

Market Announcement

18 OCTOBER 2016

APPOINTMENT OF INDEPENDENT DIRECTOR TO FONTERRA BOARD

Fonterra Co-operative Group Limited today announced the appointment of a new Independent Director, Scott St John, who will join the Fonterra Board on 1 November 2016.

Chairman John Wilson said that world-class governance is one of the Board's top priorities, and strong support recently from Fonterra's shareholders to enhance governance at the Co-operative reinforced the intent to attract high quality Directors.

"The Board welcomes Mr St John who is a New Zealander with proven strategic financial skills underpinned by his commitment to the New Zealand financial services industry, the economy and his local communities.

"Mr St John is currently CEO of First NZ Capital, and one of the country's leading investment advisors. He has almost 30 years of experience with funds management and securities transactions which have involved him advising the boards and senior managers of prominent companies and organisations in New Zealand and globally. His experience as a leader of a high-performing organisation has instilled in him a deep appreciation of the importance of engaging with people to drive success.

"Mr St John was appointed to the Council of the University of Auckland in 2009 and was appointed Pro-Chancellor in 2014. He is a director of Fisher and Paykel Healthcare and will be standing down from his role as CEO of First NZ Capital in early 2017.

"Mr St John is a passionate New Zealander who cares for the prosperity of the country, and will bring an added perspective to the Fonterra Board. With the loss of an outstanding Director following the retirement and subsequent sad passing of John Waller, the strategic financial skills that Mr St John brings to Fonterra will be welcomed to the Board," said Mr Wilson.

The Independent Directors of the Manager of the Fonterra Shareholders' Fund support Mr St John's appointment.

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