

Media release

12 October 2016

RESULTS OF FONTERRA SHAREHOLDER VOTING AT SPECIAL MEETING

Fonterra shareholders have supported changes to the Co-operative's governance and representation model, including a reduced Board and changes to the election process for Farmer Directors.

At today's Special Meeting in Palmerston North 85.96 per cent of votes were cast in favour of the governance recommendation, sufficient to meet the 75 per cent support required under Fonterra's Constitution.

The results of the resolutions are:

RESOLUTION	RESULTS - % in favour
Resolution 1: Governance related amendments to the Constitution and the Shareholders' Council By-laws	85.96
Resolution 2: Representation related amendments to the Shareholders' Council By-laws	88.05

Fonterra Chairman John Wilson said that final vote reflected shareholder sentiment that the recommendations were a significant improvement and it was time to move the Cooperative forward.

"Co-operatives, by their nature, need consensus on the important decisions. That is as it should be and today we have agreed on the final recommendations after a very constructive eight months of discussions and refinements."

"It is a clear signal from our shareholder base that it is time to push on so the Co-op can focus on our business priorities."

The main effect of the changes is that a new election process for Farmer Directors will come into force. Under this process, candidates are selected by an Independent Selection Panel, then approved by the Nominations Committee of the Board and by the Shareholders' Council before they are put forward to shareholders for their vote and support.

There is also provision for candidates to stand outside this process and self-nominate, provided they are supported by 35 other shareholders. A first past the post majority voting system will mean all Director candidates now need at least 50 per cent farmer support.

ENDS

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About Fonterra

Fonterra is a global leader in dairy nutrition – the preferred supplier of dairy ingredients to many of the world's leading food companies. It is also a market leader with its own consumer dairy brands in New Zealand and Australia, Asia, Africa, the Middle East and Latin America. Fonterra is a farmer-owned co-operative and the largest processor of milk in the world. It is one of the world's largest investors in dairy research and innovation drawing on generations of dairy expertise to produce more than two million tonnes of dairy ingredients, value added dairy ingredients, specialty ingredients and consumer products for 140 markets.

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