



Borden Financial Reorg – Sale Complete ***Customer FAQs***

SITUATION OVERVIEW

What is happening?

As part of our Chapter 11 exit strategy, Borden finalized its sale to Capitol Peak Partners and KKR on July 21, 2020.

What does this mean for Borden?

Borden has new owners, Capitol Peak and KKR. The transaction allows Borden to be appropriately capitalized and remain intact, including all plants, branches, routes and the Borden brand. Further, the new Borden entity will be able to continue employment for our people and service for our customers. Borden is a thriving organization that is meeting and exceeding our performance forecasts.

In addition, Capitol Peak and KKR formed a new Board of Directors, which appointed dairy industry veterans to lead the Company.

- **Gregg Engles** is the Chairman and CEO of the new Borden entity and serves as Capitol Peak's Founder and Executive Managing Partner. He brings extensive dairy industry experience as the former Chairman and CEO of both Dean Foods and WhiteWave Foods.
- **Pat Boyle** is the President. He has been in the dairy industry since the 1970s, most recently serving as Owner and CEO of Hill Country Dairies.
- **Pat Ford** is the Chief Financial Officer. He was also the CFO of Dairy Group (Dean Foods) and Southern Foods and most recently was Owner and President of Flexcel Company, Inc., an east Texas manufacturer of oil and gas tools.
- **Pete Schenkel** is a Board Member who previously served as President and owner of Southern Foods, which later sold to Suiza Foods and became Dean Foods. He is also the former President and a Board Member of Dean Foods.

How did Borden choose who to sell to?

We evaluated multiple bids from various investors to choose the path forward that was in the best interest of all Borden stakeholders. We believe that Capitol Peak and KKR will enable us to continue to build this iconic dairy Company and grow profitably. The transaction allows Borden to be appropriately capitalized and remain intact, including all plants, branches, routes, and the Borden brand. Further, the new Borden entity will be able to continue employment for our people and continue service for our customers.

Why did Capitol Peak and KKR choose to buy Borden?

Capitol Peak has deep expertise in the dairy industry, and KKR is an existing lender that has a long history with Borden. Both investment firms see Borden's potential and are eager to help continue growing the business profitably.

Will the Borden brand and Elsie still exist?

Yes, we will continue using the Borden brand and Elsie.



Why did Borden file for bankruptcy?

In order to continue to innovate with new products, modernize our facilities and equipment, and improve Borden's ability to compete in today's market, we had to restructure our balance sheet and reduce our debt. We took this step because we firmly believed that this process represented the best possible solution for Borden Dairy, our employees, customers and vendors.

COMPANY IMPACT

Can you guarantee that the Company will survive?

We are a heritage American brand that has been in business since 1857, and we are confident and optimistic about our continued success in the future. We are in a great position to win in the marketplace.

Will the Company continue innovating and introducing new products?

We remain focused on continuing to provide consumers with wholesome, great tasting dairy products and the highest levels of quality, service and value.

Will the Company continue advertising/marketing?

Right now, the new ownership team is focused on getting up to speed on our business as quickly as possible before making any determinations about future business plans and strategies.

Will Borden continue supplying the USDA Farmers to Families Food Box Program?

Yes, we will fulfill the government contract awarded to Borden and continue providing COVID-19 relief to nonprofit organizations.

CUSTOMER IMPACT

Will this process affect customers of Borden?

No, we will continue serving our existing customers and pursuing new customer relationships.

Will there be any impact to our service, scheduled deliveries, etc.?

We don't anticipate any. Our standard service and deliveries will continue, as well as our dedication to responding swiftly to address any and all of our customers' needs.

How will this affect our supply of Borden products?

It shouldn't. Our standard service and deliveries will continue.

How will this affect invoicing?

Invoices for goods and services should continue to be submitted through the typical channels, with payments processed in accordance with contract terms.



Will my Borden point of contact change?

No, your point of contact at Borden will remain the same.

Where can I access more information/updates?

For additional information about the sale, please speak to your Key Account Manager or visit www.bordenfinancialreorg.com.