

FONTERRA FARMER CUSTODIAN LIMITED

Custodian

DEED POLL
in favour of FSM Participants

RUSSELL McVEAGH

FONTERRA FARMER CUSTODIAN LIMITED ("Custodian")**INTRODUCTION**

- A. Pursuant to Rule 22.11 of the NZX Participant Rules ("**Rules**"), FSM Participants (as that term is defined by the Rules) may from time to time be required to transfer to the Custodian legal title to co-operative shares ("**Shares**") issued by Fonterra Co-operative Group Limited ("**Fonterra**").
- B. The Custodian wishes to record the terms and conditions upon which the Custodian shall hold Shares transferred to it by an FSM Participant as referred to in Introduction A.
- C. The Custodian may from time to time be required to transfer Shares for the purpose of effecting FSF Redemptions. The Custodian wishes to authorise FSM Participants to transfer shares for the purpose of effecting FSF Redemptions.

OPERATIVE PART

1. In the event that an FSM Participant transfers Shares to the Custodian in accordance with Rule 22.11 of the NZX Participant Rules, the Custodian shall:
 - (a) hold those Shares, and all bonus or other Shares in Fonterra which may be issued to the Custodian as a result of the Custodian holding the Shares, (together "**Trust Shares**") upon trust for that FSM Participant;
 - (b) transfer the Trust Shares as directed by the FSM Participant when requested to do so by the FSM Participant, provided that the Custodian shall not be obliged to comply with any such direction if to do so would breach the Rules, the FSM Rules, the constitution of Fonterra or any other legal requirement;
 - (c) subject to clause 1(a), account to the FSM Participant for all Distributions (as that term is defined in the Companies Act 1993) and other benefits derived from holding the Trust Shares; and
 - (d) deliver to the FSM Participant copies of all notices received in relation to the Shares.
2. Except as otherwise set out in this deed, FSM Participants shall have no right to direct the Custodian in respect of the exercise of any rights attached to Trust Shares, including, for example, any right to vote or participate in a Rights (as that term is defined in the FSM Rules) issue.
3. In all circumstances in which the Custodian is required to transfer, or receive the transfer, of Shares to, or from, an FSM Participant in accordance with Rule 22.11 of the Rules or for the purposes of effecting an FSF Redemption, the Custodian:
 - (a) duly authorises and consents to the transfer of the Shares;
 - (b) authorises any FSM Participant to store the Custodian's Authorisation Code in accordance with Rule 15.14.2; and
 - (c) instructs the relevant FSM Participant to undertake the transfer of the Shares.

BENEFIT OF DEED AND AMENDMENT

4. The Custodian acknowledges that this deed is made for the benefit of, and is intended to be enforceable by, any person who is from time to time an FSM Participant, and NZX Limited, in its capacity as registered exchange responsible for the operation of the FSM.
5. The Custodian may not amend this deed unless, in the Custodian's opinion, the amendment is required to comply with a change to a law or the Rules.
6. Unless required by law or the Rules, no amendment will affect the terms on which Trust Shares transferred to the Custodian prior to the date the amendment takes effect are held.
7. Any amendment to this deed shall take effect upon FSM Participants being notified of the amendment. Notice of the proposed amendment will be deemed to have occurred ten Business Days following written notification of the amendment by the Custodian to NZX Limited.
8. Any amendment made pursuant to this clause shall thereafter bind all FSM Participants.
9. If the Rules are changed such that FSM Participants are no longer required to transfer Shares to the Custodian under Rule 22.11 or for the purpose of effecting FSF Redemptions, the Custodian may at any time terminate this deed with immediate effect. Termination of this deed shall not affect the Custodian's obligation to hold Trust Shares transferred to the Custodian prior to the date of termination on the terms set out in this deed.

INTERPRETATION

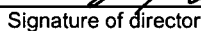
10. Unless otherwise defined, capitalised terms in this deed (including the Introduction) have the meaning given to them in the Rules.
11. The introduction to and headings in this deed are inserted for convenience only and shall be ignored in construing this deed.
12. Unless the context otherwise requires, words denoting only the singular number include the plural and vice versa.
13. References to any document include references to such document as modified, novated, supplemented, varied or replaced from time to time.
14. References to any party to this deed or any other document shall include its successors or permitted assigns.
15. Anything which may be done at any time may also be done from time to time.

SIGNED AS A DEED

**FONTERRA FARMER CUSTODIAN
LIMITED** by:


Signature of director

KEVIN JOHN TURNBULL
Name of director


Signature of director

MALCOLM GUY BAILEY
Name of director