

## **DAIRY FARMERS MILK CO-OPERATIVE LTD (DFMC/CO-OPERATIVE)**

### **MEMBER/SHAREHOLDING INFORMATION**

DFMC is governed by the Co-operatives (Adoption of National Law) Act 2012 and has its' own rules (Constitution). Copies of both documents can be found on the DFMC website and should be referenced for detailed information about membership/shares in the Co-operative and associated matters.

However, please see information below as a quick reference:

#### **Q. Who is eligible to be a member/ shareholder of DFMC?**

A. All suppliers of milk to DFMC must be members and shareholders. The person(s) or entity that has entered into a milk supply contract with DFMC is deemed to be the supplier(s) of milk from the relevant farm. Membership/ shares need to be held in the same name(s) as the milk contract. Note: If contract is in a registered trading name or trust DFMC may need to look at who are the holders/trustee to determine correct name for membership.

Also, persons who are not on the milk contract but work on the farm eg family members, sharefarmers may become members/ shareholders under the "engaged in" or Sharefarmer active membership rules.

#### **Q. How many shares does a member need to have?**

A. The Share Acquisition Program (approved in 2011 and amended 2014) specifies that, in total, members in respect of each farm must hold one share for every 150 litres of the farm's annual milk contract volume, with a minimum of 500 shares and a maximum of 30,000 shares. The required share level for each farm is called its contribution cap (the cap).

The minimum holding per member is 100 shares.

For farms that were below their cap in 2011 members needed to acquire additional shares to reach their cap by way of a levy being deducted from their monthly milk payments at the rate of a quarter of a cent per litre of milk supplied.

For any new farms that commence supply to DFMC members may acquire the full number of shares required by one lump sum payment when supply commences or may acquire the minimum of 500 "start-up" shares (at \$1.00 each) and the balance up to their cap over a period by way of the share levy.

New members joining an existing farm eg son or daughter joining the business, are limited to acquiring 100 shares each if the total of shares held by other members on that farm have already reached its contribution cap.

#### **Q. How do I apply for membership and shares?**

A. The following forms are available on the website for downloading and need to be completed and forwarded to DFMC by any intending new member. All applications are subject to DFMC Board approval.

1. *Application for shares* - Shares can be held in the names of an individual, in joint names of two or more individuals or in the name of a (Pty Ltd) registered company.
2. *Application for membership* – Each person/company applying for shares must also complete a separate membership application form (irrespective of whether shares are held in joint or individual names).
3. *Tax File number and bank account* details for payment of dividends and share capital.
4. *Corporate Representative Form* (only applies if membership is in the name of a registered company). The person nominated is then entitled to represent the member company at DFMC meetings and to vote.

Note: The member and share application forms mention various documents that DFMC is obliged to provide to any new intending members. These documents are available on the DFMC website ie

- Disclosure Statement 2011 Share Acquisition Program
- DFMC Rules (Constitution)
- DFMC Annual Report

Payment for the shares being acquired (at \$1.00 each) can be made by:

- sending a cheque payable to Dairy Farmers Milk Co-operative OR
- direct deposit into the DFMC bank account OR
- in some cases, by deduction of the money from the farm's monthly milk payment.

The address for mailing completed forms/ cheques and DFMC bank account for direct deposit are shown at the bottom of this document. If paying by direct deposit please contact DFMC (Chris Clark) with details of the amount and date in order that we may track the money through our banking/ accounts system.

### **Share Transfers**

Shares may only be transferred between members associated with the same farm or from a member exiting the industry to incoming members for that same farm eg new owner, lessee. A transfer form is available on the website and should be completed together with a member application form, TFN and bank details form and Corporate Representative Form if relevant.

### **Postal address for share/member forms and bank account for direct deposit**

<p><b>Postal address:</b>  Daniel Sacca  Dairy Farmers Milk Co-operative  Level 4, 737 Bourke Street  DOCKLANDS VIC 3008</p>	<p><b>Bank account details:</b>  Account Name: Dairy Farmers  Bank: ANZ  BSB: 012003  Account: 837528982</p>
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### **Contact details for further information:**

Chris Clark

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