



2016 SUPPLIER DIRECTOR ELECTIONS - GIPPSLAND REGION CANDIDATES

20 July 2016

Dear Supplier/Shareholder

In order to fill a vacancy in the Board, the Gippsland Region Supplier Director Election is now underway. I wish to advise that the following candidates have been nominated:

- Timothy Dwyer
- Raelene Hanratty
- Kelvin Jackson
- Bernhard Lubitz

Each candidate satisfies the Supplier Director eligibility criteria as set out in rule 15.5 of Murray Goulburn's constitution.

A profile of each candidate will be available on the Murray Goulburn website (<http://www.mgc.com.au/investor-centre/shareholders/shareholder-communications>) from 25 July 2016.

Outcome of candidate assessment process

All candidates were invited to take part in the voluntary candidate assessment process. As you may recall, this process was introduced in 2015 in response to supplier feedback requesting a more rigorous assessment process to appoint Supplier Directors to the Board. The Candidate Assessment Panel (**CAP**) was subsequently established by the Board and is chaired by Independent Chair, Andrew Donovan. The CAP assists the Board to identify and develop the best possible Supplier Director candidates with a view to ensuring the Board has the optimum skill, knowledge and experience needed to support Murray Goulburn's business objectives.

This year, two Gippsland Region candidates, Timothy Dwyer and Kelvin Jackson, elected to participate in this process.

The CAP assessed both candidates by way of a structured interview in the areas of governance, communication and leadership, strategic thinking, business and finance, industry knowledge and international experience/perspective.

The CAP communicated the outcome of its assessment of each participating candidate to the Board and on the basis of the CAP's recommendations the Board has agreed to endorse the following candidates for election:

- Timothy Dwyer
- Kelvin Jackson

The Board however acknowledges that the election of the Gippsland Region Supplier Director is ultimately a matter for supplier/shareholders, with a postal ballot to be held to decide the candidate who will fill the vacancy in the Board.

Under Murray Goulburn's Constitution, a Supplier Director vacancy may be filled by either the Board or by shareholders at an Annual General Meeting (and in either case, the person chosen to fill the Supplier Director vacancy must satisfy the eligibility criteria and be nominated by the relevant supply region). The Board has decided that, in these particular circumstances, it would be appropriate to leave this decision to shareholders.

Accordingly, the candidate with the most votes in the ballot will be put forward at the Annual General Meeting on 28 October 2016 for election to the Board to fill the current Gippsland Supplier Director vacancy.

Supplier meetings

As previously advised, meetings will be held in the Gippsland Region early next month to present Supplier Director candidates.

The schedule of meetings is as follows:

- Leongatha Football Club – Thursday 4 August from 11.30am to 1.30pm
- Maffra Memorial Hall – Thursday 4 August from 7.30pm to 9.30pm

Ballot

These elections are a critical part of the co-operative principles that guide our organisation and we encourage you to have your say by voting for your preferred candidate in the postal ballot, which will be conducted by Computershare Investor Services.

Ballot papers will be sent to Gippsland Region supplier/shareholders on Friday 12 August 2016 and the ballot will close at 5.00pm on Monday 29 August 2016. The results of the ballot will be communicated to Gippsland Region supplier/shareholders on 30 August 2016.

Yours faithfully



Fiona Smith
Chief Operating Officer (Company Secretary)