



2014 **NOTICE OF ANNUAL MEETING**

Friday 14 November 2014

Commencing at 10am (New Zealand time)

**FONTERRA
SHAREHOLDERS'
FUND.**



Dairy for life

NOTICE OF ANNUAL MEETING

Notice is hereby given that the 2014 Annual Meeting of unit holders of the Fonterra Shareholders' Fund will be held

WHEN

Friday 14 November 2014
Commencing at 10am
(New Zealand time)

WHERE

Pullman Hotel
cnr Princes Street and
Waterloo Quadrant, Auckland

ITEMS OF BUSINESS

- A. Welcome and Introduction
- B. Chairman's Address
- C. Address by the Chairman of Fonterra Co-operative Group Limited
- D. Address by the Chief Executive of Fonterra Co-operative Group Limited
- E. Unit holder discussion
- F. Resolution:

Unit holders will be asked to consider and, if thought appropriate, to pass the following ordinary resolution:

1. To elect retiring director Pip Dunphy as a director of the Manager of the Fund. Pip Dunphy retires by rotation from office at the Annual Meeting and, being eligible, offers herself for re-election.

The resolution above is to be considered as an ordinary resolution and is required to be passed by a simple majority of the votes of those unit holders entitled to vote and voting on the resolution. Ms Dunphy is an 'Independent Director' for the purpose of the NZSX Listing Rules.

EXPLANATORY NOTES

An Explanatory Note on the director offering herself for election is set out on the following page.

ATTENDANCE

All unit holders are entitled to attend and vote at the Annual Meeting or to appoint a proxy or representative to attend and vote on their behalf.

PROXIES

A proxy need not be a unit holder, and may be appointed by completing the form accompanying this Notice of Annual Meeting or online at www.investorvote.co.nz. The appointment of a proxy or representative does not preclude a unit holder from attending and voting at the Annual Meeting. You may appoint the Chairman of the Annual Meeting or any other director of the Fund as your proxy.

MICHAEL CRONIN

Company Secretary
Auckland, New Zealand
17 October 2014

IMPORTANT DATES

These dates are given in New Zealand time.

Wednesday 12 November 2014, 10am
Latest time for receipt of Proxy/Voting forms or for online proxy appointments

Wednesday 12 November 2014, 5pm
Record Date for voting entitlements for the Annual Meeting

Friday 14 November 2014, 10am
Annual Meeting

LETTER FROM THE CHAIRMAN

DEAR UNIT HOLDERS

On behalf of the Board of Directors I am pleased to invite you to the second Annual Meeting of unit holders of the Fonterra Shareholders' Fund, commencing at 10am NZT on Friday 14 November 2014 at the Pullman Hotel, corner of Princes Street and Waterloo Quadrant, Auckland.

At the Annual Meeting, the Fund Board will be joined by John Wilson, Chairman of Fonterra, Theo Spierings, Chief Executive of Fonterra, and Lukas Paravicini, Chief Financial Officer of Fonterra. I will present an overview of the second year of the Fund and John and Theo will discuss Fonterra's performance over the past year. Unit holders will also have the opportunity to ask questions about the operations and management of Fonterra.

At the meeting, unit holders will be asked to vote for Pip Dunphy's re-election as a director. Pip was initially appointed to the Board of the Manager by Fonterra when the Fund was established. By rotation, Pip will stand down as an Independent Director and stand for re-election. The Board unanimously supports her re-election.

If you cannot attend the meeting and wish to appoint a proxy to vote on your behalf, you may direct your proxy to vote for or against the resolution, to abstain from voting, or to exercise their discretion as to how to vote.

If you would like to appoint a proxy, complete and lodge the enclosed Proxy/Voting form (either by post or fax) to Computershare Investor Services. Alternatively, you can appoint a proxy online by going to www.investorvote.co.nz – you will need your CSN Holder number and postcode (or country of residence if outside New Zealand) to do this. If you receive multiple Proxy/Voting forms, please complete one Proxy/Voting form in respect of each unit holding.

All Proxy/Voting forms need to reach Computershare by 10am NZT on Wednesday 12 November 2014.

For those unit holders who are attending the Annual Meeting, please bring the enclosed Proxy/Voting form with you to assist with your registration.

You are invited to join the Fund Board and Fonterra senior management for light refreshments at the conclusion of the Annual Meeting.

I look forward to seeing you then.

Yours sincerely



JOHN SHEWAN
Chairman, Fonterra Shareholders' Fund

EXPLANATORY NOTE

RESOLUTION 1: ELECTION OF DIRECTOR

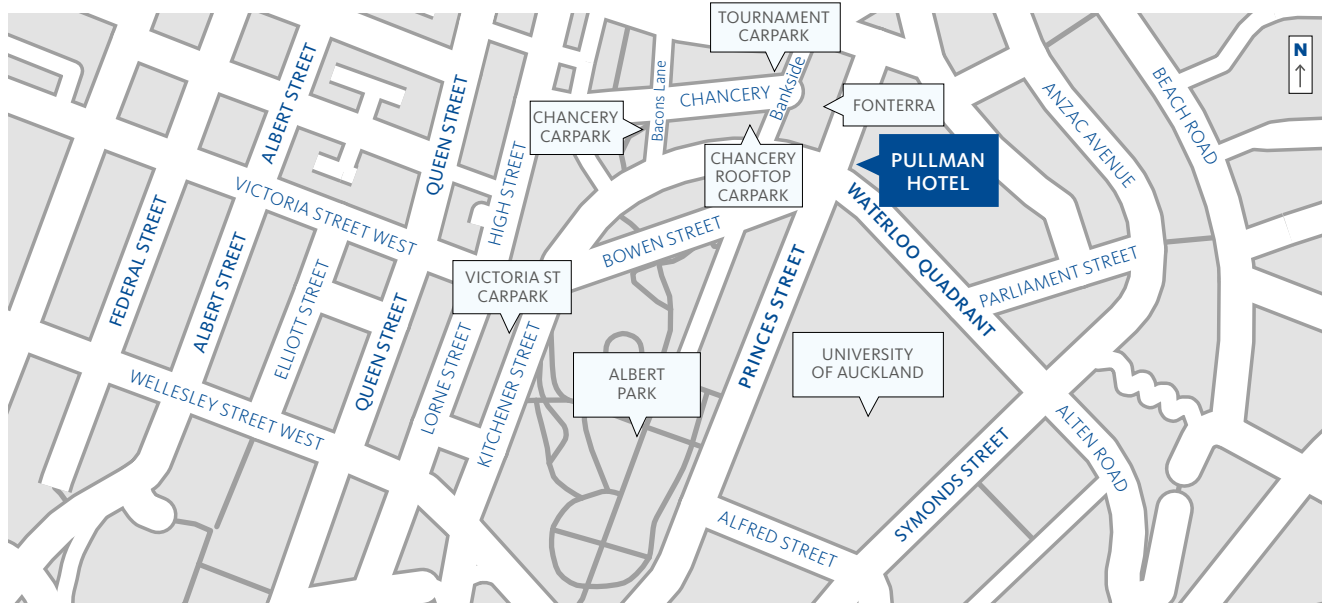
Pip Dunphy, one of the three Independent Directors that are appointed by unit holders, retires by rotation at the Annual Meeting and offers herself for re-election.



PIP DUNPHY
B.Horti.Sci, CFA
Independent Director

Pip Dunphy has worked in New Zealand financial markets for more than 20 years, assisting local and offshore companies in capital raising and risk management. She currently chairs the Boards of Mint Asset Management Limited, New Zealand Clearing and Depository Corporation Limited, and Solid Energy New Zealand Limited.

Pip's other directorships include Abano Healthcare Group Limited, New Zealand Clearing Limited and NZ Superannuation Fund. She is also an Advisory Panel member of the Next Foundation.



PROCEDURAL NOTES

VOTING ENTITLEMENTS

Unit holders that will be entitled to vote on the resolutions at the Annual Meeting are those who are unit holders of Fonterra Shareholders' Fund at 5pm NZT on Wednesday 12 November 2014.

VOTING PROCESS

To vote, unit holders can either:

ATTEND IN PERSON

If you wish to attend the Annual Meeting take the enclosed Proxy/Voting form with you to the meeting.

APPOINT A PROXY TO VOTE

If you do not propose to attend the Annual Meeting, you can appoint a proxy to attend the meeting and vote on your behalf. The Chairman of the meeting or any other director of the Fund is willing to act as a proxy for any unit holder who wishes to appoint him or her for that purpose. To do this, enter 'the Chairman' or the name of your proxy in the space provided on the Proxy/Voting form (further details are provided on the form).

To appoint a proxy, you need to do one of the following:

ONLINE

Lodge your proxy online by going to www.investorvote.co.nz. You will need your CSN Holder number and postcode (or country of residence if outside New Zealand). If you do not have your CSN number, please contact Computershare at enquiry@computershare.co.nz or 0800 737 100 (within New Zealand) or +64 9 488 8777 (international).

FAX

You can fax your Proxy/Voting form to +64 9 488 8787.

MAIL

Return the Proxy/Voting form by mail to the Share Registrar, Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, using the reusable Freepost envelope provided.

For your proxy to be effective it must be received by 10am NZT on Wednesday 12 November 2014.

WEBCAST

The Annual Meeting will be webcast online. To view the webcast, go to www.fonterra.com.

MEETING VENUE

VENUE

Pullman Hotel

ADDRESS

Corner of Princes Street and Waterloo Quadrant, Auckland, New Zealand

PARKING

Parking is available at the Pullman Hotel. Alternatively, public car parks in the vicinity of the venue include Tournament and Chancery Rooftop on the corner of Bankside and Kitchener Streets, Chancery on Bacons Lane, and Victoria Street Carpark at 30 Kitchener Street.



Fonterra Shareholders' Fund

Lodge your proxy

**Online**

www.investorvote.co.nz

**By Mail**

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142, New Zealand

**By Fax**

+64 9 488 8787

For all enquiries contact



+64 9 488 8777



corporateactions@computershare.co.nz

Proxy/Voting Form



www.investorvote.co.nz

Lodge your proxy online, 24 hours a day, 7 days a week:

Smartphone?

Scan the QR code to vote now.

Your secure access information

Control Number:**CSN/Securityholder Number:**

PLEASE NOTE: You will need your CSN/Securityholder Number and postcode or country of residence (if outside New Zealand) to securely access InvestorVote and then follow the prompts to appoint your proxy and exercise your vote online.



For your proxy to be effective it must be received by 10:00am Wednesday 12 November 2014

How to Vote on Items of Business

All your units will be voted in accordance with your directions.

Appointment of Proxy

If you do not plan to attend the meeting, you may appoint a proxy. The Chairman of the Meeting, or any other director, is willing to act as proxy for any unit holder who wishes to appoint him or her for that purpose. To do this, enter 'the Chairman' or the name of your proxy in the space allocated in 'Step 1' of this form. Alternatively you can appoint a proxy online at www.investorvote.co.nz

Voting of your holding

Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you may need to provide evidence of your authorisation to act prior to admission.

Signing Instructions for Postal Forms

Individual

Where the holding is in one name, the unit holder must sign.

Joint Holding

Where the holding is in more than one name, all of the unit holders should sign.

Power of Attorney

If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.

Companies

This form should be signed by a Director jointly with another Director, or a Sole Director can sign alone. Please sign in the appropriate place and indicate the office held.

Comments & Questions

If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Go online to lodge your proxy or turn over to complete the form

Proxy/Corporate Representative Form

STEP 1

Appoint a Proxy to Vote on Your Behalf

I/We being a Unit Holder/s of Fonterra Shareholders' Fund

hereby appoint _____ of _____

or failing him/her _____ of _____

as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions at the **Annual Meeting of Fonterra Shareholders' Fund to be held at the Pullman Hotel, cnr Princes Street and Waterloo Quadrant, Auckland on Friday, 14 November 2014 at 10:00am (New Zealand time)** and at any adjournment of that meeting.

STEP 2

Items of Business - Voting Instructions/Ballot Paper (if a Poll is called)

Please note: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority. If you do not mark a box your proxy may vote as they choose.

	For	Against	Proxy Discretion	Abstain
1. To re-elect retiring director Pip Dunphy as a director of the Manager of the Fund.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN

Signature of unit holder(s) This section must be completed.

Unit holder 1

or Sole Director/Director

Unit holder 2

or Director (if more than one)

Unit holder 3

Contact Name _____ Contact Daytime Telephone _____ Date _____

ATTENDANCE SLIP



Annual Meeting of Fonterra Shareholders' Fund to be held at the Pullman Hotel, cnr Princes Street and Waterloo Quadrant, Auckland on Friday, 14 November 2014 at 10:00am (New Zealand time)