

2017 **NOTICE OF ANNUAL MEETING**

FRIDAY 3 NOVEMBER 2017

Commencing at 10am
(New Zealand time)

**FONTERRA
SHAREHOLDERS'
FUND.**



NOTICE OF ANNUAL MEETING

Notice is hereby given that the 2017 Annual Meeting of unit holders of the Fonterra Shareholders' Fund will be held

WHEN

Friday 3 November 2017
Commencing at 10am
(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 Chief Executive Officer of Fonterra Co-operative Group Ltd
- 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. Pip 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.

ANDREW CORDNER

Company Secretary
Auckland, New Zealand
5 October 2017

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.

Monday 30 October 2017, 5pm

Record Date for voting entitlements for the Annual Meeting

Wednesday 1 November 2017, 10am

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

Friday 3 November 2017, 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 fifth Annual Meeting of unit holders of the Fonterra Shareholders' Fund, commencing at 10am NZT on Friday 3 November 2017 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 Theo Spierings, Chief Executive Officer of Fonterra. I will present an overview of the fifth 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 the re-election of Pip Dunphy as a director. Pip was originally appointed to the Board of the Manager by Fonterra when the fund was established. By rotation, she 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 10am NZT on Wednesday 1 November 2017.

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

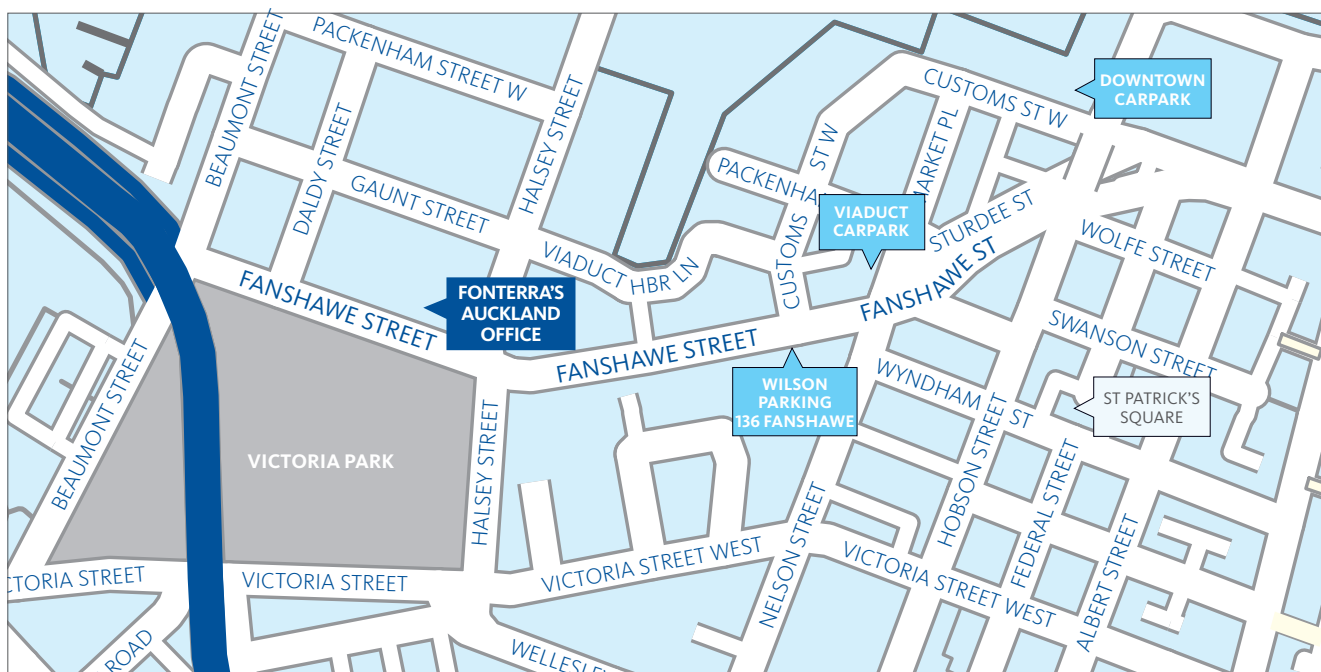
EXPLANATORY NOTE

RESOLUTION 1: ELECTION OF DIRECTOR



PIP DUNPHY
B.Hort.Sci, CFA
Independent Director appointed
by unit holders

Pip Dunphy has worked as a non-executive director for the last 10 years in a variety of different industries and companies. Pip currently chairs the Boards of First Gas Limited and associated companies and is deputy chair of Abano Healthcare Group Limited. Her other directorships include Chubb Insurance NZ Limited, NZ Superannuation Fund and Transpower.



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 Monday 30 October 2017.

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 Freepost envelope provided.

For your proxy to be effective it must be received by 10am NZT on Wednesday 1 November 2017.

WEBCAST

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

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.

The addresses of the manager of the Fund 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*