

10 July 2019

Fonterra Co-operative Group Limited
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Dear Noteholder

CAPITAL NOTES INTEREST RATE RESET NOTICE

In accordance with the terms and conditions of Fonterra Co-operative Group Ltd's capital notes, the interest rate payable on the notes has been reset from 4.01% per annum to 3.385% per annum.

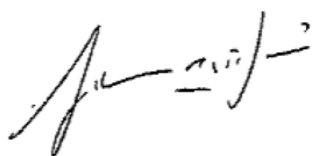
Under the terms on which the perpetual capital notes were issued, the interest rate is reset on 10 July each year to the current Base Rate (being the one year Treasury Bank Bill rate) plus a margin based on the capital notes' credit rating. The new Base Rate is 1.185% and the margin remains at 2.20%. The new interest rate will apply until 10 July 2020, unless there is a change in the credit rating of the capital notes in the interim.

The next quarterly interest payment on the notes is due to be made on 10 October 2019 to those holders registered on 4 October 2019.

As at the date of this notice there is \$35,083,679 principal amount of capital notes on issue to holders other than Fonterra Co-operative Group Limited. All notes rank equally.

If you have any questions about this notice, please contact Link Market Services, PO Box 91976, Auckland, New Zealand, phone +64 (9) 375 5998, fax +64 (9) 375 5990, or e-mail enquiries@linkmarketservices.co.nz

Yours faithfully



Simon Till
Director Capital Markets