

Proposed scheme of arrangement between Dairy Farmers Milk Co-operative Limited (DFMC) ARBN 108 690 384 and its members to return capital to DFMC members by way of a compulsory share cancellation

# VOTING GUIDE FOR ACTIVE MEMBERS

INCLUDING  
NOTICE OF SPECIAL POSTAL BALLOT,  
SPECIAL POSTAL BALLOT PAPER  
AND CORPORATE REPRESENTATIVE FORM



Legal Adviser



Corporate Adviser



## **THIS IS AN IMPORTANT DOCUMENT.**

Please read it carefully in conjunction with the Scheme Explanatory Memorandum.

It should be read in its entirety. If you are in any doubt as to the course which you should follow, please consult with your investment or other professional adviser.

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# VOTING GUIDE FOR ACTIVE MEMBERS

## IMPORTANT INFORMATION

**This Voting Guide and the accompanying Scheme Explanatory Memorandum contain important information.**

You should read all documents carefully.

This Voting Guide contains voting information for the Special Postal Ballot.

It also contains your Special Postal Ballot Paper (coloured blue) on page 7 and a Corporate Representative Form (coloured green) on page 9, each of which can easily be removed from this Voting Guide.

**The Special Postal Ballot closes at 12.00pm (noon) on Tuesday 30 June 2009.**

If you have any questions in relation to the proposed Scheme, please contact DFMC's Executive Officer, your local director or DFMC's share registry manager, whose contact details are contained in the DFMC Corporate Directory on page 6 of this Voting Guide.



The logo for Dairy Farmers Milk Co-operative features the words "Dairy Farmers" in a bold, sans-serif font, with a stylized swoosh above and below. Below this, the words "Milk Co-operative" are written in a smaller, sans-serif font, also with a swoosh above and below.

## WHAT YOU SHOULD DO NOW

- 1 Read the Scheme Explanatory Memorandum carefully.
- 2 Vote on the proposed Scheme by completing the blue Special Postal Ballot Paper enclosed in this Voting Guide.

# VOTING GUIDE FOR ACTIVE MEMBERS

### WHAT YOU SHOULD DO:

Read the Scheme Explanatory Memorandum accompanying this Voting Guide. All terms used in this Voting Guide have the same meaning as the terms used in the Scheme Explanatory Memorandum.

**Read the Notice of Special Postal Ballot (see page 5 of this Voting Guide).**

Vote on the proposed Scheme as set out in the Notice of Special Postal Ballot and Special Postal Ballot Paper. In order to vote you must complete your Special Postal Ballot Paper and return it in accordance with the **How to Vote** instructions on page 4. The postage is prepaid and therefore no stamp is required.

Forward the envelope addressed to the Returning Officer either by post to **PO Box 72, Lidcombe NSW 1825** or by personal delivery to **Quad 1, 8 Parkview Drive, Sydney Olympic Park NSW 2127** so as to reach the Returning Officer not later than **12.00pm (noon) on Tuesday 30 June 2009**, which is the close of the Special Postal Ballot. Please allow at least 5 business days for postage.

Proposed scheme of arrangement between DFMC and its members to return capital to DFMC members by way of a compulsory share cancellation

# BALLOT ENVELOPES

Do we have to use three (3) envelopes to vote in the Special Postal Ballot?

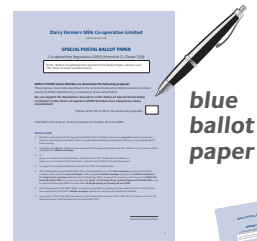
Yes. The 3-envelope system is required by the Co-operatives Regulation 2005 (NSW) and must be followed to cast a valid vote. The method of voting is set out in the How to Vote section on page 4 of this Voting Guide and also stated on the bottom half of the Special Postal Ballot Paper. Please follow the voting procedure carefully. In particular, please make sure that the middle envelope is completed and signed.



Proposed scheme of arrangement between DFMC and its members to return capital to DFMC members by way of a compulsory share cancellation

# HOW TO VOTE

- 1 Complete blue ballot paper by voting YES or NO – blue form on page 7 of this Voting Guide.



- 2 Put completed blue ballot paper in inner envelope provided.



- 3 Put inner envelope in middle envelope provided.



- 4 Sign and complete front of middle envelope.



- 5 Put middle envelope in larger outer envelope provided.



- 6 Post or deliver larger outer envelope – allow at least 5 business days for postage. Votes must be received before ballot closes at 12.00pm (noon) on Tuesday 30 June 2009.



# DAIRY FARMERS MILK CO-OPERATIVE LIMITED

(ARBN 108 690 384)

Proposed scheme of arrangement between DFMC  
and its members to return capital to DFMC members  
by way of a compulsory share cancellation

## VOTING GUIDE FOR ACTIVE MEMBERS

### NOTICE OF SPECIAL POSTAL BALLOT

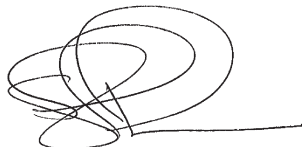
**NOTICE IS HEREBY GIVEN** that Dairy Farmers Milk Co-operative Limited (ARBN 108 690 384) (DFMC) is conducting a Special Postal Ballot to consider, and if thought fit, pass the following resolution (**Resolution**) as a special resolution:

**THAT:**

1. the scheme of arrangement proposed between Dairy Farmers Milk Co-operative Limited and its members, as contained in Schedule A to the Explanatory Memorandum accompanying the Notice of Special Postal Ballot, be agreed to pursuant to Section 344 of the Co-operatives Act (and that the Board of Directors of Dairy Farmers Milk Co-operative Limited be authorised to:
  - (a) agree to such alterations to or conditions of the scheme of arrangement as are thought fit by the Court; and
  - (b) subject to approval of the scheme of arrangement by the Court, implement the scheme of arrangement with any such alterations or conditions).

**SYDNEY 1 June 2009**

By order of the Board.



**G R Griffith, Secretary**

**Notes:**

1. In order to be passed, the Resolution must be approved by a three quarter majority of DFMC Active Members who cast valid votes in the Special Postal Ballot.
2. DFMC Inactive Members are not entitled to vote on the Resolution on this Notice of Special Postal Ballot.
3. For DFMC Active Members that are bodies corporate, please see the notes on voting by a body corporate on the reverse of the Special Postal Ballot Paper (on page 8) and on the Corporate Representative Form (on pages 9 and 10).

# CORPORATE DIRECTORY

## REGISTERED OFFICE

Dairy Farmers Milk Co-operative Limited  
Quad 1  
8 Parkview Drive  
Sydney Olympic Park NSW 2127

## DIRECTORS

Name	Home Phone	Mobile
Ian Zandstra (Chairman)	02 4447 1581	0400 100 852
Jeff Ballon	07 4692 1150	0418 821 150
John Bastian	08 8379 7848	0419 033 390
John Macarthur-Stanham	02 4655 8466	0425 276 171
Alan Mathers (Deputy Chairman)	03 5453 2238	0427 209 806
Duncan McInnes	07 5467 1240	0418 198 349
Trevor Middlebrook	02 6558 4325	0417 665 952
Peter Ness	08 8556 8270	
Michael Roache	03 5235 1236	0419 575 598
Edward Wallwork	07 4097 2347	0408 713 889

## OFFICERS

Name	Office Phone	Mobile
Greg Griffith (Executive Officer & Secretary)	02 8732 5206	0458 487 228
Chris Clark (Share Registry Manager)	02 8732 5254	



# Dairy Farmers Milk Co-operative Limited

(ARBN 108 690 384)

## SPECIAL POSTAL BALLOT PAPER

*Co-operatives Regulation 2005 (Schedule 2, Clause 3(3))*

**Note: Before completing this Special Postal Ballot Paper, please read the “How to Vote” section below.**

### **Ballot of DFMC Active Members to determine the following proposal:**

The proposal, more fully described in the Scheme Explanatory Memorandum, to return capital to DFMC Members by a compulsory share cancellation.

**Do you support the Resolution referred to in the Notice of Special Postal Ballot in relation to the return of capital to DFMC Members by a compulsory share cancellation?**

(Please write YES or NO in the white box opposite)

This ballot will close at 12.00 pm (noon) on Tuesday 30 June 2009.

### **How to Vote**

1. Read these directions and the Special Postal Ballot Paper carefully. If you are a **corporate** member, please also read the information on the back of the Corporate Representative Form headed “Voting by Corporate Members” before voting.
2. Complete and **sign** the details on the envelope that has appropriate spaces for the insertion of your name, address and signature (**middle envelope**).
3. If:  
(a) you are in favour of the Resolution – write the word “YES” in the white box above; or  
(b) you are not in favour of the Resolution – write the word “NO” in the white box above .
4. To support the proposed Scheme you must vote “YES” for the Resolution.
5. After marking the Special Postal Ballot Paper, fold it and place it in the **inner envelope** provided and seal the envelope. Then place the **inner envelope** in the completed **middle envelope** and place the **middle envelope** in the **larger outer envelope** addressed to the Returning Officer. Forward this envelope either by post to **PO Box 72, Lidcombe NSW 1825**, or by personal delivery to **Quad 1, 8 Parkview Drive, Sydney Olympic Park NSW 2127**, so as to reach the Returning Officer not later than **12.00 pm (noon) on Tuesday 30 June 2009**.
6. Unless the Special Postal Ballot Paper is marked as indicated in (3) above and the details referred to in (2) above are completed in full and the **middle envelope** signed, your vote may be rejected as informal.
7. If you place a tick in the white box above it will be taken that you have voted “YES” and if you place a cross in the white box above it will be taken that you have voted “NO”.

\_\_\_\_\_  
Initials of Returning Officer

## NOTES ON VOTING RIGHTS

1. Only members who are DFMC Active Members (within the meaning of Rule 13 of DFMC's Rules) will be entitled to vote (Rule 54 of DFMC's Rules).
2. A member whose shares are required to be forfeited because, for example, the member has not been active for one (1) year, is not entitled to vote in the Special Postal Ballot (Rule 54 of DFMC's Rules).
3. Notwithstanding that a member may be eligible to vote, he or she may, in certain circumstances, be precluded from voting by reason of the provisions of the Co-operatives Act, in which event any vote cast by the member or on the member's behalf will be disregarded (Section 186 of the Co-operatives Act).
4. A person is not entitled to exercise, under a power of attorney, the power of a member to vote, if the person has that power in respect of another member under another power of attorney (Section 183 of the Co-operatives Act).
5. Section 178(1) and Schedule 2 of the Co-operatives Act operate to disregard the votes of certain DFMC Members in the Special Postal Ballot where another person (whether or not a DFMC Member) has a relevant interest in any share held by the DFMC Member or in the right to vote of that DFMC Member. Under section 178(1) and Schedule 2 of the Co-operatives Act the votes of certain corporate DFMC Members may be disregarded in the Special Postal Ballot. The Co-operatives Council (by its delegate) is satisfied in the circumstances of DFMC that loss of the right to vote of certain corporate DFMC Members would be unjust or unreasonable, and accordingly has made an order under section 178(3) of the Co-operatives Act in the following terms.
6. A corporate DFMC Member may vote where:
  1. no shareholder of that corporate DFMC Member is a DFMC Member in his, her or its own right; or
  2. one or more shareholders of that corporate DFMC Member are DFMC Members in their own right but non-DFMC Member shareholders of that corporate DFMC Member hold between them 50% or more of the voting shares in that corporate DFMC Member; or
  3. the corporate DFMC Member is a trustee for:
    - (a) non-DFMC Member beneficiaries only; or
    - (b) beneficiaries, of which 50% or more are non-DFMC Members.
7. Notwithstanding the above order, if a corporate DFMC Member is not entitled to vote because of the operation of section 178(1) of the Co-operatives Act, that corporate DFMC Member may apply to the Co-operatives Council under section 178(2) of the Co-operatives Act for a review of the matter.
8. For further notes specifically in relation to corporate members please see the reverse side of the Corporate Representative Form.

# Dairy Farmers Milk Co-operative Limited

(ARBN 108 690 384)

## CORPORATE REPRESENTATIVE FORM

\_\_\_\_\_

(Name of Corporate Member)

of

\_\_\_\_\_

\_\_\_\_\_

(Address of Corporate Member)

appoint

\_\_\_\_\_

(Name of Representative)

of

\_\_\_\_\_

\_\_\_\_\_

(Address of Representative)

as its representative in respect of its membership of Dairy Farmers Milk Co-operative Limited for the purposes of Section 68 of the Co-operatives Act.

Signed for and on behalf of the above-named corporate member of Dairy Farmers Milk Co-operative Limited by:

Director: \_\_\_\_\_

Director/Secretary: \_\_\_\_\_

Dated: \_\_\_\_\_

[Affix common seal, if required  
by the company's constitution]

### Notes:

1. A body corporate must not appoint a person to represent the body corporate as a member of the co-operative if such person is a member of the co-operative or is the representative of another body corporate member (Section 68(2) of the Co-operatives Act).
2. A person is not entitled to exercise, as the representative of a body corporate, the power of a body corporate member of the co-operative to vote if the person has that power as the representative of another body corporate member of the co-operative (Section 183A of the Co-operatives Act).
3. A person is not qualified to be appointed as the representative of a company member of the co-operative if that company is not a listed corporation (within the meaning of the Corporations Act) unless the person is an officer, member or employee of the company (Section 68(4) of the Co-operatives Act).

## VOTING BY CORPORATE MEMBERS

A DFMC Member that is a body corporate and is entitled to vote (see page 8 – Notes on Voting Rights) should execute the **middle envelope** either under the hand of a corporate representative in accordance with the Co-operatives Act, OR in accordance with the Corporations Act, that is:

- i. under the seal of the corporation, or
- ii. by two directors, or
- iii. by a director and a secretary, or
- iv. in the case of a proprietary company that has a sole director who is also the sole company secretary, that director.

Any instrument in writing by a member that is a body corporate appointing a person to represent it (including a power of attorney or a corporate representative form) must also be executed in accordance with the Corporations Act.

Where a corporate member wishes its corporate representative to vote on its behalf, the corporate representative must sign the **middle envelope**.

A corporate member, other than a member that has previously lodged with DFMC a duly executed corporate representative form, should complete the Corporate Representative Form on the reverse of this page and send it to the Secretary in the enclosed **grey envelope** or deposit it at **Quad 1, 8 Parkview Drive, Sydney Olympic Park NSW 2127** so as to be received in all cases not later than twenty-four (24) hours before the closure of the Special Postal Ballot at 12.00pm (noon) on Tuesday 30 June 2009. Please allow at least 5 business days for postage. (If you are not a corporate member, no **grey envelope** has been included in your package).

Note that the Corporate Representative Form, if completed and lodged for the Special Postal Ballot (regardless of whether the corporate member votes) will continue to apply so that the person therein appointed may continue to represent the corporate member at future meetings or in future ballots of members of DFMC until revoked under seal or replaced by a corporate representative form appointing another representative.

Before following these instructions, please ensure that the corporate member is entitled to vote by referring to the Notes on Voting Rights at page 8 of this Voting Guide.