

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of Foster's Group Limited will be held at the Palladium at Crown, Level 1, 8 Whiteman Street, Southbank, Victoria, Australia on Tuesday 26 October 2010, at 10.30 a.m.

Business:

Accounts

To consider the financial report and the reports of the Directors and of the Auditors for the financial year ended 30 June 2010.

Resolutions

1. Re-election of Director

Mr D A Crawford retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Information regarding Mr Crawford can be found in the accompanying Explanatory Notes.

Special Business:

2. Amendment to Shareholder Dividend Provisions of the Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

Amendment to specific Rules:

That the constitution of Foster's Group Limited be amended as follows:

- (a) in Rule 3.3(a)(iii), replacing the word "profits" with the word "dividends";
- (b) in Rule 3.3(a)(viii), replacing the word "profits" with the words "an amount";
- (c) in Rule 10.2(a), after the words "will include all dividends declared," inserting the words "or determined";
- (d) in Rule 19.1(a), after the words "The directors may," inserting the words "declare or,";
- (e) in Rule 19.1(b):
 - i. after the words "rescind the payment of", deleting the word "the" and replacing it with the word "a"; and
 - ii. before the words "at any time before the Company's Securities are quoted on ASX", inserting the words "that the directors have determined (but not declared)";
- (f) in Rule 19.3(a), deleting all of the existing wording and replacing it with a new Rule 19.3(a) which reads, "A determination by the directors as to the financial position of the

Company and the amount available to be paid by way of dividends is conclusive evidence of the amount so available.";

- (g) adding a new Rule 19.3(e) which reads "To the extent permitted by law, the directors may resolve to pay a dividend out of any available account (including the capital of the Company).";
- (h) in Rule 19.6(a), replacing the words "profit and loss" with the words "retained earnings"; and
- (i) in Rule 21, deleting the words "before declaring any dividend" and "not to divide".

3. Approval of the participation of Mr Ian Johnston, Chief Executive Officer of the Company, in the Foster's Long Term Incentive Plan - 2010 offer

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That the Company approve the acquisition of rights over a maximum of 487,700 ordinary shares in the Company by Mr I Johnston, the Chief Executive Officer, under the Foster's Long Term Incentive Plan upon the terms set out in the Explanatory Notes.'

4. Adoption of the Remuneration Report for the year ended 30 June 2010

To consider and put to a non-binding vote the following resolution:

'That the Remuneration Report of the Company, as contained in the Directors' Report, for the year ended 30 June 2010 be adopted.'

By Order of the Board



Paul Conroy
Secretary

Melbourne, 7 September 2010

Information for Shareholders

Shareholders who are entitled to vote

The Board has determined that for the purposes of voting at the meeting, shareholders will be taken to be those recorded in the Company's register of members as at 7.00 p.m. (Melbourne time) on Sunday 24 October 2010.

Proxy Votes

A shareholder entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the shareholder may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the proportion is not specified, each proxy may exercise half of the shareholder's voting rights. Fractional votes will be disregarded.

Please read carefully the instructions on the Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for", "against" or "abstain" from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

A proxy need not be a shareholder of the Company.

The Proxy Form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

To be valid, the Proxy Form must be lodged by 10.30 a.m. (Melbourne time) on Sunday 24 October 2010 by one of the following methods:

- (a) by mail or in person at the registered office of the Company or the office of the Company's Share Registry:

Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria 3001;

or

Yarra Falls, 452 Johnston Street,
Abbotsford, Victoria 3067, Australia;

- (b) by facsimile to the Company's Share Registry on 1800 783 447 (within Australia), +61 3 9473 2555 (outside Australia); or

- (c) electronically, either via:
www.investorvote.com.au using the details printed on your personalised Proxy Form, or
www.fostersgroup.com and clicking on 'AGM Proxy', or
www.intermediaryonline.com for Custodian Voting (subscribers only).

If the Proxy Form is executed under a power of attorney that has not been noted by the Company, the power of attorney must accompany the Proxy Form.

In the case of joint shareholders, the names of all joint shareholders should be shown and all joint shareholders should sign the Proxy Form.

Corporations

A corporation that is a shareholder or a proxy may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with or presented to the Company before the meeting.

Voting Restrictions

In accordance with the ASX Listing Rules, any vote cast on Resolution 3 by any of the Directors or their associates (including any undirected proxies held by Directors other than the person chairing the meeting) will be disregarded, provided that it will not be disregarded if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Annual Report – Online

Foster's Annual Report for the year ended 30 June 2010 is available on the Company's website at www.fostersgroup.com

Explanatory Notes

RESOLUTION 1

Re-election of Mr D A Crawford as a Director

Mr David A Crawford AO, B.Com., LLB, FCA, FCPA is a non-executive Director and has been a member of the Board since August 2001 and has been Chairman since November 2007. He is 66 years of age. Mr Crawford is a Director of BHP Billiton Limited and Chairman of Lend Lease Corporation Limited. Until December 2007, Mr Crawford was a Director of Westpac Banking Corporation.

Mr Crawford has extensive experience in risk management and business reorganisation, having worked with governments and major corporations. He is a former partner and National Chairman of KPMG and is on the Advisory Boards of Allens Arthur Robinson and Bank of America Merrill Lynch Australia.

Mr Crawford is the Chairperson of the Succession Committee and a member of the Human Resources Committee.

Mr Crawford is considered by the Board to be an independent Director.

An assessment of the performance of Mr Crawford has been conducted in the context of his skills, experience, knowledge, understanding of Foster's businesses and the diversity represented on the Board. Further to that assessment, the Directors make the recommendation below.

Directors' Recommendation

The Directors (other than Mr Crawford who abstained because of his interest in the resolution) have resolved to recommend that shareholders vote in favour of the re-election of Mr Crawford. The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTION 2

Amendment to Shareholder Dividend Provisions of the Constitution

Amendments are proposed to the Company's constitution to reflect changes made to the Corporations Act on 28 June 2010 that have changed the circumstances in which companies are able to pay dividends to shareholders.

In the past, a Company has only been able to pay dividends out of profits, whether earned in that year or retained from past years.

The recent changes to the law remove the limitation on a company only paying dividends out of profits. This change to the law has been made recognising the increasing volatility of company profitability resulting from changes in treatments under Australian Accounting Standards. In particular, the Government expressed concern that the many non-cash expenses that companies are now required to recognise in their financial statements, impede the ability of a company to pay dividends under the profits test, notwithstanding that those non-cash expenses do not affect the company's financial ability to pay the dividend.

Accordingly, the changes to the Corporations Act now allow a company to pay a dividend where:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the proposed dividend;
- (b) the payment of the dividend is fair and reasonable to shareholders as a whole; and
- (c) the payment of the dividend will not materially prejudice the company's ability to pay its creditors.

For the purpose of the new section, assets and liabilities are calculated in accordance with accounting standards in force at the relevant time.

As the Company's constitution currently only allows dividends to be paid out of profits, the Board proposes that amendments be made to the constitution to provide future flexibility to the Board to pay dividends in the circumstances permitted by law.

Additionally, in order to ensure that the Company is able to comply with requirements under the new test as set out in paragraph (a) above, the Company proposes to amend the constitution to provide it with the ability to declare a dividend.

As a result of the amendments to the shareholder dividend provisions, the Company has proposed certain other consequential amendments to the constitution.

Directors' Recommendation

The Directors recommend that shareholders vote in favour of this resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTION 3

Approval of the participation of Mr Ian Johnston, Chief Executive Officer of the Company, in the Foster’s Long Term Incentive Plan - 2010 offer

Under ASX Listing Rule 10.14, a Director of the Company may only acquire shares under an employee share plan where such participation is approved by ordinary resolution of the Company in general meeting. Therefore, Mr Johnston’s participation in the Foster’s Long Term Incentive Plan (**LTIP**) is subject to receiving shareholder approval at this Meeting.

Approval is sought for the participation of Mr Johnston in LTIP in respect of the 2010/11 financial year (**2010 offer**) on substantially the same terms as offers will be made to other senior executives of the Group.

Approval is also sought under section 200B of the Corporations Act to any cash payment that may be made in the event of cessation of Mr Johnston’s employment in certain circumstances before the Awards vest. Recent changes to the Corporations Act mean that any such payment will be treated as a termination benefit.

A brief overview of the details of the proposed grant is set out below. Further details of Mr Johnston’s remuneration package are set out in the Remuneration Report on pages 14 to 35 of the Company’s Annual Report.

Maximum entitlement under 2010 offer

Subject to shareholder approval, Mr Johnston will be granted a maximum of 487,700 performance awards (**Awards**) in respect of the 2010 offer.

Each Award entitles Mr Johnston, upon vesting, to one fully paid ordinary share in the Company.

This number has been calculated on the basis of 150% of one year’s total remuneration and a share price of \$5.84, being the weighted average of Foster’s share price for the one month period up to and including 23 August 2010.

Date of grant of performance awards

If shareholder approval is obtained, the Awards will be granted to Mr Johnston shortly after the meeting.

Performance condition/s

Vesting of the 2010 Grant is subject to performance against three measures:

- Group Total Shareholder Return (TSR)
- Carlton & United Breweries Earnings Before Interest and Tax (CUB EBITs)
- Treasury Wine Estates Return on Capital Employed (TWE ROCE)

Each of the measures are assessed as follows :

	Weighting	Maximum number of Awards	Threshold * (0% vests)	Target * (50% of maximum vests)	Maximum * (100% of maximum vests)
TSR	50%	243,850	Compound Annual Growth Rate of 6%	Compound Annual Growth Rate of 10.5%	Compound Annual Growth Rate of 15%
CUB EBITs	25%	121,925	Aligned with internal long-term planning targets		
TWE ROCE	25%	121,925	Aligned with internal long-term planning targets		

**Achievement between threshold and target and target and maximum will result in pro rata vesting*

What is the performance period?

The total performance period is approximately 3¼ years. For the 2010 grant:

- the performance period for the Group TSR is measured over the period commencing with the one month following the 2010 announcement of results (being 25 August to 24 September 2010) and ending one month after the 2012 results announcement (expected to be at the end of August 2013); and
- the performance periods for the CUB EBITs and TWE ROCE measures of the grant commence on 1 July 2010 and end on 30 June 2013.

(The **Performance Periods**).

Price payable on grant or vesting

No amount will be payable in respect of the grant or upon vesting of the Awards.

Are there any restrictions on the trading of the shares once vested?

In general, shares allocated on vesting of the Awards will not be subject to additional trading restrictions on dealing (aside from complying with the Foster's Share Trading Policy).

However, Mr Johnston may elect up-front that the shares allocated to him upon satisfaction of the performance condition/s will be subject to a restriction on dealing for a period of three (3) years from the end of the Performance Period (**Restriction Period**). If Mr Johnston made this election, unless he ceases employment earlier, he would not be able to sell, transfer or deal with his shares until 30 September 2016.

The Board may lift this restriction on trading in securities upon application by an executive in exceptional circumstances only.

Cessation of employment

If Mr Johnston ceases employment before the Awards vest by reason of:

- resignation, termination for cause or termination in circumstances the Board determines are related to his performance, all unvested Awards will lapse; and
- redundancy, ill health, death or other circumstances acceptable to the Board, all Awards lapse. However, the Board has indicated that, in these circumstances, it intends to exercise its discretion to make a cash payment to Mr Johnston having regard to the portion of the Performance Periods that have elapsed and the degree to which the performance condition/s have been achieved.

If Mr Johnston elects for his shares to be subject to a further restriction following vesting of his Awards, and ceases employment during the Restriction Period, the restriction on his shares will be lifted and he will be entitled to deal in the shares (subject to any trading restrictions).

Other information (including for the purposes of section 200E of the Corporations Act)

Mr Johnston is the only director entitled to acquire Awards.

The value of any cash payment to which Mr Johnston may become entitled on ceasing employment before Awards vest cannot currently be ascertained.

The circumstances that may affect the cash payment to which he becomes entitled include:

- the performance against the performance condition at the time employment ceases;
- the fraction of the performance period that has elapsed at the time employment ceases; and
- the value of the Awards that lapse on cessation of employment.

If shareholder approval of Mr Johnston's participation in LTIP is not obtained, relating to his participation in LTIP, the Company will provide Mr Johnston with a cash benefit that will place him, insofar as possible, in the same after tax financial position as he would have been had he participated in LTIP.

Directors' Recommendation

The Directors (other than Mr Johnston) recommend that shareholders vote in favour of this resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

RESOLUTION 4

Adoption of the Remuneration Report

Consistent with section 250R of the Corporations Act, shareholders are asked to consider and adopt by way of a non-binding resolution the Remuneration Report for the year ended 30 June 2010. At the meeting there will be a reasonable opportunity for discussion of the report.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives of the Company. The Remuneration Report can be located in the Company's Annual Report on pages 14 to 35. It is also available on Foster's website at www.fostersgroup.com

The Remuneration Report includes:

- an explanation of the Board's policies in relation to the nature and level of remuneration of Directors and executives;
- a discussion of the link between executives' remuneration and the Company's performance; and
- details of any element of the remuneration of Directors and executives that is dependent upon the satisfaction of a performance condition.

Directors' Recommendation

The Directors recommend that shareholders vote in favour of this resolution. The Directors acknowledge however that they have a personal interest in some aspects of the Remuneration Report. The Chairman intends to vote undirected proxies in favour of this resolution.

