

# FONTERRA ANNUAL MEETING 2016

## Notice of Annual Meeting of Shareholders and Explanatory Notes

10.30am on Thursday, 8 December 2016  
Fonterra Darfield Site  
3792 West Coast Road  
Darfield



FONTERRA  
SHAREHOLDERS'  
COUNCIL



Dairy for life

# CONTENTS

FONTERRA CO-OPERATIVE GROUP LIMITED ANNUAL MEETING FOR 2016	3
Annual Meeting Documents	3
Shareholders' Voting Entitlements	3
Votes Required and Quorum	3
Results of Voting	3
Meeting Attendees	3
Letter from the Chairman	4
Annual Meeting Agenda	5
<b>PART ONE</b>	
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF FONTERRA CO-OPERATIVE GROUP LIMITED	6
Business	6
Annual Meeting Proceedings	6
Approval of Remuneration of Directors, Shareholders' Councillors and Directors' Remuneration Committee Members	6
Appointment of Auditor	6
Ratification of Appointment of Directors	6
Shareholders' Council Report	6
Approval of Shareholders' Council Programme and Budget	7
<b>PART TWO</b>	
EXPLANATORY NOTES TO NOTICE OF ANNUAL MEETING	8
Welcome	8
Approval of Remuneration of Directors, Shareholders' Councillors and Directors' Remuneration Committee Members	8
Appointment of Auditor	9
Ratification of Appointment of Directors	9
Approval of Shareholders' Council Programme and Budget	10

# FONTERRA CO-OPERATIVE GROUP LIMITED ANNUAL MEETING FOR 2016

Fonterra's Annual Meeting will be held at the Fonterra Darfield Site, 3792 West Coast Road, Darfield at **10.30am on Thursday, 8 December 2016**.

It is a safety requirement of the site that all attendees wear flat, closed-in footwear.

## Annual Meeting Documents

Each Shareholder has been sent:

- This Notice of Meeting booklet, which includes:
  - Letter from the Chairman
  - Notice of Meeting (including the text of the matters to be voted on by Shareholders) (Part One)
  - Explanatory Notes regarding each of the matters to be voted on by Shareholders (Part Two).
- A Fonterra Board of Directors Election Voting Paper
- A Shareholders' Council Voting Paper (for shareholders in Wards 8, 9, 15, 21, 24 and 30 only)
- A combined Annual Meeting Voting Paper/Proxy Form. Use this Voting Paper:
  - If you are attending the Annual Meeting, to vote in person
  - If you are unable to attend the Annual Meeting, and you do not wish to vote by internet, post or fax, you can appoint a proxy to attend and vote on your behalf by completing the Proxy Form and returning it to the address specified on the freepost envelope included in the Voting Pack or otherwise set out on the form, so that the Returning Officer receives it no later than **10.30am on Tuesday, 6 December 2016**
  - If you are a company or other body corporate, you can appoint a representative to attend and vote on your behalf by completing the Proxy Form
  - Further instructions are on the back of the Proxy form.

You can vote in the Fonterra Elections and for the Annual Meeting by **internet, post or fax**. The instructions on how to vote in this manner can be found on the Voting Papers.

*electionz.com Limited* has been authorised by the Board to receive, at the address specified on the freepost envelope included in the Voting Pack or otherwise set out on the Voting Paper, and count, all **internet, postal and fax votes**.

For the Annual Meeting you can also vote by proxy, or by attending the meeting in person.

All internet, postal, fax and proxy votes must be received by the Returning Officer by **10.30am on Tuesday, 6 December 2016**.

## Shareholders' Voting Entitlements

Voting at the Annual Meeting will be by poll. In order to vote, you will need to cast an internet, postal or fax vote, attend in person and vote, or appoint a proxy or representative to attend and vote for you.

A Shareholder's voting entitlement is based on their milksolids production, with one vote for every 1,000kg of milksolids supplied during the season ended **31 May 2016**. If a Shareholder did not supply last season but now owns an existing farm that supplied last season, the voting entitlement will be based on that farm's supply last season or on the Board's estimate of milksolids production for this season. In the case of a dry farm conversion and farm amalgamations/divisions, voting entitlement is based on the Board's estimate of milksolids production for this season. Milk supplied on Contract Supply and milk which is not backed by shares or counting vouchers is excluded from milksolids production when calculating voting entitlements.

In accordance with the Companies Act, the Board has fixed **5.00pm on 14 November 2016** as the date for determining voting entitlements of Shareholders for this meeting. Accordingly, those persons who are, at **5.00pm on 14 November 2016**, registered as Shareholders will be entitled to vote at the Annual Meeting in respect of the Shares registered in their name on that date backed by production.

A Shareholder's voting entitlement for a farm is shown on the Voting Paper enclosed for that farm with this pack. If a Shareholder appoints a proxy, the proxy will exercise that Shareholder's voting entitlement as described above.

## Votes Required and Quorum

The ordinary resolutions will be passed if they are approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the resolutions.

The quorum for the meeting is present if not fewer than 50 Shareholders have cast postal votes (including by electronic means) or are present in person or by a representative, who between them hold or represent the holder or holders of not less than two per cent of the voting rights entitled to be exercised on the resolutions to be considered at the meeting.

## Results of Voting

The results of voting at the Annual Meeting will be posted on Farm Source at [www.nzfarmsource.co.nz](http://www.nzfarmsource.co.nz) and our My Co-op app as soon as vote counting is complete and the Chairman has declared the results.

## Meeting Attendees

The Annual Meeting is held for the benefit of Shareholders and their authorised proxies and representatives. Fonterra management will also be in attendance, as well as invited members of the media.

## 2016 Fonterra Elections and Annual Meeting

Dear farmers,

I would like to invite you to attend this year's Annual Meeting being held at our site in Darfield, Canterbury.

Opened in 2012, our Darfield site processes up to 7.2 million litres of milk from approximately 1,100 of our Central South Island farmers each day. The site has two of the world's largest high-efficiency milk powder dryers and employs a team of over 250 people. Darfield can produce 220,000 tonnes of whole milk powder every year –enough to fill 15,000 shipping containers each year.

The site produces instant and regular whole milk powder for export to markets in South East Asia, China, the Middle East, Africa and South America.

At the meeting there will be a review of the past year's performance and Chief Executive, Theo Spierings, will provide a presentation on our Co-operative's financial performance and operations along with the future business direction and priorities.

Shareholders are being asked to vote on eight ordinary business resolutions to approve the remuneration of Directors, Councillors and the Directors' Remuneration Committee Members, approve the appointment of the Auditor and to approve the Shareholders' Council programme and budget. This year there will also be resolutions to ratify the appointments of Independent Directors David Jackson and Simon Israel and our new Independent Director, Scott St John. Each of these resolutions requires at least 50 per cent support to be passed.

If you are unable to attend the meeting, you can still have your say by casting your vote by internet, post or fax, or by way of proxy. Further instructions on how to vote by all these methods can be found on the Voting Papers in your voting pack.

While the Annual Meeting will not be televised, a video of key items from the meeting will be available on Farm Source at [www.nzfarmsource.co.nz](http://www.nzfarmsource.co.nz) from Friday, 9 December 2016.

I look forward to seeing you at the Annual Meeting.

Yours sincerely



John Wilson

Chairman

# FONTERRA CO-OPERATIVE GROUP LIMITED

## ANNUAL MEETING AGENDA

Below is the proposed programme for the Annual Meeting. Shareholders should note that the order may change at the discretion of the Chairman. Shareholders should allow sufficient time to register their attendance upon arrival prior to the start of the meeting.

<b>10.00am - Registration / Morning Tea</b>
<b>10.30am - Welcome</b> Welcome / Introduction – John Wilson, Chairman of the Board
<b>10.45am – Annual Meeting Proceedings</b> Chairman’s Review Chief Executive Officer’s Presentation
<b>Approval of Remuneration of Directors, Shareholders’ Councillors and Directors’ Remuneration Committee Members</b> Directors’ Remuneration Committee Review – David Gasquoine, Chairman Resolution 1: Approval of remuneration of Directors Resolution 2: Approval of remuneration of Shareholders’ Councillors Resolution 3: Approval of remuneration of Members of Directors’ Remuneration Committee
<b>Appointment of Auditor</b> Resolution 4: Appointment of PricewaterhouseCoopers as auditor and authorisation of the Directors to fix the auditor’s remuneration
<b>Ratification of Appointment of Directors</b> Resolution 5: Ratification of appointment of Simon Israel Resolution 6: Ratification of appointment of David Jackson Resolution 7: Ratification of appointment of Scott St John
<b>Shareholders’ Council Report</b> Chairman’s Review - Duncan Coull, Chairman <b>Approval of Shareholders’ Council Programme and Budget</b> Resolution 8: Approval of the Shareholders’ Council programme and budget
<b>Voting Paper Collection</b>
<b>Announcement of Election Results</b>
<b>General Business</b>
<b>12.30 / 1.00pm - Closing / Lunch (approximately)</b>

## PART ONE

# NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF FONTERRA CO-OPERATIVE GROUP LIMITED

Notice is given that the Annual Meeting of the Shareholders of Fonterra Co-operative Group Limited ("Company") will be held on **Thursday, 8 December at 10.30am at the Fonterra Darfield Site, 3792 West Coast Road, Darfield.**

John Wilson  
**Chairman, on behalf of the Board**  
**Notice of Meeting dated [21 November 2016].**

## Business

Welcome/Introduction

## Annual Meeting Proceedings

Chairman's Review

Chief Executive Officer's Presentation

## Approval of Remuneration of Directors, Shareholders' Councillors and Directors' Remuneration Committee Members

Directors' Remuneration Committee Review

### Resolution 1: Approval of remuneration of Directors

To consider the remuneration of Directors recommended by the Directors' Remuneration Committee and, if thought fit, to resolve:

*"To approve the remuneration of Directors, as recommended by the Directors' Remuneration Committee."*

### Resolution 2: Approval of remuneration of Shareholders' Councillors

To consider the remuneration of Shareholders' Councillors recommended by the Directors' Remuneration Committee and, if thought fit, to resolve:

*"To approve the remuneration of Councillors, as recommended by the Directors' Remuneration Committee."*

### Resolution 3: Approval of remuneration of Members of the Directors' Remuneration Committee

To consider the remuneration of Members of the Directors' Remuneration Committee recommended by the Board and, if thought fit, to resolve:

*"To approve the remuneration of Members of the Directors' Remuneration Committee, as recommended by the Board."*

## Appointment of Auditor

### Resolution 4: Appointment of PricewaterhouseCoopers as auditor and authorisation of the Directors to fix the auditor's remuneration

To consider the appointment of PricewaterhouseCoopers as auditor of the Company and authorisation of the Directors to fix the auditor's remuneration and, if thought fit, to resolve:

*"To appoint PricewaterhouseCoopers as auditor of the Company until the conclusion of the Company's next Annual Meeting and authorise the Directors to fix the auditor's remuneration."*

## Ratification of Appointment of Director

### Resolution 5: Ratification of appointment of Mr Simon Israel

To consider and, if thought fit, to resolve:

*"To ratify the appointment by the Board of Mr Simon Israel as a Director of the Company, under clause 12.4 of the Constitution."*

### Resolution 6: Ratification of appointment of Mr David Jackson

To consider and, if thought fit, to resolve:

*"To ratify the appointment by the Board of Mr David Jackson as a Director of the Company, under clause 12.4 of the Constitution."*

### Resolution 7: Ratification of appointment of Mr Scott St John

To consider and, if thought fit, to resolve:

*"To ratify the appointment by the Board of Mr Scott St John as a Director of the Company, under clause 12.4 of the Constitution."*

## Shareholders' Council Report

---

Chairman's Review

## Approval of Shareholders' Council Programme and Budget

---

### **Resolution 8: Approval of Shareholders' Council programme and budget**

To receive and discuss the Shareholders' Council Report (including the Milk Commissioner's Report) and the Shareholders' Council's programme and budget for the current season (contained in the Shareholders' Council's Annual Report to Shareholders 2015/2016) and, if thought fit, to resolve:

*"To approve the Shareholders' Council's programme and budget for the current season."*

## PART TWO

# EXPLANATORY NOTES TO NOTICE OF ANNUAL MEETING

### Welcome

The Chairman will welcome Shareholders.

### Annual Meeting Proceedings

#### Approval of Remuneration of Directors, Shareholders' Councillors and Directors' Remuneration Committee Members

##### Resolution 1: Approval of remuneration of Directors

In accordance with clause 34.1 of the Company's Constitution, the Directors' Remuneration Committee ("Committee") met in August 2016 to consider, and recommend to Shareholders, the form and amount of the Directors' remuneration. The Committee comprises six Shareholders and is chaired by Mr David Gasquoine.

In considering their recommendation, the Committee reviewed the market trends for director fees and the workload expectations for Fonterra Directors. The Committee discussed relativities between different roles, the nature of the Company and the challenging conditions currently being experienced by Shareholders. The Committee believes it is important to set realistic fee levels, having particular regard to the broader market and the workload requirements, to ensure highly skilled directors are attracted and retained on the Board. The Committee notes that the Directors' remuneration was not increased in 2014 and 2015, which was appropriate given the very challenging economic conditions being experienced by Shareholders.

The Committee is of the view that given the lengthy duration of the challenging conditions, it is again appropriate for remuneration levels to remain unchanged in the current year. However the Committee believes that to attract and retain the very best director candidates, and to align with the market, increases in remuneration will be required in the coming years.

The Committee's recommendation to Shareholders in relation to the remuneration of Directors is:

That the remuneration for the Directors be approved at the following amounts from the date of this Annual Meeting:

- Chairman **\$405,000 p.a.** (no change)
- Director **\$165,000 p.a.** (no change)

In addition, at the discretion of the Board, the Chair of each permanent Board Committee may be paid an additional \$31,000 p.a., unless that person is the Chairman of the Board or already in receipt of a Committee Chair allowance. (no change)

The Committee has also approved the expense reimbursement policy for both Directors and Shareholders' Councillors, whereby actual and reasonable expenses associated with their positions are reimbursed. It has also approved, and regularly monitors, the reimbursement of reasonable travel expenses for Directors' spouses/partners.

##### Resolution 2: Approval of remuneration of Shareholders' Councillors

In accordance with By-law 3.1 of the Shareholders' Council By-laws, the Directors' Remuneration Committee met in August 2016 to consider, and recommend to Shareholders, the form and amount of the remuneration to be paid to Shareholders' Councillors.

The Committee notes the priorities and expectations on Councillors and the outcomes of the Representation Review. The Committee considers the Councillor's representative role to be an important one for the Co-operative, and that the level of the honoraria needs to be sufficient to attract and recognise Shareholders of a high calibre serving in that capacity. The Committee understands that the 2013 increase in Councillor honoraria continues to achieve that objective. However the Committee notes that following the Representation review, a review of the Shareholders' Council wards will be undertaken with a view to reducing the number of wards and Councillors. The Committee recognises that if the number of Shareholders' Council wards is reduced there may be an impact on Councillors' workload and expectations that may need to be addressed by the Committee in 2017 when assessing appropriate remuneration levels.

The Committee reviews with the Chair of the Shareholders' Council the allocations made from the discretionary pool in the prior year, and is comfortable that the pool was utilised in a reasonable manner consistent with the intent of the recommendation.

The Committee's recommendation to Shareholders in relation to the remuneration of Shareholders' Councillors is:

That the honoraria for the Shareholders' Councillors and the Chairman of the Council be approved at the following amounts from the date of this Annual Meeting:

- Chair **\$90,900 p.a.** (no change)
- Deputy Chair **\$55,550 p.a.** (no change)
- Councillors **\$30,000 p.a.** (no change)
- Discretionary Pool

Up to **\$100,000** per annum (in aggregate), be provided for additional honoraria of Project Leaders and Subcommittee Chairpersons of the Shareholders' Council (in each case not to exceed \$17,500 per annum per person); and for ordinary Councillors representing the Council at its request on external Committees; such provisions to be allocated in whole or part at the discretion of the Chairman of the Shareholders' Council and the tabling of details of such honoraria payments to the Directors' Remuneration Committee annually. (No change to the amount of the current pool arrangement.)



**Resolution 3: Approval of remuneration of Members of the Directors' Remuneration Committee**

The Board met to consider, and recommend to Shareholders, the form and amount of the remuneration to be paid to Members of the Directors' Remuneration Committee. The Directors' Remuneration Committee comprises six elected Shareholders.

The Board's recommendation to Shareholders in relation to the remuneration of Members of the Directors' Remuneration Committee is that the remuneration be set at the following amounts from the date of this Annual Meeting:

- Chairman                   **\$1,500 p.a.** (no change)
- Member                     **\$500 p.a.** (no change)

Furthermore, Members of the Directors' Remuneration Committee are entitled to be paid for reasonable expenses incurred in connection with the business of the Committee, in line with the policy for remuneration of Directors and Shareholders' Councillors.

## Appointment of Auditor

---

**Resolution 4: Appointment of PricewaterhouseCoopers as auditor and authorisation of the Directors to fix the auditor's remuneration**

The Companies Act 1993 requires the Company to appoint an auditor. Section 207S of the Companies Act 1993 provides that the fees and expenses of an auditor appointed at an Annual Meeting can be fixed in the manner determined at that meeting.

PricewaterhouseCoopers has audited the Company's financial statements for the year ended 31 July 2016.

The Directors recommend that PricewaterhouseCoopers be appointed as auditor for the coming year. The Directors recommend that Shareholders authorise the Board to fix the auditor's remuneration.

## Ratification of Appointment of Directors

---

**Resolution 5: Ratification of appointment of Mr Simon Israel**

The Company's Constitution requires that the Shareholders of the Company ratify the appointment of each Director appointed by the Board in accordance with clause 12.4 of the Constitution. This is to take place at the first Annual Meeting of the Company following that Director's appointment and, where the appointment is for a term exceeding three years, shall be ratified by Shareholders every three years.

Mr Simon Israel was appointed by the Board in accordance with clause 12.4 of the Constitution and his appointment is required to be ratified by Shareholders at the 2016 Annual Meeting.

The Fonterra Board has determined that Mr Israel qualifies as an Independent Director.

Mr Israel's remuneration and benefits, as with all of the Independent Directors, are determined by the Board in accordance with section 161 of the Companies Act and are not subject to Resolution 1. However, the Fonterra Board remunerates Independent Directors at the same level as Elected Directors. Mr Israel receives a travel allowance for each Board meeting held in New Zealand that he travels to attend.

Details of his qualifications and experience are set out below.

**Simon Israel**

Simon Israel was appointed to the Fonterra Co-operative Group Board in 2013.

Simon is a member of the People Culture and Safety Committee.

Simon is currently the Chairman of Singapore Telecommunications Limited and Singapore Post Limited. Simon is also a Director of CapitaLand, one of Asia's largest real estate companies. He was an Executive Director of Temasek Holdings for six years and President from 2010 to 2011. Prior to that he was Chairman for Asia Pacific of the Danone Group. He was also a director of Fraser & Neave, Neptune Orient Lines, Asia Pacific Breweries, Griffin Foods and Frucor Beverage Group.

He was conferred Knight in the Legion of Honour by the French Government in 2007 and awarded the Public Service Medal in Singapore in 2011.

**Resolution 6: Ratification of appointment of Mr David Jackson**

The Company's Constitution requires that the Shareholders of the Company ratify the appointment of each Director appointed by the Board in accordance with clause 12.4 of the Constitution. This is to take place at the first Annual Meeting of the Company following that Director's appointment and, where the appointment is for a term exceeding three years, shall be ratified by Shareholders every three years.

Mr David Jackson was appointed by the Board in accordance with clause 12.4 of the Constitution and his appointment is required to be ratified by Shareholders at the 2016 Annual Meeting.

The Fonterra Board has determined that Mr Jackson qualifies as an Independent Director.

Mr Jackson's remuneration and benefits, as with all of the Independent Directors, are determined by the Board in accordance with section 161 of the Companies Act and are not subject to Resolution 1. However, the Fonterra Board remunerates Independent Directors at the same level as Elected Directors.

Details of his qualifications and experience are set out below.

#### **David Jackson**

David Jackson was appointed to the Fonterra Co-operative Group Board in 2007.

David is Chairman of the Audit and Finance Committee and Milk Price Panel. He is a member of the Risk Committee and is an observer on the People Culture and Safety Committee.

David also serves on the boards of Tegel Group Holdings Limited and Mitre 10 (New Zealand) Limited and is Chairman of The Dame Malvina Major Foundation.

David spent more than 30 years with accounting firm Ernst & Young in a variety of roles, and served as Chairman of the Board of management for the firm in New Zealand from 1999 to 2002. David also previously served as Chairman of the New Zealand Refining Company Limited and served on the Board of Nuplex Industries Limited.

#### **Resolution 7: Ratification of appointment of Mr Scott St John**

The Company's Constitution requires that the Shareholders of the Company ratify the appointment of each Director appointed by the Board in accordance with clause 12.4 of the Constitution. This is to take place at the first Annual Meeting of the Company following that Director's appointment and, where the appointment is for a term exceeding three years, shall be ratified by Shareholders every three years.

Mr Scott St John was appointed by the Board in accordance with clause 12.4 of the Constitution and his appointment is required to be ratified by Shareholders at the 2016 Annual Meeting.

The Fonterra Board has determined that Mr St John qualifies as an Independent Director.

Mr St John's remuneration and benefits, as with all of the Independent Directors, are determined by the Board in accordance with section 161 of the Companies Act and are not subject to Resolution 1. However, the Fonterra Board remunerates Independent Directors at the same level as Elected Directors.

Details of his qualifications and experience are set out below.

#### **Scott St John**

Scott St John was appointed to the Fonterra Co-operative Group Board in November 2016.

Scott has worked within the First NZ Capital business since 1993 and has served as Chief Executive Officer for 15 years. Prior to joining First NZ Capital Scott worked at Hendry Hay McIntosh as an Equity Analyst.

Scott is currently a Director on the Fisher and Paykel Healthcare Corporation Limited Board. He is the incoming Chancellor of the University of Auckland.

## Approval of Shareholders' Council Programme and Budget

### **Resolution 8: Approval of Shareholders' Council programme and budget**

Under this item of business the Chairman of the Shareholders' Council will, in accordance with the requirements of the Company's Constitution:

- report on the Council's view as to the Company's direction, performance and operations for the preceding season;
- report on the activities undertaken by the Council in the preceding season;
- present the Council's programme and budget for the current season;
- present the Milk Commissioner's Report;
- comment on other dairy industry matters.

Shareholders are then asked to approve the programme and budget of the Shareholders' Council.

The Council has independently finalised its programme and budget and that information is included in the Shareholders' Council's Annual Report to Shareholders FY2016. This Annual Report has been sent to Shareholders and is available on [fonterra.com](http://fonterra.com) and Farm Source (<https://nzfarmsource.co.nz/business/advice-support/shareholders-council/>).





If undelivered please return to:

The Returning Officer  
Fonterra Elections 2016  
PO Box 3138  
Christchurch 8140  
Free phone 0800 666 034

# FONTERRA ANNUAL MEETING 2016 ANNUAL MEETING PROXY PAPER INFORMATION

10.30AM ON 8 DECEMBER 2016. FONTERRA DARFIELD SITE, 3792 WEST COAST ROAD, DARFIELD.

## HOW TO COMPLETE THE PROXY PAPER AND APPOINT A PROXY:

1. **Appoint a proxy:** Provide the full name and address of your chosen proxy in the box labelled "Primary Proxy". A proxy need not be a Shareholder.

The Chairman of the Meeting is willing to act as your primary proxy. If you wish to appoint the Chairman of the Meeting you can simply write "Chairman of the Meeting".

It is recommended that you appoint an alternate proxy as well, in case your primary proxy is unable to attend on the day of the Annual Meeting. Please provide the full name and address of your alternate proxy in the box labelled "Alternate Proxy".

Please note: You do NOT need to appoint an alternate proxy if the Chairman of the Meeting is your primary proxy.

2. **Instruct your proxy how to vote:** You can instruct your proxy how to vote by placing a tick in either the "For" or "Against" box. Your proxy CANNOT change the direction of your vote if you instruct them how to vote in this manner. If you do not instruct your proxy how to vote by placing a tick in either the "For" or "Against" box, then your proxy can vote as she/he determines.

3. **Sign the form:** Each Shareholder must sign the paper:

- Individuals/Sole Proprietors: the Shareholder must sign the paper.
- Companies: a duly authorised representative of the company must sign the paper.
- Joint Shareholders (including trusts, partnerships and estates): it is your responsibility to ensure that the person(s) signing this paper is/are authorised to sign on behalf of, and bind, all joint holders.
- Attorneys: if the paper is signed under a power of attorney, it must be accompanied by a signed certificate of non-revocation of the power of attorney. The power of attorney under which the paper is signed must be sent with the paper if the power of attorney has not been previously produced to the Company.

4. **Return the form:** Return the proxy paper as soon as possible. It must be received by the Returning Officer no later than 10.30am on Tuesday, 6 December 2016.

- Fax it to **03 377 1474 (+64 3 377 1474** if faxing from overseas).
- Or mail by separating, folding and inserting the proxy paper into the freepost envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please **post no later than Thursday, 1 December 2016.**

## HOW TO APPOINT A CORPORATE REPRESENTATIVE:

In the case of a Shareholder that is a company or other body corporate, a representative can be appointed to attend the Annual Meeting by completing the proxy form. In this form, proxy can mean proxy or representative appointed for a company or other body corporate or entity.

## ERRORS AND OMISSIONS:

By signing and returning the proxy paper, you authorise Fonterra, in its sole discretion, to rectify any errors in, or omissions from, the paper form, including by inserting and correcting details.

## REVOKING YOUR APPOINTMENT:

If you change your mind on the appointment of a proxy or representative, you can revoke the appointment by written notice to the Company. Such notice must be received at the registered office of the Company - Fonterra Annual Meeting, Fonterra Co-operative Group Limited, Private Bag 92032, Auckland 1142 (or fax to 09 374 9451) no later than 10.30am on Tuesday, 6 December 2016.

# FONTERRA ANNUAL MEETING 2016 COMBINED ANNUAL MEETING VOTING/PROXY PAPER



## You can vote in **ONE** of the following five ways:

### 1. INTERNET VOTING

Vote via Farm Source website (at [nzfarmsource.co.nz](http://nzfarmsource.co.nz) and/or [fonterra.com](http://fonterra.com))

- Login using your Farm Source login and password
- Follow the voting links from the homepage
- Enter your Personal Identification Number (PIN) and password – see below.

**IMPORTANT:** By entering the PIN and password you warrant and undertake that you are authorised to exercise the vote of this shareholder.

After voting online, you do not need to submit this Voting Paper and it can be destroyed.

**PIN**

**PASSWORD**

### 2. POSTAL VOTING

Post the completed Voting Paper to [electionz.com](http://electionz.com) in the freepost reply envelope provided.

To ensure your Voting Paper reaches the Returning Officer before the close of voting please **post no later than Thursday, 1 December 2016.**

### 3. FAX VOTING

Fax the completed Voting Paper to **03 377 1474** (or **+64 3 377 1474** if faxing from overseas).

After voting by fax, please destroy this Voting Paper.

### 4. AT THE MEETING

If you plan to attend the meeting, bring this form with you.

Voting instructions:

- Indicate your vote with a tick
- When advised by the Chairman of the Meeting, pass the completed Voting Paper to an official of the meeting.

### 5. BY PROXY

Appoint a person to attend the Annual Meeting and vote on your behalf. A proxy need not be a Shareholder.

**Internet, postal, fax votes and proxy appointments must be received by [electionz.com Ltd](http://electionz.com) no later than: 10.30am on Tuesday, 6 December 2016**

For enquiries phone the ELECTION HELPLINE: **0800 666 034**



# FONTERRA ANNUAL MEETING 2016 ANNUAL MEETING VOTING PAPER

Use this paper to vote by internet, post, fax or by attending the Annual Meeting to vote in person.



	Supply No.:	<input type="text"/>
	Details of person completing this Voting Paper:	
	First Name:	<input type="text"/>
	Surname:	<input type="text"/>
	Signature:	<input type="text"/>

		Indicate your vote with a tick ✓	FOR	AGAINST
<b>1</b>	<b>Resolution 1:</b> Approval of remuneration of Directors		<input type="radio"/>	<input type="radio"/>
<b>2</b>	<b>Resolution 2:</b> Approval of remuneration of Shareholders' Councillors		<input type="radio"/>	<input type="radio"/>
<b>3</b>	<b>Resolution 3:</b> Approval of remuneration of members of the Directors' Remuneration Committee		<input type="radio"/>	<input type="radio"/>
<b>4</b>	<b>Resolution 4:</b> Appointment of PricewaterhouseCoopers as auditor and authorisation of the Directors to fix the auditor's remuneration		<input type="radio"/>	<input type="radio"/>
<b>5</b>	<b>Resolution 5:</b> Ratification of appointment of Mr Simon Israel		<input type="radio"/>	<input type="radio"/>
<b>6</b>	<b>Resolution 6:</b> Ratification of appointment of Mr David Jackson		<input type="radio"/>	<input type="radio"/>
<b>7</b>	<b>Resolution 7:</b> Ratification of appointment of Mr Scott St John		<input type="radio"/>	<input type="radio"/>
<b>8</b>	<b>Resolution 8:</b> Approval of Shareholders' Council programme and budget		<input type="radio"/>	<input type="radio"/>

# FONTERRA ANNUAL MEETING 2016 ANNUAL MEETING PROXY PAPER

10.30AM ON 8 DECEMBER 2016. FONTERRA DARFIELD SITE, 3792 WEST COAST ROAD, DARFIELD.



**!** Only use this paper if you **do not** plan to attend the meeting but wish to be represented by a proxy holder at the meeting. This paper can also be used by a Shareholder that is a company or other body corporate to appoint a representative.

<b>A: Shareholder Details</b>	
Name	Supply Number:
	Party Number:

<b>B: Appointment of Proxy</b>
<i>If you wish to appoint someone as your proxy, insert their full name and address below. The Chairman of the Meeting is willing to act as a proxy.</i>
<b>Primary Proxy:</b> I/We appoint:
Full name of your proxy:
Full address of your proxy:
as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting of Shareholders to be held at 10.30am on Thursday, 8 December 2016 and at any adjournment of that Annual Meeting.
<b>Alternate Proxy:</b> You do not need to appoint an alternate proxy but it is recommended that you do so, unless you are appointing the Chairman of the Meeting as proxy. The Chairman of the Meeting is willing to act as an alternate proxy. If the person I/we have appointed is unable to be my/our proxy then I/we appoint:
Full name of your alternate proxy:
Full address of your alternate proxy:

<b>C: Voting Instructions</b>		FOR		AGAINST	
<b>1</b>	<b>Resolution 1</b>	<input type="radio"/>	<input type="radio"/>	<b>5</b>	<b>Resolution 5</b>
<b>2</b>	<b>Resolution 2</b>	<input type="radio"/>	<input type="radio"/>	<b>6</b>	<b>Resolution 6</b>
<b>3</b>	<b>Resolution 3</b>	<input type="radio"/>	<input type="radio"/>	<b>7</b>	<b>Resolution 7</b>
<b>4</b>	<b>Resolution 4</b>	<input type="radio"/>	<input type="radio"/>	<b>8</b>	<b>Resolution 8</b>

<b>Signature(s) of Shareholder(s) named in Section A</b> (Please see signing instructions on the next page.)	
By signing this form, I/we warrant and undertake that I/we are authorised to sign on behalf of, and bind, the Shareholder(s) named in Section A.	
Name of Shareholder	Signature
Full name and title of signatory	Date
Name of Shareholder	Signature
Full name and title of signatory	Date
Name of Shareholder	Signature
Full name and title of signatory	Date

If you are appointing a proxy, return this paper as soon as possible. It must be received by the Returning Officer no later than **10.30am Tuesday, 6 December 2016**. Fax to 03 377 1474 (+64 3 377 1474 if faxing from overseas), or separate, fold and insert into the freepost envelope provided.