



# Australian Dairy Nutritionals Group

ASX Code: AHF

## Notice of Annual General Meeting

### Australian Dairy Nutritionals Group

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The Annual General Meeting of the Securityholders of **Australian Dairy Nutritionals Limited** (ACN 057 046 607) and the Annual General Meeting of unit holders of the **Australian Dairy Farms Trust** (ARSN 600 601 689) will be held at:

Venue: Williamstown Yacht Club, 260 Nelson Parade, Williamstown, VIC 3016

Date: **Friday 29th November 2019**

Time: 11:00am (AEDT)

# Australian Dairy Nutritionals Limited and Australian Dairy Farms Trust (together the “Group”)

## Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the shareholders of Australian Dairy Nutritionals Limited (**Company**) will be held in conjunction with the annual general meeting of unit holders of the Australian Dairy Farms Trust (together the Australian Dairy Nutritionals Group). The Meeting will be held at **11:00am (AEDT) on Friday 29th November 2019 at Williamstown Yacht Club, 260 Nelson Parade, Williamstown, Victoria 3016 (Meeting)**.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice of Meeting.

Securityholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than **11:00am (AEDT) on Wednesday 27 November 2019**.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1 of the Explanatory Memorandum.

## Agenda

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### ANNUAL REPORT

To receive and consider the financial statements of the Group and the reports of the Directors and Auditors for the financial year ended 30 June 2019.

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### RESOLUTION 1 REMUNERATION REPORT (NON-BINDING)

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*“That for the purposes of section 250R(2) of the Corporations Act 2001 (Cth), Securityholders adopt the Remuneration Report set out in the Directors’ Report for the year ending 2019.”*

A voting exclusion statement is set out below.

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## **RESOLUTION 2 APPROVAL OF 10% PLACEMENT FACILITY**

To consider and, if thought fit, to pass with or without amendment, as a **special resolution** the following:

*“That, for the purposes of Listing Rule 7.1A, Securityholders approve the issue of Equity Securities up to 10% of the issued capital of the Group (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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## **RESOLUTION 3 RE-ELECTION OF DIRECTOR - MICHAEL HACKETT**

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*“That Michael Hackett, who retires by rotation in accordance with clause 49 of the Company’s Constitution and Listing Rule 14.4, and offers himself for re-election, to be re-elected as a Director.”*

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## **RESOLUTION 4 ISSUE OF PERFORMANCE RIGHTS TO MICHAEL HACKETT UNDER THE INCENTIVE PLAN**

To consider, subject to and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*“That Securityholders approve for the purposes of Listing Rule 10.14, the issue of 1,000,000 Performance Rights to Michael Hackett or his nominee, subject to achievement of specific performance hurdles set by the Board, on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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## **RESOLUTION 5 ISSUE OF PERFORMANCE RIGHTS TO ADRIAN ROWLEY UNDER THE INCENTIVE PLAN**

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*“That Securityholders approve for the purposes of Listing Rule 10.14, the issue of 1,000,000 Performance Rights to Adrian Rowley or his nominee, subject to achievement of specific performance hurdles set by the Board, on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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## **RESOLUTION 6 ISSUE OF PERFORMANCE RIGHTS TO PAUL MORRELL UNDER THE INCENTIVE PLAN**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That Securityholders approve for the purposes of Listing Rule 10.14, the issue of 1,000,000 Performance Rights to Paul Morrell or his nominee, subject to achievement of specific performance hurdles set by the Board, on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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## **RESOLUTION 7 ISSUE OF PERFORMANCE RIGHTS TO PETER SKENE UNDER THE INCENTIVE PLAN**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That Securityholders approve for the purposes of Listing Rule 10.14, the issue of 3,000,000 Performance Rights to Peter Skene or his nominee, subject to achievement of specific performance hurdles set by the Board, on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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## **RESOLUTION 8 SECTION 195 APPROVAL**

To consider, and if thought fit, to pass with or without amendment the following as an ordinary resolution:

*“That pursuant to and in accordance with section 195(4) of the Corporations Act and for all other purposes, Securityholders approve the transactions contemplated in Resolutions 4 - 7 inclusive.”*

A voting exclusion statement is set out below.

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## VOTING PROHIBITION AND EXCLUSION STATEMENTS

### Corporations Act

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by any of the following persons:

Resolution	Persons Excluded from Voting
<b>Resolution 1</b> Remuneration Report (Non-Binding)	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:</p> <ul style="list-style-type: none"><li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>(b) a Closely Related Party of such member.</li></ul> <p>However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"><li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li><li>(b) the voter is the chair of the meeting and the appointment of the chair as proxy:<ul style="list-style-type: none"><li>(i) does not specify the way the proxy is to vote on this Resolution; and</li><li>(ii) expressly authorises the chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.</li></ul></li></ul>
<b>Resolutions 4 - 8</b> (matters involving remuneration of Directors)	<p>A vote on each of these Resolutions must not be cast by a person appointed as a proxy, where that person is:</p> <ul style="list-style-type: none"><li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>(b) a Closely Related Party of such member.</li></ul> <p>However, a person described above may cast a vote on each of these Resolutions as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"><li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution;</li></ul>

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or

- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
- (i) does not specify the way the proxy is to vote on the Resolution; and
  - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.
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### **Listing Rule 14.11**

Under Listing Rule 14.11, the Company will disregard any votes cast on the following Resolutions by the following persons:

<b>Resolution</b>	<b>Persons Excluded from Voting</b>
<b>Resolution 2</b> Approval of 10% Placement facility	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person.
<b>Resolutions 4 - 8</b>	Any director or any associate of that person

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However, the Group need not disregard a vote if:

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

By order of the Board of Directors

Kate Palethorpe  
Company Secretary  
Australian Dairy Nutritionals Group  
30 October 2019

# Australian Dairy Nutritionals Group

## Explanatory Memorandum

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### INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Securityholders in connection with the business to be conducted at the Meeting to be held at Williamstown Yacht Club, 260 Nelson Parade, Williamstown, VIC 3016 on **Friday 29th November 2019 at 11:00am (AEDT)**. The purpose of this Explanatory Memorandum is to provide information to Securityholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

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A Proxy Form is located at the end of Explanatory Memorandum.

Please contact the Company Secretary on +61 7 3020 3020 or [shareholders@adfl.com.au](mailto:shareholders@adfl.com.au) if you wish to discuss any matter concerning the Meeting.

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### 1 ACTION TO BE TAKEN BY SECURITYHOLDERS

Securityholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 1.1 Proxies

All Securityholders are invited and encouraged to attend the Meeting. If a Securityholder is unable to attend in person, they can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Group in accordance with the instructions on the Proxy Form. The Group

encourages Securityholders completing a Proxy Form to direct the proxy how to vote on each Resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 11:00am (AEDT) on **Wednesday 27<sup>th</sup> November 2019**. Any Proxy Form received after that time will not be valid for the Meeting.

A Proxy Form may be lodged in the following ways:

Online	<a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>
By Mail	C/- Link Market Services Limited Locked Bag A14, Sydney South NSW 1235
By Facsimile	+61 2 92870309
By Hand	Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000

Securityholders lodging a Proxy Form are not precluded from attending and voting in person at the Meeting.

## **1.2 Corporate representatives**

Securityholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Group and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Group's securities registry ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)).

## **1.3 Eligibility to vote**

The Directors have determined that, for the purposes of voting at the Meeting, Securityholders are those persons who are the registered holders of Stapled Securities at 7:00pm (AEDT) on **Wednesday 27<sup>th</sup> November 2019**.



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## 2 ANNUAL REPORT

There is no requirement for Securityholders to approve the Annual Report.

Securityholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2019 which is available on the ASX platform at [www.asx.com.au](http://www.asx.com.au); and
- (b) ask questions about or make comment on the management of the Company and the Group.

The chair of the Meeting will allow reasonable opportunity for the Securityholders at the Meeting to ask the auditor or the auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor about:

- (a) the content of the auditor's report to be considered at the Meeting; and
- (b) the conduct of the audit of the annual financial report to be considered at the Meeting,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Group's registered office.

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## 3 RESOLUTION 1 - REMUNERATION REPORT

The Remuneration Report is in the Directors' Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 2019.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company.

The Board will consider the outcome of the vote and comments made by Securityholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

The Chairman will give Securityholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are against the adoption of the Remuneration Report at two consecutive annual general meetings, a resolution will be proposed to Securityholders at the second of those annual general meetings that a further meeting is held at which all of the Company's Directors will vacate their office and resolutions to appoint the Company's Directors will be voted on.

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## **4 RESOLUTION 2 - APPROVAL OF 10% PLACEMENT FACILITY**

### **4.1 General**

The Group seeks Securityholder approval to issue Equity Securities up to 10% of its issued securities capital through placements over a 12-month period following Securityholder approval (**Placement Facility**). The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 4.3(a) below) and the calculations in the examples below.

Resolution 2 is a special resolution and therefore requires approval of 75% of the votes cast by Securityholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Securityholder, by a corporate representative).

### **4.2 Directors' recommendation**

The Board unanimously recommends that Securityholders vote in favour of Resolution 2. This will allow the Group flexibility to issue securities and raise funds whilst preserving the Group's 15% annual limit permitted by Listing Rule 7.1. This is particularly important for small companies and is why Listing Rule 7.1A was implemented.

### **4.3 Listing Rule 7.1A**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued securities capital through placements over a 12-month period following Securityholder approval by way of a special resolution. The Placement Facility is in addition to the Group's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1.A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Group is a currently an eligible entity.

(a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

$$\text{Number of Equity Securities} = (A \times D) - E$$

“A” the number of securities on issue 12 months before the date of issue or agreement:

- (A) plus, the number of fully paid securities issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus, the number of partly paid securities that become fully paid in the 12 months;
- (C) plus, the number of fully paid securities issued in the 12 months with approval of holders of securities under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid securities under the entity’s 15% placement capacity without Securityholder approval;
- (D) less the number of fully paid securities cancelled in the 12 months.

“D” is 10%

“E” is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Securityholders under Listing Rule 7.1 or 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

As at the date of this Notice of Meeting, the Group has on issue 367,486,440 Stapled Securities.

As a result, and having used a small number of its capacity under Listing Rule 7.1A since its last AGM, the Group has a capacity to issue a total of 79,537,134 Equity Securities comprising:

- (i) 55,107,961 Equity Securities under Listing Rule 7.1; and
- (ii) 24,429,173 Equity Securities under Listing Rule 7.1A (which will expire on the date of this Meeting).

#### 4.4 Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided about the proposed issue:

- (a) Under Listing Rule 7.1A.3, Equity Securities will be issued using the Placement Facility must be at an issue price of not less than 75% of the VWAP for the Group's Equity Securities over the 15 Trading Days immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) There is a risk of economic and voting dilution to existing Securityholders in approving the Placement Facility, including the risks that:
- (i) the market price for the Group's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than when Securityholders' approve the Placement Facility (being the date of this Meeting); and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Group's Equity Securities on the issue date or issued for non-cash consideration for the acquisition of a new asset.

The following is a table that sets out the potential dilution of existing Securityholders if Equity Securities are issued under the Placement Facility:

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.055 50% decrease in Issue Price	\$0.110 Issue Price	\$0.220 100% increase in Issue Price
Current Variable A  <b>367,486,440</b>	10% Voting Dilution	36,748,644	36,748,644	36,748,644
	Funds Raised	\$2,021,175	\$4,042,351	\$8,084,702
50% increase in current Variable A  <b>551,229,660</b>	10% Voting Dilution	55,122,966	55,122,966	55,122,966
	Funds Raised	\$3,031,763	\$6,063,526	\$12,127,053
100% increase in current Variable A  <b>734,972,880</b>	10% Voting Dilution	73,497,288	73,497,288	73,497,288
	Funds Raised	\$4,042,351	\$8,084,702	\$16,169,403

The table has been prepared on the following assumptions:

- (i) The Group issues, or agrees to issue, the maximum number of Equity Securities available under the Placement Facility.
- (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued security capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iii) The issue of Equity Securities under the Placement Facility consists only of Stapled Securities.
- (iv) The issue price is \$0.11, being the closing price of Stapled Securities on 21 October 2019.

The table does not show an example of dilution that may be caused to a particular Securityholder by reason of placements under the Placement Facility, based on that Securityholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (c) The latest date by which Equity Securities may be issued is 12 months after the Meeting. Approval for the issue of Equity Securities under the Placement Facility will also cease to be valid if Securityholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Equity Securities may be issued for the following purposes:
  - (i) to raise funds, in which case the Group intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), and expenditure on the Group's current assets and/or general working capital; or
  - (ii) in consideration of the acquisition of new assets and investments, in which case the Group will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Group will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Group is yet to identify the persons to whom Equity Securities will be issued to under the Placement Facility. The Group's policy for allocating Equity Securities issued under the Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:
  - (i) The fundraising methods available to the Group, including but not limited to, rights issue or other issue which may minimise dilution to Securityholders.

- (ii) In the case of an asset or investment acquisition, the nature and circumstances of the acquisition, including the need for certainty of funding and timely execution.
  - (iii) The effect of the issue of the Equity Securities on the control of the Group.
  - (iv) The financial situation and solvency of the Group.
  - (v) Advice from corporate, financial and broking advisers (if applicable).
- (f) Listing Rule 7.1A approval was obtained by the Group at its 2018 AGM. The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 100,775,031 representing 37.78% of the total number of Equity Securities on issue at the commencement of that 12-month period.

The details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting is set out in Schedule 0 to this Explanatory Memorandum.

- (g) A voting exclusion statement is included in the Notice.
- (h) At the date of the Notice, the Group has not approached any particular existing Securityholder or an identifiable class of existing Securityholder to participate in the issue of the Equity Securities, and no existing Securityholder's votes will be excluded under the voting exclusion in the Notice.

#### **4.5 Directors' Recommendation**

The Board recommends that Securityholders vote in favour of Resolution 2.

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## **5 RESOLUTION 3 - RE-ELECTION OF MICHAEL HACKETT**

### **5.1 Introduction**

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer, and that a director appointed to fill a casual vacancy must also not hold office (without re-election) past the company's next annual general meeting.

Clause 49(a) of the Company's Constitution requires that one-third of the Directors retire by rotation at each annual general meeting and that Directors appointed by the Board hold office until the next annual general meeting.

### **5.2 Michael Hackett**

In accordance with clause 49(b) of the Company's Constitution and Listing Rule 14.4, Michael Hackett retires from office at this Meeting and offers himself for re-election.

Details of Michael Hackett's qualifications and experience are set out in the Company's 2019 Annual Report.

### **5.3 Directors' Recommendation**

The Board (in each case excluding the relevant candidate) recommends that Securityholders vote in favour of Resolution 3.

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## **6 RESOLUTIONS 4 TO 7 - APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES**

### **6.1 Introduction**

On 12 February 2018, the Group's Securityholders approved the Incentive Plan under Listing Rule 7.2 (exception 9). A summary of the Incentive Plan is set out in Schedule 2 of this Explanatory Memorandum.

The Incentive Plan allows the Group to issue Performance Rights to eligible participants thereby providing eligible participants with a tangible incentive to participate and contribute to the future Growth of the Group. The Incentive Plan also assists in attracting and retaining employees by giving eligible participants a direct financial interest in the performance of the Group and closely aligns the interests of those participants with the interests of Securityholders.

Under the Listing Rules, securities issued under an employee incentive scheme approved by shareholders within the previous 3 years are not counted in reducing an entity's 15% and 10% placement capacities under Listing Rules 7.1 and 7.1A.

Securityholder approval is sought to issue the Performance Rights set out in Resolutions 4 to 7.

### **6.2 Proposed issue of Performance Rights to each non-executive Director**

Approval of Securityholders is sought to issue:

(a) 1,000,000 Performance Rights to Michael Hackett, Adrian Rowley and Paul Morrel; and

(b) 3,000,000 Performance Rights to Peter Skene,

subject to achievement of performance hurdles set by the Group described in section 6.7.

### **6.3 Issue Price**

The Performance Rights are to be issued for nil consideration. Each Performance Right entitles the holder to one Stapled Security, subject to satisfaction of any Performance Conditions. Each Stapled Security will be issued for no consideration.

### **6.4 Requirement for Securityholder approval**

**Listing Rule 10.14**

Listing Rule 10.14 prohibits an entity from issuing securities to a director of the entity or any associate of a director under an employee incentive scheme without Securityholder approval.

If Securityholder approval is obtained under Listing Rule 10.14, Securityholder approval is not required under Listing Rule 7.1 and the proposed issue will not reduce the available 15% annual limit permitted by Listing Rule 7.1.

#### Chapter 2E of the Corporations Act - Related party provisions

Chapter 2E of the Corporations Act (as modified by Part 5C.7) prohibits a public company from giving a financial benefit to a related party of the company or giving a financial benefit out of scheme property to a related party by a responsible entity of a registered scheme unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision, including where the benefit is remuneration to a related party as an officer or employee of the public company or the responsible entity of the registered scheme and to give the remuneration would be reasonable given the circumstances of the public company or the responsible entity of the registered scheme giving the remuneration and the related party's circumstances (including the responsibilities involved in the office or employment); or
- (b) prior Securityholder approval is obtained to the giving of the financial benefit.

### 6.5 Directors' remuneration and other interests

Details of the Directors' remuneration and interest in securities is listed below:

Director	Fees and payments (as at 30 June 2019, annualized) <sup>1</sup>	Stapled Securities Interests (as at date of Notice of Meeting)	Other security interests
Michael Hackett	\$75,000	23,298,887 Stapled Securities	2,400,000 Performance Options
Adrian Rowley	\$50,000	1,286,000 Stapled Securities	2,400,000 Performance Options
Paul Morrell	\$60,000	55,440,764 Stapled Securities	Nil
Peter Skene	\$330,000	12,515,385 Stapled Securities (includes 7,000,000 Loan Securities)	Nil



1. Plus compulsory superannuation where applicable.

The Company's Directors and the directors of the Trustee consider the financial benefit given by the Group under the Incentive Plan to be reasonable remuneration given the circumstances of the Group and the Directors' circumstances (including the Directors' responsibilities) so that Securityholder approval is not required under Chapter 2E from the Group's Securityholders.

## 6.6 Information required by Listing Rule 10.15

For the purposes of Listing Rule 10.15, the following information is provided about the proposed issue of the Performance Rights:

- (a) Each of Michael Hackett, Adrian Rowley, Paul Morrell and Peter Skene are directors of the Company as well as the Trustee. Each director is entitled to participate in the Incentive Plan.
- (b) The maximum number of Stapled Securities which may be acquired under the Incentive Plan is 30,014,429, calculated based on 10% of the total number of Stapled Securities on issue at any time, currently 300,144,291. Each Performance Right entitles the holder, upon satisfaction of the relevant performance hurdles to be issued one Stapled Security.

At the date of this Notice there is a total of 7,200,000 unvested Performance Options remaining on issue to Directors under the Incentive Plan. Assuming approval is obtained under resolutions 4 to 7, the maximum number of securities on issue to Directors of the Company or Trustee under the Incentive Plan will be 20,200,000.

- (c) the Performance Rights will be issued for nil cash consideration and, subject to satisfaction of the relevant performance hurdles, no cash consideration will be payable upon the conversion of the Performance Rights and subsequent issue of Stapled Securities (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- (d) No Performance Securities have been issued under the Incentive Plan since the last approval at the general meeting held on 12 February 2018.
- (e) Under the terms of the Incentive Plan a director of the Company or the Trustee is entitled to participate in the Incentive Plan. As such, each of the following are persons entitled to participate:

Name	Position
Michael Hackett	Director of the Company and Trustee
Adrian Rowley	Director of the Company and Trustee
Paul Morrell	Director of the Company and Trustee
Peter Skene	Director of the Company and Trustee
Nathan Leman	Director of the Trustee

- (f) A voting exclusion statement is included in the Notice in respect of the relevant resolutions.
- (g) No loans are applicable to the issue of the Performance Rights.
- (h) It is intended the Performance Rights referred to in Resolutions 4 to 7 will be issued within 3 months after the date of the Meeting. No other Performance Securities will be issued later than 12 months after the Meeting without further Securityholder approval.

## 6.7 Securities based on Performance Conditions

The Performance Rights entitle the holder to be issued one Stapled Security for each Performance Right. Provided each Director has accepted the grant of a Performance Right under clause 1.3 of the Incentive Plan, the Board will grant Performance Rights to the relevant person. A Performance Right will only vest where the Performance Condition(s) and any other relevant conditions attached to the Performance Right when granted have been satisfied (**Vest**).

A Stapled Security will be allocated for each Performance Right which has Vest without any further action on the part of the holder.

A summary of the key Performance Conditions attached to the Performance Rights is set out below:

Performance Condition	Number of Performance Rights attached to Performance Condition	Director to whom Performance Condition applies
EBITDA Target	500,000 (each)	Michael Hackett, Paul Morell, Adrian Rowley, Peter Skene
Total Shareholder Return	500,000 (each)	Michael Hackett, Paul Morell, Adrian Rowley, Peter Skene
Material Transaction	1,000,000	Peter Skene
Infant Formula Plant	1,000,000	Peter Skene
Service Period	All	Michael Hackett, Paul Morell, Adrian Rowley, Peter Skene

(a) EBITDA Target

The Group's audited, operating EBITDA for the financial year ending 30 June 2020 is positive.

(b) Total Shareholder Return (TSR)

TSR  $\geq$  25 at any time during the period from 1 July 2019 to 30 June 2020 (inclusive) where:

TSR is calculated as:

$$\text{TSR} = \frac{A - B + \text{Dividends}}{B}$$

**A** means the 15 Day VWAP for a relevant period during the period from 1 July 2019 to 30 June 2020 (inclusive)

**B** means the 15 Day VWAP prior to the date of the Meeting

**15 Day VWAP** means the volume weighted average market price (as defined in the Listing Rules) for Stapled Securities calculated over the 15 trading days on which trades of Stapled Securities were recorded

(c) **Infant Formula Plant**

Construction of the building for the Stage 1 Infant Formula Plant (**Plant**) and installation of the Plant is complete, or substantially complete, by 30 June 2020. The Board (excluding Mr Skene) has discretion to determine that the Performance Condition has been met if the construction and installation is significantly progressed, and any resulting delay was outside the reasonable control of the CEO.

(d) **Material Transaction**

Completion or significant progression toward completion of a material and significant transaction to the Group.

(e) **Service Period**

All holders of Performance Rights must be an employee or officer of the Group as at 1 July 2020.

## 6.8 Corporate governance

The guidelines in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**Principles and Recommendations**) recognise that it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interest with the interest of other Securityholders. However, the Principles and Recommendations suggest that non-executive directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision making and compromise their objectivity.

The Principles and Recommendations are not mandatory or prescriptive. The Board has departed from the guidelines for non-executive remuneration in respect of the issue or proposed issue of performance securities to non-executive directors and considers that in the circumstances of the Group it is appropriate to do so in order to attract and retain high calibre and well-credentialed non-executive directors and provide tangible incentive to reward their involvement in the continued growth of the Group. It also allows the Group to preserve cash resources.

## **6.9 Directors' recommendation**

Given their interest in Resolutions 4 to 7, none of the Directors make a recommendation on Resolutions 4 to 7.

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## **7 RESOLUTION 8 - SECTION 195 APPROVAL (RE THE ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES)**

### **7.1 Introduction**

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

The Directors may have a material personal interest in the outcome of Resolutions 4 to 7.

In the absence of this Resolution 8, the Directors may not be able to form a quorum at directors' meetings necessary to carry out the terms of Resolutions 4 to 7.

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

### **7.2 Directors' recommendation**

Given their interest in Resolutions 4 to 7, none of the Directors make a recommendation on Resolution 8.

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## 8 DEFINITIONS

In this Notice and Explanatory Memorandum:

<b>Incentive Plan</b>	means the Long-Term Incentive Plan approved by the Group's Securityholders at the general meeting held on 12 February 2018.
<b>Placement Facility</b>	has the meaning given in section 4.1 of this Explanatory Memorandum.
<b>AEDT</b>	means Australian Eastern Daylight Time (Daylight Saving Time).
<b>Annual Report</b>	means the 2019 annual report of the Company.
<b>ASX</b>	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>Board</b>	means the board of Directors.
<b>Chairman</b>	means the Chairman of the Group.
<b>Closely Related Party of a member of the Key Management Personnel</b>	means a spouse or child of the member, a child of the member's spouse, a dependent of the member or the member's spouse, anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; company the member controls; or a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
<b>Company</b>	means Australian Dairy Nutritionals Limited (ACN 057 046 607).
<b>Constitution</b>	means the constitution of the Company as amended.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Equity Securities</b>	has the same meaning given in the Listing Rules.
<b>Explanatory Memorandum</b>	means this explanatory memorandum.
<b>Group</b>	means the Company and the Trust.

<b>Group Entity</b>	means either the Company or any of its subsidiaries.
<b>June Placement</b>	means the placement of Equity Securities to professional and sophisticated investors announced to the market on 21 June 2019.
<b>Key Management Personnel or KMP</b>	has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
<b>Listing Rule</b>	means the listing rules of the ASX.
<b>Meeting</b>	means this annual general meeting of the Securityholders of the Company which will be held in conjunctions with the annual general meeting of unit holders of the Trust (as adjourned from time to time).
<b>Notice</b>	means this notice of meeting.
<b>Performance Condition</b>	means any performance conditions attached to the grant of a Performance Security, including in the case of the Performance Rights to be issued pursuant to Resolutions 4 to 7, those described in section 6.7.
<b>Performance Security</b>	means a right or option to acquire Stapled Securities subject to satisfaction of certain Performance Conditions under the Incentive Plan.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company included in the Directors' Report section of the Company's Annual Report.
<b>Resolution</b>	means a resolution set out in the Notice.
<b>Securityholder</b>	means a holder of Stapled Securities.
<b>Stapled Security</b>	means a fully paid ordinary share in the capital of the Company stapled to a fully paid ordinary unit in the Trust.
<b>Trading Days</b>	means a day determined by ASX to be a trading day in accordance with the Listing Rules.

<b>Trust</b>	means the Australian Dairy Farms Trust (ARSN 600 601 689).
<b>Trustee</b>	means Dairy Fund Management Limited (ABN 14 140 957 286)
<b>VWAP</b>	means volume weighted average price.

**SCHEDULE 1 - INFORMATION REQUIRED BY LISTING RULE 7.3A.6**

	Issue 1 <sup>1</sup>	Issue 2 <sup>2</sup>	Issue 3 <sup>3</sup>	Issue 4 <sup>4</sup>	Issue 5 <sup>5</sup>	Issue 6 <sup>6</sup>
Date of issue:	24 December 2018	24 December 2018	28 June 2019	28 June 2019	19 August 2019	19 August 2019
Number issued:	625,000 Stapled Securities	10,000,000 Performance Securities	32,657,851 Stapled Securities	150,031 Stapled Securities	67,342,149 Stapled Securities	2,500,000 Lead Manager Options
Class/Type of equity security:	Fully paid ordinary Stapled Securities (one fully paid ordinary share and one fully paid ordinary unit)	Performance Securities	Fully paid ordinary Stapled Securities (one fully paid ordinary share and one fully paid ordinary unit)	Fully paid ordinary Stapled Securities (one fully paid ordinary share and one fully paid ordinary unit)	Fully paid ordinary Stapled Securities (one fully paid ordinary share and one fully paid ordinary unit)	Lead Manager Options
Summary of terms:	See above	The terms of the Performance Securities are set out in Schedule 2	See above	See above	See above	The terms of the Lead Manager Options are set out in Schedule 1 to the

<sup>1</sup> Issued with Securityholder approval obtained on 29 November 2018

<sup>2</sup> Issued with Securityholder approval obtained on 29 November 2018

<sup>3</sup> Issued using the Group's 15% capacity and subsequently approved by securityholders on 13 August 2019

<sup>4</sup> Issued using the Group's 10% capacity and subsequently approved by securityholders on 13 August 2019

<sup>5</sup> Approved by Securityholders on 13 August 2019

<sup>6</sup> Approved by Securityholders on 13 August 2019



	Issue 1 <sup>1</sup>	Issue 2 <sup>2</sup>	Issue 3 <sup>3</sup>	Issue 4 <sup>4</sup>	Issue 5 <sup>5</sup>	Issue 6 <sup>6</sup>
		to the Notice of General Meeting dated 29 October 2018				Notice of General Meeting dated 12 July 2019
Names of persons who received securities or basis on which those persons was determined:	Chris Flahey, being the vendor of Flahey's Nutritionals Pty Ltd	Chris Flahey, being the vendor of Flahey's Nutritionals Pty Ltd	Issue of securities to sophisticated and professional investors as part of the June Placement	Issue of securities to Ultima Capital Partners Pty Ltd for consultancy services in relation to the Group's infant formula plant	Issue of securities to sophisticated and professional investors as part of the June Placement	L39 Pty Ltd, a nominee of Blue Ocean Equities who acted as lead manager for the June Placement
Price:	The securities were issued at a notional price of \$0.12 which was the VWAP on the date of issue	Nil	\$0.12 per Stapled Security	\$0.1603 per Stapled Security	\$0.12 per Stapled Security	\$0.048 per Lead Manager Option
Discount to market price (if any):	N/A	N/A	The Stapled Securities were issued at \$0.12, a 31% discount to the market price issue date	N/A	The Stapled Securities were issued at \$0.12, a 4% discount to the market price on the issue date	N/A

	Issue 1 <sup>1</sup>	Issue 2 <sup>2</sup>	Issue 3 <sup>3</sup>	Issue 4 <sup>4</sup>	Issue 5 <sup>5</sup>	Issue 6 <sup>6</sup>
			(\$0.175)		(\$0.125)	
Total cash consideration received:	N/A	N/A	\$3,918,942 (before costs of the June Placement)	N/A	\$8,081,057 (before costs of the June Placement)	N/A
Amount of cash consideration spent:	N/A	N/A	Approximately \$2,000,000	N/A	Approximately \$100,000	N/A
Use of cash consideration:	N/A	N/A	Acquisition of an infant formula plant including dismantling and transport to the Group's site in Camperdown, Victoria and transaction costs	N/A	Design, development and planning of the building for the infant formula plant	N/A
Intended use for remaining amount of cash (if any):	N/A	N/A	Construction of a building for the infant formula plant, reassembly and commissioning	N/A	Construction of a building for the infant formula plant, reassembly and commissioning	N/A

	Issue 1 <sup>1</sup>	Issue 2 <sup>2</sup>	Issue 3 <sup>3</sup>	Issue 4 <sup>4</sup>	Issue 5 <sup>5</sup>	Issue 6 <sup>6</sup>
			works and general working capital		works and general working capital	
Non-cash consideration paid:	Part consideration for purchase of Flahey's Nutritionals Pty Ltd	N/A (performance incentives)	N/A	Part remuneration under the consultancy agreement between the Company and Ultima Capital Partners Pty Ltd	N/A	Part consideration for Blue Ocean Equities acting as Lead Manager to the June Placement
Current value of that non-cash consideration:	Flahey's Nutritionals Pty Ltd had a net asset value of \$315,629 in the Group's 30 June 2019 financial statements.	N/A	N/A	N/A	N/A	N/A

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## **SCHEDULE 2 - SUMMARY OF INCENTIVE PLAN**

### **1. Purpose**

The purpose of the Incentive Plan is to allow the Board to make offers to Eligible Employees to acquire either directly or via performance rights or options, Stapled Securities or Loan Securities (**Incentive Plan Securities**) in the Group.

### **2 Eligible Participants**

The Plan is open to employees of the Group or its subsidiaries, joint venture companies and associates, as the Board determines from time to time (including a director of the Group) or any other person who is declared by the Board to be eligible to receive a grant of a performance right or option (as the case may be) under the Incentive Plan.

### **3. Grant**

The Board may, from time to time and in its absolute discretion, invite Eligible Employees to participate in a grant of Stapled Securities, which may comprise of anyone or more of:

- (a) Stapled Securities;
- (b) Performance Rights over Stapled Securities; and/or
- (c) Performance Options to acquire Stapled Securities.
- (d) Loan Securities.

Grants are offered on the terms set out in the Incentive Plan and any additional terms as the Board determines.

### **4. Information provided when grant is made**

The Board must advise each Eligible Employee of the following minimum information in connection with the grant:

- (a) the number of Incentive Plan Securities being offered, or the method by which the number will be calculated;
- (b) the amount (if any) that will be payable for the grant or issue of Incentive Plan Securities;
- (c) when Incentive Plan Securities may vest;
- (d) the procedure for exercising an Option (including any exercise price that will be payable) following vesting and the period(s) during which it may be exercised;
- (e) the circumstances in which Performance Rights and/or Options will lapse;
- (f) any Performance Conditions or other conditions that apply and when such conditions must be satisfied by;
- (g) any restrictions (including the period of restriction) on dealing in relation to a Stapled Security allocated to the Eligible Employee;

- (h) any financial assistance that is offered in connection with the issue of Incentive Plan Securities (including any restricted period); and
- (i) any other terms and conditions that the Board decides to include or is required by the Listing Rules.

#### **5. Performance Rights**

- (a) Unless the Board determines otherwise, no payment is required for the grant of a Performance Right and Performance Rights may not be registered in any name other than that of the Eligible Employee.
- (b) Subject to clause 6, a Performance Right only vests where any Performance Condition or any other relevant conditions advised to the participant by the Board when the grant was made has been satisfied.
- (c) On vesting of a Performance Right, a Stapled Security will be allocated without any further action on the part of the Participant.
- (d) A Performance Right will lapse on the earlier of:
  - (i) failure to meet a Performance Condition or any other conditions applicable to the Performance Right within the prescribed period; and
  - (ii) the Performance Right lapsing under clauses 5 (financial assistance),<sup>7</sup> (Board discretion for inappropriate benefits),<sup>8</sup> (cessation of employment) and 9 (Take-overs, Scheme of Arrangement and Winding Up) of the Incentive Plan.

#### **6. Changes to Vesting conditions**

The terms on which a Performance Right vests can be changed in the event of cessation of an Eligible Employee's employment (clause 5), the occurrence of a takeover, scheme of arrangement or winding up (clause 6) or waiver of terms and condition in relation to an Incentive Plan Security by the Board (clause 16.4).

#### **7. Stapled Securities issued on exercise of Incentive Plan Securities**

Any Stapled Security issued under the Incentive Plan will rank equally in all respects with other Stapled Securities for the time being on issue by the Group except as regards any rights attaching to such Stapled Securities by reference to a record date prior to the date of their issue.



# Australian Dairy Nutritionals Group

Australia Dairy Nutritionals Limited ABN 36 057 046 607 and Dairy Fund Management Limited ABN 14 140 957 286 ASFL 498896 as Responsible Entity for the Australian Dairy Farms Trust ARSN 600 601 689

## LODGE YOUR VOTE

**ONLINE**  
www.linkmarketservices.com.au

**BY MAIL**  
Australian Dairy Nutritionals Group  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Australian Dairy Nutritionals Group and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEDT) on Friday, 29 November 2019 at Williamstown Yacht Club, 260 Nelson Parade, Williamstown, VIC 3016** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 4, 5, 6, 7 and 8:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5, 6, 7 and 8, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Issue of performance rights to Adrian Rowley under the Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of 10% placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Issue of performance rights to Paul Morrell under the Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Michael Hackett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Issue of performance rights to Peter Skene under the Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of performance rights to Michael Hackett under the Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Section 195 approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**i** \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, all securityholders must sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

STEP 3

AHF PRX1902C



## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, all securityholders must sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.00am (AEDT) on Wednesday, 27 August 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MAIL

Australian Dairy Nutritionals Group  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**