written to separately to inform them of the effect of the Scheme on their rights under the NMR Share Schemes, including details of any appropriate proposals being made.

Shareholder helpline

If you have any questions relating to this document or the completion and return of the Forms of Proxy, please call the Registrars, Equiniti, on +44 (0)333 207 6385. If calling from outside of the UK, please ensure the country code is used. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Calls from outside the United Kingdom will be charged at the applicable international rate.

The helpline is available to answer questions regarding this document, the Court Meeting, the General Meeting or the completion and return of the Forms of Proxy. However, it cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

Members may not use any electronic address provided in either this document or any related documents (including the enclosed Forms of Proxy) to communicate with NMR for any purposes other than those expressly stated.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	30 June 2023
Latest time for lodging BLUE Forms of Proxy for the Court Meeting or for submitting proxy instructions in respect of the Court Meeting via the CREST Proxy Voting Service	11.00 a.m. on 19 July 2023 ⁽¹⁾
Latest time for lodging WHITE Forms of Proxy for the General Meeting or for submitting proxy instructions in respect of the General Meeting via the CREST Proxy Voting Service	11.15 a.m. on 19 July 2023 ⁽²⁾
Voting Record Time	6.30 p.m. on 19 July 2023 ⁽³⁾
Court Meeting	11.00 a.m. on 21 July 2023
General Meeting	11.15 a.m. on 21 July 2023 ⁽⁴⁾
Court Hearing	A date (D) to be determined following the satisfaction or waiver of Conditions 5.1 and 5.2 set out in Part A of Part III (<i>Conditions and Further Terms to the Scheme</i>) of this document ⁽⁵⁾
Last day of dealings in NMR Shares	D+1 Business Day ⁽⁵⁾
Scheme Record Time	6.00 p.m. on D+1 Business Day ⁽⁵⁾
Dealings in NMR Shares suspended	7.30 a.m. on D+2 Business Days ⁽⁵⁾
Effective Date of Scheme	D+2 Business Days ⁽⁵⁾
Cancellation of trading of NMR Shares	by 8.00 a.m. on D+3 Business Days ⁽⁵⁾
Latest date for dispatch of cheques in respect of the Offer Price and settlement through CREST	within 14 days of the Effective Date ⁽⁵⁾
Long Stop Date	29 February 2024 ⁽⁶⁾

Notes:

- (1) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged by 11.00 a.m. on 19 July 2023 or, if the Court Meeting is adjourned, not later than 48 hours before the time appointed for the Court Meeting (excluding any part of such 48 hour period falling on a non-working day). BLUE Forms of Proxy not so lodged may be handed to the Chair of the Court Meeting or to the Registrars (on behalf of the Chair of the Court Meeting) or emailed to ProxyVotes@equiniti.com with the subject line "NMR Court Proxy" before the start of the meeting and will still be valid.
- (2) WHITE Forms of Proxy for the General Meeting must be lodged by 11.15 a.m. on 19 July 2023 or, if the General Meeting is adjourned, not later than 48 hours before the time appointed for the General Meeting (excluding any part of such 48 hour period falling on a non-working day). WHITE Forms of Proxy not returned by this time will be invalid.
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.30 p.m. on the day falling two days (excluding non-working days) before the date of the adjourned meeting.
- (4) The General Meeting will commence at 11.15 a.m. on 21 July 2023 or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) These dates and times are indicative only and will depend, among other things, on the date upon which the (i) the Conditions are satisfied or (if capable of waiver) waived, (ii) the Court sanctions the Scheme and (iii) the date on which the Scheme Court Order sanctioning the Scheme is delivered to the Registrar of Companies. NMR will give notice of the date and time of the Court Hearing, once known, by issuing an announcement through an RIS.
- (6) This is the latest date by which the Scheme may become Effective. However, the Long Stop Date may be extended to such later date as may be agreed in writing by NMR and ABF (with the Panel's consent and as the Court may approve (if required)).

All references in this document to times are to London time unless otherwise stated.

If any of the above expected dates change, NMR will give notice of the change by issuing an announcement through an RIS. All Scheme Shareholders have the right to attend the Court Hearing.

PART I

LETTER FROM THE CHAIR OF NATIONAL MILK RECORDS PLC



NATIONAL MILK RECORDS PLC

(incorporated in England and Wales with registered number 03331929)

Directors:

Trevor Lloyd *(Independent Non-Executive Chair)*
Andrew John Warne *(Executive Managing Director)*
Mark Christopher Frankcom *(Executive Finance Director)*
Mark Butcher *(Independent Non-Executive Director)*
Dr James Aloysius Andrews *(Independent Non-Executive Director)*

Registered office:

Greenways Business Park
Fox Talbot House
Chippenham
Wiltshire
SN15 1BN

30 June 2023

To NMR Shareholders and, for information only, participants in the NMR Share Schemes

Dear Shareholder

**RECOMMENDED CASH ACQUISITION OF
NATIONAL MILK RECORDS PLC
BY
ASSOCIATED BRITISH FOODS PLC,
TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT**

1 INTRODUCTION

On 6 June 2023 the boards of ABF and NMR announced that they had agreed the terms of a recommended cash acquisition by ABF pursuant to which AB Agri Limited (an indirect wholly-owned subsidiary of ABF) will acquire the entire issued and to be issued ordinary share capital of NMR (the "**Acquisition**"). The Acquisition is being implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although ABF reserves the right to elect, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme).

I am writing to you, on behalf of the NMR Board, to set out the terms of the Acquisition and to explain why the NMR Board is unanimously recommending that NMR Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting. Please also see the letter from Canaccord Genuity set out in Part II (*Explanatory Statement*) of this document, which gives further details about the Acquisition, and the additional information set out in Part VII (*Additional Information*) of this document.

In order to approve the Scheme, by which the Acquisition is to be implemented, the requisite majorities of NMR Shareholders will need to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting. The Court Meeting and the General Meeting will be held on 21 July 2023 at 11.00 a.m. and 11.15 a.m. respectively (or, in the case of the General Meeting, as soon as the Court Meeting has concluded or been adjourned, if later).

Details of the actions you should take are set out in paragraph 14 of Part II (*Explanatory Statement*) of this document, and the recommendation of the NMR Directors is set out in paragraph 12 below of this letter.

2 SUMMARY OF THE TERMS OF THE ACQUISITION

The Acquisition is to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act, full details of which are set out in the Explanatory Statement in Part II (*Explanatory Statement*) of this document.

Terms of the Acquisition

Under the terms of the Scheme, which is subject to the Conditions and the further terms set out in Part III (*Conditions and Further Terms to the Scheme*) of this document, NMR Shareholders will be entitled to receive:

215p in cash per NMR Share

The Acquisition values the entire issued and to be issued ordinary share capital of NMR at approximately £48 million on a fully diluted basis and represents a premium of approximately:

- 87.0 per cent. to the Closing Price of an NMR Share of 115.0 pence on 05 June 2023, being the last practicable date prior to the Announcement Date;
- 94.6 per cent. to the volume weighted average share price (“VWAP”) of an NMR Share of 110.5 pence for the three month period ended on the last practicable date prior to the Announcement Date; and
- 85.6 per cent. to the VWAP of an NMR Share of 115.9 pence for the six month period ended on the last practicable date prior to the Announcement Date.

Subject to the Conditions and further terms set out in Part III (*Conditions to and further terms to the Scheme*) of this document, the NMR Shares will be acquired by AB Agri, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this document or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Announcement Date in respect of the NMR Shares.

If any dividend or other distribution in respect of the NMR Shares is declared, paid or made on or after the Announcement Date, ABF reserves the right to reduce the consideration payable for each NMR Share under the terms of the Acquisition by the amount per NMR Share of such dividend or distribution. To the extent that any such dividend or other distribution and/or other return of capital announced, declared, paid or made is: (a) transferred pursuant to the Acquisition on a basis which entitles ABF to receive the dividend or other distribution and to retain it or (b) cancelled, then in either case the consideration payable in respect of the Acquisition will not be subject to change in accordance with this paragraph. If ABF exercises this right or makes such a reduction in respect of a dividend or distribution, NMR Shareholders will be entitled to receive and retain that dividend or distribution. Any exercise by ABF of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Acquisition.

The Acquisition is subject to the Conditions and further terms set out in Part III (*Conditions to and further terms to the Scheme*) of this document including, among other things: (a) the approval of Scheme Shareholders at the Court Meeting and the passing of the Resolutions to be proposed at the General Meeting (b) the CMA confirming in response to a briefing note that it has no further questions or, alternatively, CMA approval (c) the sanction of the Scheme by the Court and (d) the Scheme becoming Effective no later than the Long Stop Date.

If the Scheme becomes Effective, it will be binding on all NMR Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting, and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or the Resolution to be proposed at the General Meeting. Cheques in respect of the cash consideration made out in pounds sterling will then be dispatched at the shareholder’s own risk, to NMR Shareholders (or, where appropriate, credited to their CREST accounts) within 14 days of the Effective Date.

Overseas Shareholders

Overseas Shareholders should refer to page 5 and paragraph 13 of Part II (*Explanatory Statement*) of this document.

3 BACKGROUND TO AND REASONS FOR THE ACQUISITION

AB Agri actively looks to add new, complementary capabilities through M&A and has a track record of successfully acquiring businesses. NMR's business is well aligned with AB Agri's objective of supporting customers across the dairy industry, helping to drive efficiency and increase productivity. NMR provides complementary services and technology offerings to AB Agri's existing operations across the dairy supply chain, and AB Agri believes that a combination will enable a better service to the dairy industry, initially in the UK, offering products that deliver increased value, efficiency and ultimately profitability for farmers. AB Agri is excited about NMR becoming part of the broader group and believes that the Acquisition will allow NMR to accelerate and de-risk the delivery of its strategy, as well as creating greater opportunities for NMR's customers, employees and wider stakeholders.

4 BACKGROUND TO AND REASONS FOR RECOMMENDING THE ACQUISITION

The NMR Directors believe that NMR is the leading agri-tech supplier of management information and testing services to the UK dairy supply chain. NMR has, in recent years, implemented several significant initiatives which streamlined its business to allow it to focus on the services required by both the milk production supply base and the milk processing sector of the UK dairy industry. NMR now has a highly respected and unique position as the only business carrying out payment testing within the industry. This current footprint and lean infrastructure have resulted in significant cash-generation and delivery of good profit levels.

NMR's success has largely been driven by working collaboratively with the key players in each sector, such as milk processors, retailers, vets and third-party suppliers to UK dairy farmers. NMR demonstrated its versatility and robustness with a swift recovery from the impact of the Covid-19 pandemic, and more recently has developed a leading genomics laboratory which enables the launch of the novel GenoCells testing service. This exclusive technology is a significant step forward in testing individual cows for somatic cells, an early indication of mastitis infection.

NMR's business continues to differentiate itself by developing new products and making investments into alternative technologies to align itself with the growing emphasis in the dairy market on sustainability and the mitigation of the environmental impact of dairy food production. The UK dairy supply chain is currently stepping very much onto the front foot in an extremely proactive drive to prove its credentials in terms of carbon reduction and ultimately carbon neutrality. NMR's services and data are central to the achievement of that aim.

NMR's unaudited results for the six-month period ended 31 December 2022 show the continued strategic progress that has been made and, accordingly, the NMR Board remains confident in NMR's future prospects as an independent publicly traded company and its ability to deliver sustainable value for all stakeholders over the medium to long-term. However, these prospects, by their forward-looking nature, involve future risk and uncertainty and the NMR Board has therefore taken into account the offer from ABF which would provide NMR Shareholders with an immediate realisation of this future value in cash.

In that context, the NMR Board did not solicit an offer for NMR from ABF. Following a period of dialogue, the NMR Board received an indicative proposal from ABF of 215 pence per share and decided to engage in discussions with ABF to facilitate its due diligence, which resulted in the publication of the Announcement.

The NMR Board has also consulted with certain of NMR's significant shareholders who have demonstrated their support for the Acquisition – this is evidenced by their provision of irrevocable undertakings and reasonable endeavours undertakings to support the Acquisition in respect of, in aggregate (when added to those irrevocable undertakings given by the NMR Directors themselves in respect of the NMR Shares beneficially owned by them at the date of such undertakings), 14,552,329* NMR Shares representing approximately 68.51 per cent. of the NMR Shares in issue as at the Last Practicable Date.

(*) figure includes an additional 323 NMR Shares in aggregate acquired by the Trustee of the NMR SIP for the benefit of NMR Directors since the Announcement Date

The NMR Directors believe that the Acquisition will provide additional resources and support to deliver scale to NMR's business, including GenoCells in the UK and the US, whilst also providing complementary expertise, technologies and actionable insights to NMR's existing and prospective customers – including UK dairy farmers, milk processors and retailers.

In considering the financial terms of the Acquisition and determining whether they value NMR and its prospects appropriately, the NMR Board has taken into account a number of factors, including but not limited to, the following:

- the Acquisition reflects the strength of the NMR business and its medium-term future prospects, and provides an opportunity for NMR Shareholders to crystallise, in cash, the value of their investments on fair and reasonable financial terms which incorporate the potential for future value creation and provide certainty when weighed against the inherent uncertainty of the delivery of future value;
- the Acquisition provides an answer to the problem of the current illiquidity of NMR Shares and the relatively small size of NMR as a quoted entity, both of which limit attractiveness of the stock to institutional investors, despite the attractions of the underlying business. The alternatives, such as moving to a new trading platform such as AIM, does not on its own solve this underlying mismatch of scale, illiquidity and public company status;
- the Offer Price of 215 pence per NMR Share represents an attractive premium of 87.0 per cent. to the Closing Price of 115.0 pence per NMR Share on 05 June 2023, being the last practicable date prior to the Announcement Date; and
- the Offer Price represents a premium of 94.6 per cent. to the VWAP of an NMR Share of 110.5 pence for the three month period ended on the last practicable date prior to the Announcement Date, and a premium of 85.6 per cent. to the VWAP of an NMR Share of 115.9 pence for the six month period ended on the last practicable date prior to the Announcement Date.

Following careful consideration of both the financial terms of the Acquisition and ABF's plans for the NMR business under ABF's ownership, the NMR Board has determined that the Acquisition is in the best interests of NMR and NMR Shareholders as a whole.

5 MANAGEMENT, EMPLOYEES, LOCATIONS AND PENSIONS

ABF and AB Agri's strategic plans for NMR

ABF and AB Agri have a high regard for NMR's business and intend to support the acceleration of their current strategy, with NMR benefiting from the capabilities, scale and resources of AB Agri. ABF and AB Agri's intention is for NMR to operate as part of AB Agri. The Acquisition will enable AB Agri and NMR to enhance their proposition as a value-added partner for dairy farmers and dairy processors, and to support the dairy industry, initially in the UK, to deliver high-quality, responsibly sourced products as a key part of the daily nutrition of millions of consumers.

Prior to the Announcement Date, ABF was granted access to certain due diligence information and NMR's senior management in order to undertake customary confirmatory due diligence. Consequently, ABF has not yet had access to sufficiently granular information to allow it to formulate a detailed operational plan regarding the integration of NMR into the ABF Group. Following the Effective Date and in the first six months of ownership, ABF intends to initiate a review of the business and operations of NMR. While the parameters of the review have not yet been finalised, ABF expects that it will involve an evaluation of business expansion opportunities, development of ideas for enhancing the enlarged ABF Group's proposition as a value-added partner for dairy farmers and processors, an analysis of overlapping areas and functions (in particular in corporate and support areas) and identification of potential areas of overlap in the enlarged ABF Group's portfolio of real estate and offices.

Employees and management

ABF values the skills and experience of NMR's management and employees and believes that they will benefit from enhanced opportunities under the ownership of AB Agri, given its broader activities and capabilities. ABF confirms that, following the Effective Date, the existing contractual and statutory employment rights of all of NMR Group's management and employees will be fully safeguarded in accordance with applicable law.

ABF has not yet begun to carry out the review referred to above and accordingly has not reached any conclusions or formulated any specific intentions as to its likely outcome or made any decisions in relation to any detailed actions that may be taken as a result of this review. ABF therefore cannot be certain what impact there will be on the employment of, and the balance of skills and functions of, or terms and conditions of employment of, the management and employees of the enlarged ABF Group. However, any reduction in headcount arising from integration is expected to be mainly in respect of overlapping functions (principally corporate and support) and those functions associated with NMR's status as a publicly traded company and is not expected to be material. Any such reductions would be subject to appropriate consultation with employees and employee representative bodies.

In addition, it is intended that, upon completion of the Acquisition, each of the non-executive members of the NMR Board shall resign from their office as a director of NMR.

ABF has not entered into and has not discussed any form of incentivisation arrangements with members of NMR's management and will not have any such discussions prior to the Effective Date. ABF intends to put in place appropriate arrangements for NMR's management following completion of the Acquisition.

Pensions

NMR does not operate or contribute to any defined benefit pension schemes in respect of its employees. It does, however, operate certain defined contribution pension schemes. ABF does not intend to make any changes to the eligibility rules or contribution rates that currently apply under NMR's defined contribution pension plans. ABF confirms that it will comply with all applicable laws in connection with the provision of retirement benefits.

Locations of business, fixed assets, headquarters and research and development

Following the Acquisition, ABF intends that NMR will operate within AB Agri. ABF does not intend to change the locations of NMR's laboratories, and no change in the location of NMR's headquarters or headquarters function is intended to be made in the 12 months following the Effective Date. ABF does intend to assess, as part of the review referred to above, the most appropriate locations for NMR's offices, in the light of AB Agri's and ABF's existing property footprint. Where overlap or duplication are identified, locations of business (including headquarters) may, in due course, be consolidated, disposed or repurposed. No significant changes are intended by ABF with respect to the deployment of NMR's fixed asset base.

ABF recognises the importance of research and development to NMR's ability to provide industry leading solutions to its customers. ABF has no intention of materially reducing NMR's level of expenditure on research and development.

Trading facilities

NMR Shares are currently traded on the AQSE Growth Market and a request will be made to AQSE Growth Market to cancel trading in NMR's shares on the AQSE Growth Market, to take effect from or shortly after the Effective Date. Dealings in NMR Shares will be suspended prior to the Effective Date and thereafter there will be no trading facilities in relation to NMR Shares.

Other

No statements in this paragraph 5 are "**post-offer undertakings**" for the purposes of Rule 19.5 of the Code.

Views of the NMR Board

In considering the recommendation of the Acquisition to NMR Shareholders, the NMR Board has given due consideration to ABF's intentions in relation to NMR's employees.

The NMR Directors believe that NMR's workforce will benefit from enhanced future employment opportunities within the enlarged ABF Group. The NMR Directors also welcome ABF's statements that it has no current plans to make any changes to the location of NMR's places of business, headquarters and headquarter functions following the Scheme becoming Effective, and that, following the Effective Date, the existing contractual and statutory employment rights, including pensions rights, of all management and employees of NMR will be fully safeguarded, and that ABF does not intend to make any material change in their conditions of employment. The NMR Directors note and agree with ABF's other stated intentions in respect of the business, management, employees, pension schemes and other stakeholders of NMR.

6 NMR CURRENT TRADING AND PROSPECTS

NMR released its results for the financial year ended 30 June 2022 on 04 October 2022. A copy of the NMR 2022 Annual Report and Accounts is available on NMR's website at <https://www.nmr.co.uk/financial-reports>. On 21 February 2023, NMR released its interim results for the six months end 31 December 2022. A copy of the NMR interim results for the six months ended 31 December 2022 is also available on NMR's website at <https://www.nmr.co.uk/investors/announcements>. On 12 May 2023, NMR released its trading update for the three months ended 31 March 2023. A copy of the NMR trading update for the three months ended 31 March 2023 is also available on NMR's website at <https://www.nmr.co.uk/investors/announcements>.

7 ABF CURRENT TRADING AND PROSPECTS

ABF released its results for the 52 weeks ended 17 September 2022 on 8 November 2022, and the interim results for the 24 weeks ended 4 March 2023 on 25 April 2023. Copies of each of these documents are available on ABF's website at <https://www.abf.co.uk/investors>.

8 NMR SHARE SCHEMES

The Acquisition will affect participants in the NMR Share Schemes.

Participants in the NMR Share Schemes will be contacted separately on or around the date of this document regarding the effect of the Acquisition on their rights under the NMR Share Schemes and, where applicable, will be provided with details of the appropriate proposals being made to such participants in accordance with Rule 15 of the Code. A summary of the effect of the Acquisition on the rights of the participants in the NMR Share Schemes is set out paragraph 6 of Part II (*Explanatory Statement*) of this document.

9 IRREVOCABLE UNDERTAKINGS

ABF has received irrevocable undertakings from all the NMR Directors holding NMR Shares to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 285,115* NMR Shares (representing, in aggregate, approximately 1.34 per cent. of the Scheme Shares in issue on the Last Practicable Date).

In addition to these irrevocable undertakings from the NMR Directors, ABF has received irrevocable undertakings from certain other NMR Shareholders to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 14,072,334 NMR Shares, representing approximately 66.25 per cent. of the NMR Shares in issue as the Last Practicable Date.

In addition, ABF has received an undertaking to act on a reasonable endeavours basis to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 194,880 NMR shares (representing, in aggregate, approximately 0.92 per cent. of the NMR Shares in issue on the Last Practicable Date).

Consequently, ABF has received irrevocable undertakings and reasonable endeavours undertakings in respect of 14,552,329* NMR Shares, representing approximately 68.51 per cent. of NMR's issued share capital.

Further details of these irrevocable undertakings are set out in paragraph 8 of Part VII (*Additional Information*) of this document.

10 TAXATION

Your attention is drawn to Part VI (*Taxation*) of this document which contains certain UK tax information concerning the implementation of the Scheme. This is intended as a general guide only and does not constitute tax advice.

(*) figure includes an additional 323 NMR Shares in aggregate acquired by the Trustee of the NMR SIP for the benefit of NMR Directors since the Announcement Date

NMR Shareholders who are in any doubt about their taxation position, or who are subject to taxation in a jurisdiction outside the United Kingdom, are strongly advised to contact an appropriate professional independent adviser immediately.

11 ACTION TO BE TAKEN BY NMR SHAREHOLDERS

Your attention is drawn to the section of this document entitled 'Action to be taken by NMR Shareholders', which sets out in full the actions you should take in respect of voting on the Acquisition and the Scheme.

Overseas Shareholders should refer to paragraph 13 of Part II (*Explanatory Statement*) of this document. Details relating to settlement are included in paragraph 3 of Part IV (*The Scheme of Arrangement*) of this document.

The Court Meeting and the General Meeting will be held at the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU on 21 July 2023 at 11.00 a.m. and 11.15 a.m. respectively (or, in the case of the General Meeting, as soon as the Court Meeting has concluded or been adjourned, if later). Notices convening the Court Meeting and the General Meeting are set out in Parts IX (*Notice of Court Meeting*) and X (*Notice of General Meeting*) of this document. Please see paragraph 14 of Part II (*Explanatory Statement*) of this document for details of the actions to be taken by NMR Shareholders in relation to voting at the Meetings.

It is important that, at the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy, and to appoint the Chair of the relevant Meeting as your proxy.

12 RECOMMENDATION

The NMR Directors, who have been so advised by Canaccord Genuity as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the NMR Directors, Canaccord Genuity has taken into account the commercial assessments of the NMR Directors. Canaccord Genuity is providing independent financial advice to the NMR Directors for the purpose of Rule 3 of the Code.

Accordingly, the NMR Directors unanimously recommend that the NMR Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), as all the NMR Directors holding NMR Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 285,115 NMR Shares (representing, in aggregate, approximately 1.34 per cent. of the Scheme Shares in issue on the Last Practicable Date).

13 FURTHER INFORMATION

I draw your attention to the letter from Canaccord Genuity set out in Part II (*Explanatory Statement*) of this document, which gives further details about the Scheme. You should, however, read the whole of this document and not just rely on the information contained in this letter or in Part II (*Explanatory Statement*) of this document.

Your attention is drawn to the information on NMR which is incorporated by reference into this document, details of which can be found in Part V (*Financial Information*) of this document.

Yours faithfully

Trevor Lloyd
Non-Executive Chair

PART II

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)



Canaccord Genuity Limited
88 Wood Street
10th Floor
London EC2V 7QR

30 June 2023

To NMR Shareholders and, for information only, participants in the NMR Share Schemes

Dear NMR Shareholder

**RECOMMENDED CASH ACQUISITION OF
NATIONAL MILK RECORDS PLC
BY
ASSOCIATED BRITISH FOODS PLC,
TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT**

1. INTRODUCTION

On 6 June 2023 the boards of ABF and NMR announced that they had agreed the terms of a recommended cash acquisition by ABF, pursuant to which AB Agri Limited (an indirect wholly-owned subsidiary of ABF) will acquire the entire issued and to be issued ordinary share capital of NMR. The offer is to be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although ABF reserves the right to elect, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme).

Your attention is drawn to Part I (*Letter from the Chair of National Milk Records Plc*) of this document, which forms part of this Explanatory Statement. The letter contains, among other things, the unanimous recommendation by the NMR Directors to NMR Shareholders to vote in favour of the Scheme at the Court Meeting and of the Resolution at the General Meeting. That letter also states that the NMR Directors, who have been so advised by Canaccord Genuity, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the NMR Directors, Canaccord Genuity has taken into account the commercial assessments of the NMR Directors. Canaccord Genuity is providing independent financial advice to the NMR Directors for the purpose of Rule 3 of the Code.

We have been authorised by the NMR Directors to write to you to explain the terms of the Acquisition and the Scheme, and to provide you with other relevant information.

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the other parts of this document including the information in Part VII (*Additional Information*) of this document.

2. SUMMARY OF THE TERMS OF THE ACQUISITION

Under the terms of the Scheme, which is subject to the Conditions and the further terms set out in Part III (*Conditions and Further Terms to the Scheme*) of this document, NMR Shareholders will be entitled to receive:

215p in cash per NMR Share

The Acquisition values the entire issued and to be issued ordinary share capital of NMR at approximately £48 million on a fully diluted basis and represents a premium of approximately:

- 87.0 per cent. to the Closing Price of an NMR Share of 115.0 pence on 05 June 2023, being the last practicable date prior to the Announcement Date;
- 94.6 per cent. to the VWAP of an NMR Share of 110.5 pence for the three month period ended on the last practicable date prior to the Announcement Date; and
- 85.6 per cent. to the VWAP of an NMR Share of 115.9 pence for the six month period ended on the last practicable date prior to the Announcement Date.

Subject to the Conditions and further terms set out in Part III (*Conditions to and further terms to the Scheme*) of this document, the NMR Shares will be acquired by AB Agri fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this document or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this document in respect of the NMR Shares.

If any dividend or other distribution in respect of the NMR Shares is declared, paid or made on or after the date of this document, ABF reserves the right to reduce the consideration payable for each NMR Share under the terms of the Acquisition by the amount per NMR Share of such dividend or distribution. To the extent that any such dividend or other distribution and/or other return of capital announced, declared, paid or made is: (a) transferred pursuant to the Acquisition on a basis which entitles ABF to receive the dividend or other distribution and to retain it or (b) cancelled, then in either case the consideration payable in respect of the Acquisition will not be subject to change in accordance with this paragraph. If ABF exercises this right or makes such a reduction in respect of a dividend or distribution, NMR Shareholders will be entitled to receive and retain that dividend or distribution. Any exercise by ABF of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Acquisition.

If the Scheme becomes Effective, it will be binding on all NMR Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting, and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or the Resolution to be proposed at the General Meeting. Cheques in respect of the cash consideration made out in pounds sterling will then be dispatched at the shareholder's own risk, to NMR Shareholders (or, where appropriate, credited to their CREST accounts) within 14 days of the Effective Date.

3. INFORMATION ON THE ABF GROUP

The ABF Group is a diversified international food, ingredients and retail group with 132,000 employees in 53 countries. ABF has a premium listing on the Main Market of the London Stock Exchange and has a market capitalisation of some £15 billion with a net cash position of circa £0.6 billion.

AB Agri is ABF's international agri-food business and a leader in the UK agricultural sector. AB Agri occupies a key position in the food supply chain, with a presence in more than 80 countries, employing over 3,000 people internationally. AB Agri supplies a wide range of animal feed, supplements and specialist ingredients, and provides value-added services and expertise to farmers, feed and food manufacturers and retailers. It operates at the heart of the agricultural industry and its vision centres around working with its customers to produce high-quality, affordable, safe and responsibly sourced food products. AB Agri has an established position in the UK dairy industry, working with over 2,000 UK dairy farms.

4. INFORMATION ON NMR

The NMR Directors believe that NMR is the leading agri-tech supplier of management information and testing services to the UK dairy supply chain, developing technology used to inform farming efficiency and animal welfare, and quantify food provenance. NMR regularly collects a milk sample from virtually every dairy farm in Great Britain, positioning it as a highly respected and present voice across the breadth of the national dairy sector. NMR's success has been largely driven by strong collaborative relationships with key industry players, including dairy farmers, vets, milk processors, third party suppliers, and major retailers.

NMR provides milk recording and testing services, invoicing upwards of 3,000 farms every month, to the majority of the UK's milk processors. Through its laboratories, NMR also provides disease testing services for individual animals and whole herd analysis. NMR continues to differentiate itself by developing new products and services and investing in alternative technologies, notably genomics and GenoCells.

In delivering its services, NMR has been working to help reduce carbon emissions per litre of milk whilst maintaining overall milk yields. This objective aligns with the aims of the UK dairy supply chain, which continues to be proactive in its drive to prove its carbon reduction and carbon neutrality credentials. NMR's services and data are central to achieving that aim.

5. NMR SHARE SCHEMES

Participants in the NMR Share Schemes will be contacted separately on or around the date of this document regarding the effect of the Acquisition on their rights under the NMR Share Schemes and, where applicable, will be provided with details of the appropriate proposals being made to such participants in accordance with Rule 15 of the Code (the "**Share Scheme Letters**").

A summary of the effect of the Acquisition on the rights of the participants in the NMR Share Schemes is set out below. In the event of any conflict between the summary set out below and the rules of the relevant NMR Share Scheme, the Share Scheme Letters and/or the proposed amendments to the NMR Articles, the rules of the relevant NMR Share Scheme, the terms of the Share Scheme Letters and/or the amendments to the NMR Articles, if approved at the General Meeting (as the case may be), will prevail.

5.1 National Milk Records plc Executive Incentive Plan 2022-2024 ("NMR EIP")

Outstanding awards under the NMR EIP are currently vested and exercisable in respect of the first year of the NMR EIP. The NMR Remuneration Committee has exercised its discretion to fully vest awards in respect of the second and third year of the NMR EIP, and such awards will vest and become exercisable on the Scheme Court Order being granted. To the extent not exercised, awards under the NMR EIP will lapse on the 10th anniversary of their grant date.

5.2 National Milk Records plc HMRC-Approved Company Share Option Plan ("NMR CSOP"), the National Milk Records plc 2017 Unapproved Share Option Plan ("NMR USOP") and the National Milk Records plc Executive Bonus Plan 2021 ("NMR EBP")

Outstanding options granted under the NMR CSOP, the NMR USOP and the NMR EBP have all vested and are all currently exercisable. To the extent not exercised, options under the NMR CSOP and NMR USOP will lapse on the date falling six months after the Effective Date, and options under the NMR EBP will lapse on the Effective Date.

5.3 National Milk Records plc Share Incentive Plan ("NMR SIP")

NMR Shares held in the trust operated in conjunction with the NMR SIP on behalf of participants in the NMR SIP will participate in the Scheme on the same terms as all other NMR Shareholders.

An aggregate of 1,452,173 NMR Shares will be required to satisfy outstanding options and awards under the NMR Share Schemes (not including for this purpose, the NMR SIP). It is anticipated that such options and awards will be satisfied by the transfer of 375,649 existing issued NMR Shares held by Equiniti Trust (Jersey) Limited as trustee of the National Milk Records Employee Benefit Trust (the "**EBT**") and the issue of 1,076,524 new NMR Shares to the EBT. The NMR Shares held by, and to be issued to, the EBT will be applied in satisfaction of all of the outstanding options granted under the NMR Share Schemes (other than the NMR SIP) and the trustee of the EBT has agreed to use the NMR Shares held by, and to be issued to, it in this way.

The Scheme will extend to any NMR Shares which are unconditionally allotted or at or before the Scheme Record Time, including those allotted, issued or transferred to satisfy the vesting of awards or exercise of options under the NMR Share Schemes.

Subject to the proposed amendments to the NMR Articles being approved at the General Meeting, the Scheme will apply to any NMR Shares (which would not otherwise be Scheme Shares) which are issued to satisfy the exercise of options or awards under the NMR Share Schemes on or after the passing of the Resolution and before the Scheme Record Time.

Additionally, the proposed amendments to the NMR Articles will mean that any NMR Shares issued on or after the Scheme Record Time to satisfy the exercise of options or awards will, subject to the Scheme becoming Effective, be automatically acquired by AB Agri for the same consideration as payable under the Scheme.

Further information in respect of the proposed amendments to the NMR Articles is contained in the Notice of General Meeting in Part X (*Notice of General Meeting*) of this document.

6. FINANCING OF THE SCHEME

The cash consideration payable to the NMR Shareholders under the terms of the Acquisition will be financed by existing cash resources available to ABF.

Rothschild & Co, as financial adviser to ABF, is satisfied that sufficient cash resources are available to ABF to enable it to satisfy in full the cash consideration payable to NMR Shareholders under the terms of the Acquisition.

7. THE NMR DIRECTORS AND THE EFFECT OF THE SCHEME ON THEIR INTERESTS

Details of the interests of the NMR Directors in the share capital of NMR are set out in paragraph 4.5 of Part VII (*Additional Information*) of this document. NMR Shares held by the NMR Directors will be subject to the Scheme.

Each NMR Director who is NMR Shareholder has undertaken to vote his NMR Shares in favour of the Scheme at the Court Meeting and of the Resolution at the General Meeting. Further details on these irrevocable undertakings are set out in paragraph 3 of this Explanatory Statement and paragraph 8 of Part VII (*Additional Information*).

Particulars of the service contracts and letters of appointment of the NMR Directors are set out in paragraph 6 of Part VII (*Additional Information*) of this document. No amendments to such service contracts or letters of appointment have been agreed in connection with the Acquisition.

In addition, it is intended that, upon completion of the Acquisition, each of the non-executive members of the NMR Board shall resign from their office as a director of NMR.

ABF has not entered into and has not discussed any form of incentivisation arrangements with members of NMR's management and will not have any such discussions prior to the Effective Date. ABF intends to put in place appropriate arrangements for NMR's management following completion of the Acquisition.

Save as stated in this paragraph 7, the effect of the Scheme on the interests of the NMR Directors does not differ from its effect on the like interests of any other person.

8. STRUCTURE OF THE SCHEME AND CONDITIONS

The Offer is being implemented by way of a Court-sanctioned scheme of arrangement between NMR and the Scheme Shareholders who are on the register of members of NMR at the Scheme Record Time, under Part 26 of the Companies Act. The procedure requires approval by Scheme Shareholders at the Court Meeting and approval of the Resolution by the NMR Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this document.

The Scheme provides for AB Agri to become the owner of the whole of the issued and to be issued share capital of NMR. The procedure will involve, among other things, an application by NMR to the Court to sanction the Scheme and to transfer the shares to AB Agri, in consideration for which the Scheme Shareholders will receive cash on the basis set out in paragraph 2 above.

The implementation of the Scheme is subject to satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Part III (*Conditions and Further Terms to the Scheme*) of this document and shall only become Effective if, among other things, the following events occur by no later than 11:59 p.m. on the Long Stop Date:

- (i) approval of a majority in number of the Scheme Shareholders who are present, entitled to vote and vote, either in person or by proxy, at the Court Meeting and who represent not less than 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders;

- (ii) approval of the Resolution by NMR Shareholders who are present, entitled to vote and vote, either in person or by proxy, at the General Meeting who represent not less than 75 per cent. in value of the NMR Shares voted by those NMR Shareholders; and
- (iii) sanction of the Scheme by the Court and, following such sanction, the delivery of a copy of the Scheme Court Order to the Registrar of Companies.

The Scheme and the Acquisition will lapse if:

- (i) the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date;
- (ii) the Court Meeting is not held on or before the 22nd day after the expected date of the Court Meeting (21 July 2023) as set out in this document) (or such later date as may be agreed between ABF and NMR, and the Court may allow);
- (iii) the General Meeting is not held on or before the 22nd day after the expected date of the General Meeting (21 July 2023) as set out in this document) (or such later date as may be agreed between ABF and NMR, and the Court may allow); or
- (iv) the Scheme is not sanctioned on or before the 22nd day after the date of the expected Court Hearing as set out in this document) (or such later date as may be agreed between ABF and NMR, and the Court may allow) and a copy of the Scheme Court Order is not delivered to the Registrar of Companies,

and such deadlines are not waived by ABF or otherwise extended by agreement between ABF and NMR, with the consent of the Panel and/or the Court (if such consent is required).

Upon the Scheme becoming Effective:

- the Scheme will be binding on all NMR Shareholders (irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting, and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or the Resolution to be proposed at the General Meeting);
- NMR will become a wholly-owned subsidiary of AB Agri;
- share certificates in respect of the existing NMR Shares will cease to be valid and entitlements to NMR Shares held within CREST will be cancelled; and
- the cash consideration payable under the Scheme will be dispatched to NMR Shareholders by no later than 14 days after the Effective Date.

ABF reserves the right, subject to the prior consent of the Panel, to elect to implement the Scheme by way of a Takeover Offer. In such event, such Takeover Offer will be implemented subject to the same conditions and on the same terms (amended as appropriate in the manner described in paragraph 5 of Part B of Part III (*Conditions and Further Terms to the Scheme*) of this document), as those applying to the Scheme. If sufficient acceptances of such a Takeover Offer were received and/or sufficient NMR Shares otherwise acquired, it would be the intention of ABF to apply the provisions of section 979 of the Companies Act to acquire compulsorily any outstanding NMR Shares to which the Takeover Offer related.

8.1. The Meetings

The Scheme requires the approval of Scheme Shareholders at the Court Meeting to be held at 11.00 a.m. on 21 July 2023, and of NMR Shareholders at the General Meeting to be held at 11.15 a.m. on 21 July 2023. You are strongly encouraged to vote at both of these Meetings whether in person or by proxy.

Notice of the Court Meeting is set out in Part IX (*Notice of Court Meeting*) and notice of the General Meeting is set out in Part X (*Notice of General Meeting*) of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast at the Meetings will be determined by reference to the register of members of NMR at 11.00 a.m. for the Court Meeting and 11.15 a.m. for the General Meeting on the date which is two days (excluding non-working days) before the Meeting or any adjourned meeting (as the case may be).

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting, and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or the Resolution to be proposed at the General Meeting.

No NMR Shares owned by ABF or any other member of the ABF Group will qualify to be Scheme Shares. No member of the ABF Group which owns NMR Shares will be entitled to vote at the Court Meeting in respect of the NMR Shares held or acquired by or for it. All NMR Shareholders will be entitled to vote at the General Meeting; however, no members of the ABF Group will exercise the voting rights attaching to any NMR Shares so held or acquired at the General Meeting

(A) Court Meeting

The Court Meeting is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme. At the Court Meeting, voting will be by way of a poll, and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is of a majority in number of the Scheme Shareholders who are present, entitled to vote and vote, either in person or by proxy, at the Court Meeting and who represent not less than 75 per cent. in value of the NMR Shares voted by those NMR Shareholders.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy.

(B) General Meeting

The General Meeting has been convened for the same date as the Court Meeting at 11.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned) to consider and, if thought fit, pass the Resolution (which requires votes in favour from NMR Shareholders who are present, entitled to vote and vote, either in person or by proxy, at the General Meeting who represent not less than 75 per cent. in value of the NMR Shares voted by those NMR Shareholders) to approve:

- (a) the Scheme and authorise the NMR Directors to take all actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- (b) the cancellation of trading in NMR's shares on the AQSE Growth Market, subject to the Scheme becoming Effective;
- (c) the re-registration of NMR as a private limited company, subject to the Scheme becoming Effective; and
- (d) certain amendments to the NMR Articles as described in paragraph 8.2 below.

Voting on the Resolution will be by way of a poll.

8.2. Amendments to the NMR Articles

The Resolution to be proposed at the General Meeting contains provisions to amend the NMR Articles to ensure that any NMR Shares issued (other than to ABF, AB Agri, their respective nominees or any member of the ABF Group) after the Scheme Record Time will automatically be acquired by AB Agri on the same terms as under the Scheme. These provisions will avoid any person (other than a member of the ABF Group) holding NMR Shares after the Effective Date.

Paragraph (d) of the Resolution set out in Part X (*Notice of General Meeting*) of this document contains the proposed amendments to NMR's Articles for which the approval of NMR Shareholders is sought.

8.3. Entitlement to Vote at the Meetings

Each NMR Shareholder who is entered in NMR's register of members at the Voting Record Time (expected to be 6.30 p.m. (London time) on 19 July 2023) will be entitled to attend, vote and speak on all resolutions to be put to the Court Meeting and the General Meeting. If either Meeting is

adjourned, only those NMR Shareholders on the register of members at 6.30 p.m. (London time) on the day which is two days (excluding non-working days) before the adjourned meeting will be entitled to attend and vote. Each eligible NMR Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a shareholder of NMR but must attend the Meetings.

The completion and return of a Form of Proxy shall not prevent NMR Shareholders from attending, voting and speaking in person at either Meeting or any adjournment thereof if such shareholders wish and are entitled to do so. In the event of a poll on which an NMR Shareholder votes in person his/her proxy votes lodged with Equiniti and, in the case of the Court Meeting, the chair of the Court Meeting, will be excluded.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, please call the shareholder helpline at Equiniti on +44 (0)333 207 6385. If calling from outside of the UK, please ensure the country code is used. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is available to answer questions regarding this document, the Court Meeting, the General Meeting or the completion and return of the Forms of Proxy. However, it cannot be used to provide advice on the merits of the Acquisition nor give any financial, legal or tax advice. Further information on the actions to be taken is set out on pages 9 to 10 (*Action to be taken*) of this document.

8.4. The Court Hearing

Under the Companies Act, the Scheme requires the sanction of the Court in addition to the approval of Scheme Shareholders at the Court Meeting.

The Court Hearing to sanction the Scheme is expected to be held at a date to be determined following the satisfaction or waiver of Conditions 5.1 and 5.2 set out in Part A of Part III (*Conditions and Further Terms to the Scheme*) of this document, at The Royal Courts of Justice, The Rolls Buildings, Fetter Lane, London, EC4A 1NL. Scheme Shareholders are entitled to attend the Court Hearing, should they wish to do so, in person or through counsel.

ABF has confirmed that it will be represented by counsel at the Court Hearing so as to consent to the Scheme and to undertake to the Court to be bound thereby.

The Scheme will become Effective only upon a copy of the Scheme Court Order being delivered to the Registrar.

If the Scheme becomes Effective, it will be binding on all NMR Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting, and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or the Resolution to be proposed at the General Meeting.

8.5. Modifications to the Scheme

The Scheme contains a provision enabling NMR and ABF jointly to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or to impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in circumstances where any modification, amendment or condition is sought by ABF and NMR.

9. IRREVOCABLE UNDERTAKINGS

Further details of the irrevocable undertakings given in relation to the Acquisition are set out in paragraph 9 of Part I (*Letter from the Chair of National Milk Records Plc*) and paragraph 8 of Part VII (*Additional Information*) of this document.

10. OFFER-RELATED ARRANGEMENTS

Summaries of offer-related agreements are set out in paragraph 9.3 of Part VII (*Additional Information*) of this document. These agreements have been published on NMR's website at <https://www.nmr.co.uk/investors/offer-for-nmr> and on ABF's website at <https://www.abf.co.uk/investors/offer-for-national-milk-records-plc>.

11. SUSPENSION AND CANCELLATION OF ADMISSION TO TRADING

It is intended that dealings in NMR Shares will be suspended at 7.30 a.m. on the Effective Date and that application will be made to AQSE Growth Market to cancel the admission to trading of the NMR Shares on the AQSE Growth Market. Such cancellation is expected to take effect shortly after the Effective Date.

12. TAXATION

Your attention is drawn to Part VI (*Taxation*) of this document which contains certain UK tax information concerning the implementation of the Scheme. This is intended as a general guide only and does not constitute tax advice.

NMR Shareholders who are in any doubt about their taxation position, or who are subject to taxation in a jurisdiction outside the United Kingdom, are strongly advised to contact an appropriate professional independent adviser immediately.

13. OVERSEAS HOLDERS

The implications of the Scheme for Overseas Shareholders may be affected by the laws of relevant overseas jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. Overseas Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This document has been prepared in order to comply with English law and the Code, and the information disclosed in this document may not be the same as that which might be required under the laws of jurisdictions outside England and Wales.

Nothing in this document or the accompanying documents should be relied upon for any other reason or purpose. This document and the accompanying documents are for information purposes only and neither this document nor the accompanying documents are intended to, and do not, constitute an offer or invitation to sell, purchase, subscribe for or issue any securities or the solicitation of an offer to buy or subscribe for securities in any jurisdiction in which such offer or solicitation is unlawful.

Unless otherwise determined by ABF or required by the Code and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and no person may vote, or procure the vote, in favour of (or against) the Acquisition by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Copies of this document and formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction and persons receiving this document (including custodians, nominees and trustees) must not distribute or send it in, into or from a Restricted Jurisdiction.

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

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

14. ACTION TO BE TAKEN BY NMR SHAREHOLDERS

Your attention is drawn to the information on pages 9 and 10 of this document which explains the actions you should take in relation to the Scheme.

NMR Shareholders will find enclosed with this document a BLUE Form of Proxy and a WHITE Form of Proxy. The BLUE Form of Proxy is to be used in connection with the Court Meeting and the WHITE Form of Proxy is to be used in connection with the General Meeting.

Whether or not you intend to attend either or both of these Meetings in person, please complete and sign both Forms of Proxy and return them in accordance with the instructions by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to arrive as soon as possible but in any event by no later than 11.00 a.m. on 19 July 2023 (in the case of the BLUE Form of Proxy for the Court Meeting) or 11.15 a.m. on 19 July 2023 (in the case of the WHITE Form of Proxy for the General Meeting) (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding any part of such 48 hour period falling on a non-working day)).

Notwithstanding the instructions set out above, in the event that a Scheme Shareholder intends to appoint the Chair as its proxy, if the BLUE Form of Proxy relating to the Court Meeting is not returned by or lodged by 11.00 a.m. on 19 July 2023 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting (excluding any part of such 48 hour period falling on a non-working day)), it may be handed to the Registrars (on behalf of the chair of the Court Meeting) or emailed to ProxyVotes@equiniti.com with the subject line "NMR Court Proxy" before the start of the meeting and will still be valid. However, in the case of the General Meeting, if the WHITE Form of Proxy is not lodged so as to be received by the time mentioned above and in accordance with the instructions on that Form of Proxy, it will be invalid.

If you hold your NMR Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the Court Meeting and the Notice of the General Meeting set out at Parts IX and X of this document).

Proxies submitted via CREST (under CREST ID RA19) must be received by Equiniti not later than 11.00 a.m. on 19 July 2023 in the case of the Court Meeting and 11.15 a.m. on 19 July 2023 in the case of the General Meeting (or, in the case of an adjourned Meeting, not less than 48 hours prior to the time and date set for the adjourned Meeting (excluding any day which is not a Business Day)).

NMR Shareholders are strongly encouraged to appoint the Chair of the relevant Meeting as their proxy.

15. FURTHER INFORMATION

Apart from completing, signing and returning the Forms of Proxy, you need take no further action at this stage.

A helpline is available for NMR Shareholders at Equiniti on +44 (0)333 207 6385. If calling from outside of the UK, please ensure the country code is used. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Calls from outside the United Kingdom will be charged at the applicable international rate.

The helpline is available to answer questions regarding this document, the Meetings or the completion and return of the Forms of Proxy. However, it cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the further information contained (or incorporated by reference) in this document which forms part of this Explanatory Statement for the purposes of section 897 of the Companies Act and, in particular, Part V (*Financial Information*) and Part VII (*Additional Information*) of this document.

Yours faithfully,

Adam James
for and on behalf of
Canaccord Genuity Limited

PART III

CONDITIONS AND FURTHER TERMS TO THE SCHEME

Part A

Conditions to the Scheme and the Acquisition

- 1 The Acquisition is conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, on or before the Long Stop Date or such later date (if any) as ABF and NMR may, with the consent of the Panel, agree and (if required) the Court may approve.

Scheme approval

The Scheme is conditional upon:

- 2 (i) approval of the Scheme by a majority in number representing not less than 75 per cent. of the voting rights attaching to the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof) who are on the register of members of NMR at the Voting Record Time, present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meetings; and
(ii) the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting (21 July 2023) as set out in this document) (or such later date (if any) as ABF and NMR may agree with the consent of the Panel (if required) and the Court may allow);
- 3 (i) the Resolution being duly passed by the requisite majority at the General Meeting or at any adjournment thereof; and
(ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting (21 July 2023) as set out in this document) (or such later date (if any) as ABF and NMR may agree with the consent of the Panel (if required) and the Court may allow); and
- 4 (i) the sanction of the Scheme by the Court (without modification, or with modification on terms acceptable to ABF and NMR) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies for registration; and
(ii) the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing (as set out in this document) (or such later date (if any) as ABF and NMR may agree with the consent of the Panel (if required) and the Court may allow).

General conditions

In addition, subject as stated in Part B below and to the requirements of the Panel, the Acquisition is conditional upon the following matters set out in this Part A of this Part III (*Conditions and Further Terms to the Scheme*) and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such conditions (as amended if appropriate) have been satisfied, or, where relevant, waived.

Official authorisations, regulatory clearances and third party clearances

- 5 One of the following having occurred:
 - 5.1 by the time of the sanction of the Scheme by the Court, and following the submission of a Briefing Paper to the CMA's Mergers Intelligence Unit in connection with the Acquisition, the CMA has responded to the Briefing Paper to indicate that it does not require any further information, and has not commenced a Phase 1 Investigation; or

- 5.2 where the CMA has commenced a Phase 1 Investigation following the submission of the Briefing Paper:
- (a) the CMA has announced that it has decided not to make a Phase 2 Reference; or
 - (b) in accordance with section 73(2) of the Enterprise Act 2002, the CMA has formally accepted undertakings in lieu of a Phase 2 Reference.
- 6 The waiver (or non-exercise within any applicable time limits) by any Third Party of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider NMR Group taken as a whole) arising as a result of or in connection with the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control or management of, NMR by ABF or any member of the Wider ABF Group;
- 7 All necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider ABF Group of any shares or other securities in, or control of, NMR and all authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals reasonably deemed necessary or appropriate by ABF or any member of the Wider ABF Group for or in respect of the Acquisition including without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, NMR or any member of the Wider NMR Group by any member of the Wider ABF Group having been obtained in terms and in a form satisfactory to ABF from all appropriate Third Parties or persons with whom any member of the Wider NMR Group has entered into contractual arrangements and all such material authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals necessary or appropriate to carry on the business of any member of the Wider NMR Group which is material in the context of the ABF Group or the NMR Group as a whole or of the financing of the Acquisition remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;
- 8 No Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would or would reasonably be expected to:
- (i) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider ABF Group or any member of the Wider NMR Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider ABF Group or the Wider NMR Group in either case taken as a whole;
 - (ii) require, prevent or materially delay the divestiture by any member of the Wider ABF Group of any shares or other securities in NMR;
 - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider ABF Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider NMR Group or the Wider ABF Group or to exercise voting or management control over any such member;
 - (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider ABF Group or of any member of the Wider NMR Group to an extent which is material in the context of the Wider ABF Group or the Wider NMR Group in either case taken as a whole;

- (v) make the Acquisition, its implementation or the acquisition or proposed acquisition by ABF or any member of the Wider ABF Group of any shares or other securities in, or control of NMR void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
- (vi) require any member of the Wider ABF Group or the Wider NMR Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider NMR Group or the Wider ABF Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider NMR Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition; or
- (viii) result in any member of the Wider NMR Group ceasing to be able to carry on business under any name under which it presently does so, and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any NMR Shares having expired, lapsed or been terminated;

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

- 9 Save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider NMR Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition or the proposed acquisition of any shares or other securities (or equivalent) in NMR or because of a change in the control or management of NMR or otherwise, could or would reasonably result in any of the following, to an extent which is material and adverse in the context of the Wider NMR Group, or the Wider ABF Group, in either case taken as a whole, or in the context of the Acquisition:
- (i) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
 - (iii) any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
 - (iv) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
 - (v) the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
 - (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
 - (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or

- (viii) the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material Authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider NMR Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or would reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) (inclusive) of this Condition, in each case to the extent material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;

Certain events occurring since Last Accounts Date

- 10 Save as Disclosed, no member of the Wider NMR Group having, since the Last Accounts Date:
- (i) save as between NMR and wholly-owned subsidiaries of NMR or for NMR Shares issued under or pursuant to the exercise of options and vesting of awards granted under the NMR Share Schemes, issued or agreed to issue, or authorised or proposed the issue of, additional shares of any class;
 - (ii) save as between NMR and wholly-owned subsidiaries of NMR or for the grant of options and awards and other rights under the NMR Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the NMR Group, prior to completion of the Acquisition, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
 - (iv) save for intra-NMR Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole;
 - (v) save for intra-NMR Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole;
 - (vi) issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-NMR Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
 - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole;
 - (viii) save for intra-NMR Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
 - (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or would reasonably be expected to involve an obligation of such a nature or magnitude other than in the ordinary course of business, in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;

- (x) (other than in respect of a member of the Wider NMR Group which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;
- (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider NMR Group or the Wider ABF Group other than of a nature and extent which is normal in the context of the business concerned;
- (xii) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider NMR Group taken as a whole;
- (xiii) made any material alteration to its articles of association;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition 10;
- (xvi) made or agreed or consented to any change to:
 - a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider NMR Group for its directors, employees or their dependents, including the NMR Group Personal Pension Plan;
 - b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,
 in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;
- (xvii) proposed, agreed to provide or modified the terms of any of the NMR Share Schemes or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider NMR Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider NMR Group, save as agreed by the Panel (if required) and by ABF, or entered into or changed the terms of any contract with any director or senior executive;
- (xviii) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of NMR Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;
- (xix) entered into or varied in a material way the terms of, any contracts, agreement or arrangement with any of the directors or senior executives of any members of the Wider NMR Group; or

- (xx) waived or compromised any claim which is material in the context of the Wider NMR Group taken as a whole, otherwise than in the ordinary course;

No adverse change, litigation or regulatory enquiry

11 Save as Disclosed, since the Last Accounts Date:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider NMR Group which, in any such case, is material in the context of the Wider NMR Group taken as a whole and no circumstances have arisen which would or would reasonably be expected to result in such adverse change or deterioration;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider NMR Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider NMR Group having been instituted, announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider NMR Group which in any such case has had or would reasonably be expected to have a material adverse effect on any member of the Wider NMR Group taken as a whole or in the context of the Acquisition;
- (iii) no contingent or other liability of any member of the Wider NMR Group having arisen or become apparent to ABF or increased which has had or would reasonably be expected to have a material adverse effect on any member of the Wider NMR Group taken as a whole, or in the context of the Acquisition;
- (iv) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or remaining outstanding against or in respect of any member by or the Wider NMR Group which in any case is material in the context of the Wider NMR Group taken as a whole;
- (v) no member of the Wider NMR Group having conducted its business in breach of any applicable laws and regulations and which is material in the context of the Wider NMR Group as a whole or material in the context of the Acquisition; and
- (vi) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider NMR Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, a material adverse effect on the Wider NMR Group taken as a whole;

No discovery of certain matters

12 Save as Disclosed, ABF not having discovered:

- (i) that any financial, business or other information concerning the Wider NMR Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider NMR Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the Announcement Date by disclosure either publicly or otherwise to ABF or its professional advisers, in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole;
- (ii) that any member of the Wider NMR Group or partnership, company or other entity in which any member of the Wider NMR Group has a significant economic interest and which is not a subsidiary undertaking of NMR, is subject to any liability (contingent or otherwise), other than in the ordinary course of business and in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition; or
- (iii) any information which affects the import of any information Disclosed at any time by or on behalf of any member of the Wider NMR Group and which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;

13 Save as Disclosed, ABF not having discovered that:

- (i) any past or present member of the Wider NMR Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) or cost on the part of any member of the Wider NMR Group and which is material in the context of the Wider NMR Group taken as a whole;
- (ii) there is, or is likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider NMR Group to make good, remediate, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider NMR Group (or on its behalf) or by any person for which a member of the Wider NMR Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider NMR Group taken as a whole or the Acquisition;
- (iii) circumstances exist (whether as a result of the making of the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider ABF Group or any present or past member of the Wider NMR Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider NMR Group (or on its behalf) or by any person for which a member of the Wider NMR Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider NMR Group taken as a whole or the Acquisition; or
- (iv) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider NMR Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider NMR Group and which is material in the context of the Wider NMR Group taken as a whole or the Acquisition;

Anti-corruption, economic sanctions, criminal property and money laundering

14 Save as Disclosed, ABF not having discovered that:

- (i) (A) any past or present member, director, officer or employee of the Wider NMR Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks or (B) any person that performs or has performed services for or on behalf of the Wider NMR Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks;

- (ii) any asset of any member of the Wider NMR Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider NMR Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;
- (iii) any past or present member, director, officer or employee of the Wider NMR Group or any person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Revenue & Customs; or
 - b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable blocking law;
- (iv) any past or present member, director, officer or employee of the Wider NMR Group or any person for whom any such person may be liable or responsible:
 - a) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations;
 - b) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - c) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
 - d) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement;
- (v) any member of the Wider NMR Group is or has been engaged in any transaction which would cause ABF to be in breach of any law or regulation upon its Acquisition of NMR, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HM Revenue & Customs, or any other relevant government authority.

Part B

Waiver and Invocation of the Conditions

- 1 Subject to the requirements of the Panel and in accordance with the Code, ABF reserves the right in its sole discretion to waive in whole or in part, all or any of the conditions set out in Part A above, except Conditions 2(i), 3(i) and 4(i) which cannot be waived. If any of the Conditions 2(ii), 3(ii) or 4(ii) are not satisfied by the relevant deadline specified in the relevant Condition, ABF shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with NMR to extend the relevant deadline.
- 2 Under Rule 13.5(a) of the Code and subject to paragraph 3 below, ABF may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to ABF in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. Conditions 2(i), 3(i) and 4(i), and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Code.
- 3 If the Panel requires ABF to make a mandatory offer for NMR Shares under the provisions of Rule 9 of the Code, ABF may make such alterations to the Conditions and the terms of the Acquisition as are necessary to comply with the provisions of that Rule.

Implementation by way of Takeover Offer

- 4 Subject to obtaining the consent of the Panel, ABF reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme.
- 5 In such event, such Takeover Offer will be implemented on the same terms and conditions and conditions so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, and an acceptance condition set at up to 90 per cent. of the NMR Shares to which the Takeover Offer relates (or, with the consent of the Panel, such lower percentage provided that if the Takeover Offer became or was declared unconditional in all respects, it would result in ABF holding NMR Shares carrying greater than 50 per cent. of the voting rights in NMR)). Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient NMR Shares are otherwise acquired, it is the intention of ABF to apply the provisions of the Companies Act to acquire compulsorily any outstanding NMR Shares to which such Takeover Offer relates.

Certain further terms of the Acquisition

- 6 NMR Shares will be acquired by ABF fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them at the Effective Date, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Acquisition becomes Effective.
- 7 If, on or after the Announcement Date and prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by NMR or becomes payable in respect of the NMR Shares, ABF reserves the right to reduce the consideration payable for each NMR Share under the terms of the Acquisition by the amount per NMR Share of such dividend or distribution, or other return of value, in which case any reference in this document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. In such circumstances, NMR Shareholders would be entitled to retain any such dividend, distribution or return of value. Any exercise by ABF of its rights referred to in this paragraph 7 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
- 8 To the extent that any such dividend or other distribution and/or other return of capital announced, declared, paid or made is: (a) transferred pursuant to the Acquisition on a basis which entitles ABF to receive the dividend or other distribution and to retain it; or (b) cancelled, then in either case the consideration payable in respect of the Acquisition will not be subject to change and shall not be reduced in accordance with paragraph 7 of this Part III (*Conditions and Further Terms to the Scheme*).

- 9 The Acquisition is subject, among other things, to the Conditions and certain further terms which are set out in this Part III (*Conditions and Further Terms to the Scheme*) and such further terms as may be required to comply with the Aquis Rules and the provisions of the Code.
- 10 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- 11 The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate determined by ABF to be or remain satisfied by 11.59 p.m. (London time) on the Long Stop Date.
- 12 This document and any rights or liabilities arising hereunder are, and the Acquisition, the Scheme, and any proxies are and will be, governed by English law and are and will be subject to the jurisdiction of the courts of England and Wales. The Scheme is and will be subject to the applicable requirements of the Code, the Panel, the FCA, Aquis, and the Aquis Rules.

PART IV

THE SCHEME OF ARRANGEMENT

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)**

No. CR-2023-002913

IN THE MATTER OF NATIONAL MILK RECORDS PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under sections 895 to 899 of the Companies Act 2006)

between

NATIONAL MILK RECORDS PLC

and

THE HOLDERS OF SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

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

"AB Agri"	AB Agri Limited, a company incorporated in England and Wales with registered number 00193800;
"ABF"	Associated British Foods plc, a company incorporated in England and Wales with registered number 00293262;
"ABF Group"	ABF and any of its direct or indirect subsidiaries and subsidiary undertakings;
"Acquisition"	the recommended cash offer made by ABF pursuant to which AB Agri will acquire the entire issued and to be issued ordinary share capital of NMR to be effected by means of this Scheme, and, where the context permits, any subsequent revision, variation, extension or renewal thereof;
"Announcement"	the press release announcing ABF's firm intention to make the Acquisition dated 6 June 2023;
"Business Day"	a day (other than a Saturday, Sunday, public or bank holiday) on which clearing banks are open for non-automated commercial business in the City of London;
"certificated" or "certificated form"	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST);
"Code"	the City Code on Takeovers and Mergers;

“Companies Act”	the Companies Act 2006, as amended from time to time;
“Court”	the High Court of Justice in England and Wales;
“Court Hearing”	the hearing at which the Court sanctions this Scheme;
“Court Meeting”	the meeting or meetings of the Scheme Shareholders (or of any class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act to be convened by direction of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part IX (<i>Notice of Court Meeting</i>) of the Scheme Document, for the purpose of considering and, if thought fit, approving this Scheme (with or without modification approved or imposed by the Court and agreed by ABF and NMR) including any adjournment, postponement or reconvening thereof;
“CREST”	the relevant system (as defined in the CREST Regulations) operated by Euroclear;
“CREST Regulations”	the Uncertificated Securities Regulations 2001, SI 2001/3775;
“Effective”	this Scheme becoming effective in accordance with its terms;
“Effective Date”	the date on which this Scheme becomes Effective;
“Effective Time”	the time on the Effective Date at which this Scheme becomes Effective;
“Euroclear”	Euroclear UK & International Limited;
“Excluded Shares”	any NMR Shares registered in the name of or beneficially owned by ABF, AB Agri or any member of the ABF Group or their respective nominees;
“General Meeting”	the general meeting of NMR convened by the notice set out in Part X (<i>Notice of General Meeting</i>) of the Scheme Document, including any adjournment thereof;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“Last Practicable Date”	29 June 2023 (being the last practicable date prior to the publication of this Scheme);
“Long Stop Date”	29 February 2024 (or such later date as NMR and ABF may agree and the Court and the Panel may allow);
“NMR”	National Milk Records plc, a public limited company incorporated in England and Wales with registered number 03331929 and whose registered office is Greenways Business Park, Fox Talbot House, Chippenham, Wiltshire, SN15 1BN;
“NMR Shareholders”	holders of NMR Shares;
“NMR Share Schemes”	any of: <ul style="list-style-type: none"> (a) the National Milk Records plc Executive Incentive Plan 2022-2024; (b) the National Milk Records plc Executive Bonus Plan 2021; (c) the National Milk Records plc HMRC Approved Company Share Option Plan;

	(d) the National Milk Records plc 2017 Unapproved Share Option Plan; and
	(e) the National Milk Records plc 2004 Share Incentive Plan;
“NMR Shares”	the ordinary shares of 0.25 pence each in the capital of NMR and includes: <ul style="list-style-type: none"> (a) the existing and unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 0.25 pence each in the capital of NMR; (b) any further ordinary shares of 0.25 pence each in the capital of NMR which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which this Scheme becomes Effective (or such earlier date or dates as ABF may, subject to the Code, determine); and (c) any NMR Shares held as treasury shares that are transferred out of treasury before this Scheme becomes Effective (or such earlier date or dates as ABF may, subject to the Code, determine);
“Offer Price”	215 pence per NMR Share;
“Panel”	the Panel on Takeovers and Mergers;
“Registrars”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by ABF and NMR;
“Scheme Court Order”	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
“Scheme Document”	the circular dated 30 June 2023 sent by NMR to, amongst others, NMR Shareholders, of which this Scheme forms part;
“Scheme Record Time”	6.00 p.m. on the Business Day immediately preceding the Effective Date;
“Scheme Shareholders”	holders of Scheme Shares whose names appear in the register of members of NMR at the Scheme Record Time;
“Scheme Shares”	the NMR Shares: <ul style="list-style-type: none"> (a) in issue at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and before the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and before the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme, <p>in each case, and where the context requires, which remain in issue at the Scheme Record Time but excluding the Excluded Shares;</p>

“subsidiary undertaking”	has the meaning given in the Companies Act;
“uncertificated” or “uncertificated form”	in relation to a share or other security, a share or other security title to which is recorded in the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Voting Record Time”	6.30 p.m. on 19 July 2023, being the day which is two days (excluding any part of a day that is not a Business Day) before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the day of such adjourned meeting; and
“£” or “pounds sterling” or “pence”	the lawful currency of the United Kingdom.

References in this Scheme to:

- clauses are to clauses of this Scheme; and
- times are to London time.

Any phrase introduced by the terms **“including”**, **“include”**, **“in particular”** or any similar expression is to be construed as illustrative only and does not limit the sense of the words preceding those terms.

- (b) The total issued share capital of NMR at the Last Practicable Date was £53,099.25 divided into 21,239,702 NMR Shares all of which are credited as fully paid. NMR does not hold any NMR Shares in treasury.
- (c) At the Last Practicable Date, options to acquire 1,452,173 NMR Shares had been granted pursuant to the NMR Share Schemes and remain unexercised at the date of the Scheme Document.
- (d) As at the date of this Scheme, no NMR Shares were registered in the name of or beneficially owned by ABF, AB Agri or any other members of the ABF Group.
- (e) The purpose of this Scheme is to provide for the transfer of the Scheme Shares by the Scheme Shareholders to AB Agri (and/or such other nominee(s) of ABF as ABF may determine).
- (f) Each of ABF and AB Agri has, subject to the satisfaction or, where capable, waiver of the Conditions, agreed to appear by counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.

1 TRANSFER OF SCHEME SHARES

- 1.1 Upon and with effect from the Effective Time, AB Agri (and/or such other nominee(s) of ABF as ABF may determine) shall acquire all the Scheme Shares fully paid up with full title guarantee, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests whatsoever, and together with all rights at the Effective Time or thereafter attached to such Scheme Shares, including, without limitation, voting rights and the right to receive and retain in full (subject to clause 2.2) all dividends and other distributions (if any) declared, made or paid or which becomes payable or any other return of value (whether made by a reduction of share capital or share premium account or otherwise) by NMR made by reference to a record date on or after the Effective Time in respect of the Scheme Shares.

- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred from the Scheme Shareholders to AB Agri (and/or such other nominee(s) of ABF as ABF may determine) by means of a form or forms of transfer or other instrument or instruction of transfer or by means of CREST and, to give effect to such transfers, any person may be appointed by ABF as attorney and/or agent and/or otherwise on behalf of the holder or holders concerned, and is authorised as such attorney and/or agent and/or otherwise on behalf of the holder or holders concerned, to execute and deliver as transferor a form of transfer or other instrument (by deed or otherwise) or instruction of transfer of, or to procure the transfer by means of CREST or otherwise give any instructions to transfer, all of the Scheme Shares and every form, instrument or instruction of transfer so executed or instruction so given or transfer procured shall be as effective as if it had been executed or given or procured by the holder or holders of the Scheme Shares thereby transferred. Such form, instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to AB Agri (and/or such other nominee(s) of ABF as ABF may determine), together with the legal interest in such Scheme Shares, pursuant to such form, instrument or instruction of transfer, or by means of CREST.
- 1.3 Pending the registration of AB Agri (and/or such other nominee(s) of ABF as ABF may determine) as the holder of any Scheme Share to be transferred pursuant to this Scheme in the register of members of NMR, each Scheme Shareholder irrevocably:
- (a) appoints AB Agri (and/or such other nominee(s) of ABF as ABF may determine), and AB Agri (and/or such other nominee(s) of ABF as ABF may determine) shall be empowered upon and with effect from the Effective Time to act, as attorney or, failing that, as agent and/or otherwise on behalf of each holder of any such Scheme Share to exercise on behalf of each Scheme Shareholder (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any and all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to its Scheme Shares and to receive any distribution or other benefit accruing or payable in respect thereof;
 - (b) appoints AB Agri (and/or such other nominee(s) of ABF as ABF may determine) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any documents, and do all such things, as may in the opinion of AB Agri (and/or such other nominee(s) of ABF as ABF may determine) and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to its Scheme Shares, including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting of NMR as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or execute a form of proxy in respect of its Scheme Shares appointing any person nominated by AB Agri (and/or such other nominee(s) of ABF as ABF may determine) and/or any one or more of its directors or agents to attend any general and separate class meetings of NMR (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf; and
 - (c) to take such action as otherwise sees fit in relation to any dealings with or disposal of such Scheme Shares (or any interest in such Scheme Shares), such that from the Effective Time, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or (subject to clause 2.2) any other rights or privileges attaching to the Scheme Shares without the consent of AB Agri (and/or such other nominee(s) of ABF as ABF may determine) and shall not appoint a proxy or representative for or to attend any general meeting, separate class meeting or other meeting of NMR.
- 1.4 The authorities granted pursuant to clauses 1.2 and 1.3 shall be treated for all purposes as having been granted by deed.
- 1.5 NMR shall register, or procure the registration of, any transfer(s) of Scheme Shares effected in accordance with clauses 1.1 and 1.2 of this Scheme.

2 CONSIDERATION FOR THE TRANSFER OF SCHEME SHARES

- 2.1 In consideration of the transfer of the Scheme Shares to AB Agri (and/or such other nominee(s) of ABF as ABF may determine) as provided in clause 1, ABF shall pay or procure that there shall be paid the Offer Price to or for the account of each holder of Scheme Shares whose name appears in the register of members of NMR at the Scheme Record Time in accordance with clause 3.
- 2.2 Subject to clause 2.4, if, on or after the Announcement Date and before the Effective Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Scheme Shares, ABF reserves the right (without prejudice to any of its other rights) to reduce the consideration payable under the Scheme for the Scheme Shares by the aggregate amount of such dividend, distribution and/or return of capital so announced, declared or paid. Any exercise by ABF of its rights referred to in this clause will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Scheme. Furthermore, ABF reserves the right to reduce the consideration payable under the Scheme in such circumstances as are, and by such amount as is, permitted by the Panel.
- 2.3 If ABF exercises the right to reduce the consideration payable under the Scheme by all or part of the amount of a dividend, distribution and/or return of capital that has not been paid or made, then: (a) Scheme Shareholders will be entitled to receive and retain the amount of that dividend, distribution and/or return of capital; and (b) any reference in this Scheme to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced.
- 2.4 To the extent that such a dividend, distribution and/or return of capital has been declared, paid, made or is payable and it is: (i) transferred pursuant to the Scheme on a basis which entitles AB Agri (and/or such other nominee(s) of ABF as ABF may determine) to receive the dividend, distribution and/or return of capital and to retain it; or (ii) cancelled, the consideration payable under the Scheme will not be subject to change in accordance with clause 2.2.

3 SETTLEMENT OF CONSIDERATION

3.1 *Consideration where Scheme Shares are held in certificated form*

- (a) Where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds the Scheme Shares in certificated form, settlement of the cash consideration to which the Scheme Shareholder is entitled pursuant to this Scheme shall be settled by ABF paying or procuring the payment of the requisite amount by cheque, despatched no later than 14 days after the Effective Date by first class post in pre-paid envelopes or by international standard post if overseas (or by such other method as may be approved by the Panel) to the address appearing in the register of NMR at the Scheme Record Time (or, in the case of joint holders, to the holder whose name stands first in such register in respect of the joint holding concerned). All cheques shall be in sterling drawn on the branch of a UK clearing bank. Cheques shall be payable to the Scheme Shareholder concerned or, in the case of joint holders, jointly to all holders. Payment shall be made to the persons entitled thereto and the encashment of any such cheque as is referred to in this clause 3.1 shall be a complete discharge of ABF's obligation under this Scheme to pay or procure the payment of the monies represented thereby. None of ABF, NMR or their respective nominees or agents shall be responsible for any loss or delay in the transmission of any notices, cheques, statements of entitlement or certificates sent in accordance with this clause, which shall be sent at the risk of the person or persons entitled thereto.
- (b) Where the relevant Scheme Shareholder who holds shares in certificated form has set up a standing electronic payment mandate (the "**Mandate**") with the Registrar for the purpose of receiving dividend payments, such payment is to be made by way of an electronic payment to the account indicated in such Mandate. Equiniti and NMR each reserve sole discretion to undertake due diligence to authenticate such Mandate and if necessary, disregard the Mandate and issue the cash consideration in the form of a cheque as described in 3.1(c) below.
- (c) Where the amount payable to a Scheme Shareholder exceeds £100,000, ABF reserves the right to make arrangements with such Scheme Shareholder for electronic payment of such amount in lieu of a cheque or by such other method as may be approved by the Panel.

- (d) In the case of Scheme Shareholders that have not encashed their cheques within six months following the Effective Date, ABF and NMR shall procure that the cash consideration due to such Scheme Shareholders shall be held by the Registrars (or such other receiving agent as ABF may in future nominate) in a designated UK bank account for a period of at least 12 years from the Effective Date solely for the purpose of satisfying ABF's payment obligations under the Scheme, and such Scheme Shareholders may claim the consideration due to them by written notice to NMR or the Registrars in a form and with such evidence which NMR determines evidences their entitlement to such consideration at any time during the period of 12 years from the Effective Date.

3.2 Consideration where Scheme Shares are held in uncertificated form

Where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds the Scheme Shares in uncertificated form, settlement of the cash consideration to which the Scheme Shareholder is entitled pursuant to this Scheme shall be effected through CREST, by ABF procuring the creation of a CREST assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds uncertificated Scheme Shares for the cash consideration due to the Scheme Shareholder not later than 14 days after the Effective Date. The creation of such an assured payment arrangement shall be a complete discharge of ABF's obligations under this Scheme with respect to payments through CREST. ABF reserves the right to pay or procure the payment of any cash consideration referred to in this clause 3.2 to all or any Scheme Shareholders holding Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in clause 3.1 if, for any reason, it wishes to do so.

3.3 NMR Share Schemes

In the case of any Scheme Shares issued under the NMR Share Schemes after the Court Hearing and before the Scheme Record Time, ABF may satisfy the consideration due to the relevant Scheme Shareholders in respect of such Scheme Shares by paying or procuring the payment to NMR (or any of its subsidiary undertakings or otherwise at its or their discretion) of the aggregate consideration in respect of such Scheme Shares by no later than 14 days after the Effective Date, by such method as may be agreed with NMR, and NMR shall procure that any such sums paid to it (or any of its subsidiary undertakings or otherwise at its or their discretion) are paid to the relevant Scheme Shareholders through the payroll of the relevant Scheme Shareholders' employing company as soon as practicable and subject to all deductions or withholdings in respect of the exercise price or as required by law (including applicable income tax and social security contributions or their equivalent in any jurisdiction).

4 OVERSEAS SHAREHOLDERS

The provisions of clauses 2 and 3 shall be subject to any prohibition or condition imposed by law.

5 SHARE CERTIFICATES AND CANCELLATION OF CREST ENTITLEMENTS

5.1 With effect from and including the Effective Date:

- (a) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of NMR to deliver up the same to NMR, or, as it may direct, to destroy the same;
- (b) NMR shall procure that entitlements to Scheme Shares held within CREST will be disabled and Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- (c) following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, NMR's registrars, Equiniti, shall be authorised to rematerialise entitlements to such Scheme Shares; and
- (d) subject to completion of any such form of transfer or other instrument or instruction of transfer as may be required by clause 1.2 and the payment of any stamp duty thereon, appropriate entries will be made in the register of members of NMR with effect from the Effective Date to reflect the transfer of the Scheme Shares to AB Agri (and/or such other nominee(s) of ABF as ABF may determine).

6 MANDATES

All mandates (including, without limitation relating to the payment of dividends on any Scheme Share) and other instructions (including communications preferences) given to NMR by Scheme Shareholders in force at the Scheme Record Time shall, as from the Effective Date, cease to be valid with the exception of those mandates that will be used for the payment of the Scheme consideration, following which such mandates shall cease to be valid.

7 OPERATION OF THIS SCHEME

- 7.1 This Scheme shall become Effective in accordance with its terms upon a copy of the Scheme Court Order being delivered to the Registrar of Companies for registration.
- 7.2 Unless this Scheme shall become Effective as provided in clause 7.1 on or before 11.59 p.m. on the Long Stop Date, or such later date (if any) as NMR and ABF may agree and (if required) the Court and the Panel may allow, this Scheme shall never become Effective.

8 MODIFICATION

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

9 GOVERNING LAW

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

Dated: 30 June 2023

PART V

FINANCIAL AND RATINGS INFORMATION

Financial information relating to NMR

The following sets out the financial information in respect of NMR as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof), the contents of which have previously been announced through an RIS, are incorporated by reference into this document pursuant to Rule 24.15 of the Code:

Document incorporated by reference	Page number in the reference document (if not whole document)
NMR's audited annual report and consolidated financial statements for the year ended 30 June 2022	https://www.nmr.co.uk/financial-reports The audited annual report and consolidated financial statements of NMR for the financial year ended 30 June 2022 are set out on pages 16 to 53 (both inclusive) in NMR's annual report for the financial year ended 30 June 2022 (available from NMR's website at the link referred to above)
NMR's audited annual report and consolidated financial statements for the year ended 30 June 2021	https://www.nmr.co.uk/financial-reports The audited annual report and consolidated financial statements of NMR for the financial year ended 30 June 2021 are set out on pages 20 to 53 (both inclusive) in NMR's annual report for the financial year ended 30 June 2021 (available from NMR's website at the link referred to above)
Interim results for the six months ended 31 December 2022	https://www.nmr.co.uk/investors/announcements The unaudited consolidated interim financial statements of NMR for the six months ended 31 December 2022 are set out on pages 5 to 7 (both inclusive) in NMR's interim results announcement for the six months ended 31 December 2022 (available from NMR's website at the link referred to above).
Third quarter trading update for the three months ended 31 March 2023	https://www.nmr.co.uk/investors/announcements

This information is available free of charge on NMR's website as set out above.

Financial information relating to ABF

The following sets out the financial information in respect of ABF as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof), the contents of which have previously been announced through an RIS, are incorporated by reference into this document pursuant to Rule 24.15 of the Code:

Document incorporated by reference	Page number in the reference document (if not whole document)
ABF's annual report and consolidated financial statements for the 52 weeks ended 17 September 2022	<p>https://www.abf.co.uk/investors/results-reports-presentations/annual-reports</p> <p>The audited annual report and consolidated financial statements of ABF for the 52 weeks ended 17 September 2022 are set out on pages 158 to 241 (both inclusive) in ABF's annual report for the financial 52 weeks ended 17 September 2022 (available from ABF's website at the link referred to above)</p>
ABF's annual report and consolidated financial statements for the 53 weeks ended 18 September 2021	<p>https://www.abf.co.uk/investors/results-reports-presentations/annual-reports</p> <p>The audited annual report and consolidated financial statements of ABF for the 53 weeks ended 18 September 2021 are set out on pages 140 to 223 (both inclusive) in ABF's annual report for the financial 53 weeks ended 18 September 2021 (available from ABF's website at the link referred to above)</p>
Interim results for the 24 weeks ended 4 March 2023	<p>https://www.abf.co.uk/investors/results-reports-presentations/results</p> <p>The unaudited consolidated interim financial statements of ABF for the 24 weeks ended 4 March 2023 are set out on pages 11 to 32 (both inclusive) in ABF's interim results announcement for the 24 weeks ended 4 March 2023 (available from ABF's website at the link referred to above).</p>

This information is available free of charge at <https://www.abf.co.uk/investors/results-reports-presentations/results>.

Effect of Scheme becoming Effective on ABF

With effect from the Effective Date, the earnings, assets and liabilities of the ABF Group will include the consolidated earnings, assets and liabilities of the NMR Group.

Ratings information

ABF

On 8 November 2021, ABF was issued with a Long-Term Issuer Rating of A/Stable/-- by S&P.

On 7 February 2022, ABF was issued with a Senior Unsecured Rating of A by S&P.

NMR

No ratings agency has publicly accorded NMR with any current credit rating or outlook.

Hard copies

Hard copies may be requested by contacting the Registrars, Equiniti, on +44 (0)333 207 6385. If calling from outside of the UK, please ensure the country code is used, or by submitting a request in writing at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Calls from outside the United Kingdom will be charged at the applicable international rate.

Incorporation of website information

Save as expressly referred to herein, neither the content of the NMR website nor the ABF website, nor the content of any website accessible from hyperlinks on either NMR's website or ABF's website, is incorporated into, or forms part of, this document.

PART VI

TAXATION

UNITED KINGDOM TAXATION

1 GENERAL

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK tax legislation and HM Revenue & Customs published practice as at the Last Practicable Date, both of which are subject to change, possibly with retrospective effect. HM Revenue & Customs' published practice may not be binding on it.

They summarise certain limited aspects of the UK taxation treatment of Scheme Shareholders under the Scheme and relate only to the position of the Scheme Shareholders who are resident and, in the case of individual shareholders, domiciled in the UK for taxation purposes at all relevant times and to whom split year treatment does not apply. They apply only to Scheme Shareholders who hold their Scheme Shares as an investment (other than under a self-invested personal pension plan (“**SIPP**”) or individual savings account (“**ISA**”)) and who are the absolute beneficial owners of those shares.

They do not deal with certain types of shareholders, such as charities, persons who have or could be treated for tax purposes as having acquired their Scheme Shares by reason of their employment, persons holding their Scheme Shares for the purposes of a trade, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, collective investment schemes or insurance companies.

IF YOU ARE IN ANY DOUBT AS TO YOUR TAXATION POSITION OR IF YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UK, YOU SHOULD CONSULT AN APPROPRIATE PROFESSIONAL ADVISER IMMEDIATELY.

2 UK TAXATION OF CHARGEABLE GAINS

Scheme Shareholders whose Scheme Shares are transferred pursuant to the Scheme in return for cash consideration will be treated as making a disposal of their Scheme Shares for the purposes of UK tax on chargeable gains. That disposal may, depending on the relevant Scheme Shareholder's particular circumstances, give rise to a liability to UK tax on chargeable gains or to an allowable loss.

Individual Scheme Shareholders

Subject to available reliefs or allowances, gains arising on a disposal of Scheme Shares by an individual Scheme Shareholder will be subject to capital gains tax (“**CGT**”) at the rate of (for the 2023/2024 tax year) 10 per cent. or 20 per cent. or a combination thereof depending on the individual's personal circumstances, including any other taxable income and gains of that Scheme Shareholder in the relevant tax year.

No indexation allowance will be available to an individual Scheme Shareholder in respect of any disposal of Scheme Shares. The CGT annual exempt amount may, however, be available to individual Scheme Shareholders to offset against chargeable gains realised on the disposal of their Scheme Shares. The annual exempt amount for individuals is £6,000 for the 2023/2024 tax year.

Corporate Scheme Shareholders

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Scheme Shares by a Scheme Shareholder within the charge to UK corporation tax will be taxed at the rate of corporation tax applicable to that Scheme Shareholder.

For Scheme Shareholders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption in respect of their Scheme Shares), indexation allowance may be available in respect of part of the period of ownership of the Scheme Shares to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the disposal of their Scheme Shares under the Scheme in return for cash. Indexation allowance may be available where the Scheme Shares were acquired prior to 31 December 2017 in respect of the period of ownership of the Scheme Shares up to and including 31 December 2017.

The substantial shareholding exemption may apply to exempt from corporation tax any gain (or disallow any loss) arising to Scheme Shareholders within the charge to UK corporation tax where a number of conditions are satisfied, including that the applicable corporate Scheme Shareholder (together with certain associated companies) has held not less than 10 per cent. of the issued ordinary share capital of NMR for a continuous period of at least one year beginning not more than six years prior to the date of disposal.

3 STAMP DUTY AND STAMP DUTY RESERVE TAX (“SDRT”)

No UK stamp duty or SDRT should be payable by any Scheme Shareholders as a result of the Scheme becoming Effective.

PART VII

ADDITIONAL INFORMATION ON NMR AND ABF

1 RESPONSIBILITY

- 1.1 The NMR Directors, whose names are set out in paragraph 2.1 below, each accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by the ABF Directors pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the NMR Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The ABF Directors, whose names are set out in paragraph 2.3 below, each accept responsibility for the information contained in this document (including any expressions of opinion) relating to ABF, each member of the Wider ABF Group (including AB Agri) and themselves (and, in each case, their close relatives and related trusts). To the best of the knowledge and belief of the ABF Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 DIRECTORS AND CORPORATE INFORMATION

- 2.1 The NMR Directors are:

Name	Position
Trevor Lloyd	Independent Non-Executive Chair
Andrew John Warne	Executive Managing Director
Mark Christopher Frankcom	Executive Finance Director
Mark Butcher	Independent Non-Executive Director
Dr James Aloysius Andrews	Independent Non-Executive Director

- 2.2 The registered office of NMR, and the business address of each of the NMR Directors and the Company Secretary for NMR, is at Greenways Business Park, Fox Talbot House, Chippenham, Wiltshire SN15 1BN

- 2.3 The ABF Directors and their respective functions are:

Name	Position
Michael George Alexander McLintock	Chair
George Garfield Weston	Chief Executive
Eoin Philip Tonge	Finance Director
Emma Susan Adamo	Non-Executive Director
Graham Denis Allan	Independent Non-Executive Director
Heather Victoria Rabbatts	Independent Non-Executive Director
Linda Ruth Cairnie	Independent Non-Executive Director
Wolfhart Gunnar Hauser	Independent Non-Executive Director
Richard Harry Reid	Independent Non-Executive Director

ABF is a public company and the registered office of ABF, and the business address of each of the ABF Directors, is Weston Centre, 10 Grosvenor Street, London, United Kingdom, W1K 4QY.

3 MARKET QUOTATIONS

Set out below are the Closing Prices for the NMR Shares on:

- 3.1 the first dealing day in each of the six months immediately before the date of this document;
- 3.2 5 June 2023 (being the last dealing day prior to the commencement of the Offer Period); and
- 3.3 the Last Practicable Date.

Date	NMR Share (p)
Last Practicable Date	202
5 June 2023	115
1 June 2023	115
2 May 2023	115
3 April 2023	115
1 March 2023	112.5
1 February 2023	122
3 January 2023	122

4 INTERESTS AND DEALINGS

4.1 For the purposes of this paragraph 4.1:

- (a) “**acting in concert**” has the meaning given to it in the Code;
- (b) “**close relative**” has the meaning given to it in the Code;
- (c) “**dealing**” has the meaning given to it in the Code;
- (d) “**derivative**” has the meaning given to it in the Code;
- (e) “**disclosure period**” means the period commencing 6 June 2022 (the date 12 months prior to the date of commencement of the Offer Period) and ending on the Last Practicable Date;
- (f) “**financial collateral arrangements**” are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code;
- (g) “**interest**” or “**interests**” in relevant securities shall have the meaning given to it in the Code and references to interests of the ABF Directors or the NMR Directors in relevant securities shall include all interests of any other person whose interests in such securities the ABF Directors or the NMR Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;
- (h) “**relevant securities**” means (a) NMR Shares and any other securities of NMR conferring voting rights; (b) equity share capital of NMR; and (c) securities of NMR carrying conversion or subscription rights into any of the foregoing; and
- (i) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

If there is any inconsistency between the above definitions and the Code, those used in the Code shall prevail.

4.2 **Persons acting in concert with ABF**

In addition to the ABF Directors (together with their close relatives and related trusts), and in addition to members of the ABF Group, the persons who are acting in concert with ABF for the purposes of the Acquisition and which are required to be disclosed are:

Person acting in concert	Type of company	Relationship with ABF	Address
Wittington Investments Limited	Private company	Majority shareholder of ABF	Weston Centre, 10 Grosvenor Street, London, W1K 4QY
The Garfield Weston Foundation	Charitable trust	Majority shareholder of Wittington Investments Limited	Weston Centre, 10 Grosvenor Street, London, W1K 4QY
N. M Rothschild & Sons Limited	Private company	Financial adviser to ABF	New Court, St Swithin's Lane, London, EC4N 8AL
Credit Suisse Securities (Europe) Limited	Private company	Corporate broker to ABF	One Cabot Square, London, E14 4QJ
Barclays Bank PLC	Public company	Corporate broker to ABF	1 Churchill Place, London, E14 5HP

4.3 **Persons acting in concert with NMR**

In addition to the NMR Directors (together with their close relatives and related trusts), the persons who are acting in concert with NMR for the purposes of the Acquisition and which are required to be disclosed are:

Person acting in concert	Type of company	Relationship with NMR	Address
Canaccord Genuity	Financial Services	Rule 3 adviser and corporate broker	88 Wood Street, London, EC2V 7QR

4.4 **Arrangements of the kind referred to in Note 11 on the definition of acting in concert**

There are no arrangements of the kind referred to in Note 11 on the definition of acting in concert set out in the Code relating to relevant securities which exist between ABF or any person acting in concert with ABF and any other person nor between NMR or any person acting in concert with NMR and any other person.

4.5 **Interests in relevant securities**

- (a) At the close of business on the Last Practicable Date, ABF was not interested in any relevant securities.
- (b) At the close of business on the Last Practicable Date, the ABF Directors, their close relatives and related trusts were not interested in any relevant securities.
- (c) At the close of business on the Last Practicable Date, persons acting, or presumed to be acting, in concert with ABF, other than the ABF Directors as disclosed in paragraph 4.5(b) above, were not interested in any relevant securities.
- (d) At the close of business on the Last Practicable Date, none of ABF and/or persons acting in concert with it had borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 3 on Rule 4.6 of the Code) in relation to any relevant securities.

- (e) At the close of business on the Last Practicable Date, the following NMR Directors (together with their respective close relatives and related trusts) held the following interests in NMR Shares (with the exception of interests held under the relevant NMR Share Schemes other than the NMR SIP, details of which are disclosed under paragraphs 4.5(f) to 4.5(i) below):

Name	Number of NMR Shares	Percentage of NMR Shares
Andrew Warne	176,333	0.83%
James Andrews	4,270	0.02%
Mark Frankcom	61,465	0.28%
Trevor Lloyd	43,047	0.20%

- (f) At the close of business on the Last Practicable Date, the following awards in respect of NMR Shares had been granted to the following NMR Directors and remained outstanding under the NMR EIP:

Name	Maximum number of NMR Shares under option/awards	Date of grant	Exercise price per NMR Share	Vesting status
Andrew Warne	437,256	23 December 2021	£0.025	Vested as to 109,621 NMR Shares and will vest as to 327,635 NMR Shares on Scheme Court Order
Mark Frankcom	317,773	23 December 2021	£0.025	Vested as to 79,666 NMR Shares and will vest as to 238,107 NMR Shares on Scheme Court Order
Total	755,029			

- (g) At the close of business on the Last Practicable Date, the following awards in respect of NMR Shares had been granted to the following NMR Directors and remained outstanding under the NMR EBP:

Name	Maximum number of NMR Shares under option/awards	Date of grant	Exercise price per NMR Share	Vesting status
Andrew Warne	148,029	10 December 2020	£0.10	Exercisable
Mark Frankcom	101,540	10 December 2020	£0.10	Exercisable
Total	249,569			

- (h) At the close of business on the Last Practicable Date, the following awards in respect of NMR Shares had been granted to the following NMR Directors and remained outstanding under the NMR USOP:

Name	Maximum number of NMR Shares under option/awards	Date of grant	Exercise price per NMR Share	Vesting status
Andrew Warne	44,089	18 December 2017	£0.65	Exercisable
Mark Frankcom	116,851	18 December 2017	£0.65	Exercisable
Total	160,940			

- (i) At the close of business on the Last Practicable Date, the following awards in respect of NMR Shares had been granted to the following NMR Directors and remained outstanding under the NMR CSOP:

Name	Maximum number of NMR Shares under option/awards	Date of grant	Exercise price per NMR Share	Vesting status
Andrew Warne	5,911	18 December 2017	£0.905	Exercisable
Mark Frankcom	33,149	18 December 2017	£0.905	Exercisable
Total	39,060			

- (j) At the close of business on the Last Practicable Date, the following NMR Directors had beneficial interests in the following numbers of NMR Shares under the NMR SIP:

Name	Number of NMR Shares
Andrew Warne	60,677
James Andrews	4,270
Mark Frankcom	12,579
Trevor Lloyd	43,047

- (k) At the close of business on the Last Practicable Date, none of NMR and/or persons acting in concert with it had borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 3 on Rule 4.6 of the Code) in relation to any relevant securities.

4.6 **Dealings in relevant securities**

- (a) There were no dealings in relevant securities of NMR by ABF, the ABF Directors, (nor by their respective close relatives and related trusts or by any persons acting in concert with ABF during the disclosure period.
- (b) Dealings in relevant securities of NMR by NMR Directors and their respective close relatives and related trusts and by persons acting in concert with NMR which have taken place during the period between the start of the Offer Period and the Last Practicable Date were as follows:

Name	Date	Nature of dealing	Number of NMR Shares	Price per NMR Share
Andrew Warne	6 June 2023	Purchase	81	£2.06
James Andrews	6 June 2023	Purchase	81	£2.06
Mark Frankcom	6 June 2023	Purchase	80	£2.06
Trevor Lloyd	6 June 2023	Purchase	81	£2.06

- (c) Save as disclosed in paragraph 4.6(b) above, there were no dealings during the period between the start of the Offer Period and the Last Practicable Date in relevant securities of NMR or in ABF securities by the NMR Directors nor by their respective close relatives and related trusts nor by any person acting in concert with NMR.

4.7 **General**

- (a) Save as disclosed in this paragraph 4, as at the close of business on the Last Practicable Date:
- (i) neither ABF nor the ABF Directors (nor any of their respective close relatives and related trusts), nor any person acting in concert with ABF:
- (A) held any interest in, or right to subscribe for, or any short position in respect of (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, any relevant securities; nor

- (B) save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any relevant securities (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code);
- (ii) none of the NMR Directors (and their respective close relatives and related trusts), nor any other person acting in concert with NMR, held any interest in, or right to subscribe for, or any short position in respect of, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, any relevant securities of NMR or securities in ABF; and
- (iii) neither NMR nor any person acting in concert with NMR had borrowed or lent any relevant securities (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code), save for any borrowed shares which have either been on-lent or sold.

5 NMR SHARE SCHEMES

As at the last day of the disclosure period, the following NMR Shares were in issue and options and awards under the NMR Share Schemes (excluding for this purpose, the NMR SIP) in respect of which NMR Shares are required to be issued were outstanding:

NMR Shares in issue:	21,239,702
NMR Shares required to be issued to satisfy options and awards under the NMR Share Schemes:	1,076,524*

(*) assuming the full exercise of such options and awards, options and awards over 375,649 NMR Shares are to be satisfied by the transfer of existing issued NMR Shares held by the NMR Employee Benefit Trust (the "EBT") and options and awards over the balance of 1,076,524 NMR Shares are to be satisfied by the issue by NMR to the EBT and subsequent transfer to holders of options and awards of 1,076,524 new NMR Shares)

6 EMPLOYMENT CONTRACTS, APPOINTMENT LETTERS AND REMUNERATION OF THE NMR DIRECTORS

6.1 NMR Executive Directors

Summaries of the employment contracts entered into between NMR and the Executive Directors of NMR are set out below. No such employment contract has been entered into or amended during the six months preceding the date of this document.

(a) Andrew Warne

Andrew Warne has entered into an employment agreement (signed by Andrew Warne on 10 July 2002 and by NMR on 15 July 2002) with NMR as its Managing Director commencing on 16 July 2002. The service agreement is subject to termination upon 12 months' notice given by NMR and by 6 months' notice given by Andrew Warne and provides for an annual salary (currently £182,759.13 per annum) and which is subject to annual review. The employment agreement also provides for the payment of a discretionary annual bonus on such conditions as the NMR Remuneration Committee and the NMR Board may determine, capped at 30% of his basic salary. Other benefits include 25 days' paid holiday per annum (exclusive of bank and other public holidays), the provision of a car allowance of £9,000 per annum, a pension contribution to his private pension plan of a sum equal to 4.89% of his basic salary (against a matching contribution of 6.1% of his basic salary made by Andrew Warne), participation in a medical fees cash plan, group life assurance and the reimbursement of all reasonable and properly documented expenses incurred in the proper performance of his duties and responsibilities.

(b) Mark Frankcom

Mark Frankcom has entered into an employment agreement signed by Mark Frankcom on 24 June 2016 and by NMR on 23 June 2016 with NMR as its Finance Director commencing on 1 September 2016. The service agreement is subject to termination upon 12 months' notice given by NMR and by 12 months' notice given by Mark Frankcom and provides for an annual

salary (currently of £143,818.85) per annum and which is subject to annual review. The employment agreement also provides for the payment of a discretionary annual bonus on such conditions as the NMR Remuneration Committee and the NMR Board may determine, capped at 30% of his basic salary. Other benefits include 25 days' paid holiday per annum (exclusive of bank and other public holidays), the provision of a car allowance of £9,000 per annum, a pension contribution to the company pension scheme of a sum equal to 10% of his basic salary (against a matching contribution of 10% of his basic salary made by Mark Frankcom), participation in the private medical plan, group life assurance and the reimbursement of all reasonable and properly documented expenses incurred in the proper performance of his duties and responsibilities.

6.2 **NMR Non-Executive Directors**

Summaries of the appointment letters entered into between NMR and the Non-Executive Directors of NMR are set out below. No such appointment letter has been entered into or amended during the six months preceding the date of this document.

(a) *Trevor Lloyd*

The services of Trevor Lloyd as a Non-Executive Director and Chairman of NMR are provided under the terms of a letter of appointment dated 13 February 2018 (signed by Trevor Lloyd on 17 February 2018) between him and NMR for an initial period of three years (subject to the NMR Articles) commencing on 1 March 2018 and which have continued after such initial period by mutual agreement, subject to termination by either party giving to the other 3 months' prior written notice. Trevor Lloyd is paid an annual fee of £45,537.90 (payable in equal instalments monthly and covering all duties, including service on any Board committee or subsidiary of NMR) as Non-Executive Chairman of NMR, participates in the medical fees cash plan and is entitled to reimbursement of all reasonable and properly documented expenses incurred in the proper performance of the duties of his office.

(b) *Mark Butcher*

The services of Mark Butcher as a Non-Executive Director of NMR are provided under the terms of a letter of appointment dated 13 April 2013 (signed by Mark Butcher on 2 May 2013) between him and NMR for an initial period of three years (subject to the NMR Articles) commencing on 1 May 2013 and which have continued after such initial period by mutual agreement, subject to termination by either party giving to the other 3 months' prior written notice. Mark Butcher is paid an annual fee of £25,298.83 (payable in equal instalments monthly) as a Non-Executive Director and is entitled to reimbursement of reasonable expenses incurred wholly and exclusively on behalf of NMR in the course of his office.

(c) *James Andrews*

The services of James Andrews as a Non-Executive Director of NMR are provided under the terms of a letter of appointment dated 20 March 2020 (signed by James Andrews on 24 March 2020) between him and NMR for an initial period of three years commencing on 1 April 2020 until the conclusion of NMR's annual; general meeting occurring in October 2023, unless terminated earlier by either party giving to the other 3 months' prior written notice. James Andrews is paid an annual fee of £24,561.98 (payable in equal instalments monthly and covering all duties, including service on any Board committee or subsidiary of NMR) as a Non-Executive Director, a pension contribution to the company pension scheme equal to 4.5% of his annual fee (against a matching contribution of 4% of his annual fee made by James Andrews), participates in group life assurance and is entitled to reimbursement of all reasonable and properly documented expenses incurred in the proper performance of the duties of his office.

6.3 NMR maintains appropriate director's and officer's liability insurance for the benefit of each NMR Director and maintains such cover for any claims that might be lawfully brought against them during the policy period (including after they have ceased to be a NMR Director).

7 FINANCING ARRANGEMENTS AND CASH CONFIRMATION

- 7.1 The Scheme values the entire issued and to be issued share capital of NMR at approximately £48 million in cash.
- 7.2 The cash consideration payable to the NMR Shareholders under the terms of the Acquisition will be financed by existing cash resources available to ABF.
- 7.3 Rothschild & Co, as financial adviser to ABF, is satisfied that sufficient cash resources are available to ABF to enable it to satisfy in full the cash consideration payable to NMR Shareholders under the terms of the Acquisition.
- 7.4 Except with the consent of the Panel, settlement of the cash consideration payable under the terms of the Acquisition to which any NMR Shareholder is entitled will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which ABF may otherwise be, or claim to be, entitled against such NMR Shareholder.

8 IRREVOCABLE UNDERTAKINGS

Irrevocable undertakings to accept, or procure the acceptance of, the Acquisition have been received by ABF from the following persons in respect of the following interests in NMR Shares:

Name	Number of NMR Shares	Percentage of existing share capital of NMR
<i>NMR Directors:</i>		
Andrew Warne	176,333 ⁽¹⁾	0.83
Dr James Andrews	4,270 ⁽¹⁾	0.02
Mark Frankcom	61,465 ⁽¹⁾	0.29
Trevor Lloyd	43,047 ⁽¹⁾	0.20
Total	285,115	1.34
<i>NMR Shareholders:</i>		
High Street Partners, Ltd	2,974,783	14.01
Working Capital Partners, Ltd	3,335,217	15.70
Custodial Capital Management Limited	1,524,964	7.18
ICM Investment Management Limited	117,370	0.55
Livestock Improvement Corporation Limited	4,000,000 ⁽²⁾	18.83
Genus plc	2,120,000	9.98
Total	14,072,334	66.25

(1) Figures for NMR Directors include additional NMR Shares acquired by the Trustee of the NMR SIP for the benefit of NMR Directors since the Announcement Date.

(2) In addition, ABF has received an undertaking from Livestock Improvement Corporation Limited to act on a reasonable endeavours basis to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 194,880 NMR shares (representing, in aggregate, approximately 0.92 per cent. of the NMR Shares in issue on the Last Practicable Date). The irrevocable undertakings given by the NMR Directors listed above cease to be binding if:

- the Panel consents to ABF not proceeding with the Acquisition;
- the Scheme lapses or is withdrawn in accordance with its terms, or the Scheme does not become Effective on or before the Long Stop Date (other than in circumstances where ABF has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Code);
- any competing offer for the issued and to be issued ordinary share capital of NMR is made which is declared wholly unconditional (if implemented by way of a Takeover Offer) or otherwise becomes Effective (if implemented by way of a Scheme); or
- ABF announces (with the consent of the Panel) that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time.

The irrevocable commitments given by the NMR Shareholders listed above cease to be binding if:

- the Panel consents to ABF not proceeding with the Acquisition;

- (b) the Scheme lapses or is withdrawn in accordance with its terms, or the Scheme does not become Effective on or before the Long Stop Date (other than in circumstances where ABF has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Code);
- (c) ABF announces (with the consent of the Panel) that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time; or
- (d) a competing offer to acquire NMR is announced, however structured, under which the value of the consideration payable to NMR Shareholders for each NMR Share represents at least 10% or more than that payable pursuant to the Acquisition.

9 MATERIAL CONTRACTS

9.1 **NMR**

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) to which NMR or any member of the NMR Group is a party which are or, or may be considered to be, material and which have been entered into during the period commencing on 6 June 2021 (being the date two years before the commencement of the Offer Period) and ending on the Last Practicable Date.

– *Genus Waiver*

Pursuant to the Genus Waiver, subject to completion of the Scheme by 31 December 2023, Genus agreed to waive any right or an adjustment of their rights which Genus would otherwise be entitled to pursuant to a change of control clause in, inter alia, a collaboration agreement entered into between NMR and Genus Breeding Limited dated 23 June 2017 (as amended) in relation to the Acquisition.

9.2 **ABF**

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) to which ABF or any member of the ABF Group is a party which are, or may be considered to be, material and which have been entered into during the period commencing on 6 June 2021 (being the date two years before the commencement of the Offer Period) and ending on the Last Practicable Date.

– *Syndicated Loan Facility*

On 9 June 2023, ABF entered into a £1.5bn syndicated loan facility with various banks that matures in June 2028.

9.3 **Offer-Related Agreements**

(a) **Confidentiality Agreement**

Pursuant to the Confidentiality Agreement, AB Agri undertook to keep, and to procure that certain of their representatives keep information relating to the NMR Group and/or to the Acquisition confidential, to use such information solely for the agreed purposes in relation to the Acquisition and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until the earlier of: (a) completion of the Acquisition by ABF or a member of the ABF Group; or (b) the date falling three years after the date of the Confidentiality Agreement.

(b) **Co-operation Agreement**

Pursuant to the Co-operation Agreement: (a) ABF and NMR have agreed to co-operate to assist with the satisfaction of certain regulatory conditions; (b) ABF has agreed to provide NMR with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; and (c) ABF and NMR have agreed certain arrangements in respect of the NMR Share Schemes.

The Co-operation Agreement will terminate, among other things: (a) if the Acquisition is withdrawn or lapses; (b) if prior to the Long Stop Date any Condition becomes incapable of satisfaction; (c) if the NMR Directors withdraw their recommendation of the Acquisition or if the NMR Directors recommend a competing proposal; (d) if the Scheme does not become Effective in accordance with its terms by the Long Stop Date or as otherwise agreed in writing between ABF and NMR.

10 BASES OF CALCULATIONS AND SOURCES OF INFORMATION

- 10.1 For the purposes of the financial comparisons contained in this document, no account has been taken of any liability to taxation or the treatment of fractions under the Acquisition.
- 10.2 At the close of business on the Last Practicable Date, NMR had in issue 21,239,702 NMR Shares. The International Securities Identification Number (“**ISIN**”) for the NMR Shares is GB00B5TWCQ18.
- 10.3 The value of the Acquisition is based upon the consideration of 215 pence for each NMR Share multiplied by the fully diluted share capital of NMR set out in paragraph 10.4 below.
- 10.4 The fully diluted share capital of 22,316,226 NMR Shares is calculated on the basis of:
- (a) 21,239,702 NMR Shares in issue on the Last Practicable Date; plus:
 - (b) 1,076,524 additional NMR Shares which is the maximum number currently expected to be issued on or after the date of this document following the exercise of options and awards under the NMR Share Schemes.
- 10.5 Unless otherwise stated the financial information relating to NMR is extracted or derived from:
- (a) NMR’s audited annual report and consolidated financial statements for the year ended period ended 30 June 2022; and
 - (b) the unaudited consolidated interim statements contained in the interim results of NMR for the six months ended 31 December 2022.
- 10.6 Share prices have been derived from the website of Aquis and represent the closing middle market prices on the relevant date.
- 10.7 Volume-weighted average prices have been derived from the website of Aquis and have been rounded to the nearest one decimal place.
- 10.8 References to a percentage of issued NMR Shares are based on the number of NMR Shares in issue as set out in paragraph 10.2 above.

11 GENERAL

- 11.1 Except as disclosed in this document, no agreement, arrangement or understanding (including any compensation or incentivisation arrangement) exists between ABF or AB Agri or any party acting in concert with either ABF or AB Agri for the purposes of the Acquisition and any of the directors, recent directors, shareholders or recent shareholders of NMR having any connection with or dependence on, or which is conditional on the outcome of, the Acquisition.
- 11.2 Except as disclosed in this document, there is no agreement, arrangement or understanding by which the beneficial ownership of any of the shares which are the subject of the Acquisition acquired by AB Agri will be transferred to any other person, but AB Agri reserves the right to transfer any such shares to any other member of the ABF Group or any joint venture, partnership, firm or company in which it has a substantial interest and the right to assign any such shares by way of security or grant any other security interest over such shares.
- 11.3 Save as disclosed in this document, there are no agreements to which ABF is a party which relate to the circumstances in which it may or may not invoke a condition to the Acquisition.
- 11.4 Rothschild & Co has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

- 11.5 Canaccord Genuity has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 11.6 Save as disclosed or referred to in this document, the NMR Directors are not aware of any significant change in the financial or trading position of the NMR Group since 31 December 2022, being the date to which the last published interim results of NMR were prepared.

12 FEES AND EXPENSES

- 12.1 ABF estimates that the aggregate fees and expenses expected to be incurred by them in connection with the Acquisition will be approximately £1.34 million (excluding applicable VAT). This aggregate number consists of the following categories:

Financial and corporate broking advice:	£600,000
Legal advice:	£400,000
Accounting and tax advice:	£294,000
Public relations advice:	£2,000
Other costs and expenses:	£45,000

- 12.2 NMR estimates that the aggregate fees and expenses expected to be incurred by NMR in connection with the Acquisition will be approximately £1.86 million (excluding applicable VAT). This aggregate number consists of the following categories:

Financial and corporate broking advice:	£920,000
Legal advice:	£800,000
Accounting and tax advice:	nil
Public relations advice:	£25,000
Other costs and expenses:	£116,600

13 DOCUMENTS ON DISPLAY

Copies of the following documents will be available free of charge at the websites of NMR and ABF at <https://www.nmr.co.uk/investors/offer-for-nmr> and <https://www.abf.co.uk/investors/offer-for-national-milk-records-plc>, subject to any restrictions relating to persons resident in certain jurisdictions, until the Effective Date:

- 13.1 this document, the Forms of Proxy and the Announcement;
- 13.2 the articles of association of NMR;
- 13.3 the articles of association of ABF;
- 13.4 the audited annual report and consolidated financial statements of NMR, the unaudited consolidated interim results and the third quarter trading update referred to in Part V (Financial Information) of this document;
- 13.5 the audited annual report and consolidated financial statements of ABF Group and the unaudited consolidated interim results referred to in Part V (Financial Information) of this document;
- 13.6 the offer related agreements described in paragraph 9.3 above; and
- 13.7 the written consents referred to in paragraphs 11.4 and 11.5 above.

For the avoidance of doubt, save for the financial information referred to at paragraphs 13.4 and 13.5 above which is incorporated by reference into this document, the contents of NMR's and ABF's websites are not incorporated into and do not form part of this document.

30 June 2023

PART VIII

DEFINITIONS

The following apply throughout this document unless the context otherwise requires:

"AB Agri"	AB Agri Limited, a company incorporated in England and Wales with registered number 00193800;
"ABF"	Associated British Foods plc, a company incorporated in England and Wales with registered number 00293262;
"ABF Directors"	the directors of ABF at the date of this document, as set out in paragraph 2.3 of Part VII (<i>Additional Information</i>);
"ABF Group"	ABF and any of its direct or indirect subsidiaries and subsidiary undertakings (including, following the Effective Date, the NMR Group);
"Acquisition"	the recommended cash offer made by ABF pursuant to which AB Agri will acquire the entire issued and to be issued ordinary share capital of NMR to be effected by means of the Scheme (or, if ABF so elects and subject to the consent of the Panel, a Takeover Offer) on the terms and subject to the conditions set out in this document, including, where the context requires, any subsequent revision, variation, extension or renewal of such acquisition;
"Announcement"	the press release under Rule 2.7 of the Code announcing ABF's firm intention to make the Acquisition;
"Announcement Date"	6 June 2023;
"AQSE Growth Market"	the multilateral trading facility operated by Aquis that is registered as an SME Growth Market in accordance with article 33 of MiFID;
"Aquis"	Aquis Stock Exchange Limited, a recognised investment exchange under section 290 of FSMA;
"Aquis Rules"	the AQSE Growth Market Apex Rulebook, which sets out the admission requirements and continuing obligations of companies seeking admission to, and whose shares are admitted to trading on, the Apex Segment of the AQSE Growth Market;
"Briefing Paper"	a briefing paper prepared in accordance with the CMA's 'Guidance on the CMA's Mergers Intelligence Function (CMA56 Revised)' (or any updated or revised guidance as may be issued from time to time);
"Business Day"	a day (other than a Saturday, Sunday, public or bank holiday) on which clearing banks are open for non-automated commercial business in the City of London;
"Canaccord Genuity"	Canaccord Genuity Limited, which is acting as financial adviser to NMR for the purposes of Rule 3 of the Code in relation to the Acquisition and as AQSE Corporate Adviser and Broker to NMR;

“certificated” or “certificated form”	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST);
“Closing Price”	the closing middle-market quotation for a NMR Share at the close of business on the day to which such price relates, as derived from the website of Aquis;
“CMA”	the UK Competition and Markets Authority, being the independent body which conducts inquiries into mergers, markets and the regulation of the major regulated industries in the United Kingdom (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time);
“Code”	the City Code on Takeovers and Mergers;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Conditions”	the conditions to the Acquisition set out in Part III (<i>Conditions and Further Terms to the Scheme</i>) of this document, and “Condition” means any one of them;
“Confidentiality Agreement”	the confidentiality agreement dated 21 July 2021 (as amended on 29 June 2023) between AB Agri and NMR relating to the Acquisition, as described in paragraph 9.3(a) of Part VII (<i>Additional Information</i>) of this document;
“Co-operation Agreement”	the co-operation agreement dated 6 June 2023 between NMR and ABF, as described in paragraph 9.3(b) of Part VII (<i>Additional Information</i>) of this document;
“Court”	the High Court of Justice in England and Wales;
“Court Hearing”	the hearing at which the Court sanctions the Scheme;
“Court Meeting”	the meeting or meetings of the Scheme Shareholders (or of any class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part IX (<i>Notice of Court Meeting</i>) of this document, for the purpose of considering and, if thought fit, approving the Scheme (with or without modification approved or imposed by the Court and agreed by ABF and NMR), including any adjournment, postponement or reconvening thereof;
“CREST”	the relevant system (as defined in the CREST Regulations) operated by Euroclear;
“CREST Manual”	the CREST manual issued by Euroclear;
“CREST Proxy Instructions”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of a NMR Shareholder in the Court Meeting and/or the General Meeting and containing the information required to be contained in the CREST Manual;
“CREST Regulations”	the Uncertificated Securities Regulations 2001, SI 2001/3775;
“Dealing Disclosure”	has the meaning given to it in Rule 8 of the Code;

“Disclosed”	<ul style="list-style-type: none"> (a) matters fairly disclosed in the information made available to ABF (or its respective officers, employees, agents or advisers in their capacity as such) in the data room established by NMR for the purposes of the Acquisition; (b) information fairly disclosed in writing by or on behalf of NMR to ABF (or its respective officers, employees, agents or advisers in their capacity as such) prior to the Announcement Date; (c) information included in the annual report and accounts of the NMR Group for the financial year ended 30 June 2022 or the interim results of the NMR Group for the six months ended 31 December 2022; (d) information disclosed in a public announcement to an RIS made by or on behalf of NMR prior to the date of this document; or (e) information disclosed in the Announcement;
“Disclosure Guidance and Transparency Rules”	the disclosure rules and transparency rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time;
“Effective”	<ul style="list-style-type: none"> (a) if the Acquisition is implemented by way of the Scheme, the Scheme becoming effective in accordance with its terms, upon the delivery of the Scheme Court Order to the Registrar of Companies for registration; or (b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or become unconditional in accordance with the requirements of the Code;
“Effective Date”	the date on which the Acquisition becomes Effective;
“Excluded Shares”	any NMR Shares registered in the name of or beneficially owned by ABF, AB Agri or any member of the ABF Group or their respective nominees;
“Euroclear”	Euroclear UK & International Limited;
“Explanatory Statement”	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in Part II (<i>Explanatory Statement</i>) of this document;
“FCA”	the Financial Conduct Authority or its successor from time to time;
“Form(s) of Proxy”	either or both (as the context demands) of the BLUE Form of Proxy in relation to the Court Meeting and the WHITE Form of Proxy in relation to the General Meeting, which accompany this document;
“FSMA”	the Financial Services and Markets Act 2000 (as amended, modified, re-enacted or replaced from time to time);
“General Meeting”	the general meeting of NMR convened by the notice set out in Part X (<i>Notice of General Meeting</i>) of this document, including any adjournment thereof;

“Genus Waiver”	the deed of waiver dated 17 April 2023 entered into between Genus plc, Genus Breeding Limited and NMR, as described in paragraph 9.1(a) of Part VII (<i>Additional Information</i>);
“hard copy form”	a document, an announcement or any information will be sent in hard copy form if it is sent in a paper copy or similar form capable of being read;
“Last Accounts Date”	30 June 2022;
“Last Practicable Date”	29 June 2023, being the last practicable date prior to publication of this document;
“London Stock Exchange”	London Stock Exchange plc or its successor from time to time;
“Long Stop Date”	29 February 2024 (or such later date as NMR and ABF may agree and the Court and the Panel may allow);
“MiFID”	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending by the European Parliament and Council Directive of 9 December 2002 on insurance mediation (No 2002/92/EC) and the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
“Meetings”	the Court Meeting and/or the General Meeting, as the case may be;
“NMR”	National Milk Records plc, a public limited company incorporated in England and Wales with registered number 03331929;
“NMR Articles”	the articles of association of NMR from time to time;
“NMR CSOP”	National Milk Records plc HMRC-Approved Company Share Option Plan
“NMR Directors” or “NMR Board”	the directors of NMR at the date of this document, as set out in paragraph 2.1 of Part VII (<i>Additional Information</i>);
“NMR EBP”	the National Milk Records plc Executive Bonus Plan 2021;
“NMR EIP”	National Milk Records plc Executive Incentive Plan 2022-24;
“NMR Group”	NMR and its subsidiary undertakings;
“NMR Shareholders”	holders of NMR Shares;
“NMR Share Schemes”	any of: <ul style="list-style-type: none"> (a) the NMR EIP; (b) the NMR EBP; (c) the NMR CSOP; (d) the NMR USOP; and (e) the NMR SIP;
“NMR USOP”	National Milk Records plc 2017 Unapproved Share Option Plan;

“NMR Shares”	the ordinary shares of 0.25 pence each in the capital of NMR and includes: <ul style="list-style-type: none"> (a) the existing and unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 0.25 pence each in the capital of NMR; (b) any further ordinary shares of 0.25 pence each in the capital of NMR which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Scheme becomes Effective (or such earlier date or dates as ABF may, subject to the Code, determine); and (c) any NMR Shares held as treasury shares that are transferred out of treasury before the Scheme becomes Effective (or such earlier date or dates as ABF may, subject to the Code, determine);
“NMR SIP”	the National Milk Records plc Share Incentive Plan established by a trust deed dated 30 April 2004 executed by, <i>inter alia</i> , NMR;
“Offer Period”	has the meaning given to it in the Code;
“Offer Price”	215 pence per NMR Share;
“Opening Position Disclosure”	an announcement in accordance with Rule 8 of the Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position;
“Overseas Shareholders”	NMR Shareholders (or nominees of, or custodians or trustees for NMR Shareholders) not resident in, or citizens or nationals of, the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;
“Phase 1 Investigation”	an investigation by the CMA to decide whether to make a Phase 2 Reference;
“Phase 2 Reference”	the reference of the Acquisition in accordance with sections 22 or 33 of the Enterprise Act 2002 to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
“Registrar of Companies”	the registrar of companies in England and Wales;
“Registrars”	Equiniti Limited, of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;
“relevant securities”	(a) NMR Shares and any other securities of NMR conferring voting rights; (b) equity share capital of NMR; and (c) securities of NMR carrying conversion or subscription rights into any of the foregoing;
“Resolution”	the resolution to be proposed at the General Meeting necessary to implement the Scheme, including, without limitation, a resolution to amend the NMR Articles by the adoption and inclusion of a new article under which any NMR Shares issued or transferred after the Scheme Record Time (other than to ABF and/or its nominees) shall be automatically transferred to ABF (or as it may direct) (and, where applicable,

for consideration to be paid to the transferee or to the original recipient of the NMR Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities);

“Restricted Jurisdiction”

any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to NMR Shareholders in that jurisdiction;

“RIS”

a service approved by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange’s website;

“Rothschild & Co”

N.M. Rothschild & Sons Limited;

“Scheme”

the proposed scheme of arrangement under Part 26 of the Companies Act between NMR and NMR Shareholders as set out in Part IV (*The Scheme of Arrangement*) of this document, with or subject to any modification, addition or condition approved or imposed by the Court;

“Scheme Court Order”

the order of the Court sanctioning the Scheme under section 899 of the Companies Act;

“Scheme Document”

this document;

“Scheme Record Time”

6.00 p.m. on the Business Day immediately preceding the Effective Date;

“Scheme Shareholders”

holders of Scheme Shares whose names appear in the register of members of NMR at the Scheme Record Time;

“Scheme Shares”

the NMR Shares:

- (a) in issue at the date of this document;
- (b) (if any) issued after the date of this document and before the Voting Record Time; and
- (c) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

in each case, and where the context requires, which remain in issue at the Scheme Record Time but excluding the Excluded Shares;

“Share Scheme Letters”

the letters sent on or around the date of this document by NMR and ABF to participants in the NMR Share Schemes regarding the effect of the Scheme on their rights under the NMR Share Schemes and, where applicable, containing details of the appropriate proposals being made in accordance with Rule 15 of the Code;

“subsidiary” or “subsidiary undertaking”

has the meaning given in the Companies Act;

“Takeover Offer”	if (subject to the consent of the Panel and the terms of this document) the Acquisition is effected by way of a takeover offer as defined in Part 28 of the Companies Act, the offer to be made by or on behalf of ABF to acquire the issued and to be issued share capital of NMR on the terms and subject to the conditions to be set out in the related offer document (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer);
“Third Party”	any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States, the District of Columbia and all other areas subject to its jurisdiction;
“uncertificated” or “uncertificated form”	in relation to a share or other security, a share or other security title to which is recorded in the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Voting Record Time”	6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the date of the relevant Meeting, and if a Meeting is adjourned, 6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the day of such adjourned Meeting;
“Wider ABF Group”	ABF and its subsidiary undertakings, associated undertakings and any other undertaking in which ABF and/or such undertakings (aggregating their interests) have a significant interest and for these purposes “subsidiary undertaking” and “undertaking” have the meanings given by the Companies Act, “associated undertaking” has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and “significant interest” means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act);
“Wider NMR Group”	NMR and its subsidiary undertakings, associated undertakings and any other undertaking in which NMR and/or such undertakings (aggregating their interests) have a significant interest and for these purposes “subsidiary undertaking” and “undertaking” have the meanings given by the Companies Act, “associated undertaking” has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and “significant interest” means a direct or

indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act); and

“£” or “pounds sterling” or “pence” the lawful currency of the United Kingdom.

In this document, unless the contrary is otherwise indicated:

- (a) associated undertaking, parent undertaking, subsidiary undertaking and undertaking have the respective meanings given thereto by the Companies Act;
- (b) references to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this document;
- (c) all the times referred to in this document are London times unless otherwise stated; and
- (d) references to the singular include the plural and vice versa.

PART IX

NOTICE OF COURT MEETING

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

CR-2023-002913

IN THE MATTER OF THE NATIONAL MILK RECORDS PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an Order dated 28 June 2023 made in the above matters, the Court has given permission for National Milk Records Plc (the "**Company**") to convene a meeting of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below) (the "**Court Meeting**") for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 (the "**Act**") proposed to be made between the Company and the holders of Scheme Shares (the "**Scheme of Arrangement**") and that such meeting will be held at the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU at 11.00 a.m. on 21 July 2023.

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

*"THAT the scheme of arrangement dated 30 June 2023 between National Milk Records plc and the holders of Scheme Shares (as defined in the said scheme), a print of which has been produced to this meeting and, for the purposes of identification, signed by the Chair thereof, be approved in its original form or with or subject to such modification, addition or condition agreed by National Milk Records plc and Associated British Foods plc and approved or imposed by the Court (the "**Scheme**"), the directors of National Milk Records plc (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect."*

A copy of the Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Act are incorporated in the document of which this notice forms part. Voting will be by way of a poll.

Holders of Scheme Shares entitled to vote at the Court Meeting may vote by appointing the chair of the Court Meeting as their proxy to vote in their stead at the Court Meeting. A holder of Scheme Shares may appoint the chair of the Court Meeting more than once in relation to the Court Meeting provided that in each case, the chair of the Court Meeting is appointed to exercise the rights attached to a different share or shares held by that holder. A BLUE Form of Proxy for use at the Court Meeting is enclosed with this notice. A separate BLUE Form of Proxy should be used for each proxy appointment. If you intend appointing additional proxies, please contact Equiniti. Alternatively, you may photocopy the enclosed BLUE Form of Proxy.

CREST members who wish to appoint a proxy or proxies through the CREST Electronic Proxy Appointment Service may do so for the Court Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK & International Limited ("Euroclear") and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA19) by 11.00 a.m. on 19 July 2023 or, in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned Court Meeting (excluding any day which is not a Business Day). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by

the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person or by proxy, however the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

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

Entitlement to vote at the Court Meeting and the number of votes which may be cast at the Court Meeting will be determined by reference to the register of members of the Company at 6.30 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two days before the date of such adjourned Court Meeting, in each case excluding any part of a day that is not a business day (the "Voting Record Time"). Changes to the register of members after the Voting Record Time will be disregarded in determining the rights of any person to vote at the Court Meeting or any adjournment thereof.

By the said order, the Court has appointed Trevor Lloyd or, failing him, Mark Frankcom or, failing him, any other Director of the Company to act as Chair of the Court Meeting and has directed the Chair to report the result of the Court Meeting to the Court.

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

Dated 30 June 2023

GOWLING WLG (UK) LLP

4 More London Riverside, London SE1 2AU, solicitors for the Company

GUIDANCE NOTES FOR COMPLETION OF THE BLUE FORM OF PROXY

The guidance notes below should be read in conjunction with the explanatory notes printed on the BLUE Form of Proxy

- A. Voting on the resolution will be by way of a poll. Each Scheme Shareholder will be entitled to one vote for every Scheme Share registered in his, her or its name and each corporate representative or proxy will be entitled to one vote for each Scheme Share which he/she represents.
- B. A BLUE Form of Proxy is enclosed for use at this meeting. To be valid, completed BLUE Forms of Proxy should be completed and signed by or on behalf of the Scheme Shareholder in accordance with the instructions printed thereon and returned by post along with the power of attorney or other authority, if any, under which they are signed or a notarially certified or office copy of such power or authority, so as to arrive at the offices of the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA ("**Equiniti**") as soon as possible and by not later than 11.00 a.m. on 19 July 2023, or if the Court Meeting is adjourned, at least 48 hours before the start of the adjourned meeting, excluding any part of a day that is not a business day. For your convenience, a freepost facility (for use in the UK only) has been provided with respect to the BLUE Form of Proxy. If the BLUE Form of Proxy for the Court Meeting is not returned by the specified time, it may be handed to representatives of Equiniti, on behalf of the chair of the Court Meeting, or the chair of the Court Meeting or emailed to ProxyVotes@equiniti.com with the subject line "NMR Court Proxy" before the start of the meeting and it will still be valid.
- C. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service for the Court Meeting and any adjournment(s) thereof may do so by using the procedures described in the CREST Manual (available at www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA19) by the latest time for receipt of proxy appointments specified below. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

To be valid, all messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be transmitted so as to be received by the issuer's agent (CREST ID RA19) by no later than 11.00 a.m. on 19 July 2023.

- D. A Scheme Shareholder entitled to vote at this meeting is entitled to appoint the chair of the meeting to vote on his, her or its behalf. A Scheme Shareholder may appoint the chair of the meeting more than once to exercise his, her or its rights attaching to different shares. A separate BLUE Form of Proxy should be used for each proxy appointment. If you intend appointing additional proxies, please contact Equiniti for additional BLUE Forms of Proxy during business hours on +44 (0)333 207 6385. If calling from outside of the UK, please ensure the country code is used, or by submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Calls from outside the United Kingdom will be charged at the applicable international rate. Equiniti cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice. Alternatively, you may photocopy the enclosed BLUE Form of Proxy.
- E. A Scheme Shareholder appointing the chair of the meeting more than once for the purposes of exercising rights attaching to different shares should indicate the number of shares for which the chair of the meeting is authorised to act (in each case) on his, her or its holding and mark the box indicating that the proxy instruction is one of multiple instructions being given. Failure to specify the number of shares to which each proxy form relates or specifying a number which, when taken together with the number of shares set out in the other proxy appointments, is in excess of the number of shares held by the Scheme Shareholder may result in the proxy appointment being invalid.

- F. A Scheme Shareholder must inform Equiniti in writing of any termination of the authority of a proxy. If more than one valid but differing proxy appointment is received in respect of the same share or shares, the appointment received last before the latest time for the receipt of the proxies will take precedence in respect of that share or shares. If the Company is unable to determine which instrument was last received, none of them shall be treated as valid in respect of that share or shares.
- G. In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person or by proxy, however the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first named being the most senior).
- H. You may not use any electronic address provided either in this notice or in any related documents (including the enclosed BLUE Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- I. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at this meeting. In accordance with the provisions of the Act (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
- J. As at 29 June 2023 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 21,239,702 ordinary shares, carrying one vote each. The Company does not hold any shares in treasury. Therefore, the total voting rights in the Company as at 29 June 2023 were 21,239,702 ordinary shares, carrying one vote each.

PART X

NOTICE OF GENERAL MEETING

NATIONAL MILK RECORDS PLC

(Incorporated in England and Wales under company number 03331929)

NOTICE IS HEREBY GIVEN that a general meeting of National Milk Records Plc (the “**Company**”) will be held at the offices of Gowling WLG (UK) LLP at 4 More London Riverside, London SE1 2AU at 11.15 a.m. on 21 July 2023 (or as soon thereafter as the meeting of the Scheme Shareholders (as defined in the Scheme as referred to in the resolution set out below) convened for 11.00 a.m. on the same day and at the same place by an order of the High Court of Justice, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution as a Special Resolution:

SPECIAL RESOLUTION

THAT for the purpose of giving effect to the scheme of arrangement between the Company and the holders of Scheme Shares (as defined in such scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chair of this meeting, in its original form or subject to such modification, addition or condition as may be approved or imposed by the Court (where relevant) and agreed by the Company and Associated British Foods plc (the “**Scheme**”):

- (a) the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (b) conditional upon the Scheme becoming Effective, the cancellation of the admission to trading of the ordinary shares of 0.25 pence each in the capital of the Company to trading on AQSE Growth Market, be approved;
- (c) subject to and conditional on the Scheme becoming Effective, pursuant to the provisions of section 97 of the Companies Act 2006, the Company be re-registered as a private company under the name of ‘National Milk Records Limited’ with effect from the date approved by the Registrar of Companies;
- (d) for the purpose of giving effect to the Scheme, with effect from the passing of this resolution, the articles of association of the Company be and are amended by the adoption and inclusion of the following new Article 48 after Article 47:

“48 Scheme of Arrangement

48.1 In this Article 48:

- (i) “**ABF**” means Associated British Foods plc, a company incorporated in England and Wales with registered number 00293262;
- (ii) “**Bidco**” means AB Agri Limited, a private limited company incorporated in England and Wales with company number 00193800, or such other nominee of ABF which may acquire the shares under the Scheme; and
- (iii) “**Scheme**” means the scheme of arrangement between the Company and the Scheme Shareholders (as defined in the Scheme) under Part 26 of the Act in its original form or with or subject to any modification, addition or condition agreed by the Company and ABF and which is approved or imposed by the High Court of England and Wales (where relevant) and (save as defined in this Article) expressions in the Scheme will have the same meanings in this Article.

48.2 Notwithstanding any other provision of these Articles, if the Company issues any shares (other than to ABF, Bidco, any parent undertaking of Bidco or any subsidiary of such parent undertaking, or any nominee of Bidco (each a “**Bidco Company**”)) on or after

the date of adoption of this Article 48 and on or prior to the Scheme Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original holder or any subsequent holder or holders of such shares (other than a Bidco Company and/or its nominee(s)), shall be bound by the Scheme accordingly.

- 48.3 Notwithstanding any other provision of these Articles and subject to the Scheme becoming Effective (as defined in the Scheme), any shares issued or transferred to any person (other than under the Scheme or to a Bidco Company) (a "**New Member**") on or after the Scheme Record Time (as defined in the Scheme) (the "**Transfer Shares**" and each a "**Transfer Share**"), shall be issued or transferred on terms that such Transfer Shares shall on the Effective Date (as defined in the Scheme) or, if later, on issue or transfer (but subject to the terms of Articles 48.4 and 48.5 below), be immediately transferred to Bidco (or such person as it may direct) (the "**Purchaser**"), who shall be obliged to acquire each Transfer Share in consideration of and conditional upon the payment by or on behalf of Bidco to the New Member of an amount in cash for each Transfer Share equal to the consideration to which a New Member would have been entitled under the Scheme had such Transfer Share been a Scheme Share.
- 48.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date (as defined in the Scheme), the value of the cash consideration per Transfer Share to be paid under Article 48.2 shall be adjusted by the Company in such manner as the Auditors or an investment bank selected by the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article to shares or Transfer Shares shall, following such adjustment, be construed accordingly.
- 48.5 To give effect to any transfer of Transfer Shares required pursuant to this Article 48, the Company may appoint any person as attorney and/or agent for the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) to transfer the Transfer Shares to the Purchaser or its nominee(s) and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Transfer Shares in the Purchaser or its nominee(s) and, pending such vesting, to exercise all such rights attaching to the Transfer Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) shall not thereafter (except to the extent that such attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Transfer Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of the Purchaser and/or its nominee(s) and the Company may give a good receipt for the consideration for the Transfer Shares and may register the Purchaser and/or its nominee(s) as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the Transfer Shares. The Purchaser shall settle the consideration due to the New Member pursuant to Article 48.3 above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder), or any alternative method communicated by the Purchaser to the New Member for the purchase price of such Transfer Share as soon as practicable and in any event within 14 days of the date on which the Transfer Shares are issued or transferred to the New Member.

- 48.6 Notwithstanding any other provision of these Articles, both the Company and the Board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominee(s) pursuant to the Scheme.
- 48.7 If the Scheme shall not have become Effective by 29 February 2024 or such later date, if any, as ABF and the Company may, with the consent of the Panel on Takeovers and Mergers, agree and (if required) the High Court of Justice in England and Wales may allow, this Article 48 shall be of no effect."

By order of the Board

Lisa Ward
Company Secretary

Dated 30 June 2023

Registered Office:
Greenways Business Park
Fox Talbot House
Chippenham
Wiltshire
SN15 1BN

GUIDANCE NOTES FOR COMPLETION OF THE WHITE FORM OF PROXY

The guidance notes below should be read in conjunction with the explanatory notes printed on the WHITE Form of Proxy

- A. Pursuant to the Company's articles of association and Regulation 41 of the Uncertificated Securities Regulations 2001 (the "**Regulations**"), only holders of ordinary shares of 0.25 pence each in the capital of the Company (each, a "**Shareholder**") are entitled to vote at this meeting and may appoint a proxy to vote instead of them. Changes to entries on the register of members after 6.30 p.m. on 19 July 2023 shall be disregarded in determining the rights of any person to vote at this meeting. Voting on the resolution will be by way of a poll. Each Shareholder present by proxy will be entitled to one vote for each ordinary share which he/she represents. A Shareholder may appoint more than one proxy in relation to this meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member.
- B. A WHITE Form of Proxy is enclosed for use at this meeting. To be valid, completed WHITE Forms of Proxy should be completed and signed by or on behalf of the Shareholder in accordance with the instructions printed thereon and returned by post along with the power of attorney or other authority, if any, under which they are signed or a notarially certified or office copy of such power or authority, so as to arrive at the offices of the Company's Registrars, Equiniti Limited ("**Equiniti**"), Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and by not later than 11.15 a.m. on 19 July 2023, or if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting, excluding any part of a day that is not a business day. For your convenience, a freepost facility (for use in the UK only) has been provided with respect to the WHITE Form of Proxy. If the Form of Proxy is not lodged by the relevant time, it will be invalid.
- C. A Shareholder entitled to vote at this meeting is entitled to appoint the chair of the meeting to vote on his, her or its behalf. A Shareholder may appoint the chair of the meeting more than once to exercise his, her or its rights attaching to different shares. A separate WHITE Form of Proxy should be used for each proxy appointment. If you intend appointing additional proxies, please contact Equiniti for additional WHITE Forms of Proxy during business hours on +44 (0)333 207 6385. If calling from outside of the UK, please ensure the country code is used, or by submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Calls are charged at the standard geographic rate and will vary by provider. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographical rate and will vary by provider. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice. Alternatively, you may photocopy the enclosed WHITE Form of Proxy. A Shareholder appointing the chair of the meeting more than once for the purposes of exercising rights attaching to different shares should indicate the number of shares for which the chair of the meeting is authorised to act (in each case) on his, her or its holding and mark the box indicating that the proxy instruction is one of multiple instructions being given. Failure to specify the number of shares to which each proxy form relates or specifying a number which, when taken together with the number of shares set out in the other proxy appointments, is in excess of the number of shares held by the Shareholder may result in the proxy appointment being invalid. If the WHITE Form of Proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he or she votes. A Shareholder must inform Equiniti in writing of any termination of the authority of a proxy. If more than one valid but differing proxy appointment is received in respect of the same share or shares, the appointment received last before the latest time for the receipt of the proxies will take precedence in respect of that share or shares. If the Company is unable to determine which instrument was last received, none of them shall be treated as valid in respect of that share or shares.
- D. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service for the Court Meeting and any adjournment(s) thereof may do so by using the procedures described in the CREST Manual (available at www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear UK & International Limited ("**Euroclear**") specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA19) by the latest time for receipt of proxy appointments specified below. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection,

CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

To be valid, all messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be transmitted so as to be received by the issuer's agent (CREST ID RA19) by no later than 11.15 a.m. on 19 July 2023.

- E. In the case of joint holders of ordinary shares, any one such joint holder may tender a vote, whether in person or by proxy, however the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first named being the most senior).
- F. You may not use any electronic address provided either in this notice or in any related documents (including the enclosed WHITE Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- G. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at this meeting. In accordance with the provisions of the Companies Act 2006 (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
- H. As at 29 June 2023 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 21,239,702 ordinary shares, carrying one vote each. The Company does not hold any shares in treasury. Therefore, the total voting rights in the Company as at 29 June 2023 were 21,239,702 ordinary shares, carrying one vote each.

