

ASX Announcement

14 May 2020

Liquidation of Murray Goulburn Co-operative Co. Limited

Attached is a copy of a notice of meeting of Murray Goulburn Co-operative Co. Limited (**MG**) which will convene an extraordinary general meeting of MG for the purpose of obtaining MG shareholder approval to place MG into voluntary liquidation. The notice will be sent to MG shareholders on or about Friday, 29 May 2020.

The meeting is scheduled for 11.30am on Friday, 26 June 2020. If MG shareholders vote to place MG into liquidation at the meeting, liquidators will be appointed to MG that day.

Suspension of trading of units and delisting of the MG Unit Trust

Following the appointment of liquidators to MG, trading in units in the MG Unit Trust will be suspended from close of trading on Friday, 26 June 2020. It is expected that the MG Unit Trust will then be delisted at close of trading on Friday, 3 July 2020. Unitholders will not be required to vote on the delisting.

Expected distribution to shareholders and unitholders

Through the liquidation of MG, it is expected, but not guaranteed, that there will be both an interim distribution (estimated to be 3 to 4 months after liquidators are appointed to MG, but subject to tax clearance being obtained by the liquidators) and a final distribution (estimated to be 12 to 18 months after liquidators are appointed, but subject to tax clearance being obtained by the liquidators) to MG shareholders and to unitholders in the MG Unit Trust.

It is expected that the interim distribution will be 43 cents per share or unit. This represents a payout of 96% of MG's unrestricted funds available for distribution, after accounting for outstanding liabilities and setting aside funds for accruals and other future expenses, including insurance cover for indemnity obligations to current and former directors and management.

Further information in relation to liquidation of MG, the expected interim distribution and expected final distribution and possible tax consequences for shareholders and unitholders is set out in the attached notice of meeting.

Units in the MG Unit Trust are expected to resume normal trading on the ASX from market open today, Thursday, 14 May 2020.

Authorised by
Joseph Phillipos
Company Secretary

– ENDS –

Investor or media enquiries:

Joseph Phillipos
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company.secretary@mglegacy.mgc.com.au

About the MG Unit Trust

The MG Unit Trust (ASX:MGC) is a special purpose funding vehicle which provides its unitholders with an economic exposure to the business of Murray Goulburn Co-operative Co. Limited (Murray Goulburn). The Responsible Entity of the MG Unit Trust is MG Responsible Entity Limited, a wholly-owned subsidiary of Murray Goulburn.

Murray Goulburn Co-operative Co. Limited

Notice of Meeting and Explanatory Memorandum

This document includes a Notice of Meeting and an Explanatory Memorandum in relation to the proposed shareholders' voluntary liquidation of Murray Goulburn Co-operative Co. Limited (**Murray Goulburn** or the **Company**).

The Board unanimously recommends that you vote in favour of all of the Resolutions proposed in this Notice of Meeting.

This is an important document and it requires your immediate attention. You should read this document in its entirety before deciding how to vote. You should consult your legal, investment, taxation or other professional advisers if you are in doubt as to what you should do.

If you have any questions in relation to this Notice of Meeting and Explanatory Memorandum, please contact the Company Secretary on +61 3 9040 5840.

IMPORTANT NOTES REGARDING COVID-19 AND PARTICIPATION IN THE MEETING

The extraordinary general meeting (**EGM**) is to be held at 11.30am (AEST) on Friday, 26 June 2020. In response to the coronavirus (COVID-19) pandemic, we are pleased to offer the ability to participate in the meeting online at <https://web.lumiagm.com/304269045>. We strongly encourage Shareholders and Unitholders to participate online. Further information about how to participate online is set out below and in the Notice of Meeting.

The health and wellbeing of our Shareholders and Unitholders is of paramount importance. **Given the restrictions in force and the uncertainty and potential health risks arising from the rapidly evolving coronavirus (COVID-19) pandemic, Murray Goulburn strongly encourages Ordinary Shareholders to lodge a directed proxy in advance of the EGM or vote online during the EGM. Murray Goulburn recommends that all Shareholders and Unitholders participate online by watching the EGM and asking questions during the EGM.**

Murray Goulburn intends to strictly follow any Government advice or requirements that are current at the time of the EGM (including in relation to 'social distancing') and will take any additional measures considered necessary or appropriate for the safety of Shareholders, Unitholders, employees, directors, venue staff and the general public.

The EGM will be held at Space&Co., Level 19, 2 Southbank Boulevard, Southbank, Victoria. Based on current Government restrictions, it is unlikely that Shareholders and Unitholders will be able to attend the physical venue. **As a result, Shareholders and Unitholders are strongly encouraged not to attend the EGM but instead participate in the EGM by:**

- **asking questions before the meeting by emailing their questions to murraygoulburn@computershare.com.au by no later than 11.30am (AEST) on Friday, 19 June 2020;**
- **watching the live webcast of the EGM at <https://web.lumiagm.com/304269045>;**
- **asking questions which relate to the business of the meeting during the live webcast of the EGM via <https://web.lumiagm.com/304269045>; and**
- **in the case of Ordinary Shareholders, lodging a proxy vote in advance of the meeting or voting online during the live webcast of the EGM at <https://web.lumiagm.com/304269045>.**

Unitholders and holders of Non-voting Shares should log in to the meeting as a guest, which will enable them to ask questions (but not vote). Further instructions on how to participate online will be available on Computershare's website at www.computershare.com.au/MG2020EGM.

Ordinary Shareholders are also strongly encouraged to lodge a directed proxy vote to ensure their votes are cast. To lodge your proxy, please follow the steps on your enclosed personalised Proxy Form and lodge it by 11.30am (AEST) on Wednesday, 24 June 2020. We encourage Ordinary Shareholders to submit a directed proxy as early as possible.

In the event that it is necessary for Murray Goulburn to give further updates, information will be provided on Murray Goulburn's website and lodged with the Australian Securities Exchange (**ASX**).

Murray Goulburn appreciates your understanding in this challenging time.

The results of the EGM will be announced through the ASX and notified on Murray Goulburn's website www.mgcl.com.au after the EGM.

This Notice of Meeting is dated 14 May 2020.

IMPORTANT DATES

On or about Friday, 29 May 2020

Notice of Meeting despatched

11.30am (AEST) on Wednesday, 24 June 2020

Latest time and date for receipt of Proxy Form for the EGM

7.00pm (AEST) on Wednesday, 24 June 2020

Time and date for determining eligibility to vote at the EGM

11.30am (AEST) on Friday, 26 June 2020

EGM to be held at and webcast live from Space&Co., Level 19, 2 Southbank Boulevard, Southbank, Victoria

Please see Important Notes for information about participation in the EGM

If the Resolutions are approved by Ordinary Shareholders at the EGM

Friday, 26 June 2020

Shareholders' Voluntary Winding Up commences and Liquidators are appointed

Friday, 26 June 2020

No further transfers of Shares in Murray Goulburn are able to be effected without the approval of the Liquidators

Trading in Units in the MG Unit Trust on the ASX to be suspended from close of trading

Friday, 3 July 2020

Anticipated Delisting of the MG Unit Trust

Estimated to be 3 to 4 months after Liquidators are appointed, but subject to tax clearance being obtained by the Liquidators

Anticipated record date for payment of Interim Distribution

Estimated to be 3 to 4 months after Liquidators are appointed, but subject to tax clearance being obtained by the Liquidators

Anticipated payment of Interim Distribution

Estimated to be 12 to 18 months after Liquidators are appointed, but subject to tax clearance being obtained by the Liquidators

Anticipated record date for payment of Final Distribution

Estimated to be 12 to 18 months after Liquidators are appointed, but subject to tax clearance being obtained by the Liquidators

Anticipated completion of shareholders' Voluntary Winding Up and payment of Final Distribution

Three months after completion of shareholders' Voluntary Winding Up

Anticipated deregistration of Murray Goulburn
On deregistration Shareholders will cease to hold their Shares
Anticipated termination of the MG Unit Trust
All Units will be cancelled in this period

All dates are indicative only. There is no guarantee as to these dates, including the timing (or amount) of the Interim Distribution or Final Distribution.

Letter from the Chairman

Dear Shareholder,

The Notice of Meeting and Explanatory Notes attached to this letter are provided to you for your information in relation to the upcoming EGM.

The background to this meeting is as follows;

After the sale of the Group's operating assets and operating liabilities to Saputo on 1 May 2018, the Company paid a distribution of approximately \$443 million to Shareholders and Unitholders representing a return of funds of 80 cents per Share or Unit.

Since the completion of the Saputo transaction, the Board has progressed preparations for the winding up of the Group, including settling adjustments with Saputo, consolidating assets, winding up the Group's activities in China, investing funds and resolving certain complex litigation matters.

In particular, the Board has progressed finalisation of all of the Retained Litigation to which the Company was a party, being the Australian Competition and Consumer Commission (**ACCC**) proceeding, and two class actions known as the Endeavour River class action and the Webster class action¹ (which commenced in 2018 and 2016 respectively). These matters have been resolved by the Board in a relatively short time and with limited cost to the Company.

The Australian Securities and Investments Commission's (**ASIC**) proceeding against Murray Goulburn's former officers, Mr Gary Helou and Mr Brad Hingle (to which Murray Goulburn is not a party) continues.

As set out in the March 2018 Explanatory Memorandum relating to the meeting for the Saputo transaction, the Board anticipated that on conclusion of the Retained Litigation any residual funds would be distributed to Shareholders and Unitholders.

At the date of this Notice of Meeting, Murray Goulburn has approximately \$259.14 million in unrestricted funds on deposit and in bank accounts. In addition, the Responsible Entity of the MG Unit Trust holds \$5 million in restricted funds pursuant to the net tangible assets requirement of its Australian Financial Services Licence. After accounting for outstanding liabilities and setting aside funds for accruals and other future expenses including insurance cover for indemnity obligations to current and former Directors and management, Murray Goulburn estimates there will be unrestricted funds of approximately \$247.96 million available to the Liquidators for distribution to Shareholders and Unitholders (this excludes the \$5 million in restricted funds held by the Responsible Entity).

The Board has sought professional advice on the best way for these funds to be distributed. Based on that advice the Board has formed the view that a shareholders' Voluntary Winding Up is the most advantageous process to provide payment of the residual funds to our Shareholders and to Unitholders. This is consistent with previous statements by the Board that, after the conclusion of the Retained Litigation, Murray Goulburn would be wound up and any surplus cash distributed to Shareholders and Unitholders.

Under the shareholders' Voluntary Winding Up, it is expected, but not guaranteed, that there will be both an Interim Distribution and a Final Distribution. It is expected that the

¹ The approved settlement remains conditional on an appeal or application for leave to appeal not being filed by 21 May 2020.

Interim Distribution Aggregate Amount will be approximately \$238.51 million, which equates to an Interim Distribution of 43 cents per Share or Unit. This represents a payout of 96% of Murray Goulburn's unrestricted funds of approximately \$247.96 million available for distribution. If an Interim Distribution of this size is paid, Murray Goulburn will have retained unrestricted cash reserves of approximately \$9.5 million (in addition to the \$5 million in restricted funds held by the Responsible Entity).

The Liquidators will then ultimately distribute surplus cash (including the \$5 million in restricted funds held by the Responsible Entity) after payment of Liquidation and winding up costs as a Final Distribution.

For the shareholders' Voluntary Winding Up to proceed, a resolution must be passed in favour of it by at least 75% of Ordinary Shareholders voting at the EGM. When voting on that resolution, Shareholders will also be voting on the appointment of the Liquidators. The Company has nominated Mr John Lindholm and Mr George Georges of KPMG as Liquidators. Ordinary Shareholders are also being asked to vote on certain authorisations to be granted to them.

If Ordinary Shareholders vote in favour of the shareholders' Voluntary Winding Up, it is expected that a significant distribution of funds to Shareholders and Unitholders by way of the payment of the Interim Distribution may be made within 3 to 4 months after the EGM, subject to tax clearance being obtained by the Liquidators from the Australian Taxation Office (ATO) in that period.

The Board unanimously recommends that you vote in favour of all of the Resolutions proposed in this Notice of Meeting so that the Liquidation can proceed.

Yours sincerely

John Spark
Chairman

Notice of Meeting

An extraordinary general meeting of Murray Goulburn Co-operative Co. Limited (**Murray Goulburn**) will be held at Space&Co., Level 19, 2 Southbank Boulevard, Southbank, Victoria at 11.30am (AEST) on Friday, 26 June 2020.

Based on current Government restrictions, it is unlikely that Shareholders and Unitholders will be able to attend the physical venue.

Shareholders and Unitholders are strongly encouraged to participate in the EGM online by watching it and asking questions at <https://web.lumiagm.com/304269045>. Ordinary Shareholders will also be able to cast an online vote during the EGM.

Instructions on how to participate online will be available on Computershare's website at www.computershare.com.au/MG2020EGM.

Items of Business:

Item 1 – Shareholders' voluntary winding up of Murray Goulburn and appointment of the Liquidators

To consider and, if thought fit, to pass the following resolution as a special resolution:

'That for the purposes of section 491(a) of the Corporations Act and for all other purposes, Murray Goulburn is to be wound up voluntarily, and for the purposes of section 495 of the Corporations Act and for all other purposes, John Lindholm and George Georges of KPMG be appointed as the liquidators for the purposes of winding up the affairs and distributing the property of Murray Goulburn.'

Item 2 – Remuneration of the Liquidators

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, subject to and conditional on Item 1 being passed, the remuneration of the Liquidators, their partners and staff as set out in the Remuneration Approval Request are all proper costs, charges and expenses of and incidental to the winding up, and are approved up to the sum of \$750,000 (plus GST and external disbursements) but subject to upward revision by resolution of shareholders, such remuneration being calculated in accordance with the KPMG schedule of hourly rates and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration.'

Item 3 – Internal disbursements of the Liquidators

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, subject to and conditional on Item 1 being passed, the internal disbursements of the Liquidators, as set out in the Remuneration Approval Request, from the beginning to the completion of the Liquidation be fixed up to a maximum amount of \$25,000 (plus GST) but subject to upward revision by resolution of shareholders, and that the Liquidators be authorised to make periodic payments on account of such accruing disbursements as incurred.'

Item 4 – Authorisations given to the Liquidators

To consider and, if thought fit, to pass the following resolution as a special resolution:

'That, subject to and conditional on Item 1 being passed, so far as necessary for the beneficial winding up of Murray Goulburn, the Liquidators are hereby authorised pursuant to sections 506(1A), 477(2A) and 477(2B) of the Corporations Act to compromise any debt to Murray Goulburn greater than the prescribed amount and to enter into any agreement on Murray Goulburn's behalf involving a term or obligations extending for more than 3 months.'

Item 5 – Disposal of books

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, subject to and conditional on Item 1 being passed, the shareholders direct the Liquidators to apply to ASIC when appropriate or upon finalisation of the Liquidation for consent to destroy books within the retention period in accordance with IPS 70-35.'

Further Information:

Please refer to the Explanatory Notes which accompany this Notice of Meeting for further information and explanation.

Dated: 14 May 2020

By order of the Board

Joseph Phillipos
Company Secretary

Explanatory Notes

These Explanatory Notes form part of the Notice of Meeting and have been prepared for the information of Ordinary Shareholders in relation to the business to be conducted at the EGM.

1 Overview

On 1 May 2018, the operating assets and operating liabilities of Murray Goulburn and its subsidiaries were sold to Saputo Dairy Australia Pty Ltd ACN 166 135 486 (**Saputo**). As part of the Saputo transaction, Murray Goulburn agreed to retain liabilities associated with the ACCC proceeding, the Webster class action, any proceeding by ASIC arising from its investigation into the conduct of the Responsible Entity, MG Unit Trust and/or their officers and any other claims in relation to the same or substantially similar circumstances (together, the **Retained Litigation**). Murray Goulburn set aside sale proceeds from the Saputo transaction to appropriately manage any potential exposure it had in respect of the Retained Litigation. In the meantime, the Board and management have wound down the Company's residual activities and consolidated its cash base.

Following Federal Court approval of the settlement of the Webster class action in April 2020, the Board announced its intention to call an extraordinary general meeting of Murray Goulburn for the purpose of obtaining approval from Ordinary Shareholders for a shareholders' Voluntary Winding Up, a solvent liquidation process that provides for equal distribution of funds to Shareholders (being all voting and non-voting shareholders) and Unitholders. This reflects the previous statements by the Board that, after the conclusion of the Retained Litigation, Murray Goulburn would be wound up and any surplus cash distributed to Shareholders and Unitholders.

All of the Retained Litigation to which the Company was a party has now been resolved.

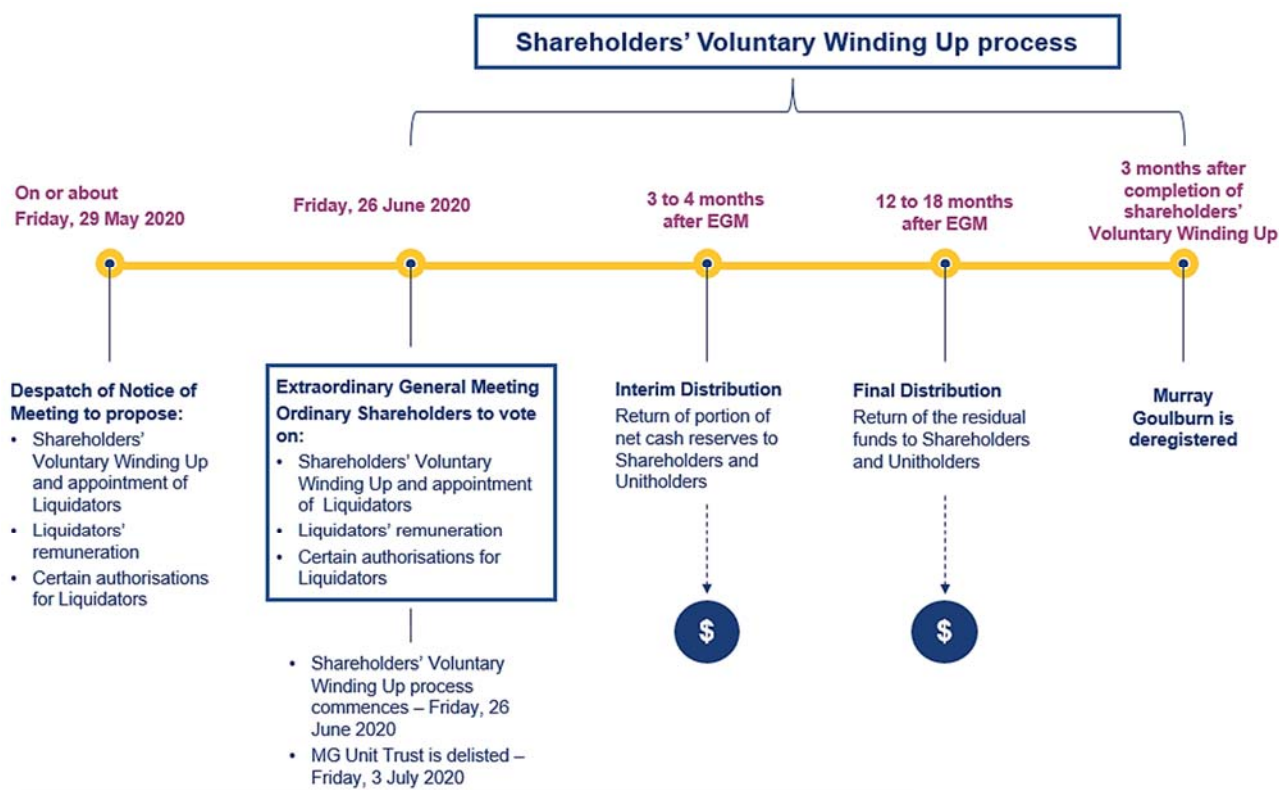
In summary, the following steps will be taken to effect the Liquidation:

- Step 1 Murray Goulburn will enter into a shareholders' voluntary winding up and the Liquidators will be appointed to complete the final winding up of Murray Goulburn.
- Step 2 The Liquidators will commence the final winding up of the Group, including the MG Unit Trust and the Responsible Entity. This will include early engagement with the ATO to obtain tax clearance for any distribution by the Liquidators.
- Step 3 Trading in Units on the ASX will be suspended and the MG Unit Trust will be removed from the ASX Official List.
- Step 4 If the Liquidators consider it appropriate, the Liquidators, after obtaining ATO clearance, will distribute the majority of Murray Goulburn's cash reserves available for distribution to Shareholders and to the MG Unit Trust for distribution to Unitholders² (save for the amount required for the Liquidation) as an Interim Distribution within 3 to 4 months after being appointed.

² The distributions by the Liquidators will be direct to Shareholders. The distribution to Unitholders will be from Murray Goulburn via the MG Unit Trust, with the distribution made by the Responsible Entity (which will also be in liquidation). However, generally throughout this Explanatory Memorandum Murray Goulburn has referred to the Liquidators distributing to Shareholders and Unitholders.

- Step 5 Remaining cash at the end of the shareholders' Voluntary Winding Up will be distributed to the Shareholders and Unitholders as a Final Distribution within 12 to 18 months after the Liquidators' appointment.
- Step 6 The MG Unit Trust will be terminated and all companies in the Murray Goulburn Group will be deregistered.

A diagram setting out a high level summary of the steps and process to effect the Liquidation is below. See section 5 for more information about the Liquidation.



2 Background

2.1 Saputo transaction and Retained Litigation

Following a sustained period of significant challenges for Murray Goulburn and an extensive strategic review of its business, the decision was made to sell Murray Goulburn's operating assets and operating liabilities to Saputo. The transaction was approved by Ordinary Shareholders on 5 April 2018 and completed on 1 May 2018.

As part of the Saputo transaction, Murray Goulburn agreed to retain liabilities associated with the Retained Litigation. On 20 August 2018, a second unitholder class action, the Endeavour River class action, was commenced. The Endeavour River class action fell within the meaning of Retained Litigation.

Murray Goulburn set aside sale proceeds from the Saputo transaction to appropriately manage any potential exposure the Company had in respect of the Retained Litigation.

Following Federal Court approval of the settlement of the Webster class action, the Board considers that, with the exception of ASIC's proceeding against Murray Goulburn's former officers, Mr Helou and Mr Hingle (to which Murray Goulburn is not a party and in which no pecuniary penalty is sought by ASIC), all of the Retained Litigation is now either concluded, or in the case of the Webster class action, settled, subject to there being no appeal. The status of the Retained Litigation is as follows:

ASIC proceeding against Murray Goulburn and the Responsible Entity — concluded

Prior to the Saputo transaction, on 16 November 2017, Murray Goulburn and the Responsible Entity agreed a settlement with ASIC in relation to ASIC's investigation into Murray Goulburn's conduct over the period leading up to the trading update and revised outlook announced by the Company on 27 April 2016. The settlement was approved by the Federal Court on 15 December 2017.

The Federal Court made a declaration of one contravention by MGRE of the continuous disclosure provisions of the Corporations Act for the period 22 March 2016 to 26 April 2016 and imposed a civil penalty of \$650,000.

ASIC proceeding against Mr Helou and Mr Hingle — ongoing

On 20 June 2019, ASIC commenced proceedings in the Federal Court against Murray Goulburn's former officers, Mr Helou (the former Managing Director) and Mr Hingle (the former Chief Financial Officer). Murray Goulburn and the Responsible Entity are not parties to the proceedings, nor is any relief sought against either of them. Declaratory relief and disqualification orders are sought against Mr Helou and Mr Hingle, but no pecuniary penalty is sought. The proceeding is set down for trial commencing on 28 September 2020. A Court ordered mediation is ongoing.

ACCC proceeding — concluded

On 9 November 2018, Murray Goulburn and Mr Helou agreed a settlement in principle with ACCC in relation to the ACCC proceeding. The settlement was approved by the Federal Court on 6 December 2018.

The Federal Court made declarations of contravention of the Australian Consumer Law in the period 29 February 2016 to 27 April 2016 in relation to representations regarding the farmgate milk price for the financial year ended 30 June 2016. ACCC did not seek a pecuniary penalty against Murray Goulburn. The Court made orders that Murray Goulburn contribute \$200,000 to ACCC's costs of the proceeding.

Endeavour River class action — concluded

On 24 June 2019, Murray Goulburn and the Responsible Entity agreed with the plaintiff to settle the Endeavour River class action. The settlement was approved by the Federal Court on 20 December 2019.

The settlement amount was \$42 million (inclusive of interest and costs). Approximately 80% of the settlement amount was funded by insurance. Murray Goulburn contributed the remaining portion of the settlement amount. As announced to the ASX on 6 May 2020, Murray Goulburn has commenced proceedings in the Federal Court against AIG Australia Limited (**AIG**) to seek to recover the portion of the Endeavour River settlement amount contributed by Murray Goulburn, plus a portion of Murray Goulburn's costs of defending the Endeavour River and Webster class actions.

See section 6.2 for more information about the claim against AIG.

Webster class action — settled, subject to no appeal

On 1 November 2019, Murray Goulburn and the Responsible Entity agreed with the plaintiff to settle the Webster class action. The Federal Court made orders approving the

settlement on 9 April 2020. The approved settlement remains conditional on an appeal or application for leave to appeal not being filed by 21 May 2020.

The settlement amount is \$37.5 million (inclusive of interest and costs), approximately 98% of which is funded by insurance. On 19 December 2019, Murray Goulburn contributed the remaining portion of the settlement amount.

2.2 Liquidation of the Murray Goulburn Group

Following Court approval of the settlement of the Webster class action, the Board announced its intention to call an extraordinary general meeting of Murray Goulburn for the purpose of obtaining approval from Ordinary Shareholders to place Murray Goulburn into liquidation. This reflects previous statements by the Board that following the conclusion of the Retained Litigation it was intended that the Group would be wound up and a distribution made to Shareholders and Unitholders.

The appointment of the Liquidators to Murray Goulburn will start the formal process for the final winding up of the Group, including the MG Unit Trust (and its Delisting), and for the distribution of the available cash (net of Liquidation costs) held by the Group to Shareholders and Unitholders.

The appointment of the Liquidators will not impact Unitholders' rights to receive equivalent distributions to those received by Shareholders.

The Board will file a declaration of solvency with ASIC as required by section 494 of the Corporations Act.

The Board unanimously recommends that you vote in favour of all of the Resolutions proposed in this Notice of Meeting so that the Liquidation can proceed.

3 Consequences if Liquidation proceeds

3.1 Shareholders' Voluntary Winding Up

If Item 1 is approved by Ordinary Shareholders, Murray Goulburn will enter into a shareholders' voluntary winding up and the Liquidators will be appointed to deal with, and finalise, Murray Goulburn's affairs. The Liquidators will realise Murray Goulburn's assets and discharge its liabilities (including the costs of the shareholders' Voluntary Winding Up), with surplus cash distributed to Shareholders and Unitholders.

The Liquidators may determine, subject to compliance with applicable laws and processes, that it is appropriate to pay the majority of Murray Goulburn's cash reserves to Shareholders and Unitholders by way of an Interim Distribution (retaining sufficient funds to complete the Liquidation and manage the claim against AIG referred to in section 6.2). It is currently expected that the Interim Distribution would be made to Shareholders and Unitholders within 3 to 4 months after the EGM, subject to the Liquidators confirming there are no significant liabilities and receiving clearance from the ATO.

After discussion with the Liquidators, the Board considers that clearance from the ATO should be able to be obtained within 3 to 4 months after the EGM. However, this will depend on the resources that the ATO devotes to the matter and whether the ATO has any questions regarding Murray Goulburn's tax position. Murray Goulburn has complied with all current income tax lodgement requirements, and has lodged all income tax returns up to and including the return for the financial year ended 30 June 2019. In order to fast track ATO clearance, the Board has already commenced engagement with the ATO, and has obtained ATO acceptance of the income tax position for the financial year

ended 30 June 2018 (being the last year of Murray Goulburn's business operations and the year in which completion of the sale to Saputo occurred).

It is expected, but not guaranteed, that the Interim Distribution Aggregate Amount will be approximately \$238.51 million, which equates to an Interim Distribution of 43 cents per Share or Unit. This represents a payout of 96% of Murray Goulburn's unrestricted funds of approximately \$247.96 million available to the Liquidators for distribution, after accounting for outstanding liabilities and setting aside funds for accruals and other future expenses, including insurance cover for indemnity obligations to current and former Directors and management. If an Interim Distribution of this size is paid, Murray Goulburn will have retained unrestricted cash reserves of approximately \$9.5 million (in addition to the \$5 million in restricted funds held by the Responsible Entity).

The Liquidators will distribute surplus cash (including the \$5 million in restricted funds held by the Responsible Entity) after payment of Liquidation costs at the end of the shareholders' Voluntary Winding Up process to the Final Distribution Eligible Shareholders and Unitholders in proportion to their holdings as a Final Distribution.

During the shareholders' Voluntary Winding Up process, Shareholders will not be able to transfer their Shares (unless authorised by the Liquidators or ordered by the Court in accordance with section 493A of the Corporations Act).

Pursuant to Items 4 and 5, Ordinary Shareholders are also being asked to grant certain authorisations to the Liquidators. These authorisations will allow the Liquidators to compromise debts to Murray Goulburn for more than \$20,000 and to enter into any agreement on Murray Goulburn's behalf involving a term or obligations extending for more than 3 months without further Ordinary Shareholder approval, plus allow them to apply to ASIC when appropriate or upon finalisation of the Liquidation for consent to destroy Murray Goulburn's books. If Items 4 and 5 are not passed, a further meeting of Shareholders may be required if the Liquidators seek to take these actions – this may cause the Company to incur additional costs (which would reduce the amount of the Interim and/or Final Distribution), and could impact the timing of the shareholders' Voluntary Winding Up.

3.2 Delisting and winding up of MG Unit Trust

Following the appointment of the Liquidators to Murray Goulburn, the Liquidators will place the Responsible Entity into liquidation and commence the voluntary winding up of the MG Unit Trust. Once that occurs, trading in Units on the ASX will be suspended, and shortly thereafter the MG Unit Trust will be Delisted.

Unitholders will not vote on the winding up of the MG Unit Trust.

The Delisting of the MG Unit Trust will result in cost savings for Murray Goulburn, and ultimately the return of additional money to Shareholders and Unitholders.

Once Units are suspended from trading, Units will no longer be freely tradeable on the ASX. They will only be able to be bought or sold in limited circumstances and Unitholders are unlikely to be able to exit their investment until the MG Unit Trust is wound up. Following Delisting and in connection with the winding up of the MG Unit Trust, the MG Unit Trust will be deregistered as a managed investment scheme, and the Responsible Entity's Australian Financial Services Licence will be cancelled.

4 Consequences if Liquidation does not proceed

If Ordinary Shareholders do not approve placing Murray Goulburn into Liquidation, the Board will consider other ways to distribute Murray Goulburn's cash to Shareholders and Unitholders.

Shareholders and Unitholders should note that:

- since Ordinary Shareholders approved the sale of Murray Goulburn's operating assets and operating liabilities to Saputo, the stated intention of the Board has been for Murray Goulburn to be wound up following the conclusion of the Retained Litigation;
- after receiving advice from Murray Goulburn's professional advisers and considering a range of distribution options, the Board determined that a shareholders' Voluntary Winding Up was the best way to realise maximum value for Shareholders and Unitholders;
- the Board's view is that the only other way to distribute the majority of the cash held by Murray Goulburn to Shareholders and Unitholders would be through a combination of a minor return of capital (of approximately 6 cents per Share or Unit) and the payment of the balance of the cash as a dividend by Murray Goulburn. While the dividend element could be paid quickly, the capital return would require Shareholder approval (and therefore another extraordinary general meeting). The Board understands that the dividend would be a tax assessable payment in the hands of Shareholders and Unitholders (not a return of capital) without the concessional tax treatment that might otherwise be available to distributions received on capital account from the Company in liquidation, as described in the Tax consequences section (see sections 7.2 and 7.3);
- if the Liquidation does not proceed, the Board and management of Murray Goulburn will remain in place, and the Company will continue to incur costs in relation to Director fees and employee salaries. In addition, other operating costs may continue to be incurred, such as insurance premiums and other costs relating to the MG Unit Trust being a listed entity. If the Liquidators are appointed, these costs will be significantly reduced, before ultimately ceasing on or prior to the completion of the shareholders' Voluntary Winding Up; and
- if the Liquidation does not proceed, Murray Goulburn will have incurred the costs of preparing for and holding the EGM, financial and legal advice and other costs in connection with putting the proposed Liquidation to Shareholders. These costs will still be borne by Murray Goulburn without the benefit of any of the advantages of Liquidation.

The Board unanimously recommends that you vote in favour of all of the Resolutions proposed in this Notice of Meeting so that the Liquidation can proceed.

5 Details of the Liquidation

5.1 Shareholders' Voluntary winding up

A voluntary winding up by shareholders is where shareholders of a company, in accordance with the process set out in Part 5.5 of the Corporations Act, agree that the company's affairs are finalised and that the company should be wound up and its

property distributed. Once the shareholders' voluntary winding up of Murray Goulburn is approved by Ordinary Shareholders, the Liquidators will be appointed to realise Murray Goulburn's assets and distribute the proceeds of realisation. Murray Goulburn will be deregistered automatically three months after the shareholders' Voluntary Winding Up process is completed.

Approval of Item 1 by Ordinary Shareholders is sought to allow the shareholders' Voluntary Winding Up to commence.

As required by section 491 of the Corporations Act, a shareholders' voluntary winding up must be approved by a special resolution of the Ordinary Shareholders. This means at least 75% of the votes cast by the Ordinary Shareholders must be in favour of Item 1 for Murray Goulburn to enter into the shareholders' Voluntary Winding Up process.

The Board proposes appointing Mr John Lindholm and Mr George Georges of KPMG as the Liquidators for Murray Goulburn.

John Lindholm will lead the winding up and has more than 30 years' experience as a corporate insolvency and reconstruction professional. He became a partner at Ferrier Hodgson in 2000 and subsequently a partner at KPMG in 2019, following Ferrier Hodgson's merger with KPMG.

Significant matters that John has managed include:

- In 2008, John was appointed voluntary administrator and subsequently scheme administrator and liquidator of the Opes Prime Group, one of the most complex administrations in Australian corporate history. Over two years, John oversaw the liquidation of the group and subsequent scheme of arrangement incorporating a settlement of \$253 million for the benefit of unsecured creditors.
- In 2014, John was appointed as special purpose receiver and liquidator of Banksia Securities Limited, a company with approximately 22,000 debenture holders owed approximately \$663 million, and managed significant litigation that resulted in an additional amount of more than \$80 million being available for debenture holders.

KPMG is a global network of professional services firms providing audit, tax and advisory services. It operates in 147 countries and territories and has more than 219,000 people working in member firms around the world. KPMG provides a full range of services to organisations across a wide range of industries, government, and not-for-profit sectors.

Subject to the approval of Item 2 by Ordinary Shareholders, the remuneration of the Liquidators is to be calculated on a time basis at the hourly rates set out in the Remuneration Approval Request (attached to this Notice of Meeting). The total remuneration of the Liquidators is to be capped at \$750,000 (plus GST and external disbursements). Subject to the approval of Item 3 by Ordinary Shareholders, the Liquidators' internal disbursements are fixed up to a maximum amount of \$25,000 (plus GST). The cap on the Liquidators' remuneration and the maximum amount of the Liquidators' internal disbursements can be revised upwards by Ordinary Shareholders or the Court.

5.2 Winding up of Murray Goulburn

Once the shareholders' Voluntary Winding Up has started, the Liquidators will take over from the Board in relation to managing the affairs of the Group and realising the Group's assets. To reduce costs incurred by Murray Goulburn, the Board and the board of the Responsible Entity will be reduced to the statutory minimum of 3 directors. The remaining directors will cease to exercise any powers or perform any functions as directors, but will retain certain obligations in connection with the winding up of the Group (for instance, to assist and cooperate with the Liquidators).

The Liquidators may determine, subject to compliance with applicable laws and processes, that it is appropriate to pay the majority of Murray Goulburn's cash reserves (retaining sufficient funds to complete the Liquidation and manage the claim against AIG referred to in section 6.2) to Shareholders and Unitholders by way of an Interim Distribution. Any distribution by the Liquidators is subject to obtaining clearance from the ATO. At the end of the shareholders' Voluntary Winding Up process, the Liquidators will distribute the surplus from the proceeds after payment of the Liquidation costs to Final Distribution Eligible Shareholders and Unitholders as a Final Distribution.

In most cases, the Liquidators' powers may be exercised without any special authority. However, if the Shareholders' approval is required, the Liquidators may call an extraordinary general meeting to obtain any necessary Shareholder approval (the approval of Unitholders will not be required).

Once the Liquidators have completed the shareholders' Voluntary Winding Up, the Liquidators will lodge an 'end of administration return' form with ASIC. Three months after this form is lodged, ASIC will automatically deregister Murray Goulburn as a company. See section 5.6 for more information on the deregistration of Murray Goulburn.

5.3 Delisting and winding up of the MG Unit Trust

Following the appointment of the Liquidators to Murray Goulburn, the Liquidators will place the Responsible Entity into liquidation and commence the voluntary winding up of the MG Unit Trust. Once that occurs, trading in Units on the ASX will be suspended, and shortly thereafter the MG Unit Trust will be Delisted. Unitholders will not vote on the winding up of the MG Unit Trust.

The Delisting of the MG Unit Trust will result in cost savings for Murray Goulburn, and ultimately the return of additional money to Shareholders and Unitholders.

Once Units are suspended from trading, Units will no longer be freely tradeable on the ASX. They will only be able to be bought or sold in limited circumstances and Unitholders are unlikely to be able to exit their investment until the MG Unit Trust is wound up. Following Delisting and in connection with the winding up of the MG Unit Trust, the MG Unit Trust will be deregistered as a managed investment scheme, and the Responsible Entity's Australian Financial Services Licence will be cancelled.

5.4 Interim Distribution

The Liquidators may determine, subject to compliance with applicable laws and processes, that it is appropriate to pay the majority of Murray Goulburn's cash reserves (retaining sufficient funds to complete the Liquidation and manage the claim against AIG referred to in section 6.2) to Shareholders and Unitholders by way of an Interim Distribution. On the information currently available, it is expected that, if the Resolutions are approved by Ordinary Shareholders, the Interim Distribution would be made to Shareholders and Unitholders within 3 to 4 months after the EGM.

However, there is no certainty as to whether an Interim Distribution will be made, when it will occur or how much the Interim Distribution will be. This will depend on the Liquidators' decision as to whether they are satisfied that if an Interim Distribution is made the Group will still have sufficient assets to discharge its liabilities and meet the costs of the shareholders' Voluntary Winding Up. It will also require ATO clearance.

Shareholders who are on the Murray Goulburn Share Register and Unitholders who are on the MG Unit Trust Unit Register as at the Interim Distribution Record Date (which will be determined by the Liquidators) will be eligible to receive payment under the Interim Distribution in proportion to their holdings. The Liquidators will determine and notify the Interim Distribution Eligible Shareholders and Unitholders as to when and how the Interim Distribution will take place.

The amount of the Interim Distribution will be determined by the Liquidators. However, based on Murray Goulburn's current financial position, the Board expects that the Interim Distribution Aggregate Amount will be approximately \$238.51 million, and that Eligible Shareholders and Unitholders will receive 43 cents per Share or Unit. This represents a payout of 96% of Murray Goulburn's unrestricted funds of approximately \$247.96 million available to the Liquidators for distribution, after accounting for outstanding liabilities and setting aside funds for accruals and other future expenses, including insurance cover for indemnity obligations to current and former Directors and management. If an Interim Distribution of this size is paid, Murray Goulburn will have retained unrestricted cash reserves of approximately \$9.5 million (in addition to the \$5 million in restricted funds held by the Responsible Entity).

The Board has calculated the estimated Interim Distribution Aggregate Amount based on Murray Goulburn's current financial position and has sought to account for any actual or potential costs, debts or liabilities Murray Goulburn may incur as a result of the Liquidation and during the Liquidation process, as well as a contingency that will be withheld. However, ultimately it will be the decision of the Liquidators whether an Interim Distribution is paid and what amount will be paid. See section 6 for more information about Murray Goulburn's financial status and Liquidation costs.

5.5 Final Distribution

At the end of the shareholders' Voluntary Winding Up, surplus cash after the Liquidators have paid the Liquidation costs will be distributed to Final Distribution Eligible Shareholders and Unitholders via the Final Distribution in proportion to their holdings.

The amount of the Final Distribution will be subject to a number of factors, including the following:

- whether the Liquidators recover an amount from AIG in relation to the Endeavour River class action and Webster class action. See section 6.2 for more information;
- whether there are any currently unanticipated / uncertain liabilities;
- how long the shareholders' Voluntary Winding Up process takes and how much it costs; and
- whether the expected Liquidation costs reflect the actual costs for the shareholders' Voluntary Winding Up process.

Shareholders who are on the Murray Goulburn Share Register and Unitholders who are on the MG Unit Trust Unit Register as at the Final Distribution Record Date (which will be determined by the Liquidators) will be eligible to receive payment under the Final Distribution in proportion to their holdings. The Liquidators will determine and notify Final Distribution Eligible Shareholders and Unitholders as to when and how the Final Distribution will take place.

5.6 Murray Goulburn deregistered and MG Unit Trust terminated

The Liquidators will lodge an 'end of administration return' at the end of the shareholders' Voluntary Winding Up process. ASIC will automatically deregister Murray Goulburn as a company three months after the 'end of administration return' form is lodged with ASIC. ASIC is responsible for this process, and requires no further steps to be taken by the Board, Shareholders, Unitholders or the Liquidators.

It is expected that the MG Unit Trust will be terminated in accordance with the constitution of the MG Unit Trust either prior to, or concurrent with, the deregistration of Murray Goulburn.

6 Financial position of Murray Goulburn and anticipated distribution amount

6.1 Financial position of Murray Goulburn

The table below sets out the financial position of Murray Goulburn as at the date of this Notice of Meeting.

Assets	(\$ million)
Cash (unrestricted)	259.14
Cash (restricted)	5.0
Sundry receivables	0.20
Estimated realisable value of assets	264.34
Liabilities	
Estimated expenses of winding up	(0.75)
Other estimated expenses	(4.60)
Unsecured creditors	
bills payable (including insurance premiums)	(1.68)
accrued expenses	(4.35)
Total liabilities	(11.38)
Estimated surplus after paying debts in full	252.96
Comprising	
unrestricted assets	247.96

6.2 Claim against AIG regarding Endeavour River and Webster class actions

In June 2019, the Endeavour River class action was settled with Murray Goulburn agreeing to pay \$42 million (inclusive of interest and costs).

Approximately 80% of the settlement amount was funded by insurance. Murray Goulburn contributed the remaining portion. As announced to the ASX on 6 May 2020, Murray Goulburn has commenced proceedings in the Federal Court against AIG, in order to recover the portion of the Endeavour River settlement amount contributed by Murray Goulburn, plus a portion of Murray Goulburn's costs of defending the Endeavour River and Webster class actions.

The amount sought to be recovered totals approximately \$8.85 million (plus interest and costs). Although Murray Goulburn expects to recover this amount, this is not guaranteed and any recovery remains uncertain. Consequently, no part of the amount sought to be recovered from AIG is included in the table in section 6.1 that sets out the financial position of the Company. Murray Goulburn will incur costs in the proceeding (an estimate of which are included in the table in section 6.1), and may be liable for a portion of the insurer's costs if Murray Goulburn's claim is unsuccessful.

Any amount recovered from AIG, net of the costs of recovery, will form part of the pool of assets available for distribution to Shareholders and Unitholders under the shareholders' Voluntary Winding Up (including potentially as part of the Interim Distribution if the Liquidators recover an amount from AIG before that distribution is made). The continuation of this litigation could contribute to a delay in Murray Goulburn being wound up and the payment of the Final Distribution.

6.3 Calculation of Interim Distribution Aggregate Amount

As noted in this Explanatory Memorandum, the Liquidators will be responsible for determining the Interim Distribution Aggregate Amount. However, Murray Goulburn considers that a reasonable basis for undertaking this assessment is as set out in the table below. This analysis assumes that:

- the Liquidators are able to distribute all cash assets available for distribution aside from a sum held back to meet potential liabilities (**Liability Reserve**);
- any amount recovered by the Liquidators from AIG in relation to the Endeavour River class action and Webster class action referred to in section 6.2 (net of the costs of recovery) will be distributed as part of a Final Distribution instead of the Interim Distribution; and
- the \$5 million in restricted funds held by the Responsible Entity pursuant to the net tangible assets requirement of its Australian Financial Services Licence will be distributed as part of a Final Distribution instead of the Interim Distribution.

³ Being the \$5 million in restricted funds held by the Responsible Entity pursuant to the net tangible assets requirement of its Australian Financial Services Licence.

Estimated Interim Distribution Aggregate Amount	(\$ million)
Estimated surplus after paying debts in full	247.96 ⁴
Liability Reserve	9.45
Estimated Interim Distribution Aggregate Amount	238.51
Estimated Interim Distribution Aggregate Amount per Share or Unit	43 cents

Shareholders and Unitholders should note that there is no certainty as to whether an Interim Distribution will be made, when it will occur or how much the Interim Distribution will be. This will depend on the Liquidators' decision as to whether it is satisfied that after an Interim Distribution is made there will still be sufficient assets of Murray Goulburn to discharge its liabilities and meet the costs of the shareholders' Voluntary Winding Up.

6.4 Final Distribution

At the end of the shareholders' Voluntary Winding Up, surplus cash (including the \$5 million in restricted funds held by the Responsible Entity) after the Liquidators have paid all of the Liquidation costs will be distributed to Final Distribution Eligible Shareholders and Unitholders via the Final Distribution in proportion to their holdings. See section 5.5 for more information.

7 Tax consequences

7.1 General comments

This section 7 has been prepared by the Company's tax adviser and summarises the advice received by the Company in respect of the tax consequences for Shareholders and Unitholders of any distributions made by the Liquidators from the issued capital accounts of the Company. It is limited to Shareholders and Unitholders who hold their Shares and Units on capital account and are residents of Australia for tax purposes. The tax outcome can be expected to be different for Shareholders and Unitholders who hold their interests on revenue account.

The Board expects that the Liquidators will approach the ATO to seek confirmation regarding the tax consequences of making any distribution. It is possible that the ATO disagrees with the Board's understanding of the tax consequences as outlined below. In that event, Shareholders and Unitholders will need to take account of the views of the ATO in deciding how to treat the distributions for tax purposes.

Shareholders and Unitholders should seek appropriate tax, legal and accounting advice regarding the tax consequences of receiving a distribution from the Liquidators. The view of the Board expressed below is based on the facts known to

⁴ This amount does not include the \$5 million of restricted assets referred to in the table in section 6.1.

the Board at the date of this Notice of Meeting and is subject to both the decisions and views to be taken by the Liquidators and the views and advice obtained by the Liquidators from the ATO.

7.2 Tax consequences for Shareholders

Any distributions by the Liquidators should be treated as a return of capital rather than payment of a dividend and therefore the tax liability for a Shareholder should be limited to the capital gains tax (**CGT**) consequences.

The CGT consequences of a distribution by the Liquidators on Shares depend on whether Murray Goulburn is deregistered within 18 months after the distribution. If, as expected, Murray Goulburn is deregistered within 18 months after the Interim Distribution, Shareholders will sustain only one CGT event, which will occur when their Shares are disposed of on deregistration of Murray Goulburn. In that event, the amount of the Interim Distribution is added to the amount of the Final Distribution. If the total amount of the distributions is greater than the remaining cost base of their Shares, they will make a capital gain. If the total amount of the distributions is less than their remaining cost base, they will make a capital loss. Shareholders should note that the cost base of their Shares has already been reduced by the amount of the capital distribution of 80 cents per Share made in May 2018.

If the deregistration of Murray Goulburn is delayed and does not occur within 18 months after the Interim Distribution, Shareholders will sustain two CGT events in respect of their Shares:

- the first when the Interim Distribution is received (referred to as **CGT Event G1**); and
- the second when their Shares are disposed of on deregistration of Murray Goulburn.

Pursuant to CGT Event G1, the cost base for a Shareholder's Shares will be reduced by the amount of the Interim Distribution and give rise to a capital gain to the extent that the Interim Distribution exceeds the cost base. As noted above, the cost base has already been reduced by 80 cents per Share.

When a Shareholder's Shares are disposed of on deregistration of Murray Goulburn, the Shareholder will need to make a further calculation based on the remaining cost base for their Shares. If the amount of the Final Distribution is greater than their remaining cost base, they will make a capital gain. If the Final Distribution is less than their remaining cost base, they will make a capital loss.

A Shareholder that is an individual, a trust or a complying superannuation fund should be entitled to the CGT discount on any capital gain they make provided that they have held their Shares for at least 12 months at the time of the CGT event that gives rise to the capital gain.

7.3 Tax consequences for Unitholders

Any distributions by the Liquidators to a Unitholder via the MG Unit Trust should be treated as a return of capital rather than as a dividend and therefore the tax liability for a Unitholder should be limited to the CGT consequences.

An Interim Distribution by the Liquidators that is passed through to Unitholders via the MG Unit Trust will give rise to a CGT event (referred to as **CGT Event E4**). CGT Event E4 applies in a similar way to Units as CGT G1 applies to Shares. However, unlike the position for Shares, the CGT Event E4 will occur whether or not the Interim Distribution and the Final Distribution are received in the 18 months before Murray Goulburn is deregistered.

Pursuant to CGT Event E4, the cost base that Unitholders have in their Units will be reduced by the amount of the distribution and give rise to a capital gain to the extent that the distribution exceeds the cost base. Unitholders should note that the cost base of their Units will have been reduced by the amount of the capital distribution made in May 2018.

Unitholders will dispose of their Units once their Units are cancelled as part of the winding up of the MG Unit Trust. The CGT proceeds upon disposal will consist of the amount of the Final Distribution. Unitholders will make a capital gain if the CGT proceeds are greater than the remaining cost base in their Units. Unitholders will make a capital loss if the CGT proceeds are less than the remaining cost base in their Units.

A Unitholder that is an individual, a trust or a complying superannuation fund should be entitled to the CGT discount on any capital gain they make provided they have held their Units for at least 12 months at the time of the CGT event that gives rise to the capital gain.

Even where a Unitholder has sufficient cost base in their Units such that no capital gain arises to them upon receipt of distributions in their individual hands, a minor capital gain may arise if deregistration of Murray Goulburn is delayed and does not occur within 18 months after the Interim Distribution. Under the structure which holds interests in Murray Goulburn, the MG Unit Trust (through a sub-trust) holds convertible preference shares in Murray Goulburn. If deregistration of Murray Goulburn does not occur within 18 months after the Interim Distribution is paid on the convertible preference shares, then that will give rise to CGT Event G1 in respect of the convertible preference shares, which will flow through the sub-trust to the individual Unitholders.

The capital gain on CGT Event G1 in respect of the convertible preference shares, if it arises due to delayed deregistration, is expected to be minor. The Board expects this amount to be around 2 cents per Unit of an Interim Distribution of 43 cents. This capital gain which flows through the sub-trust reduces any capital gain that might arise to a Unitholder who, due to lack of sufficient cost base, has a capital gain upon receipt of distributions in their individual hands. Unitholders that would not otherwise make a capital gain on their Units will be required to pay tax on the additional capital gain (with the benefit of the CGT discount if applicable).

Unitholders will be provided with a distribution statement confirming the distribution components.

8 Questions

If you have any questions in relation to this Notice of Meeting and Explanatory Memorandum, please contact the Company Secretary on 03 9040 5840.

Glossary

\$ means Australian dollar.

ACCC means the Australian Competition and Consumer Commission.

ACCC proceeding means Federal Court Proceeding – VID 430 of 2017 brought by ACCC against Murray Goulburn and others.

AIG means AIG Australia Limited ACN 004 727 753.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange.

ASX Official List means the official list of entities that the ASX has admitted and not removed.

ATO means the Australian Taxation Office.

Board means the board of directors of Murray Goulburn.

Company or **Murray Goulburn** means Murray Goulburn Co-operative Co. Limited ACN 004 277 089.

Corporations Act means *Corporations Act 2001* (Cth).

CGT has the meaning given in section 7.2 of the Explanatory Memorandum.

CGT Event G1 has the meaning given in section 7.2 of the Explanatory Memorandum.

CGT Event E4 has the meaning given in section 7.3 of the Explanatory Memorandum.

Delist, Delisted or Delisting means to be removed from the ASX Official List.

Director means a director of Murray Goulburn.

EGM means the extraordinary general meeting of Murray Goulburn shareholders at 11.30am on Friday, 26 June 2020 to determine the Resolutions.

Endeavour River class action means the class action commenced on 20 August 2018 by Endeavour River Pty Ltd ACN 062 184 981 in the Federal Court.

Explanatory Memorandum means the Explanatory Memorandum in this document included in and forming part of the Notice of Meeting.

Final Distribution means the distribution of surplus cash by the Liquidators to Final Distribution Eligible Shareholders and Unitholders in proportion to their holdings after the Liquidators have paid off all of the Group's liabilities and all costs associated with the Liquidation.

Final Distribution Eligible Shareholders and Unitholders means Shareholders and Unitholders who are eligible to receive payment under the Final Distribution, being the Shareholders who are on the Murray Goulburn Share Register and the Unitholders on the MG Unit Trust Unit Register on the Final Distribution Record Date.

Final Distribution Record Date means a date determined by the Liquidators for the purposes of identifying Shareholders and Unitholders who are eligible for the Final Distribution.

Group means Murray Goulburn and its Related Bodies Corporate, including where applicable the MG Unit Trust.

Interim Distribution means a return of the Interim Distribution Aggregate Amount to Interim Distribution Eligible Shareholders and Unitholders against each Share and Unit on issue on the Interim Distribution Record Date as determined by the Liquidators (subject to compliance with the relevant laws and processes) during the shareholders' Voluntary Winding Up process.

Interim Distribution Aggregate Amount means the total amount for Interim Distribution as determined by the Liquidators.

Interim Distribution Eligible Shareholders and Unitholders means Shareholders and Unitholders who are eligible to receive payment under the Interim Distribution, being the Shareholders who are on the Murray Goulburn Share Register and the Unitholders who are on the MG Unit Trust Unit Register (as applicable) at the Interim Distribution Record Date.

Interim Distribution Record Date means a date determined by the Liquidators for the purposes of identifying Shareholders and Unitholders who are eligible for the Interim Distribution.

Liability Reserve has the meaning given in section 6.3 of the Explanatory Memorandum.

Liquidation means the proposed liquidation of Murray Goulburn as contemplated in this Notice of Meeting and the shareholders' voluntary winding up of Murray Goulburn's operations.

Liquidators means the liquidators appointed by Item 1 in accordance with section 495 of the Corporations Act.

MG Unit Trust means the MG Unit Trust ARSN 606 103 637.

Non-voting Share means a non-voting class share in the capital of Murray Goulburn, which has the same rights, including as to dividends, and restrictions as an Ordinary Share except that the holder has no right to vote the share at any general meeting of Murray Goulburn.

Notice of Meeting means the Notice of Meeting dated 14 May 2020.

Ordinary Share means a fully paid ordinary voting share in the issued capital of Murray Goulburn.

Ordinary Shareholder means a holder of an Ordinary Share.

Proxy Form means the personalised Proxy Form which accompanies the Notice of Meeting.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Responsible Entity means MG Responsible Entity Limited ACN 601 538 970.

Retained Litigation has the meaning given in section 1 of the Explanatory Memorandum.

Resolution means each of the proposed resolutions in the Notice of Meeting, being Items 1 to 5, and **Resolutions** means all of them.

Remuneration Approval Request means the Remuneration Approval Request dated 14 May 2020 attached to this Notice of Meeting.

Saputo has the meaning given in section 1 of the Explanatory Memorandum.

Share means a fully paid share in the capital of Murray Goulburn, including both Ordinary Shares and Non-voting Shares.

Share Register means the register of members maintained by Murray Goulburn in accordance with the Corporations Act.

Shareholder means a holder of a Share.

Unit means an ordinary fully paid unit of MG Unit Trust.

Unit Register means the register of Unitholders maintained by the Responsible Entity in accordance with the Corporations Act.

Unitholder mean a holder of Units.

Voluntary Winding Up means the voluntary winding up of Murray Goulburn under Part 5.5 of Corporations Act.

Webster class action means Federal Court Proceeding – VID 508 of 2017 brought by John William Cruse Webster as Trustee for the Elcar Pty Ltd Super Fund Trust against Murray Goulburn and others.

Important information

Assistance

If you have any questions in relation to this Notice of Meeting and Explanatory Memorandum, please contact the Company Secretary on +61 3 9040 5840.

If you have any questions in relation to participating in the EGM online, please contact +61 3 9415 4024. This line is operational one hour prior to the EGM and closes on conclusion of the EGM.

Voting recommendation

The Board unanimously recommends that you vote in favour of all of the Resolutions proposed in this Notice of Meeting.

Share classes and voting entitlement

Murray Goulburn's share capital is comprised of the following key share classes: Ordinary Shares and Non-voting Shares.

Only registered holders of Ordinary Shares are entitled to vote on the Resolutions. Holders of Non-voting Shares in Murray Goulburn and Units in the MG Unit Trust are entitled to attend and be heard at the EGM, but are not entitled to vote.

The Board has determined that for the purpose of identifying a shareholder's entitlement to vote at the EGM, a person will be recognised as the holder of Ordinary Shares if the person is registered as the holder of those shares on Murray Goulburn's Share Register as at 7.00pm (AEST) on Wednesday, 24 June 2020.

Voting at the EGM

As a result of the potential health risks and the Government's current restrictions in response to the coronavirus (COVID-19), it is unlikely that Shareholders and Unitholders will be able to attend in person. Murray Goulburn strongly encourages Ordinary Shareholders to lodge directed proxies before the EGM or cast their vote online and not attend the meeting in person.

As online participants cannot vote on a show of hands, voting will be conducted by a poll. On a poll, every shareholder present or participating online shall have one vote for each Ordinary Share held by that shareholder.

In accordance with clause 14.21 of the Murray Goulburn's constitution, and to facilitate shareholder participation, Ordinary Shareholders will have the opportunity to vote online at <https://web.lumiagm.com/304269045> between the commencement of the EGM (at 11.30am (AEST) on Friday, 26 June 2020) and the closure of voting as announced by the Chairman during the EGM.

The EGM will be viewable from desktops and laptops. To participate and vote online you will need your Shareholding Reference Number (SRN) and postcode. Proxy holders will need their proxy number which will be provided by Computershare no later than 24 hours prior to the meeting and following lodgement of the proxy appointment. Online participants should register at least 15 minutes before the EGM.

Unitholders and holders of Non-voting Shares should log in to the meeting as a guest, which will enable them to ask questions (but not vote). Further information about how to participate online can be found in the online guide which will be available on Computershare's website at www.computershare.com.au/MG2020EGM.

If two or more persons are joint holders of an Ordinary Share, any one of the joint holders present may vote at the EGM as if that joint holder was solely entitled to the share. If more than one of the joint holders are present at the meeting, the joint holder named first in the Share Register in respect of the share will be entitled to vote, to the exclusion of the others.

A shareholder is not entitled to vote at the EGM unless all calls and other sums of money presently payable by that shareholder in respect of shares have been paid.

Participating and voting by proxy

A shareholder entitled to attend and vote at the EGM may vote online, in person or by appointing a proxy to attend and vote instead of the shareholder. Based on current Government restrictions, it is unlikely that shareholders will be able to attend the EGM in person. We strongly encourage shareholders to plan not to attend the EGM in person, and instead lodge a proxy vote in advance of the EGM or vote online during the EGM.

A shareholder entitled to attend and vote at the EGM will be entitled to appoint not more than two proxies and, if two proxies are appointed, may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. A Proxy Form accompanies this Notice of Meeting.

A proxy need not be a shareholder of Murray Goulburn and may be an individual or a body corporate.

The Proxy Form must be completed in writing and signed or sealed by or on behalf of the appointer. At least 48 hours before the time for holding the EGM (that is, prior to 11.30am (AEST) on Wednesday, 24 June 2020):

- the Proxy Form; and
- the power of attorney or authority (if any) under which the Proxy Form is signed, or a notarially certified copy of the power of attorney or authority,

must be deposited by one of the following methods:

Online:

Record your proxy appointment and voting instructions via www.investorvote.com.au. You can access electronic voting on a computer or smart device using your Shareholding Reference Number (SRN) and postcode for each shareholding you control (as shown on the Proxy Form). Once you have entered your voting instructions electronically, you will be asked to confirm your voting selections. Once you press 'submit', you will be taken to a screen that confirms your details have been received and processed. If you do not see this confirmation screen, please contact Computershare.

In person:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

By mail:

Returning Officer
Murray Goulburn Co-operative Co.
Limited GPO Box 2062
Melbourne VIC 8060

By fax:

1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

By email:

murraygoulburn@computershare.com.au.

The Proxy Form will not be treated as valid if these requirements are not satisfied.

If a replacement Proxy Form is required, please contact Computershare on 1300 477 596 (within Australia) or +61 3 9415 4293 (outside Australia).

If a shareholder appoints a proxy and then the shareholder attends the EGM, the proxy's authority to speak and vote for that shareholder at the EGM is suspended.

Voting directions

To the extent that the Chairman of the meeting, the Company Secretary or any Director hold:

- a directed proxy (i.e. a Proxy Form in which the holder of shares directs the proxy how to vote on a resolution), they will use their vote on that resolution in the manner in which they are directed under that Proxy Form; and
- an undirected proxy (i.e. a Proxy Form in which the holder of shares does not direct the proxy how to vote on a resolution, but leaves it to the proxy's discretion), they intend to use their vote on that resolution to vote in favour of the resolution.

Default to Chairman

Shareholders who return their Proxy Forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the meeting, or does not vote as directed on a poll at the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

The Chairman intends to vote all available proxies in favour of each of the Resolutions.

Appointing a corporate representative

A corporation which is a shareholder of Murray Goulburn may, by resolution of its directors or other governing body, authorise any person as it thinks fit to act as its representative at the EGM. The person authorised will be entitled to exercise the same powers on behalf of the corporation which that person represents as the corporation could exercise if it was an individual shareholder of Murray Goulburn, provided that such authorisation must be notified in writing under the seal of the corporation at the time and in a manner required for notification of proxies or attorneys.

The representative must ensure that the completed corporate representative appointment form, duly executed on behalf of the relevant corporate shareholder has been received by Murray Goulburn in advance of the EGM.

If applicable, a corporate representative appointment form is enclosed. Alternatively, you may obtain a copy of the form by contacting Computershare on 1300 477 596 (within Australia) or +61 3 9415 4293 (outside Australia) or online at www.investorcentre.com (under 'help' tab, Printable Forms').

Submission of questions to Murray Goulburn

A Shareholder or Unitholder who is entitled to attend and be heard at the EGM may submit a written question to Murray Goulburn before the meeting.

Any questions should be emailed to murraygoulburn@computershare.com.au by no later than 11.30am (AEST) on Friday, 19 June 2020.

It will also be possible for Shareholders and Unitholders to ask questions during the EGM by participating at <https://web.lumiagm.com/304269045>. Unitholders and holders of Non-voting Shares should log in to the meeting as a guest, which will enable them to ask questions (but not vote). Further information about how to ask questions online can be found in the online guide which will be available on Computershare's website at www.computershare.com.au/MG2020EGM.

The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the meeting. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to any Shareholder or Unitholder.

Technical difficulties

If there is a technical difficulty affecting any online participants, the Chairman may continue to hold the EGM and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Ordinary Shareholders are strongly encouraged to lodge a directed proxy by 11.30am (AEST) on Wednesday, 24 June 2020 even if they plan to participate online.

Murray Goulburn Co-operative Co. Limited
ABN 23 004 277 089

Registered Office:
Level 15 Freshwater Place, 2 Southbank Boulevard,
Southbank Victoria 3006

Remuneration Approval Request



Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Murray Goulburn Co-Operative Co. Limited (the Company)
ACN 004 277 089 and its related subsidiaries including:

Classic Food Holdings Pty Ltd – ACN 009 585 782
MG Noteholder Pty Ltd – ACN 605 721 935
MG Responsible Entity Limited – ACN 601 538 970
MG Shares Pty Ltd – ACN 117 914 637
MG ST Pty Ltd – ACN 605 542 765
MG Forced Sale Pty Ltd – ACN 605 596 790
MG Market Facilitator Pty Ltd – ACN 605 721 926
Murray Goulburn International Pty Ltd – ACN 117 793 450

(Together the Group)

Remuneration Approval Request

This report contains the following information:

- Part 1: Declaration
- Part 2: Executive summary
- Part 3: Initial remuneration notice
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Notice of Meeting regarding the proposed Liquidation
- Part 7: Approval of remuneration
- Part 8: Questions
- Schedule A: Item 2 details

Next steps for Shareholders:

- Please review the contents of this report, which sets out the resolutions to be approved by Ordinary Shareholders at the EGM.
- Refer to the Notice of Meeting for details as to how you can attend the EGM in order to vote on the resolutions contained in this report.

Terms capitalised in this report have the same meaning as in the Notice of Meeting to which it is attached unless otherwise defined.

1 Declaration

We, John Lindholm and George Georges of KPMG, have undertaken a proper assessment of this remuneration claim for our appointment as Liquidators of the Company in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) and applicable professional standards.

We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the liquidation.

2 Executive summary

2.1 Summary of remuneration approval sought for the Company

To date, no remuneration has been approved and paid in respect of the liquidation of the Company.
This report details approval sought for the following remuneration:

Period	Amount (ex GST and external disbursements) \$
Current remuneration approval sought:	
<i>Item 2: "That, subject to and conditional on Item 1 being passed, the remuneration of the Liquidators, their partners and staff as set out in the Remuneration Approval Request are all proper costs, charges and expenses of and incidental to the winding up, and are approved up to the sum of \$750,000 (plus GST and external disbursements), but subject to upward revision by resolution of shareholders, such remuneration being calculated in accordance with the KPMG schedule of hourly rates and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration."</i>	750,000
Total current remuneration approval sought	750,000

Please refer to Part 4 for full details of the calculation and composition of the remuneration approval being sought.

2.2 Summary of internal disbursements approval sought for the Company

To date, no internal disbursements have been approved and paid in the liquidation of the Company. This report details approval sought for the following internal disbursements:

Period	Amount (ex GST) \$
Current internal disbursements approval sought:	
<i>Item 3: "That, subject to and conditional on Item 1 being passed, the internal disbursements of the Liquidators, as set out in the Remuneration Approval Request, from the beginning to completion of the Liquidation be fixed up to a maximum amount of \$25,000 (plus GST), but subject to upward revision by resolution of shareholders, and that the Liquidators be authorised to make periodic payments on account of such accruing disbursements as incurred."</i>	25,000.00
Total current internal disbursements approval sought	25,000.00

The above internal disbursements relate to use of a data room owned by associated entities of KPMG.

Please refer to Part 5 for full details of the calculation and composition of the internal disbursements approval being sought.

3 Initial remuneration notice

3.1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

3.1.1 Time based (hourly rates)

This is the most common method. The total fee charged is calculated by reference to the hourly or time unit rate charged for each person who carries out the work multiplied by the number of hours spent by each person on necessary work properly performed.

3.1.2 Fixed fee

The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the liquidation. Sometimes, a practitioner will finalise a liquidation for a fixed fee.

3.1.3 Percentage

The total fee charged is based on a percentage of a particular variable such as the gross proceeds of asset realisations.

3.1.4 Contingency

The liquidator's fee is contingent on achieving a particular outcome.

3.2 Remuneration method chosen

Given the nature of this liquidation, we propose that the remuneration of the Liquidators be calculated using the time based method. Time based remuneration is appropriate in this liquidation given:

- It ensures actual time is billed at an hourly rate applicable to staff experience;
- It ensures that remuneration claimed is only for necessary work properly performed in the liquidation; and
- It covers tasks required to be undertaken in the liquidation which not only relate to asset realisations but also to reporting requirements and other tasks of an administrative or statutory nature.

3.3 Explanation of hourly rates

The hourly rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the liquidation and the role they take. The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Rate \$/hour	Experience
Partner / Appointee	\$695	The Partner / Appointee is a registered liquidator and member of Chartered Accountants Australia & New Zealand (CAANZ) and, generally, ARITA, bringing specialist skills to the liquidation or insolvency task. Generally in excess of 15 years' experience.
Director	\$625	Generally, minimum of 10 years' experience at least 2 years of which is to be at Manager level. University degree; member of CAANZ and, generally, ARITA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues. Answerable to the appointee, but otherwise responsible for all aspects of an administration.
Associate Director	\$575	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of CAANZ and, generally, ARITA; very strong knowledge of relevant insolvency legislation and issues. Will have conduct of minor to medium administrations and experience in control of small to medium team of staff. Assists with the planning and control of large administrations.
Manager	\$525	Generally, 5 to 7 years' chartered accounting or insolvency management experience. University degree; member of CAANZ and, generally, ARITA; sound knowledge of relevant insolvency legislation and issues. Will have conduct of minor administrations and experience in control of a small team of staff. Assists with the planning and control of medium to large administrations.
Executive	\$450	Generally, 3 to 5 years' chartered accounting or insolvency management experience. University degree; completing CAANZ's CA program. Good knowledge of basic insolvency legislation and issues. Assists planning and control of small to medium administrations as well as performing some of the more difficult tasks on larger administrations.
Analyst	\$375	Generally, one to 2 years' chartered accounting or insolvency management experience. University degree, CAANZ's CA program commenced. Required to control tasks on small administrations and is responsible for assisting with medium to large administrations under the supervision of more senior staff.
Personal Assistant / Other	\$250	Appropriate skills, including books and records management and accounts processing particular to the administration.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

4 Remuneration

4.1 Remuneration claim resolutions

We will be seeking approval of the following resolutions with respect to remuneration. Details to support these resolutions are included in Part 4.2.

Item 2:

"That, subject to and conditional on Item 1 being passed, the remuneration of the Liquidators, their partners and staff as set out in the Remuneration Approval Request are all proper costs, charges and expenses of and incidental to the winding up, and are approved up to the sum of \$750,000 (plus GST and external disbursements), but subject to upward revision by resolution of shareholders, such remuneration being calculated in accordance with the KPMG schedule of hourly rates and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration."

4.2 Details of remuneration

The basis of calculating the remuneration claims are set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

4.2.1 Item 2: Beginning of Liquidation to completion

The below table sets out the expected costs for the major tasks likely to be performed by the Liquidators and their staff from the beginning to completion of the Liquidation, which is the basis of Item 2 claim. Please refer to Schedule A for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Shareholder liaison discharge of liabilities	300	150,000
Asset management	300	150,000
Litigation management / finalisation of legal issues	450	225,000
Dividend and distribution management	250	125,000
Compliance with statutory obligations related to winding up of the Group companies	200	100,000
Total	1,500	750,000

Note: An average hourly rate of \$500 p/h has been adopted for the purpose of this estimate. All tasks are performed by an appropriate staff member based on the complexity of the task.

In preparing this report, we have made our best estimate at what we believe the Liquidation will cost to complete and we do not anticipate that we will have to ask Shareholders to approve any further remuneration. However, should the liquidation not proceed as expected, we will advise Shareholders and we may seek approval of further remuneration and provide details on why the remuneration has changed.

4.3 Likely impact on distributions

The work undertaken by the Liquidators is necessary to progress the Liquidation. The Liquidators' remuneration and disbursements are a priority expense that ranks ahead of the distribution of surplus funds to Shareholders and Unitholders. Any dividend that will ultimately be paid to Shareholders and Unitholders may be impacted by the realisations achieved by the Liquidators and the value of creditor claims required to be paid prior to any return to Shareholders or Unitholders.

5 Disbursements

5.1 Types of disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.

- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Liquidation, would generally be charged at cost; although if a data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room or the number of users per month. Certain services provided by KPMG may require the processing of electronically stored information into specialist review platforms. Where these specialist resources are utilised, the fee will be based on units (e.g. number of computers), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting). The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
Data room set-up	\$450.00
Data room hosting – Option A	Variable – see separate table below
Data room hosting – Option B (incl 100GB of data)	\$84.95 per user per month
eDiscovery services	Variable
Photocopying / printing (colour)	\$0.50 per page
Photocopying / printing (mono)	\$0.20 per page
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel reimbursement	Up to \$100/day
Staff vehicle use	At prescribed ATO rates
Storage and storage transit	At cost
Telephone calls	At cost
<i>Note: Above rates are applicable for the financial year ending 30 June 2020. Disbursements charged at cost do not require Shareholders approval.</i>	

Data room hosting fees by size (MB)	Charges per month (excl GST)
0-300	\$950
300-1000	\$950 + \$2.50/MB
1000-5000	\$2,500 + \$1.25/MB
5000+	\$7,500 + \$0.60/MB

Approval in the amount of \$25,000.00 is being sought as follows:

Disbursements claimed	Basis	Total (excl GST) \$
Data room hosting	Set-up, hosting and maintenance of Shield Docs data room	25,000
Total		25,000

The above internal disbursements relates predominantly to the use of data room owned by associated entities of KPMG.

5.2 Disbursements paid from the Company to KPMG to date

There have been no disbursements paid to KPMG to date. Future disbursements provided by KPMG will be charged to the Company on the same basis as the table in Part 5.1.

6 Notice of Meeting regarding the proposed Liquidation

The Remuneration Approval Request must be read in conjunction with the Notice of Meeting issued to Shareholders and Unitholders.

7 Approval of remuneration

An information sheet concerning the approval of remuneration in external administrations can be obtained from ASIC at www.asic.gov.au.

8 Questions

If you require further information in respect of the above, or have other questions, please contact James Crabtree-Morton of this office on (03) 8663 8880 or at jcmorton@kpmg.com.au.

The restructuring partners of KPMG are members of ARITA. KPMG follows the Code. A copy of the Code may be found on the ARITA website at www.arita.com.au.

An information sheet concerning approval of remuneration in external administrations can also be obtained from the Australian Securities & Investments Commission website at www.asic.gov.au.

Dated this 14th day of May 2020



John Lindholm
Partner



George Georges
Partner

Schedule A – Resolution 1

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Liquidator and their staff from the beginning of the liquidation to completion, which is the basis of the Item 2 claim in section 4.1

Task area	General description	Includes
Shareholder liaison / discharge of liabilities 300 hours \$150,000 (excl GST)	Shareholder/Unitholders enquiries, requests and directions	<ul style="list-style-type: none"> – Receive and respond to Shareholder / creditor enquiries – Maintaining Shareholder / creditor request log – Review and prepare initial correspondence to Shareholders / creditors and their representatives – Documenting and compiling information requested by Shareholders – Liaising with Computershare in relation to status of Shareholder / Unitholder register – Instructing Computershare in relation to Shareholder / Unitholder register
	Shareholder reports	<ul style="list-style-type: none"> – Preparing adhoc general reports and convening meetings where / (if) required
	Dealing with residual wind down liabilities	<ul style="list-style-type: none"> – Correspondence with creditors regarding accounts – Correspondence with suppliers regarding on going supply if required in order to facilitate the wind down. – Management of finalisation of income tax returns of the Group. – Reviewing historical income tax returns. – Liaising with ATO regarding income tax clearance. – Reviewing financial statements and management of finalisation of all statutory lodgements prior to making a distribution
	Meeting of Shareholders/Unitholders	<ul style="list-style-type: none"> – Preparation of meeting notices, proxies and advertisements (where required) – Forward notice of meeting to all known Shareholders (if required) – Preparation of meeting file, including agenda, certificate of postage, attendance register, list of Shareholders, reports to Shareholders, advertisement of meeting and draft minutes of meeting (if required) – Liaising and corresponding with Computershare regarding meetings – Preparation and lodgement of minutes of meetings with ASIC – Respond to stakeholder queries and questions immediately following meeting
	Asset Management	<ul style="list-style-type: none"> – Detailed review of financial records and asset registers – Identify recoveries available – Reviewing current licences, certification and accreditations and cancellation in due course – Liaise with ASIC regarding ongoing AFSL requirements – Facilitating the sale and realisation of any and all remaining assets held – Liaising with banks to ensure maximum interest rate on funds is being derived
	Assets subject to specific charges	<ul style="list-style-type: none"> – Liaising with 100 PMSI holders in relation to the removal of their registrations prior to making a distribution to Shareholders
	Conducting	<ul style="list-style-type: none"> – Conducting company searches

Task area	General description	Includes
Litigation management / finalisation of legal issues 450 Hours \$225,000 (excl GST)	investigations	<ul style="list-style-type: none"> – Make enquiries regarding the corporate structure – Assessing realisable value of the Company's assets and amounts owed to creditors of the Company. – Investigations into other potential recoveries available
	Insurance litigation	<ul style="list-style-type: none"> – Review causes of action for the benefit of Shareholders and Unitholders in relation to current and historical policies. – Liaising with lawyers in relation to these policies and obtaining advice in relation to causes of action – Instigating / continuing with proceedings in relation to insurance policies. – Instruct solicitors in relation to proceedings – Reviewing and instructing solicitors in relation to pleadings, affidavits and other required court filings – Attending Court hearings and providing instructions to solicitors and Counsel
	Webster class action	<ul style="list-style-type: none"> – Review of litigation file to determine obligations imposed on the Company and liquidators – Review of settlement reached and action required to ensure that all matters are finalised. – Correspondence with insurer, solicitors and parties to litigation generally – Distribution of settlement proceed and resolve any outstanding costs, if not previously settled
	Endeavour class action	<ul style="list-style-type: none"> – Review of litigation file to determine obligations imposed on the Company and Liquidators – Resolve any outstanding matters
	Initial analysis and dividend procedures	<ul style="list-style-type: none"> – Reviewing financials and forming an opinion in relation to status of the distribution to Shareholders and Unitholders – Determining quantum of interim distribution to Shareholders and Unitholders – Checking and assessing Shareholder and Unitholder register for the purposes of the Interim Distribution – Liaising with Computershare regarding an Interim Distribution to Shareholders – Completing all other tasks associated with an Interim Distribution
Dividend and distribution management 250 hours \$125,000 (excl GST)		

Task area	General description	Includes
	Interim distribution	<ul style="list-style-type: none"> – Preparation of correspondence to Shareholders and Unitholders announcing Interim Distribution – Advertisement of intention to declare distribution – Obtain clearance from ATO to allow distribution of Company's assets – Assessing advice in relation to distribution. – Preparation of dividend calculations for any creditors – Advertise announcement of dividend to creditors – Preparation of distribution to creditors – Preparation of dividend file for creditors – Preparation of payment vouchers to pay dividend for creditors – Preparation of correspondence to creditors enclosing payment of dividend
	Final distribution	<ul style="list-style-type: none"> – Preparation of correspondence to Shareholders and Unitholders announcing Final Distribution – Reviewing financials and forming an opinion in relation to status of the Final Distribution to Shareholders and Unitholders – Determining quantum of Final Distribution to Shareholders and Unitholders – Checking and assessing Shareholder and Unitholder register for the purposes of a Final Distribution – Liaising with Computershare regarding Final Distribution to Shareholder – Completing all other tasks associated with a Final Distribution.
	Shareholder meeting	<ul style="list-style-type: none"> – Correspondence and other actions incidental to the calling and holding of the Shareholder meeting
	Correspondence	<ul style="list-style-type: none"> – General correspondence
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> – Administration reviews – Filing of documents – File reviews – Updating checklists
	ASIC forms	<ul style="list-style-type: none"> – Preparing and lodging ASIC forms – Correspondence with ASIC regarding statutory forms – Requesting statutory clearances – Requesting deregistration
	ATO and other statutory reporting	<ul style="list-style-type: none"> – Notification of appointment – Preparing BASs – Requesting statutory clearances – Liaising with the ATO on pre-appointment tax lodgements
	Finalisation	<ul style="list-style-type: none"> – Notifying ATO of finalisation – Cancelling ABN / GST / PAYG registration – Completing checklists – Finalising WIP
	Books and records / storage	<ul style="list-style-type: none"> – Dealing with records in storage – Sending job files to storage
Compliance with statutory obligations related to winding up of the Group companies 200 hours \$100,000 (excl GST)		