

1 November 2019

Fonterra Shareholders Fund (FSF)

The company will hold its Annual Unit holders Meeting **10.00am Monday 11 November 2019**.

The location is **Fonterra's Auckland Office 109 Fanshawe Street Auckland**.

The Fund was established in 2012 to allow non dairy farmers to trade the economic rights in Fonterra Shares. As has been well reported Fonterra has experienced some difficult times over the past few years and FY19 was no exception. Asset value write downs of \$885 million including investments in China operations lead to a Net Loss after Tax of \$605 million on the back of a Net Loss of \$196 million in FY18.

The result has seen the units value decline 38% from \$6.66 in January 2018 to \$4.15 at the time of writing.

No distribution has been made as a result.

Fonterra is currently undergoing a review of its strategy looking to turnaround the performance of the organisation.

Board Composition.

The Board comprises an Independent Chair and two Independent Directors elected by the unit holders and two Non-Independent Directors appointed by the Manager of Fonterra.

Resolution.

1. To re-elect Kim Ellis as an Independent Director.

Kim Ellis was appointed to the Board when the Fund was established in 2012. He was CEO of Waste Management NZ for 13 years until its sale in 2006 to Transpacific Industries. Since then he has had 13 years in governance with private and listed companies, including Chair of Seeka Kiwifruit and Director of privately held Tasman Tanning. He is currently Chair of Metlifecare, the NZ Social Infrastructure Fund and Sleepyhead Group and is a Director of Freightways, Port of Tauranga and Ballance Agri-Nutrients.

If re-elected this will be his last three-year term.

We will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <http://www.investorvote.co.nz>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **10.00am Saturday 9 November 2019**

Please note you can appoint the Association as your proxy. We will have a representative at the meeting.

STANDING PROXIES - AUTOMATICALLY APPOINT NZSA AS YOUR PROXY FOR SOME OR ALL OF YOUR HOLDINGS WITHOUT HAVING TO FILL IN NEW FORMS EVERY TIME. MAKE YOUR VOTE COUNT!

DETAILS ARE ON THE NZSA WEBSITE,

<http://www.nzshareholders.co.nz/shareholders-standing-proxies.cfm>

The Team at NZSA