Online question process

Shareholder & Proxyholder Q&A Participation

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Shareholder & Proxyholder Voting

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### Agenda

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome and introductions</td>
<td>John Shewan</td>
</tr>
<tr>
<td><strong>FSF Management Company Chair’s address</strong></td>
<td>John Shewan</td>
</tr>
<tr>
<td>Fonterra Chair’s address</td>
<td>Peter McBride</td>
</tr>
<tr>
<td>Fonterra CEO’s address</td>
<td>Miles Hurrell</td>
</tr>
<tr>
<td>Questions</td>
<td></td>
</tr>
<tr>
<td>Resolution to re-elect John Shewan</td>
<td>Mary-Jane Daly</td>
</tr>
<tr>
<td>Address by John Shewan</td>
<td>John Shewan</td>
</tr>
<tr>
<td>General business</td>
<td>John Shewan</td>
</tr>
</tbody>
</table>
Fonterra Shareholders’ Fund
Board of Directors

John Shewan
Chair

Kim Ellis

Mary-Jane Daly

Donna Smit

Andy MacFarlane

Fonterra Team

Peter McBride

Miles Hurrell

Marc Rivers
FSF Management Company Chair's address

**Improved performance in 2021**

- Fonterra continued to demonstrate resilience during COVID-19
- Fonterra delivered a strong financial result, driven by its diversified portfolio across channels and regions
- Fonterra continued to significantly reduce its debt
- Increased distributions to the Fonterra Shareholders’ Fund

<table>
<thead>
<tr>
<th></th>
<th>Reported profit after tax¹</th>
<th>Normalised profit after tax¹</th>
<th>Earnings per share²</th>
<th>Net debt reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$599 million</td>
<td>$588 million</td>
<td>34 cents</td>
<td>$0.9 billion</td>
</tr>
</tbody>
</table>

Note: For the year ended 31 July 2021.

1. Includes Continuing and Discontinued Operations. Includes amounts attributable to non-controlling interests.
2. On a normalised basis and excludes amounts attributable to non-controlling interests.
Unit price impacted by capping of the Fund

- **Release of FY21 interim results**
  Up 33%, from $3.82 to $5.08
  (1 August 2020 – 17 March 2021)

- **As at FY21 balance date**
  Down 2%, from $3.82 to $3.74
  (1 August 2020 – 31 July 2021)

- **Release of FY21 annual results**
  Up 5.5%, from $3.82 to $4.00
  (1 August 2020 – 23 September 2021)
Unit register analysis

- Small increase in retail, institution and private wealth management holdings
- Majority of register held in New Zealand, with further reduction in offshore holdings

**Investor Type**

<table>
<thead>
<tr>
<th>Type</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>71%</td>
<td>70%</td>
</tr>
<tr>
<td>Institution</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Farmer Shareholder</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Private Wealth Management</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Investor Location**

<table>
<thead>
<tr>
<th>Location</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>88%</td>
<td>86%</td>
</tr>
<tr>
<td>Australia</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>United States</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: Register data for 2020 and 2021 is as at 30 November.
## Key Fund statistics as at 30 November 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units on Issue¹:</td>
<td>107 million</td>
<td>↑ 1m</td>
</tr>
<tr>
<td>Fund Market Capitalisation¹:</td>
<td>$392 million</td>
<td>↓ 75m</td>
</tr>
<tr>
<td>Fonterra Market Capitalisation¹:</td>
<td>$5.0 billion</td>
<td>↓ 2.1b</td>
</tr>
<tr>
<td>Fund Size¹:</td>
<td>6.7%</td>
<td>↑ 0.1%</td>
</tr>
<tr>
<td>Unit Price 12-month High/Low³:</td>
<td>$5.14 (5 Mar 21) / $3.57 (29 Nov 21)</td>
<td></td>
</tr>
</tbody>
</table>

---

¹. At 30 November 2021, relative to 30 November 2020.
². Fonterra Shareholders’ Fund units on issue as a percentage of Fonterra Co-operative Group shares on issue.
Chair
Fonterra Co-operative Group
Miles Hurrell
Chief Executive Officer
Fonterra Co-operative Group
Delivered strong results across the Co-op in 2021

**Stakeholder engagement up**
Employee, farmer and customer engagement scores up

**Progress on emissions**
Reduced carbon emissions from coal use by more than 11%

---

**Earnings and Dividend**
- Dividend: 20c
- Normalised EPS: 34c

**Farmgate Milk Price**
- $7.54 per kgMS

**Debt down, within target range**
- Net debt down $872m
- Gearing ratio\(^2\) of 36%, down from 41%

---

1. Attributable to equity holders of the Co-operative, excludes non-controlling interest
2. Economic net interest-bearing debt (ENIBD) gearing ratio, refer to Glossary for definition
## Improved New Zealand manufacturing performance

### Milk Utilisation

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric</td>
<td>96.2%</td>
<td>96.2%</td>
<td>96.4%</td>
<td>96.4%</td>
<td>96.4%</td>
</tr>
</tbody>
</table>

### Made Right First Time

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric</td>
<td>90.9%</td>
<td>91.4%</td>
<td>91.9%</td>
<td>94.0%</td>
<td>95.0%</td>
</tr>
</tbody>
</table>

### Cost of Quality

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric</td>
<td>$100m</td>
<td>$95m</td>
<td>$90m</td>
<td>$58m</td>
<td>$58m</td>
</tr>
</tbody>
</table>

Note: Metrics are for the year ended 31 July.
### Diversified across markets and products

<table>
<thead>
<tr>
<th></th>
<th>Asia Pacific</th>
<th>AMENA</th>
<th>Greater China</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume (‘000 MT)¹</td>
<td>1,386</td>
<td>1,352</td>
<td>1,176</td>
<td>3,914</td>
</tr>
<tr>
<td>EBIT contribution¹,²</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ingredients</td>
<td>$44m</td>
<td>$211m</td>
<td>$130m</td>
<td>$385m</td>
</tr>
<tr>
<td></td>
<td>70%</td>
<td>47%</td>
<td>27%</td>
<td>47%</td>
</tr>
<tr>
<td>Foodservice</td>
<td>$79m</td>
<td>$15m</td>
<td>$275m</td>
<td>$369m</td>
</tr>
<tr>
<td></td>
<td>193%</td>
<td>-</td>
<td>23%</td>
<td>51%</td>
</tr>
<tr>
<td>Consumer</td>
<td>$182m</td>
<td>$110m</td>
<td>$(2)m</td>
<td>$290m</td>
</tr>
<tr>
<td></td>
<td>184%</td>
<td>57%</td>
<td>94%</td>
<td>196%</td>
</tr>
<tr>
<td>Total</td>
<td>$305m</td>
<td>$336m</td>
<td>$403m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>28%</td>
<td>28%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Figures are for the year ended 31 July 2021. Comparative information has been restated for consistency with the current period.

1. Prepared on a normalised Continuing Operations basis. Normalised EBIT contributions sum to $1,044 million, and does not align to reported Continuing Operations due to excluding unallocated costs and eliminations.
2. Inclusive of Group Operations EBIT attribution.
Our robust supply chain provides value to customers, farmers and New Zealand
The fundamentals of dairy are strong

The world’s population is growing:

- **Next 5 Years**: 400m
- **Next 10 Years**: 800m
- **Next 15 Years**: 1,100m

There will be more people needing nutrition.

The world’s middle class is growing – there will be more people able to afford dairy and wanting to consume it:

- **2000**: 1.3b
- **2010**: 2.8b
- **2020**: 3.7b
- **2030**: 5.3b

The world wants sustainably produced, high-quality, nutritious milk.

Global market share of retail drinking milk products and alternatives:

- By retail value RSP (US$b)

Global demand for dairy is expected to continue to increase by about 2% per annum out to 2030.

This comes at a time when we see milk supply in New Zealand as likely to decline, and flat at best.

To differentiate New Zealand milk, we have made three strategic choices

- Focus on New Zealand milk
- Be a leader in sustainability
- Be a leader in dairy innovation and science
The value targets we are aiming to achieve by 2030

$6.50-$7.50 per kgMS
Average Farmgate Milk Price range for the decade

40-50%
Increase in operating profit from FY21

~9-10%
Group Return on Capital, up from 6.6% in FY21

~$1b
Invested in sustainability

~$1b
Invested in moving milk to higher value products

~$1b
Intended to be distributed to shareholders by FY24 after asset sales

~$2b
Available for investment in a mix of further growth and return to shareholders

Note: The figures on this slide are targets that we are aiming to achieve only. They should not be taken as forecasts or as a guarantee of returns to shareholders. They are subject to successfully completing a number of business initiatives, and assumptions, each of which could materially affect the actual outcomes. The key assumptions and risks relating to these targets are set out in the Appendix of the booklet titled Our Path to 2030. Please also refer to the important cautions and disclaimer at the beginning of this presentation.
2022 priorities

1. Make the shift from a reset to value growth.

2. Progress the work to divest our integrated Chilean business and prepare the process of deciding the most appropriate ownership model for Fonterra Australia.

3. Narrow down and prioritise the areas within Nutrition Science Solutions where we can build a competitive advantage.

First quarter progress

Vitakey collaboration to unlock the benefits of probiotics

Making good progress with the divestment of Chilean business and ownership review of the Australian business

Kowbucha™ moves to on farm trials after showing a methane reduction of up to 50% in the lab

EBIT of $190 million delivered in Q1, despite a significantly higher milk price

Forecast Farmgate Milk Price range $8.40 - $9.00 per kgMS

Full year earnings guidance of 25-35 cents per share
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Resolution 1

Re-election of John Shewan
Resolution 1

To re-elect John Shewan, who retires by rotation and stands for re-election, as a director of the Manager of the Fund
John Shewan
Director Nominee
FSF Management Company
Resolution 1

To re-elect John Shewan, who retires by rotation and stands for re-election, as a director of the Manager of the Fund
Proxy voting

To re-elect John Shewan

FOR
96.5%
16.4m units

AGAINST
0.1%
0.01m units

DISCRETIONARY
3.4%
0.6m units

As at 10am Saturday 11 December 2021
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Fonterra Shareholders’ Fund
2021 Annual Meeting

13 December 2021
Thank you, meeting closed