

16 November 2017



Murray Goulburn reaches settlement with ASIC

Dear Suppliers

I am writing to let you know that Murray Goulburn Co-operative Co. Limited and MG Responsible Entity Limited (MGRE) (together, Murray Goulburn) have agreed a settlement with the Australian Securities and Investments Commission (ASIC) in relation to ASIC's investigation into Murray Goulburn's conduct over the period prior to the ASX announcement on 27 April 2016. The settlement is subject to Federal Court approval.

ASIC will apply to the Federal Court seeking a declaration of one contravention by MGRE of the continuous disclosure provisions of the Corporations Act for the period 22 March – 26 April 2016 and a civil penalty of \$650,000. Under the settlement, MGRE will agree to the civil contravention and the proposed penalty.

We note that it is not alleged by ASIC that Murray Goulburn deliberately contravened its continuous disclosure obligations. Murray Goulburn takes its disclosure obligations very seriously and we have cooperated fully with ASIC during its investigation of these matters.

The Board considers that the settlement is in the best interests of Murray Goulburn as we continue to focus on our objective of supporting our farmer suppliers, including through the proposed Saputo sale process announced on 27 October 2017.

The matter is due to come before the Federal Court shortly for the court's approval of the settlement.

Kind regards

A handwritten signature in black ink, appearing to read "Ari Mervis".

Ari Mervis
Chief Executive Officer