



6 October 2014

Dear Supplier/Shareholders,

RE: SHARE TRANSACTIONS INVOLVING SELF-MANAGED SUPERANNUATION FUNDS

I write to you to clarify some important points regarding self-managed super funds.

- a. Following advice from the Australian Tax Office (ATO), Murray Goulburn (MG) supplier/shareholders can no longer transfer existing MG shares into a self-managed super fund.
- b. Suppliers are permitted to allocate newly acquired shares into a self-managed super fund that is established in line with MG's share rules.
- c. This advice does not impact past transactions or existing arrangements.

Background

In the past, supplier/shareholders have, on occasion, requested that MG arrange a transfer of their shares into a self-managed superannuation fund. This occurred by MG acquiring the supplier shares and then an equivalent number of shares were issued to the supplier as trustee for their self-managed superannuation fund.

While MG has previously complied with these requests, I wish to advise that we have recently sought the advice of the ATO in relation to the application of certain provisions of the superannuation legislation to transactions of this nature.

The ATO has advised that, while it will take no action in relation to past arrangements, any future share transactions of this nature will not be condoned by the ATO on the basis that the transfer is considered to meet the definition of a prohibited avoidance scheme under the legislation.

On that basis, I wish to advise that MG will no longer comply with any requests from supplier/shareholders to acquire their shares and for an equivalent number of shares to be issued to them as trustee for their self-managed superannuation fund.

This does not, however, prevent supplier/shareholders from setting up their supply and shareholding arrangements with MG through a self-managed superannuation fund from the outset.

It is important that any self-managed super fund that currently receives MG shares or is established to do so in the future, is structured in line with MG's requirements. Only active MG suppliers can hold Ordinary shares, therefore a self-managed fund in receipt of MG shares must be directly linked and controlled by the MG supplier.

If you have any queries in relation to this matter, please contact the MG share office on (03) 9040 5000.

Yours sincerely

Robert Poole

Executive General Manager Shareholder Relations