

Australian Dairy Farmers Corporation Limited

ACN 610 590 200
(Company)

Notice of Annual General Meeting of Members

Location: Radcliffe's Function Centre, 2-10 Radcliffe Street, Echuca, Victoria, 3564

Date: Thursday October 31st 2019

Start time: 11:30am

1. ORDINARY BUSINESS

i) Consideration of the Financial Report

To consider the Financial Report and the Reports of the Directors and Auditors for the year ended 30 June 2019 that will be laid before the meeting. No resolution is required by the shareholders under the *Corporations Act 2001* (Cth) (**Corporations Act**) or the constitution of the Company (**Constitution**). Shareholders will have an appropriate opportunity to ask questions on the financial statements.

ii) Retirement and election of one Regional Director for the Western Region.

- Darin Blain to retire from the company as Regional Director.
- An election to be held to appoint one Regional Director for the West Region under Rule 13.5

iii) Election of one Regional Director for the Eastern Region.

- An election to be held to appoint one Regional Director for the East Region under Rule 13.5

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Explanatory Statement

This Explanatory Statement forms part of the Notice of Annual General Meeting dated 31st October (**Notice**) and should be read with that Notice as this Explanatory Statement contains important information on the proposed resolutions.

RETIREMENT OF REGIONAL DIRECTOR

Rule 13.1 of the Company's Constitution provides that the Board will be constituted by at least 2 Regional Directors and 1 Non-supplier Director. For the purposes of electing Regional Directors, the Shareholders of the Company are classified as Shareholders of either Region One (Northern Victoria) or Region Two (Western Victoria) (Rule 13.3). The Board, at a meeting on the 30th August 2019 created a third Region, being East Victoria (Rule 13.3). Each Region must have at least one director (Rule 13.2(d)). To hold ordinary shares in the Company, a Shareholder must also be current and active 'Supplier' of milk products to the Company in accordance with Rule 3.1 of the Constitution and ceases to be a 'Supplier' if he or she ceases to supply milk products to the Company or a Company entity (Rule 3.2).

Darin Blain has been Regional Director for the Western Victoria region since 2016. Mr Blain will retire at the close of the Meeting as his three-year term has expired in accordance with Rule 13.9 of the Constitution.

ELECTION OF ONE REGIONAL DIRECTOR FOR THE WESTERN REGION & ONE REGIONAL DIRECTOR FOR THE EASTERN REGION

In accordance with Rule 13.5 of the Constitution, an election of two Regional Directors will be held at the General Meeting in which Mr Blain is retiring.

The Company has requested nominations from candidates for election of Regional Director, these will be placed on the Company's website on 3rd of October 2019 and distributed by e-mail on or around that date.

The election will be determined by ballot with the candidates who receive the greatest number of votes being deemed elected as Regional Directors.

ORDINARY RESOLUTION 1 : CONFIRMATION/RATIFICATION OF A NON-SUPPLIER DIRECTOR – ROD SLATTERY

REGIONAL DIRECTOR AND NON- SUPPLIER DIRECTOR REQUIREMENT

Rule 13.6(a) of the Company’s Constitution provides that a Non-supplier Director can be appointed by the Board at their absolute discretion and ratified at the next annual general meeting of the Company.

Under clause 13.4(b), the Directors may appoint any person to be a Director to fill a vacancy or as an addition to the existing Directors and the Company must confirm the appointment at the next general meeting of the Company following the appointment.

In accordance with rule 13.6(a) of the Constitution, the Board has appointed Rod Slattery as a Non-supplier Director and is seeking ratification from shareholders at the meeting to ratify his Director appointment,

The Director profile for each individual is set out below. Confirmation/ratification of appointment will be determined by a show of hands at the meeting.

DIRECTORS’ PROFILES

Non-Supplier Director – Rod Slattery

Rod joined the ADFC Board in June 2017 as a Non-Supplier Director. Rod is a Chartered Accountant and has over 30 years’ experience working in a professional environment, with PPB Advisory (17 years) and PwC (18 years), working closely with all levels of agribusiness, in consultation with financiers and advisors to provide strategic advice to achieve the best outcomes for all key stakeholders. Rod is based in regional Victoria (a small farm on the Bellarine Peninsula) and is sensitive to the economic and personal impact unique to dairy families and local communities. Rod is married to Anna and they have three children.

Board Recommendation: The Directors of the Company unanimously recommend that shareholders vote in favour of ordinary resolutions 1.