

**Lactalis Canada**

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RE: COVID-19 Update

Our valued fluid milk customers:

The circumstances resulting from the Covid-19 Pandemic, have initiated a consumer reaction which has put unprecedented demands on the current product supply and replenishment capabilities of most or all manufacturers.

At Lactalis, we have experienced similar demands to meet significantly increased replenishment requirements for fluid milk products. To better meet these needs and go on supporting the health of Canadians by providing healthy and nutritious dairy products, we now find it necessary to implement a number of product manufacturing changes in an effort to maximize our ability to meet the needs of our customers and your consumers.

Effective immediately, Lactalis Canada will be temporarily discontinuing the production of a number of non-core fluid milk skus. These changes in turn will allow us to increase our manufacturing and replenishment capabilities for all of your Core fluid milk skus. The details for which non-core skus will be affected will be forwarded to you by your Account Manager on a regular basis and as these changes occur.

As mentioned in our previous communication, Lactalis Canada will not accept any penalties or deductions for fill rates shortages.

During these very difficult times we are asking for and need your continued cooperation. Just like our customers, the entire Lactalis Company has been working extremely hard to best address the increased product demands, ordering and shopping pattern changes of consumers. These necessary manufacturing modifications will provide a significant opportunity for both of us to meet those changes more effectively.

Respectfully,

Nathalie Cusson

Vice President Sales – Fluid Division

Lactalis Canada