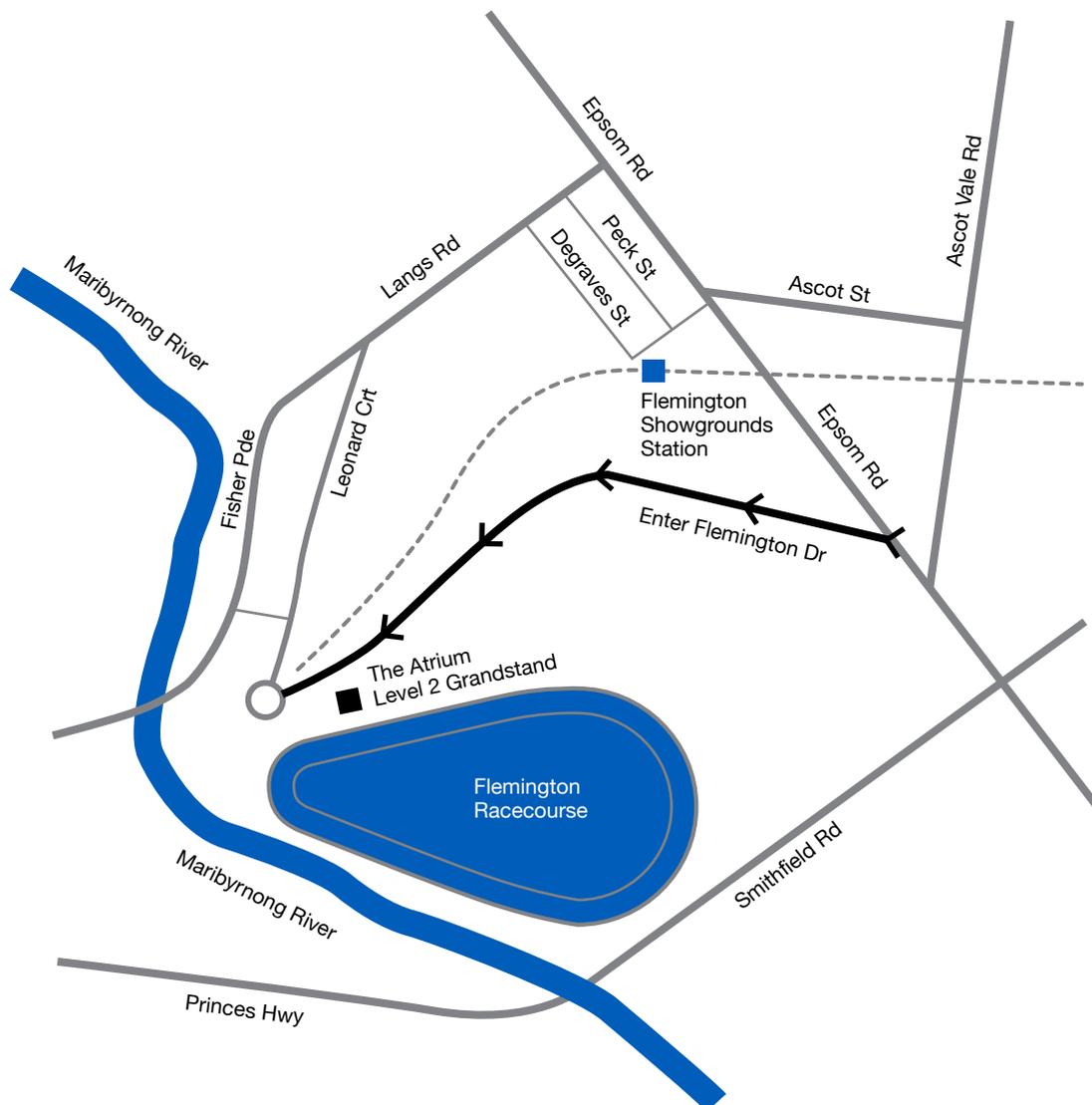


Notice of Annual General Meeting 2015

Notice of Annual General Meeting 2015

The Annual General Meeting of Dairy Australia Limited (ACN 105 227 987) (“Dairy Australia”) will be held at the Atrium at Flemington Racecourse, 448 Epsom Road, Flemington, Victoria on Friday 27 November 2015 at 10.30am Australian Eastern Daylight Time (AEDT).

Directions to the meeting location are shown in the map below.



Dear Dairy Australia member,

The 2015 Dairy Australia Annual General Meeting (AGM) will be held on Friday 27 November 2015.

Items of business

Members are asked to consider two items of business and are able to vote on item 2.

- › Item 1: Financial Statements and Reports
- › Item 2: Election of Directors

Each of these items of business is detailed in this Notice of Meeting.

Voting process

Mr Chris Biermann of Deloitte Touche Tohmatsu will be the Returning Officer for all polls conducted at the meeting. Voting entitlements have been previously mailed to members.

Information about the Dairy Australia voting process, including appointment of proxies, is enclosed with this Notice. Please read the information carefully and contact Dairy Australia on our toll-free Memberline 1800 004 377 if you have any questions.

Members attending the meeting will be able to register from 9.30am and should, if possible, arrive 30 minutes before the scheduled commencement time so that their attendance can be recorded and their voting entitlement confirmed. Attorneys must bring with them either the original Power of Attorney or a certified copy.

A company that is a member of Dairy Australia may appoint an individual to act as its corporate representative and vote in person at the meeting. The appointment must be made in accordance with section 250D of the *Corporations Act 2001* and the representative must bring evidence of the appointment to the meeting.

The form for the appointment of a corporate representative can be obtained from Dairy Australia by contacting our toll-free Memberline on 1800 004 377.

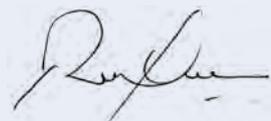
If you cannot attend the meeting, but wish to vote, you can appoint a proxy. Please note that for the appointment of a proxy to be effective, the Proxy Form must be received by 10.30am AEDT on Wednesday 25 November 2015 at:

Computershare Investor Services GPO Box 2062
Melbourne VIC 3001

The Proxy Form may also be faxed to 03 9473 2145 or emailed to votingservices@computershare.com.au by that time.

Any proxies received after 10.30am AEDT on Wednesday 25 November 2015 will not be valid.

By order of the Board.



Ross Joblin
Company Secretary
19 October 2015

Business of the meeting

Item 1: Financial Statements and Reports

Item of business

To receive the Financial Report for Dairy Australia for the year ended 30 June 2015, together with the Directors' Report and the Auditor's Report as set out in the *Annual Report 2014–15*.

Members who have elected to view our Annual Report online can read it by going to dairyaustralia.com.au

Item 2: Election of Directors

Item of business

To conduct an election of Directors to fill two vacancies that arise because Mr John McKillop and Mr Kelvin Jackson retire by rotation in accordance with Rule 31.5 of the company's Constitution, and one vacancy that arises because Mr Bruce Donnison is resigning from the Board under Rule 31.1(b) of the Constitution. Mr McKillop is eligible for reappointment under Rule 31.6(a) of the Constitution. Under Rule 31.6(b) of the Constitution Mr Jackson cannot hold office beyond the date of the AGM, given that he has been a Director for nine consecutive years.

There are a total of three candidates offering themselves for election, all of whom are Board-nominated candidates.

The three Board-nominated candidates are:

- › David Mallinson
- › James Mann
- › John McKillop

The election is to be conducted by a ballot to be taken at the meeting.

Explanatory note

Under Dairy Australia's Constitution, at this year's AGM two of the Directors must retire from office, and a third Director has resigned from the Board. This year, Mr McKillop and Mr Jackson are retiring. Mr McKillop will be standing for re-election, however Mr Jackson will not be standing for re-election, as he has served his maximum term. Mr Bruce Donnison has resigned from the Board.

The Board (via the Board Selection Committee (BSC)), having followed the processes set out in the Constitution, nominates Mr Mallinson, Mr Mann and Mr McKillop.

Please refer to the Report provided by the BSC on the next page, which outlines the process by which the three candidates now offer themselves for election.

Under the Constitution, the election of Directors must be conducted by ballot.

In relation to each of the candidates, separate resolutions will be put to the AGM that the candidate be appointed as a Director. Each will be appointed as a Director if he receives more votes for than against (see Constitution Rule 29.4(a)).

Directors elected at this AGM are elected for a three year term.

Report of Board Selection Committee

Dairy Australia Director nomination process 2015

Summary

- › The Board of Dairy Australia (DA), via the Board Selection Committee (BSC) has completed the process of selecting nominees to stand for election to the Board at DA's 2015 AGM. This process is governed by DA's Constitution, noting the revisions approved at the AGM in 2013.
- › There are three Board vacancies at the 2015 AGM, one with a milk producer skill set, one with an agribusiness/strategy skill set, and one with a dairy processing/manufacturing skill set.
- › There are two paths to election as a Director. The first is to be nominated by the BSC through its own selection process, and the second is to be nominated by at least 100 Group A members.
- › Following advertisement, screening of candidates and interviews, the BSC selected James Mann for the milk producer role, John McKillop for the agribusiness/strategy role, and David Mallinson for the dairy processing/manufacturing role, as the Director nominees who best met the skills requirements of the positions. These three candidates become the Board's nominated candidates.
- › There were no candidates nominated by at least 100 Group A members.

Background

The Board of DA via the BSC conducts a search each year for persons who are suitably skilled for nomination for election to the Board at DA's Annual General Meeting, to fill any vacancies arising that year. The BSC has carried out this process for this year, taking into account DA's Constitution and in particular, the constitutional changes approved at the 2013 AGM.

DA Directors whose terms expire this year are Kelvin Jackson and John McKillop. Under DA's Constitution, Kelvin Jackson is not able to stand for re-election. John McKillop is standing for re-election. Bruce Donnison advised that he would be resigning from the Board effective at the 2015 AGM.



Report of Board Selection Committee (cont.)

Dairy Australia Director nomination process 2015

1. Board-nominated candidates

The search for candidates is undertaken by the BSC. The BSC is a standing committee of the DA Board and is appointed for a 12 month period. The BSC represents the Australian dairy industry, and has five members, two members nominated by Australian Dairy Farmers (Noel Campbell and Simone Jolliffe), two members nominated by Australian Dairy Products Federation (Robert Poole and John Williams), with the Chair of the DA Board (Geoff Akers) fulfilling the role of committee chair.

The BSC's role is to identify and nominate to the DA Board, persons whom it considers will best ensure that the Board collectively has an appropriate balance of skills and experience having regard to the nature of the business and affairs of Dairy Australia. These persons then stand for election at the AGM as Board-nominated candidates.

The skills and experiences which the Board believes are required for the Board as a whole were determined and agreed (the Board skills matrix), in addition to an assessment of the skills needs and gaps created by the retiring Directors. In addition, there is the requirement under DA's Constitution that there be at least four Directors with milk producer skills. Based on these considerations, the BSC determined that candidates for the roles (one Director with milk producer skills, one Director with skills in agribusiness/strategy, and one Director with skills in dairy processing/manufacturing), needed to be identified and nominated.

The DA Board ratified this assessment. Preferred skill sets for these positions were drafted and following approval by the Board, used to guide selection. An independent executive search consultant (Rimfire Resources) assisted the BSC in identifying and screening the applicants for the roles requiring skills in agribusiness/strategy, and dairy processing/manufacturing respectively. Following extensive advertisement and search for candidates, 38 applications were received for the agribusiness/strategy role and 12 applications were received for the dairy processing/manufacturing role.

Under the Constitution, the BSC may request that a pre-selection committee assist it in screening applications. As there were only five applications received for the milk producer role, this was not considered necessary.

After interviewing a number of candidates for each position, the following people were nominated: James Mann, John McKillop and David Mallinson.

James Mann is a milk producer, owning Donovan's Dairying Pty. Ltd. at Wye, South Australia, one of the nation's leading dairy businesses, developed by him, his wife Robyn and his team from a green-field site in 1998.

John McKillop has extensive experience in agribusiness and has already served an initial term on the Board, and David Mallinson has extensive operational experience in dairy processing and manufacturing.

It was the decision of the BSC that these nominees best met the skills needs for nomination to the Board, and this was endorsed by the Board.

2. Standing for election as a person nominated by at least 100 Group A members

The person must be nominated, in writing, by at least 100 Group A members (i.e. registered members who are levy-paying milk producers). The nomination must specify the skills and experience that the person is said to have as relevant to the business and affairs of DA. This person may then stand for election at the AGM.

There were no candidates nominated by at least 100 Group A members.

Biographies of candidates standing for Director election



Board-nominated candidate

David Mallinson

(For election to fill the vacancy with a dairy manufacturing and processing skill set)

David is the Executive General Manager – Business Operations for Murray Goulburn Co-operative Co. Limited (MGC), bringing a very strong operational background in business transformation and operations across value chains in global markets including FMCG, commodities and manufacturing.

David has had a range of roles across both MGC and other processors (Fonterra, Bonlac Foods, Cadbury Schweppes) and has extensive operational line experience (including his current responsibility for MGC's manufacturing sites (including China) with over 1600 employees). In addition, he will bring finance and managerial skills, with his current full P&L responsibility for an MGC division, which sells products in Australia, South East Asia, China, Japan, USA and the Middle East. He is also a Non-Executive Director on the Board of Snapsil Corporation.

He has undergraduate qualifications in business and finance, and has undertaken postgraduate business studies at Monash University (including a Masters in Business Administration) and has been a participant on the Executive Management Program at Stanford University.

David is a member of the Australian Society of Certified Practising Accountants, a Fellow of the National Institute of Accountants (Australia) and a Graduate of the Australian Institute of Company Directors.

Candidate statement

I am honoured to be nominated as an industry representative to the Dairy Australia Board. Having spent 22 years in the dairy sector, I have a strong association and understanding of the post farm gate dynamics impacting our industry.

I am also very excited about the future of our industry and believe through a consolidated approach between all participants that we can position the Australian dairy industry to deliver sustainable growth into the future.

Some of the challenges I see facing our industry include increasing milk growth in Australia, developing a paddock to plate sustainability position, reducing post farm gate supply chain costs and delivering higher returns by migrating more of our milk into value add products.

I believe my diverse background in finance, manufacturing, supply chain and sales combined with experience in both domestic and international dairy operations, provides a strong skillset to complement those within the current Board and to help grow our industry.

Biographies of candidates standing for Director election (cont.)



Board-nominated candidate

James Mann

(For election to fill the vacancy with a milk producer skill set)

James is the owner of Donovan's Dairying Pty. Ltd. at Wye, South Australia, which is one of the nation's leading dairy businesses, developed by him, his wife Robyn and his team from a green-field site in 1998.

James has been involved in the dairy industry in Australia for over 25 years, with experience gained in farm systems used in dairy farming and agriculture more broadly, across different regions in Australia (Queensland, Victoria and South Australia) as well as New Zealand and the United Kingdom.

Donovan's Dairying is a major supplier to Murray Goulburn Co-operative, supplying over 20 million litres per annum and milking 2000 cows. At commencement it was the largest rotary in the southern hemisphere. The business has pioneered innovative grazing and production systems for dairy in southern Australia and continues to explore opportunities to leverage technology to maximise farm profitability and optimise business sustainability.

James has been the Chairperson of the DairySA Regional Development Program since 2002 and has also performed other dairy industry leadership roles such as his current membership of the National Herd Improvement Steering Committee. He has also played active industry roles as the National Representative for the Regional Development Programs for the Dairy Moving Forward Steering Committee and on the National Dairy Alliance.

James undertook studies at Marcus Oldham College and has participated in various leadership development programs over his career.

Candidate statement

Dairying in Australia has a long, rewarding and challenging history. It's the backbone of many communities and a driver of innovation in Australian agriculture.

Dairy Australia has bravely adapted to the changes in government funded extension but there is still work to be done. We need to ensure that we cultivate effective relationships with the private sector to build a highly coordinated effort bringing quality, efficient and contemporary extension to the front gate of Australian dairy farms. My farm business and work through the Dairy Moving Forward Steering Committee and DairySA Regional Development Program, give me the background to build strong strategies and relationships for a new era of dairy extension.

We have seen the advent of the larger, more corporatised dairy farm and all indicators suggest that this will continue to grow. Dairy Australia needs to effectively service these emerging entities along with continuing to provide benefit and value, to the proven dairy farming model of the more traditional family farm. My experience across these broad range of entities – both in dairy and broad-acre farming – will bring my strategic outlook, innovative thinking and focus on profitability to the Dairy Australia Board table.

The world today is evolving so quickly we have to work hard to ensure we keep pace with both modern day science and global impacts on our industry. My role on the Dairy Australia Board will seek to ensure that the Australian dairy industry remains at the forefront of innovation, is collaborative and resourceful, and importantly is built on thriving dairy communities and profitable dairy farms.

Dairy Australia provides a successful platform for collective action in protecting and promoting the Australian dairy industry. I look forward to working with Dairy Australia on your behalf to deliver outcomes that we could not afford or achieve individually.



**Board-nominated
candidate**

John McKillop

(For election to fill the vacancy with an agribusiness and strategy skill set)

John is currently a Non-Executive Director on the Board of Dairy Australia, having served an initial three year term. He has 22 years' senior management and Board experience in the agriculture sector.

He has been CEO and/or Managing Director of a number of large agribusinesses including Clyde Agriculture and more recently the Sustainable Agriculture Fund (SAF) which operated four dairies milking over 2800 cows.

In addition to his role on the Board of Dairy Australia, John is currently a Non-Executive Director on the Boards of Meat and Livestock Australia Ltd. and the Primary Industries Education Foundation, and is a Member of the Council of Marcus Oldham College. He serves on Dairy Australia's Audit and Risk Committee. He is also Chair of the Remuneration Committee at Meat and Livestock Australia Ltd.

John initiated and chaired the inaugural Dairy Farm Investment Forum held in September 2014, which was opened by the Federal Minister for Trade and Investment and attended by over 300 delegates, attracting considerable media attention and placing the dairy industry as one of the most progressive sectors in Australia.

John is a Graduate of the Australian Institute of Company Directors. He holds qualifications in agriculture from Orange Agricultural College and the University of Melbourne, and a Masters of Business Administration from Deakin University.

Candidate statement

It has been an honour to serve as a director on the Board of Dairy Australia for the past three years and an even greater honour to be selected for re-election at the AGM this year. Both the Board and staff at Dairy Australia are relentless in the pursuit to enhance the profitability of dairy farmers in Australia.

The Australian dairy industry will face turbulent times ahead, no different to those of the past but I believe that the work of Dairy Australia helps build a more resilient industry that is able to cope with these changes. I also believe that the industry is on the cusp of a step change in the use of technology that will enhance decision making enabling producers to pick up those incremental but numerous opportunities to enhance returns.

In order to take advantage of the opportunities ahead, considerable investment in the industry will be required and that is why, if I am re-elected, I will continue to work on bringing outside capital into the sector to match those seeking to expand or enter the dairy industry.

Thank you for your consideration of my nomination for re-election to the Board of Dairy Australia.

How to vote by proxy at the AGM

These instructions are to help members ensure that their vote counts at the AGM. Members can either attend the AGM in person, or appoint a proxy to attend the AGM and vote on their behalf. Instructions for voting by proxy are set out in the Proxy Form included in this pack, and a general explanation of our voting system is below. If you have questions about voting by proxy please contact Danielle Hine at Computershare on 03 9415 5038 or danielle.hine@computershare.com.au

What if I want to vote but can't attend the AGM in person?

If you can't be at the AGM, you can appoint someone else to attend as your proxy and vote on your behalf.

Please refer to your Proxy Form for further information.

How do I vote using a proxy?

Use your Proxy Form to appoint someone who will be attending the AGM as your proxy.

Please refer to your Proxy Form for further information.

How does the voting system work?

To ensure that your vote counts, it is important that you understand the voting system for each item of business.

Item 2: Election of Directors

At the 2015 AGM, there are three (3) Board vacancies for which candidates are standing. These are for one (1) Director with milk producer skills, one (1) Director for agribusiness and strategy skills and one Director (1) with dairy processing and manufacturing skills. Members voting by proxy and wishing to direct their proxy how to vote must cast a vote in respect of each candidate:

- › You can vote FOR, AGAINST or ABSTAIN beside these candidates.
- › Each of these candidates who is supported by more than 50 per cent of votes cast will be elected.

We also allow split votes

- › Many dairy businesses involve more than one person, and under our Constitution two or more people involved in a business can be joint members of Dairy Australia.
- › The members in a joint holding may split their combined vote. If you wish to do this please contact Stuart Madden at Dairy Australia on 03 9694 3896 or smadden@dairyaustralia.com.au. Requests for separate voting papers must be made no later than Friday 6 November 2015.
- › Members of a joint holding who have split their vote do not vote on a show of hands.





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