

2019 Notice of Annual Meeting

Notice is hereby given that the 2019 Annual Meeting of unit holders of the Fonterra Shareholders' Fund will be held

MONDAY 11 NOVEMBER 2019

Commencing at 10am
(New Zealand Time)

**FONTERRA
SHAREHOLDERS'
FUND.**



Notice of Annual Meeting

Important Dates

These dates are given in New Zealand time.

Friday 8 November 2019, 5pm

Record Date for voting entitlements for the Annual Meeting

Saturday 9 November 2019, 10am

Latest time for receipt of Proxy/Voting forms or for online proxy appointments

Monday 11 November 2019, 10am

Annual Meeting

When

Monday 11 November 2019
Commencing at 10am
(New Zealand Time)

Where

Fonterra's Auckland Office
109 Fanshawe Street
Auckland Central

Items of Business

- A. Welcome and Introduction
- B. Address by the Chairman of the Manager of the Fonterra Shareholders' Fund
- C. Address by the Chairman of Fonterra Co-operative Group Ltd
- D. Address by Chief Executive Officer of Fonterra Co-operative Group Ltd
- E. Unit holder discussion
- F. Resolution:
Unit holders will be asked to consider and, if thought appropriate, to pass the following ordinary resolution:
 1. To re-elect Kim Ellis, who retires by rotation and stands for re-election, as a director of the Manager of the Fund.

In accordance with the Fonterra Shareholders' Fund Trust Deed, the resolution above is to be considered as an ordinary resolution and is required to be passed by a simple majority of the votes of those unit holders entitled to vote and voting at the Annual Meeting.

Mr Ellis is an 'Independent Director' for the purpose of the NZX Listing Rules.

Explanatory Notes

Further detail on Mr Ellis is set out in the Explanatory Notes on page 4.

ATTENDANCE

All unit holders are entitled to attend and vote at the Annual Meeting or to appoint a proxy or representative to attend and vote on their behalf.

PROXIES

A proxy need not be a unit holder, and may be appointed by completing the form accompanying this Notice of Annual Meeting or online at www.investorvote.co.nz.

The appointment of a proxy or representative does not preclude a unit holder from attending and voting at the Annual Meeting.

You may appoint the Chair of the Annual Meeting or any other director of the Fund as your proxy.

If you do not name a person as your proxy or your named proxy does not attend the meeting, the Chair will be appointed your proxy and will vote in accordance with your express direction, and any undirected votes will (subject to any restriction(s) set out in the NZX Listing Rules) be voted in accordance with the Chair's discretion.

ANDREW CORDNER

Company Secretary
Auckland, New Zealand
11 October 2019

FSF Management Company Ltd (Australian Registered Business Number 190 539 935, incorporated in New Zealand) is the Manager of the Fonterra Shareholders' Fund.

Questions

Unit holders may submit questions to the Board of the Manager ahead of the Annual Meeting. Questions should be relevant to matters at the Annual Meeting, including matters arising from the financial statements or general questions regarding the performance of the Fund or Fonterra.

The Manager has a discretion on which questions will be addressed at the Annual Meeting.

Please submit questions by email to Investor.Relations@fonterra.com. Please write 'Questions from Unit Holders' in the subject line of the email.

There will also be an opportunity for unit holders and proxy holders to ask questions at the Annual Meeting.

Letter from the Chairman

Dear Unit Holders

On behalf of the Board of Directors I am pleased to invite you to the seventh Annual Meeting of unit holders of the Fonterra Shareholders' Fund, commencing at 10am NZT on Monday 11 November 2019 at Fonterra's offices, 109 Fanshawe Street, Auckland Central.

At the Annual Meeting, the Fund Board will be joined by John Monaghan, Chairman of Fonterra, and Miles Hurrell, Chief Executive Officer of Fonterra. I will present an overview of the seventh year of the Fund and John and Miles will discuss Fonterra's performance over the past year. Unit holders will also have the opportunity to ask questions about the operations and management of Fonterra.

Unit holders will be asked to vote for the re-election of Mr Ellis as an Independent Director.

Mr Ellis was originally appointed to the Board of the Manager by Fonterra when the Fund was established. He was re-elected by unit holders in November 2016. By rotation, he will stand down as an Independent Director and stand for re-election.

Biographical details for Mr Ellis are included in the Explanatory Notes on the next page.

The Board unanimously recommends (with Mr Ellis abstaining) that unit holders re-elect Mr Ellis as an Independent Director.

If you cannot attend the meeting and wish to appoint a proxy to vote on your behalf, you may direct your proxy to vote for or against the resolution, to abstain from voting, or to exercise their discretion as to how to vote.

If you appoint the Chair or any other director as proxy to exercise their discretion on how to vote, they will cast your proxy vote in favour of the re-election of Mr Ellis.

If you would like to appoint a proxy, complete and lodge the enclosed Proxy/Voting form (either by post or fax) with Computershare Investor Services. Alternatively, you can appoint a proxy online by going to www.investorvote.co.nz – you will need your CSN holder number and postcode (or country of residence if outside New Zealand) to do this. If you receive multiple Proxy/Voting forms, please complete one Proxy/Voting form in respect of each unit holding.

All Proxy/Voting forms need to reach Computershare by 10am NZT on Saturday 9 November 2019.

For those unit holders who are attending the Annual Meeting, please bring the enclosed Proxy/Voting form, or your CSN holder number with you to assist with your registration.

You are invited to join the Fund Board and Fonterra senior management for light refreshments at the conclusion of the Annual Meeting.

I look forward to seeing you then.



JOHN SHEWAN
CHAIRMAN
FONTERRA SHAREHOLDERS' FUND

Explanatory Note

The Board of the Manager of the Fonterra Shareholders' Fund has statutory responsibilities for the activities of the Manager and the Fund, including monitoring the compliance with regulatory requirements and ensuring that unit holders' interests are managed and protected in accordance with the constituent documents that relate to the Fund. Directors have no role in the governance or operation of Fonterra.

Skills required of a director on the Board of the Manager include governance experience, preferably of a listed entity, financial and capital markets knowledge, an understanding of co-operatives, and risk management experience.

The following profile has been provided by Mr Ellis.

Resolution: Election of Director



KIM ELLIS

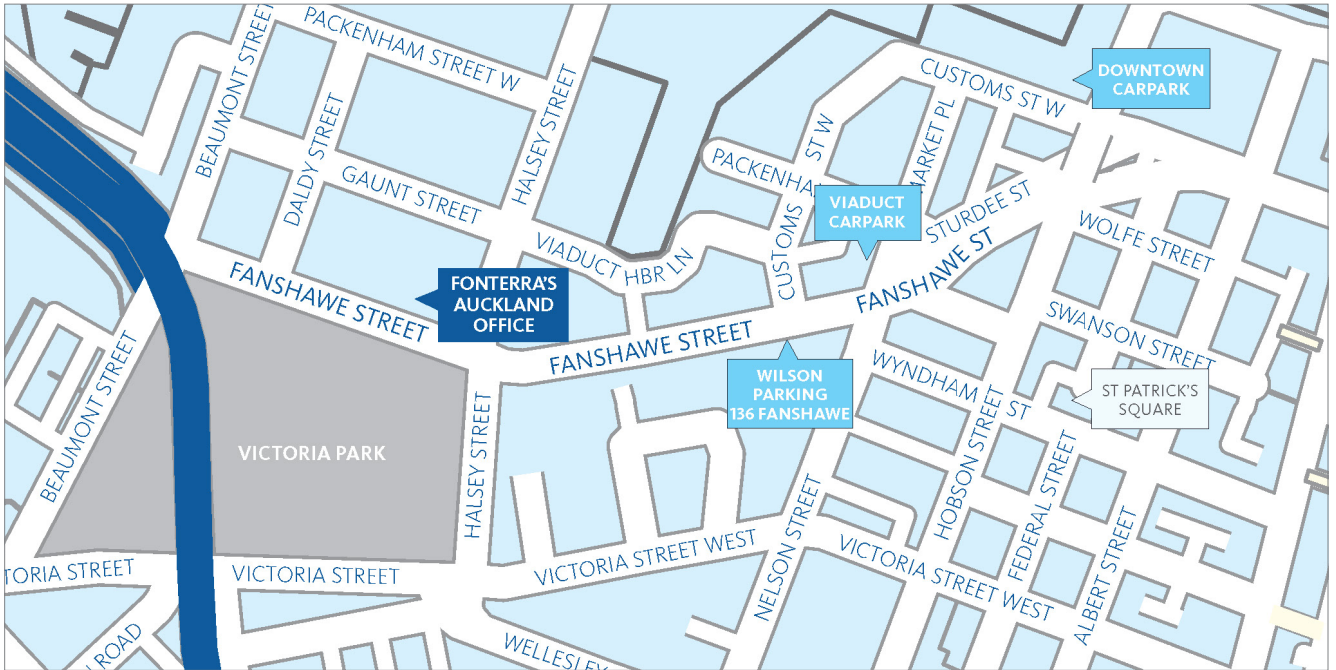
BCA (Hons), BE (Hons)

Kim Ellis graduated from Canterbury and Victoria Universities with first class honours degrees in Chemical Engineering and Economics. His career took him through a number of industries in leadership roles culminating in 13 years as CEO of Waste Management NZ which was sold in 2006 to Terry Peabody's Transpacific Industries. Since then he has had 13 years in governance with private and listed companies, including in the agri-sector as Chair of listed Seeka Kiwifruit and Director of privately held Tasman Tanning.

He is currently Chair of Metlifecare, the NZ Social Infrastructure Fund and the Turner family's Sleepyhead Group and is a Director of Freightways, Port of Tauranga and Ballance Agri-Nutrients.

He joined the Board of the Fund at the time of the Fund's inception in 2012 and participated in the latter stage of the comprehensive Due Diligence process that preceded TAF (Trading Among Farmers) and the formation of the Fund. As such he is acutely aware of the tightly prescribed role of the Fund and the Board of its Manager in underwriting a stable capital base for Fonterra by means of the issuing and redemption of units. A by-product of this activity is the opportunity of non-farmer investors to participate in the economic performance of New Zealand's largest dairy business. This has proven a less than rewarding experience unfortunately but one which elected Directors on the Board of the Manager of the Fund have no mandate to influence given the wholly passive nature of the Fund.

He has owned 15,000 units since 2013. If re-elected this will be his last three-year term.



Procedural Notes

Voting Entitlements

Unit holders that will be entitled to vote on the resolution at the Annual Meeting are those who are unit holders of Fonterra Shareholders' Fund at 5pm NZT on Friday 8 November 2019.

Voting Process

Voting will be conducted by way of a poll. To vote, unit holders can either:

ATTEND IN PERSON

If you wish to attend the Annual Meeting please bring the enclosed Proxy/Voting form, or your CSN holder number with you to the meeting.

APPOINT A PROXY TO VOTE

If you do not propose to attend the Annual Meeting, you can appoint a proxy to attend the meeting and vote on your behalf. The Chair of the meeting or any other director of the Fund is willing to act as a proxy for any unit holder who wishes to appoint him or her for that purpose. To do this, enter 'the Chair' or the name of your proxy in the space provided on the Proxy/Voting form (further details are provided on the form).

If you appoint the Chair or any other director as proxy to exercise their discretion on how to vote, they will cast your proxy vote in favour of the re-election of Mr Ellis.

To appoint a proxy, you need to do one of the following:

ONLINE

Lodge your proxy online by going to www.investorvote.co.nz. You will need your CSN holder number and postcode (or country of residence if outside New Zealand).

If you do not have your CSN holder number, please contact Computershare at enquiry@computershare.co.nz or +64 9 488 8777 (international).

FAX

You can fax your Proxy/Voting form to +64 9 488 8787.

MAIL

Return the Proxy/Voting form by mail to the Share Registrar, Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, using the Freepost envelope provided.

For your proxy to be effective it must be received by 10am NZT on Saturday 9 November 2019.

MEETING VENUE

Fonterra's Auckland Office

ADDRESS

109 Fanshawe Street,
Auckland Central, New Zealand

PARKING

Parking is available at public car parks in the vicinity of the venue including the Viaduct car park on Sturdee Street.

The addresses of the manager of the Fund and the supervisor are as follows:

FSF MANAGEMENT COMPANY LIMITED

109 Fanshawe Street, Auckland 1010, New Zealand
Attention: Company Secretary

GUARDIAN TRUST COMPANY LIMITED

Level 6, 191 Queen Street, Auckland 1010, New Zealand
Attention: Relationship Manager Corporate Trusts