

2016
**NOTICE OF
ANNUAL
MEETING**

MONDAY 12 DECEMBER 2016

Commencing at 2pm
(New Zealand time)

**FONTERRA
SHAREHOLDERS'
FUND.**



NOTICE OF ANNUAL MEETING

Notice is hereby given that the 2016 Annual Meeting of unit holders of the Fonterra Shareholders' Fund will be held

WHEN

Monday 12 December 2016
Commencing at 2pm
(New Zealand time)

WHERE

Fonterra's Auckland Office
109 Fanshawe Street
Auckland Central

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 Fonterra Senior Management
- 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 Kim Ellis as a director of the Manager of the Fund. Kim Ellis retires by rotation from office at the Annual Meeting and, being eligible, offers himself 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. Mr Ellis is an 'Independent Director' for the purpose of the NZSX Listing Rules.

EXPLANATORY NOTES

An Explanatory Note on the director offering himself 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
18 November 2016

FSF Management Company Ltd (Australian Registered Business Number 190 539 935, incorporated in New Zealand) is the Manager of the Fonterra Shareholders' Fund.

IMPORTANT DATES

These dates are given in New Zealand time.

Thursday 8 December 2016, 5pm

Record Date for voting entitlements for the Annual Meeting

Saturday 10 December 2016, 2pm

Latest time for receipt of Proxy/Voting forms or for online proxy appointments

Monday 12 December 2016, 2pm

Annual Meeting

LETTER FROM THE CHAIRMAN

DEAR UNIT HOLDERS

On behalf of the Board of Directors I am pleased to invite you to the fourth Annual Meeting of unit holders of the Fonterra Shareholders' Fund, commencing at 2pm NZT on Monday 12 December 2016 at Fonterra's offices, 109 Fanshawe Street, Auckland Central.

At the Annual Meeting, the Fund Board will be joined by John Wilson, Chairman of Fonterra, and Fonterra senior management. I will present an overview of the fourth year of the Fund and John and Fonterra senior management 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 the re-election of Kim Ellis as a director. Kim was originally appointed to the Board of the Manager by Fonterra when the fund was established. By rotation, he will stand down as an Independent Director and stand for re-election. More details are in the sidebar to the right.

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 2pm NZT on Saturday 10 December 2016.

For those unit holders who are attending the Annual Meeting, please bring the enclosed Proxy/Voting form, or your CSN holder number 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.



JOHN SHEWAN
CHAIRMAN
FONTERRA SHAREHOLDERS' FUND

EXPLANATORY NOTE

RESOLUTION 1: ELECTION OF DIRECTOR



KIM ELLIS
BCA (Hons), BE (Hons)
Independent Director appointed
by unit holders

Kim Ellis was appointed to the FSF Board by Fonterra when the Fund was established in November 2012.

Kim Ellis was the Chief Executive Officer of listed company Waste Management NZ Limited for 13 years, until its sale in 2006. He currently chairs the Board of New Zealand Social Infrastructure Fund Limited and Metlifecare Limited. Kim also holds several directorships including Freightways Limited, Ballance Agri-Nutrients Limited, EnviroWaste Services Limited and the Port of Tauranga Limited. He is also a member of the Trust Board of Wanganui Collegiate School.



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 Thursday 8 December 2016.

VOTING PROCESS

To vote, unit holders can either:

ATTEND IN PERSON

If you wish to attend the Annual Meeting please bring the enclosed Proxy/Voting form, or your CSN holder number 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 holder number, please contact Computershare at enquiry@computershare.co.nz 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 2pm NZT on Saturday 10 December 2016.

WEBCAST

The Annual Meeting will be webcast online. To view the webcast, go to www2.fonterra.com/our-financials/fonterra-shareholders-fund

FINANCIAL MARKETS CONDUCT ACT TRANSITION

FSF Management Company Limited has elected to fully transition the Fonterra Shareholders' Fund (FSF) to the Financial Markets Conduct Act 2013 (FMCA) with effect from 1 November 2016, so all of the requirements of FMCA now apply to the FSF.

In connection with the FMCA transition, the trust deed for the FSF has been amended and restated and a statement of investment policies and objectives has been adopted. Copies of these documents are available by visiting

MEETING VENUE

Fonterra's Auckland Office

ADDRESS

109 Fanshawe Street,
Auckland Central, New Zealand

PARKING

Parking is available at public car parks in the vicinity of the venue including Wilson Parking at 136 Fanshawe Street, and Viaduct car park on Sturdee Street.

<http://www2.fonterra.com/our-financials/shares-and-units> under 'TAF Key Contracts and Deeds'. FSF unit holders also have a right to receive, free of charge, a copy of the amended and restated trust deed if they, within 15 working days of receiving this notice, request such a copy. If you wish to receive a copy, please email investor.relations@fonterra.com. The New Zealand Guardian Trust Company Limited remains the trustee and supervisor for FSF following the FMCA transition.

The addresses of the manager of the FSF and the Supervisor are as follows:

FSF MANAGEMENT COMPANY LIMITED

109 Fanshawe Street, Auckland 1010, New Zealand

Attention: Company Secretary

GUARDIAN TRUST COMPANY LIMITED

Level 6, 191 Queen Street, Auckland 1010, New Zealand

Attention: Relationship Manager
Corporate Trusts



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 2:00pm Saturday 10 December 2016

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.

Turn over to complete the form to vote

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 Fonterra's Auckland Office, 109 Fanshawe Street, Central Auckland on Monday, 12 December 2016 at 2:00pm (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	Abstain	Proxy Discretion
1.	To re-elect retiring director Kim Ellis 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
Fonterra's Auckland Office, 109 Fanshawe Street, Central
Auckland on Monday, 12 December 2016 at 2:00pm (New
Zealand time)