

# Market Announcement

---

31 August 2016

**FONTERRA APPOINTS DIRECTOR TO MILK PRICE PANEL  
FONTERRA CONFIRMS NEW CHAIRMAN OF MILK PRICE PANEL  
FONTERRA GRANTED FSM RULE WAIVER**

Fonterra Co-operative Group Limited has today announced that it has appointed one of its Independent Directors, Clinton Dines, to the Milk Price Panel with effect from 1 September 2016.

Mr Dines replaces John Waller, who retires from the Fonterra Co-operative Group Limited Board on 31 August 2016. Mr Dines' appointment will take effect from 1 September 2016.

Clinton Dines was appointed to the Fonterra Co-operative Group Limited Board in November 2015 and serves on the People, Culture and Safety Committee.

Mr David Jackson has been appointed as Chairman of the Milk Price Panel. Mr Jackson was appointed to the Fonterra Co-operative Group Limited Board in September 2007 and has been a member of the Milk Price Panel since 2010. Mr Jackson is Chairman of the Audit and Finance Committee and a member of the Risk Committee.

Under Fonterra's Constitution and the Dairy Industry Restructuring Act 2001, Fonterra appoints the members of the Milk Price Panel.

The Fonterra Board has determined that Mr Dines will be an independent member of the Panel, as defined in the Fonterra Shareholders' Market Rules. The Panel must comprise a majority of independent members, and will continue to do so following Mr Dines' appointment taking effect.

Fonterra Co-operative Group Limited has also announced that NZX Regulation has granted a waiver from the Fonterra Shareholders' Market Rule 3.2.1(c) until 30 November 2016. Under the terms of the waiver the Fonterra Co-operative Group Limited Board will have no less than three Independent Directors until the appointment of a new Independent Director to replace Mr Waller. Fonterra has confirmed that the process for this appointment is well advanced with an expectation of a new Independent Director in place before Fonterra's 2016 Annual Meeting.

ENDS

**For further information contact:**

Simon Till  
Director Capital Markets  
Phone: +64 21 777 807