

FONTERRA ANNUAL MEETING 2017

Notice of Annual Meeting of Shareholders and Explanatory Notes

10.30AM ON THURSDAY, 2 NOVEMBER 2017

FONTERRA WHAREROA SITE

WHAREROA ROAD

HAWERA



Dairy for life

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FONTERRA CO-OPERATIVE GROUP LIMITED ANNUAL MEETING FOR 2017

Fonterra's Annual Meeting will be held at the Fonterra Whareroa Site, Whareroa Road, Hawera at **10.30am on Thursday, 2 November 2017**.

There is no onsite parking. Parking will be available at two locations and attendees will be transported onto the site and to the meeting location. The two parking locations are the TSB Hub Waihi Road carpark, Hawera and the Farm Source Staff Hub, Corner South & Whareroa Roads, Hawera. It is recommended attendees allow an extra 20 minutes to be transported onto site. It is a safety requirement of the site that all attendees wear flat, closed-in footwear.

Annual Meeting Documents

Each Shareholder has been sent:

- This Notice of Meeting booklet, which includes:
 - Letter from the Chairman
 - Notice of Meeting (including the text of the matters to be voted on by Shareholders) (Part One)
 - Explanatory Notes regarding each of the matters to be voted on by Shareholders (Part Two).
- A Fonterra Board of Directors Election Voting Paper
- A Shareholders' Council Voting Paper (for shareholders in Wards 4,7,8,12,13,16,18,19,21 and 24 only)
- A combined Annual Meeting Voting Paper/Proxy Form. Use this Voting Paper:
 - If you are attending the Annual Meeting to vote in person
 - If you are unable to attend the Annual Meeting, and you do not wish to vote by internet or post, you can appoint a proxy to attend and vote on your behalf by completing the Proxy Form and returning it to the address specified on the freepost envelope included in the Voting Pack or otherwise set out on the form, so that the Returning Officer receives it no later than **10.30am on Tuesday, 31 October 2017**
 - If you are a company or other body corporate, you can appoint a representative to attend and vote on your behalf by completing the Proxy Form
 - Further instructions are on the back of the Proxy form.

You can vote in the Fonterra Elections and for the Annual Meeting by **internet** or **post**. The instructions on how to vote in this manner can be found on the Voting Papers.

electionz.com Limited has been authorised by the Board to receive, at the address specified on the freepost envelope included in the Voting Pack or otherwise set out on the Voting Paper, and count, all **internet** and **postal** votes.

For the Annual Meeting you can also vote by proxy, or by attending the meeting in person.

All internet, postal and proxy votes must be received by the Returning Officer by **10.30am on Tuesday, 31 October 2017**.

A Shareholder's voting entitlement is based on their milksolids production, with one vote for every 1,000kg of milksolids supplied during the season ended **31 May 2017**.

If a Shareholder did not supply last season but now owns an existing farm that supplied last season, the voting entitlement will be based on that farm's supply last season or on the Board's estimate of milksolids production for this season. In the case of a dry farm conversion and farm amalgamations/divisions, voting entitlement is based on the Board's estimate of milksolids production for this season. Milk supplied on Contract Supply and milk which is not backed by shares or counting vouchers is excluded from milksolids production when calculating voting entitlements.

In accordance with the Companies Act, the Board has fixed **5.00pm on 4 October 2017** as the date for determining voting entitlements of Shareholders for this meeting.

Accordingly, those persons who are, at **5.00pm on 4 October 2017**, registered as Shareholders will be entitled to vote at the Annual Meeting in respect of the Shares registered in their name on that date backed by production.

A Shareholder's voting entitlement for a farm is shown on the Voting Paper enclosed for that farm with this pack. If a Shareholder appoints a proxy, the proxy will exercise that Shareholder's voting entitlement as described above.

Votes Required and Quorum

The ordinary resolutions will be passed if they are approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the resolutions.

The quorum for the meeting is present if not fewer than 50 Shareholders have cast postal votes (including by electronic means) or are present in person or by a representative, who between them hold or represent the holder or holders of not less than two per cent of the voting rights entitled to be exercised on the resolutions to be considered at the meeting.

Results of Voting

The results of voting at the Annual Meeting will be posted on Farm Source at www.nzfarmsource.co.nz and our My Co-op app as soon as vote counting is complete and the Chairman has declared the results.

Meeting Attendees

The Annual Meeting is held for the benefit of Shareholders and their authorised proxies and representatives. Fonterra management will also be in attendance, as well as invited members of the media.

2017 Fonterra Elections and Annual Meeting

Dear farmers,

I would like to invite you to attend this year's Annual Meeting held at our Whareroa site in Taranaki on Thursday, 2 November.

Established in 1972, Fonterra's Whareroa site collects up to 14 million litres of milk a day – almost a fifth of Fonterra's daily New Zealand production. Whareroa produces a variety of products including whole and skim milk powders, milk protein concentrate, mozzarella and dry salt cheese, anhydrous milk fat and lactic casein.

At this year's meeting, we will review the past year's financial performance and progress with our strategy. There will be a discussion on our business priorities for the year ahead and our future business direction. Our Chief Executive, Theo Spierings will provide a presentation on our Co-operative's operations.

You will also hear from our Co-operative's Velocity and Innovation team, led by Judith Swales, who will share the new technology and enterprise initiatives being developed by the business.

Shareholders are being asked to vote on five ordinary business resolutions to approve the remuneration of Directors, Councillors and the Directors' Remuneration Committee Members, approve the appointment of the Auditor and to approve the Shareholders' Council programme and budget.

This year there will also be a resolution to ratify the appointment of our new Independent Director, Bruce Hassall.

Each of these ordinary resolutions require at least 50 per cent support from voting farmers to be passed.

If you are unable to attend the meeting in person, you can cast your vote by internet, post or fax, or by way of proxy. Further instructions on how to vote by these methods can be found in the Voting Papers in your Voting Pack.

The Annual Meeting will not be televised, however a video of key items from the meeting will be available on www.nzfarmSource.co.nz from Friday, 3 November.

I look forward to seeing you at the Annual Meeting.

Yours sincerely,



John Wilson
Chairman

FONTERRA CO-OPERATIVE GROUP LIMITED

ANNUAL MEETING AGENDA

Below is the proposed programme for the Annual Meeting. Shareholders should note that the order may change at the discretion of the Chairman. Shareholders should allow sufficient time to register their attendance upon arrival prior to the start of the meeting.

10.00am - Registration / Morning Tea
10.30am - Welcome Welcome / Introduction – John Wilson, Chairman of the Board
10.45am – Annual Meeting Proceedings Chairman’s Review Chief Executive Officer’s Presentation
Approval of Remuneration of Directors, Shareholders’ Councillors and Directors’ Remuneration Committee Members Directors’ Remuneration Committee Review – David Gasquoine, Chairman Resolution 1: Approval of remuneration of Directors Resolution 2: Approval of remuneration of Shareholders’ Councillors Resolution 3: Approval of remuneration of Members of Directors’ Remuneration Committee
Appointment of Auditor Resolution 4: Appointment of PricewaterhouseCoopers as auditor and authorisation of the Directors to fix the auditor’s remuneration
Ratification of Appointment of Director Resolution 5: Ratification of appointment of Bruce Hassall
Shareholders’ Council Report Chairman’s Review - Duncan Coull Approval of Shareholders’ Council Programme and Budget Resolution 6: Approval of the Shareholders’ Council programme and budget
Voting Paper Collection
Velocity and Innovation presentation
Announcement of Election Results
General Business
12.30 / 1.00pm - Closing / Lunch (approximately)

PART ONE

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF FONTERRA CO-OPERATIVE GROUP LIMITED

Notice is given that the Annual Meeting of the Shareholders of Fonterra Co-operative Group Limited ("Company") will be held on **Thursday, 2 November at 10.30am at the Fonterra Whareroa Site, Whareroa Road, Hawera.**

John Wilson
Chairman, on behalf of the Board
Notice of Meeting dated 10 October 2017.

Business

Welcome/Introduction

Annual Meeting Proceedings

Chairman's Review

Chief Executive Officer's Presentation

Approval of Remuneration of Directors, Shareholders' Councillors and Directors' Remuneration Committee Members

Directors' Remuneration Committee Review

Resolution 1: Approval of remuneration of Directors

To consider the remuneration of Directors recommended by the Directors' Remuneration Committee and, if thought fit, to resolve:

"To approve the remuneration of Directors, as recommended by the Directors' Remuneration Committee."

Resolution 2: Approval of remuneration of Shareholders' Councillors

To consider the remuneration of Shareholders' Councillors recommended by the Directors' Remuneration Committee and, if thought fit, to resolve:

"To approve the remuneration of Shareholders' Councillors, as recommended by the Directors' Remuneration Committee."

Resolution 3: Approval of remuneration of Members of the Directors' Remuneration Committee

To consider the remuneration of Members of the Directors' Remuneration Committee recommended by the Board and, if thought fit, to resolve:

"To approve the remuneration of Members of the Directors' Remuneration Committee, as recommended by the Board."

Appointment of Auditor

Resolution 4: Appointment of PricewaterhouseCoopers as auditor and authorisation of the Directors to fix the auditor's remuneration

To consider the appointment of PricewaterhouseCoopers as auditor of the Company and authorisation of the Directors to fix the auditor's remuneration and, if thought fit, to resolve:

"To appoint PricewaterhouseCoopers as auditor of the Company until the conclusion of the Company's next Annual Meeting and authorise the Directors to fix the auditor's remuneration."

Ratification of Appointment of Director

Resolution 5: Ratification of appointment of Mr Bruce Hassall

To consider and, if thought fit, to resolve:

"To ratify the appointment by the Board of Mr Bruce Hassall as a Director of the Company, under clause 12.4 of the Constitution."

Shareholders' Council Report

Chairman's Review

Approval of Shareholders' Council Programme and Budget

Resolution 6: Approval of Shareholders' Council programme and budget

To receive and discuss the Shareholders' Council Report (including the Milk Commissioner's Report) and the Shareholders' Council's programme and budget for the current season (contained in the Shareholders' Council's Annual Report to Shareholders 2016/2017) and, if thought fit, to resolve:

"To approve the Shareholders' Council's programme and budget for the current season."

PART TWO

EXPLANATORY NOTES TO NOTICE OF ANNUAL MEETING

Welcome

The Chairman will welcome Shareholders.

Annual Meeting Proceedings

Approval of Remuneration of Directors, Shareholders' Councillors and Directors' Remuneration Committee Members

Resolution 1: Approval of remuneration of Directors

In accordance with clause 34.1 of the Company's Constitution, the Directors' Remuneration Committee ("Committee") met in July and August 2017 to consider, and recommend to Shareholders, the form and amount of the Directors' remuneration. The Committee comprises six Shareholders and is chaired by Mr David Gasquoine.

In considering their recommendation, the Committee reviewed market trends for director fees in New Zealand and Australia and the workload expectations for Fonterra Directors. The Committee discussed relativities between different roles, the nature of the Company and the division of workload between the Board Committees.

In 2014, 2015 and 2016 the Committee recommended that Directors' remuneration remain unchanged, which was appropriate given the very challenging economic conditions experienced by Shareholders. In 2016 the Committee signaled that it was likely that increases in remuneration would be required in the coming years to attract and retain the very best director candidates, one of the key objectives of the Governance and Representation Review recommendations.

In 2017 the Committee noted that market data showed that remuneration levels for Directors had increased significantly since the Fonterra Directors' remuneration was last increased in 2013.

The Committee believes it is important to set realistic fee levels, having particular regard to the broader market and the workload requirements, to ensure highly skilled directors are attracted and retained on the Board.

The Committee reviewed the remuneration structures for a number of other Australasian companies. The Committee noted that a number of companies paid different fee amounts to the Chairs of Board Committees, to remunerate for different workload expectations, and also remunerated directors for membership of Board Committees. The Committee acknowledged that workloads varied between the different Board Committees and noted that directors' workloads were often increased by the activities of working groups formed to deal with specific projects and initiatives eg. the Capital Structure work, the Governance and Representation Review and various Due Diligence Committees.

As such, the Committee has decided to not recommend remunerating Board Committee Chairs at different fee levels or paying Board Committee membership fees but rather to recommend that a discretionary pool of fees be available for remunerating Directors for additional workload or additional Committee or working group duties.

It is recommended that this discretionary pool would be allocated at the discretion of the People, Culture and Safety Committee of the Board and the Chairman of the Board. It is recommended that the discretionary pool be up to \$75,000 per annum in aggregate and that payments to individual directors will not exceed \$25,000 per director. The details of any such fee payments will be reported to the Directors' Remuneration Committee annually.

The Committee's recommendation to Shareholders in relation to the remuneration of Directors is:

That the remuneration for the Directors be approved at the following amounts from the date of this Annual Meeting:

- Chairman **\$430,000 p.a.** (an increase from \$405,000 p.a.)
- Director **\$175,000 p.a.** (an increase from \$165,000 p.a.)

In addition, at the discretion of the Board, the Chair of each permanent Board Committee may be paid an additional \$35,000 p.a., unless that person is the Chairman of the Board or already in receipt of a Committee Chair allowance. (an increase from \$31,000 p.a.)

- Discretionary Pool

Up to **\$75,000** per annum (in aggregate), be provided for fees for Directors to be remunerated for additional duties, workload and responsibilities (in each case not to exceed \$25,000 per annum per director); such fees to be allocated at the discretion of the People, Culture and Safety Committee of the Board and the Chairman of the Board and the tabling of details of such fee payments to the Directors' Remuneration Committee annually.

The Committee has also approved the expense reimbursement policy for both Directors and Shareholders' Councillors, whereby actual and reasonable expenses associated with their positions are reimbursed. It has also approved, and regularly monitors, the reimbursement of reasonable travel expenses for Directors' spouses/partners.

Resolution 2: Approval of remuneration of Shareholders' Councillors

In accordance with By-law 3.1 of the Shareholders' Council By-laws, the Directors' Remuneration Committee met in July and August 2017 to consider, and recommend to Shareholders, the form and amount of the remuneration to be paid to Shareholders' Councillors.

The Committee notes the priorities and expectations on Councillors and the outcomes of the Representation Review. The Committee notes that the number of Council wards will be reduced to 25 from the date of the 2017 Annual Meeting.

The Committee considers the Councillor's representative role to be an important one for the Co-operative, and that the level of the honoraria needs to be sufficient to attract and recognise Shareholders of a high calibre serving in that capacity.

The Committee noted that the Shareholders' Councillor honoraria has remained unchanged since 2013.

The Committee reviews with the Chair of the Shareholders' Council the allocations made from the discretionary pool in the prior year, and is comfortable that the pool was utilised in a reasonable manner consistent with the intent of the recommendation.

The Committee's recommendation to Shareholders in relation to the remuneration of Shareholders' Councillors is:

That the honoraria for the Shareholders' Councillors and the Chairman of the Council be approved at the following amounts from the date of this Annual Meeting:

- Chair **\$100,000 p.a.** (an increase from \$90,900 p.a.)
- Deputy Chair **\$60,000 p.a.** (an increase from \$55,550 p.a.)
- Councillors **\$35,000 p.a.** (an increase from \$30,000 p.a.)
- Discretionary Pool

Up to **\$100,000** per annum (in aggregate), be provided for additional honoraria of Project Leaders and Subcommittee Chairpersons of the Shareholders' Council (in each case not to exceed \$17,500 per annum per person); and for ordinary Councillors representing the Council at its request on external Committees; such provisions to be allocated in whole or part at the discretion of the Chairman of the Shareholders' Council and the tabling of details of such honoraria payments to the Directors' Remuneration Committee annually. (No change to the amount of the current pool arrangement.)

Resolution 3: Approval of remuneration of Members of the Directors' Remuneration Committee

The Board met to consider, and recommend to Shareholders, the form and amount of the remuneration to be paid to Members of the Directors' Remuneration Committee. The Directors' Remuneration Committee comprises six elected Shareholders.

The Board noted that the Directors' Remuneration Committee members' honoraria has not been increased since 2005. The Board also noted that the Directors' Remuneration Committee Chair's remuneration has not been increased since 2011.

The Board's recommendation to Shareholders in relation to the remuneration of Members of the Directors' Remuneration Committee is that the remuneration be set at the following amounts from the date of this Annual Meeting:

- Chairman **\$2,000 p.a.** (an increase from \$1,500 p.a.)
- Member **\$1,000 p.a.** (an increase from \$500 p.a.)

Furthermore, Members of the Directors' Remuneration Committee are entitled to be paid for reasonable expenses incurred in connection with the business of the Committee, in line with the policy for remuneration of Directors and Shareholders' Councillors.

Appointment of Auditor

Resolution 4: Appointment of PricewaterhouseCoopers as auditor and authorisation of the Directors to fix the auditor's remuneration

The Companies Act 1993 requires the Company to appoint an auditor. Section 207S of the Companies Act 1993 provides that the fees and expenses of an auditor appointed at an Annual Meeting can be fixed in the manner determined at that meeting.

PricewaterhouseCoopers has audited the Company's financial statements for the year ended 31 July 2017.

The Directors recommend that PricewaterhouseCoopers be appointed as auditor for the coming year. The Directors recommend that Shareholders authorise the Board to fix the auditor's remuneration.

Ratification of Appointment of Directors

Resolution 5: Ratification of appointment of Mr Bruce Hassall

The Company's Constitution requires that the Shareholders of the Company ratify the appointment of each Director appointed by the Board in accordance with clause 12.4 of the Constitution. This is to take place at the first Annual Meeting of the Company following that Director's appointment and, where the appointment is for a term exceeding three years, shall be ratified by Shareholders every three years.

Mr Bruce Hassall was appointed by the Board in accordance with clause 12.4 of the Constitution and his appointment is required to be ratified by Shareholders at the 2017 Annual Meeting. Mr Hassall's appointment is to take effect at the close of the 2017 Annual Meeting.

Mr Hassall's remuneration and benefits, as with all of the Independent Directors, are determined by the Board in accordance with section 161 of the Companies Act and are not subject to Resolution 1. However, the Fonterra Board remunerates Independent Directors at the same level as Elected Directors.

Details of his qualifications and experience are set out below.

Bruce Hassall

In June 2017 the Board announced that Mr Bruce Hassall would be appointed to the Fonterra Co-operative Group Board from the close of the 2017 Annual Meeting.

A Chartered Accountant, Mr Hassall had a 35-year career at PricewaterhouseCoopers (PwC), becoming Chief Executive Officer of the New Zealand practice in 2009. He retired from the firm in 2016.

He has extensive experience in financial reporting, information system processes, business acquisitions, capital raising and IPOs across both listed and private companies. He has specialist industry knowledge covering a range of sectors including retail, agri-business, distribution and logistics, energy and manufacturing, both in New Zealand and overseas.

Mr Hassall's governance experience includes directorships at Fletcher Building Limited, Farmers Trading Company Limited (James Pascoe), Prolife Foods Limited, Bank of New Zealand and the University of Auckland Business School Advisory Board. He was a founding Board Member of the NZ China Council.

In accordance with the Fonterra Shareholders' Market Rules, the Board has determined that Mr Bruce Hassall will be an Independent Director.

Mr Hassall will Chair the Co-operative's Audit and Finance Committee.

Before joining the Fonterra Board Mr Hassall served a 12 month stand-down period following his retirement as Chief Executive Officer of PricewaterhouseCoopers. This stand-down period meets International Accounting Standards and Independence rules.

Mr Hassall does not have a conflict of interest as a past Chief Executive Officer of PricewaterhouseCoopers. However, to manage the risk of any perceived conflict of interest, the Board has determined that Mr Hassall will abstain from voting on any resolutions put to the Audit and Finance Committee regarding the appointment of Fonterra's auditors for the next three years. For those decisions the other Independent Director sitting on the Audit and Finance Committee will Chair the meeting (currently Mr Scott St John) and the Chair of the Board will join the Committee for the deliberation.

Approval of Shareholders' Council Programme and Budget

Resolution 6: Approval of Shareholders' Council programme and budget

Under this item of business the Chairman of the Shareholders' Council will, in accordance with the requirements of the Company's Constitution:

- report on the Council's view as to the Company's direction, performance and operations for the preceding season;
- report on the activities undertaken by the Council in the preceding season;
- present the Council's programme and budget for the current season;
- present the Milk Commissioner's Report;
- comment on other dairy industry matters.

Shareholders are then asked to approve the programme and budget of the Shareholders' Council.

The Council has independently finalised its programme and budget and that information is included in the Shareholders' Council's Annual Report to Shareholders 2016/2017. This Annual Report has been sent to Shareholders and is available on [fonterra.com](https://nzfarmsource.co.nz/business/advice-support/shareholders-council/) and Farm Source (<https://nzfarmsource.co.nz/business/advice-support/shareholders-council/>).



If undelivered please return to:

The Returning Officer
Fonterra Elections 2017
PO Box 3138
Christchurch 8140
Free phone 0800 666 034

FONTERRA ANNUAL MEETING 2017 ANNUAL MEETING PROXY PAPER INFORMATION

10.30AM ON 2 NOVEMBER 2017. FONTERRA WHAREROA SITE, WHAREROA ROAD, HAWERA.

HOW TO COMPLETE THE PROXY PAPER AND APPOINT A PROXY:

1. **Appoint a proxy:** Provide the full name and address of your chosen proxy in the box labelled "Primary Proxy". A proxy need not be a Shareholder.

The Chairman of the Meeting is willing to act as your primary proxy. If you wish to appoint the Chairman of the Meeting you can simply write "Chairman of the Meeting".

It is recommended that you appoint an alternate proxy as well, in case your primary proxy is unable to attend on the day of the Annual Meeting. Please provide the full name and address of your alternate proxy in the box labelled "Alternate Proxy".

Please note: You do NOT need to appoint an alternate proxy if the Chairman of the Meeting is your primary proxy.

2. **Instruct your proxy how to vote:** You can instruct your proxy how to vote by placing a tick in either the "For" or "Against" box. Your proxy CANNOT change the direction of your vote if you instruct them how to vote in this manner. If you do not instruct your proxy how to vote by placing a tick in either the "For" or "Against" box, then your proxy can vote as she/he determines.

3. **Sign the form:** Each Shareholder must sign the paper:

- Individuals/Sole Proprietors: the Shareholder must sign the paper.
- Companies: a duly authorised representative of the company must sign the paper.
- Joint Shareholders (including trusts, partnerships and estates): it is your responsibility to ensure that the person(s) signing this paper is/are authorised to sign on behalf of, and bind, all joint holders.
- Attorneys: if the paper is signed under a power of attorney, it must be accompanied by a signed certificate of non-revocation of the power of attorney. The power of attorney under which the paper is signed must be sent with the paper if the power of attorney has not been previously produced to the Company.

4. **Return the form:** Return the proxy paper as soon as possible. It must be received by the Returning Officer no later than 10.30am on Tuesday, 31 October 2017.

- Mail by separating, folding and inserting the proxy paper into the freepost envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please **post no later than Thursday, 26 October 2017.**

HOW TO APPOINT A CORPORATE REPRESENTATIVE:

In the case of a Shareholder that is a company or other body corporate, a representative can be appointed to attend the Annual Meeting by completing the proxy form. In this form, proxy can mean proxy or representative appointed for a company or other body corporate or entity.

ERRORS AND OMISSIONS:

By signing and returning the proxy paper, you authorise Fonterra, in its sole discretion, to rectify any errors in, or omissions from, the paper form, including by inserting and correcting details.

REVOKING YOUR APPOINTMENT:

If you change your mind on the appointment of a proxy or representative, you can revoke the appointment by written notice to the Company. Such notice must be received at the registered office of the Company - Fonterra Annual Meeting, Fonterra Co-operative Group Limited, Private Bag 92032, Auckland 1142 (or fax to 09 374 9451) no later than 10.30am on Tuesday, 31 October 2017.

FONTERRA ANNUAL MEETING 2017 COMBINED ANNUAL MEETING VOTING/PROXY PAPER



Dairy for life

You can vote in **ONE** of the following four ways:

1. INTERNET VOTING

Vote via Farm Source website (at nzfarmsource.co.nz and/or fonterra.com)

- Login using your Farm Source login and password
- Follow the voting links from the homepage
- Enter your Personal Identification Number (PIN) and password – see below.

IMPORTANT: By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

PIN

PASSWORD

2. POSTAL VOTING

Post the completed Voting Paper to electionz.com in the freepost reply envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please **post no later than Thursday, 26 October 2017.**

3. AT THE MEETING

If you plan to attend the meeting, bring this form with you.

Voting instructions:

- Indicate your vote with a tick
- When advised by the Chairman of the Meeting, pass the completed Voting Paper to an official of the meeting.

4. BY PROXY

Appoint a person to attend the Annual Meeting and vote on your behalf. A proxy need not be a Shareholder.

Internet, postal votes and proxy appointments must be received by [electionz.com Ltd](http://electionz.com) no later than:
10.30am on Tuesday, 31 October 2017

For enquiries phone the ELECTION HELPLINE: 0800 666 034

FONTERRA ANNUAL MEETING 2017 ANNUAL MEETING VOTING PAPER

Use this paper to vote by internet, post or by attending the Annual Meeting to vote in person.



	Supply No.:	<input type="text"/>
	Details of person completing this Voting Paper:	
	First Name:	<input type="text"/>
	Surname:	<input type="text"/>
	Signature:	<input type="text"/>

		Indicate your vote with a tick ✓	FOR	AGAINST
1	Resolution 1: Approval of remuneration of Directors		<input type="radio"/>	<input type="radio"/>
2	Resolution 2: Approval of remuneration of Shareholders' Councillors		<input type="radio"/>	<input type="radio"/>
3	Resolution 3: Approval of remuneration of members of the Directors' Remuneration Committee		<input type="radio"/>	<input type="radio"/>
4	Resolution 4: Appointment of PricewaterhouseCoopers as auditor and authorisation of the Directors to fix the auditor's remuneration		<input type="radio"/>	<input type="radio"/>
5	Resolution 5: Ratification of appointment Mr Bruce Hassall		<input type="radio"/>	<input type="radio"/>
6	Resolution 6: Approval of Shareholders' Council programme and budget		<input type="radio"/>	<input type="radio"/>

FONTERRA ANNUAL MEETING 2017 ANNUAL MEETING PROXY PAPER

10.30AM ON 2 NOVEMBER 2017. FONTERRA WHAREROA SITE, WHAREROA ROAD, HAWERA.



! Only use this paper if you **do not** plan to attend the meeting but wish to be represented by a proxy holder at the meeting. This paper can also be used by a Shareholder that is a company or other body corporate to appoint a representative.

A: Shareholder Details	
Name	Supply Number:
	Party Number:

B: Appointment of Proxy
<i>If you wish to appoint someone as your proxy, insert their full name and address below. The Chairman of the Meeting is willing to act as a proxy.</i>
Primary Proxy: I/We appoint:
Full name of your proxy:
Full address of your proxy:
as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting of Shareholders to be held at 10.30am on Thursday, 2 November 2017 and at any adjournment of that Annual Meeting.
Alternate Proxy: You do not need to appoint an alternate proxy but it is recommended that you do so, unless you are appointing the Chairman of the Meeting as proxy. The Chairman of the Meeting is willing to act as an alternate proxy. If the person I/we have appointed is unable to be my/our proxy then I/we appoint:
Full name of your alternate proxy:
Full address of your alternate proxy:

C: Voting Instructions You only need to complete this section if you want to instruct your proxy holder how to vote.							
		FOR	AGAINST			FOR	AGAINST
1	Resolution 1	<input type="radio"/>	<input type="radio"/>	4	Resolution 4	<input type="radio"/>	<input type="radio"/>
2	Resolution 2	<input type="radio"/>	<input type="radio"/>	5	Resolution 5	<input type="radio"/>	<input type="radio"/>
3	Resolution 3	<input type="radio"/>	<input type="radio"/>	6	Resolution 6	<input type="radio"/>	<input type="radio"/>

Signature(s) of Shareholder(s) named in Section A (Please see signing instructions on the next page.)	
By signing this form, I/we warrant and undertake that I/we are authorised to sign on behalf of, and bind, the Shareholder(s) named in Section A.	
Name of Shareholder	Signature
Full name and title of signatory	Date
Name of Shareholder	Signature
Full name and title of signatory	Date
Name of Shareholder	Signature
Full name and title of signatory	Date

If you are appointing a proxy, return this paper as soon as possible. It must be received by the Returning Officer no later than 10.30am Tuesday, 31 October 2017.

Mail by separating, folding and inserting the proxy paper into the freepost envelope provided.