



Reservation Request



To: Computershare Investor Services Limited
Email: fonterra@computershare.co.nz

Capitalised terms used but not defined in this instruction have the meaning given in Fonterra's constitution (as amended from time to time). The Co-operative Shares and the Units in the Fonterra Shareholders' Fund ("**Units**") are referred to in this instruction as the "**Relevant Securities**". The Share Register and the Unit Register are the "**Registers**" and a reference to a "**Security Interest**" means any security interest as defined in section 17(1)(a) of the Personal Property Securities Act 1999.

I/We (Full name(s) of securityholder(s))

being the registered holder(s) of the Relevant Securities set out below request and direct that the Registrar:

- (a) removes those Relevant Securities from those covered by the existing FIN for those Securities;
- (b) places a "Reservation" over those Relevant Securities;
- (c) does not allow transfer of those Relevant Securities until authorised to do so by the Nominated Organisation referred to below;
- (d) if the Nominated Organisation so requests, removes any restriction on the transfer of some or all of the Relevant Securities;

By signing this instruction, I/we represent and warrant that I am/we are authorised to sign on behalf of the registered holder(s) of the Relevant Securities set out below.

Bank Only Reference:

N	/	A																	
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For the purpose of this instruction, the Nominated Organisation is:

Name of Nominated Organisation

Rabobank New Zealand Limited

Address of Nominated Organisation

PO Box 38396, Wellington 5045

Contact Details – Name of Authorised Signatories

Telephone Number

Securities

04 819 2700

This instruction will remain in full force and effect and may not be revoked other than at the request of the Nominated Organisation given to you in writing.

The Relevant Securities (to which this instruction applies) are:

CSN	Securities (Co-operative Shares/Units)	Quantity/All	All Future
			YES/NO
			YES/NO
			YES/NO

Signatures

Shareholders:

If signing on behalf of a Company, please show the position on the authorised signatories (Director) under the signature.

			Date
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For and on behalf of Lender by its attorney / authorised signatory:

	Date
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For and on behalf of Computershare Investor Services Limited by its authorised representative:

	Date
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1. This instruction is provided subject to the terms and conditions set out below.
2. Upon receipt of this instruction, please confirm to the Nominated Organisation by countersigning this instruction that you have actioned this instruction.
3. The Shareholder and the Nominated Organisation (each a "User") acknowledge and agree that:
 - (a) under Fonterra's constitution, Fonterra has a first and paramount lien over each of the Co-operative Shares. Nothing in this instruction will prevent a transfer of or other dealing with Co-operative Shares effected by or on behalf of Fonterra in enforcing Fonterra's rights under or in connection with that lien;
 - (b) Computershare shall not be liable to the User or any other person for relying on:
 - (i) any document or instruction that it believes in good faith to have been authorised by the Nominated Organisation; or
 - (ii) the Registers or for accepting in good faith as valid any detail recorded on the Register or contained in any Reservation Request, which is subsequently found to be forged, irregular, unauthorized or not authentic except to the extent that Computershare has been grossly negligent, fraudulent or committed by act of wilful misconduct;
 - (c) neither Computershare nor any officer, employee, agent or adviser of Computershare makes any representation, warranty or guarantee in respect of any Security Interest recorded on the Register and, in particular, but without limiting the foregoing:
 - (i) Computershare gives no warranty as to the accuracy of the Registers or that any pre or post trade compliance monitoring has been effected or, if effected, has been effected in a proper manner in accordance with Fonterra's constitution and the rules governing the Fonterra shareholders' market;
 - (ii) Computershare gives no warranty or guarantee as to the title to, or ownership of, the Relevant Securities and Computershare shall not be liable in any way for any loss caused to any person in respect of title to or ownership of such securities;
 - (iii) Computershare gives no warranty as to the time of placement of a Reservation over Relevant Securities;
 - (iv) Computershare gives no warranty as to the terms, or adequacy of, any Security Interest which is the subject of a Reservation or the suitability of any Security Interest for any particular purpose;
 - (v) Computershare shall not be liable in any way in connection with the exercise by a party of its rights under a Security Interest or as a result of any party acting in breach of its obligations under a Security Interest in relation to Relevant Securities;
 - (d) If the Relevant Securities are subject to an existing 'Reservation' or restriction recorded on the Registers in favour of a third party which would prevent this instruction being effected in accordance with its terms, Computershare must return this instruction to the Nominated Organisation within 10 business days of receipt, noting that this instruction could not be effected by Computershare in accordance with its terms. Each User acknowledges and agrees that Computershare shall have no obligation or liability whatsoever to either User in connection with such an instruction and each User agrees that it will take no action likely to cause loss, cost, expense or damage to Computershare in connection with such instruction without indemnifying Computershare to its reasonable satisfaction.
 - (e) Computershare shall only be liable to a User if, as a result of fraud, wilful misconduct, or gross negligence by Computershare or its officers or employees, Computershare causes a direct loss to the User ("Loss"). For the avoidance of doubt, and to the extent permitted by law, Computershare shall have no liability for indirect or consequential losses;
 - (f) Notwithstanding any other provisions of this instruction, or any other agreement or arrangement to which Computershare and any User may be a party, to the extent permitted by law Computershare's total aggregate liability for any Loss under or in relation to this instruction and any other reservation request instruction to which the Nominated Organisation specified above is a party (including pursuant to the Share Transition Deed between Fonterra Co-operative Group Limited, the Nominated Organisation and Computershare dated in or about September 2012, together such instructions the "Relevant Instruction") is limited to an aggregate amount equal to NZ\$240,000;
 - (g) The Shareholder agrees to indemnify Computershare against all costs, losses, expenses (including all reasonable legal expenses on a solicitor and own client basis), or liabilities incurred by Computershare in connection with this instruction provided that this indemnity shall not apply in relation to any cost, loss, expense or liability incurred by Computershare as a result of its own gross negligence, fraud or wilful misconduct, in which case Computershare will be responsible for those costs, losses, expenses or liabilities subject to paragraph (f) above; and
 - (h) Where required by Fonterra to effect a transfer of Relevant Securities in accordance with the requirements in the Fonterra Constitution, Computershare will effect that transfer notwithstanding any provision of this instruction to the contrary.
4. Payment
 - (a) Initial and ongoing fees will be payable to Computershare in connection with the administration of this instruction. Computershare will send an invoice to the Nominated Organisation (at the address set out above) in respect of the initial administration fees for this instruction (an amount of \$40) at or following the end of the month in which this instruction is received by Computershare. The Nominated Organisation will pay the initial administration fees in accordance with the terms of that invoice.
 - (b) In addition, not later than 30 September in each year (commencing on the 30 September immediately following the date of this instruction), Computershare will send to the Nominated Organisation an invoice setting out the administration fees payable in respect of all Relevant Instructions that have not been released or discharged (being \$40 per annum for each Relevant Instruction).
 - (c) Subject to Computershare providing an invoice in the manner and at the time specified in paragraph 4(b) (or such other manner or time as the Nominated Organisation and Computershare may agree from time to time), the Nominated Organisation will pay or procure the payment of the administrations fees set out in that invoice in accordance with the terms of that invoice.
 - (d) Subject to payment to Computershare of the administration fees contemplated by this paragraph 4, on each quarterly date following the date of this instruction (being 31 December, 31 March, 30 June and 30 September in each year), Computershare must provide to the Nominated Organisation a report in the form attached as Annex A.
 - (e) The administration fees payable by the Nominated Organisation to Computershare under this paragraph 4 are exclusive of any goods and services tax chargeable pursuant to the Goods and Services Tax Act 1985 but are inclusive of all other taxes.

The Shareholder authorises Computershare to disclose to the Nominated Organisation such information concerning the Shareholder and the Relevant Securities as Computershare may hold from time to time.

This instruction shall be governed by and continued in accordance with the laws of New Zealand. The Parties submit to the jurisdiction of the courts of New Zealand in relation to this instruction.

SCHEDULE 2

Notice of Security

Date:

To: Fonterra Co-operative Group Limited

("Fonterra")

From: Party No.

("Shareholder")

Bank Account:

("Bank Account")

Lender: **RABOBANK NEW ZEALAND LIMITED**

("Lender")

1. Fonterra and the Lender are a party to a proceeds transition deed dated on or about 1 September 2012 (the "**Proceeds Transition Deed**"), which sets out the terms and conditions on which Fonterra will acknowledge security interests (whether granted by way of charge or assignment or in some other way) granted by Fonterra shareholders over their interest in "Proceeds".
2. "Proceeds" is defined in the Proceeds Transition Deed and includes all amounts payable by Fonterra (net of any deductions or other amounts that may become payable by a Fonterra shareholder to Fonterra in accordance with Fonterra's constitution, or the Supplier's Handbook or any other terms and conditions applicable to a Fonterra shareholder) now and in the future to us.
3. We have granted a security interest over all Proceeds payable by Fonterra to us, to secure amounts owing by us to the Lender. Accordingly, we the Shareholder hereby give you notice that we have assigned by way of security to the Lender all of our rights, title and interest in and to all Proceeds.
4. We unconditionally and irrevocably instruct you:
 - (a) to pay the Proceeds to the Bank Account until otherwise directed by the Lender; and
 - (b) on and from the date on which the Lender notifies you that:
 - (i) an event of default has occurred under the terms of any loan finance agreement, security document or other finance document between us and the Lender (a "**Lender Document**"); and
 - (ii) the Lender has exercised its right to accelerate amounts due under the Lender Documents ("**Enforcement Notice**"),

to pay all Proceeds directly to or at the direction of the Lender from time to time.
5. We agree to indemnify Fonterra against any loss, cost, expense, liability or claim incurred or to be incurred by Fonterra in carrying out the instructions in paragraph 4 above.

6. We confirm that we shall not instruct you to pay the Proceeds to any account other than the Bank Account, and we shall not change or purport to change the Bank Account, without the consent of the Lender. Fonterra may ignore any instruction or direction given by or on our behalf which is inconsistent with this paragraph 6. Any payment made by Fonterra to the Bank Account shall constitute full satisfaction of Fonterra's obligation to make the relevant payment to us.
7. In addition, we hereby authorise you to disclose to the Lender any information concerning the Proceeds or our supply of Milk to you or any other information contemplated by the Proceeds Deed.
8. This notice is irrevocable and the directions contained in this notice may not be revoked or amended in any way without the prior written consent of the Lender.
9. This notice shall be governed by, and construed in accordance with, the laws of New Zealand, and the parties hereby submit to the jurisdiction of the courts of New Zealand.

[Shareholder]

By signing this instruction, I/we represent and warrant that I am/we are authorised to sign on behalf of the registered holder(s) of the Relevant Securities set out below.

For and on behalf of **RABOBANK
NEW ZEALAND LIMITED** by its
attorney / authorised signatory

Fonterra Countersignature

To: **RABOBANK NEW ZEALAND LIMITED**

And to: **[Shareholder]**

We acknowledge receipt of the Notice of Security dated []. We confirm that we will:

- (a) pay the Proceeds that become payable to the Shareholder after the date of this Countersignature to the Bank Account specified in the Notice of Security; and
- (b) on and from the date on which the Lender notifies us that:
 - (i) an event of default has occurred under the terms of any Lender Document; and
 - (ii) the Lender has exercised its right to accelerate amounts due under the Lender Document ("**Enforcement Notice**"),

to pay all Proceeds directly to or at the direction of the Lender from time to time.

The acknowledgments in this Countersignature are subject to the terms of the Proceeds Transition Deed; to the extent of any inconsistency between those acknowledgments and the Proceeds Transition Deed, the Proceeds Transition Deed will prevail.

OR

[Fonterra has received notice from a third party claiming an interest in the Proceeds.]

SIGNED for and on behalf of
FONTERRA CO-OPERATIVE GROUP
LIMITED

Dated: