

Dear Shareholder

**2023 Annual General Meeting – 11:00AM Thursday 23 November 2023**

The 2023 Annual General Meeting (AGM) of AHF will be held on Thursday 23 November 2023 at 11:00 am (Melbourne time) via the following options:

- **In person** at Williamstown Yacht Club, 260 Nelson Parade, Williamstown, Victoria 3016
- **Online** via Zoom with the following access code and password:  
Zoom Meeting ID: 892 6730 0754  
Password: 986513

Shareholders who cannot attend in person will be able to view and listen to the meeting and ask questions via the Zoom virtual meeting platform. However, you will not be able to vote. If you cannot attend the AGM in person, we encourage shareholders to appoint a proxy to vote on their behalf at the AGM. We also encourage shareholders to submit questions in advance of the AGM so that we can respond efficiently.

**Notice of Annual General Meeting**

The Notice of Annual General Meeting is provided electronically via our Investor Centre at the Company's website at <http://adnl.com.au/investor-centre>. We will not be mailing hard copies by post unless you have elected for a copy to be mailed to you per Corporations Act 2001 (Cth).

**Lodgement of Proxy votes and Questions prior to the AGM**

Shareholders are encouraged to lodge their votes by completing and returning the proxy form to the share registry or logging in to their portfolio or holding(s) on the share registry's website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) by 11:00am (Melbourne time) on **Tuesday 21<sup>st</sup> November 2023**.

Questions can also be submitted prior to the AGM through the share registry's website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by completing and returning the enclosed Question form to the share registry.

**Receiving your shareholder communications electronically**

Receiving your communications by email is the best way to stay informed and keep in touch about your shareholding. I strongly encourage you to take this opportunity to switch to paperless communications if you have not already done so.

To receive your shareholder communications electronically, simply complete and return the enclosed Communication Preference Form in the Reply-Paid envelope provided.

On behalf of the Board, I would like to thank you for your ongoing support.

Yours faithfully  
Bernard Kavanagh  
Chairman  
Australian Dairy Nutritionals Group



## Notice of Annual General Meeting

The Annual General Meeting of the shareholders of **Australian Dairy Nutritionals Limited** (ACN 057 046 607) will be held at:

In Person:	Williamstown Yacht Club, 260 Nelson Parade, Williamstown, Victoria 3016
Online:	Zoom Meeting ID: 892 6730 0754 Password: 986513
Date:	Thursday 23 <sup>rd</sup> November 2023
Time:	11:00AM (MELBOURNE TIME)

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting. Please contact the Company Secretary on +61 3 8692 7284 or [shareholders@adnl.com.au](mailto:shareholders@adnl.com.au) if you wish to discuss any matter concerning the Meeting.

## Australian Dairy Nutritionals Limited (Company)

### Notice of Meeting of Annual General Meeting

Notice of Meeting is hereby given that the annual general meeting of the shareholders of Australian Dairy Nutritionals Limited (Company).

The Meeting will be held at 11.00am (Melbourne time) on Thursday, 23 November 2023 via the following options:

- **in person** at Williamstown Yacht Club, 260 Nelson Parade, Williamstown, Victoria 3016; and
- **online** via Zoom with the following access code and password:

Zoom Meeting ID: 892 6730 0754

Password: 986513

If you access the Meeting online, you should be aware that your participation will be limited to watching, listening and asking questions. You will not be able to vote online at the Meeting. Accordingly, if you want to vote and cannot attend in person you should appoint a proxy as set out below.

The Explanatory Notes to this Notice of Meeting provide additional information on matters to be considered at the Meeting. The Explanatory Notes and Proxy Form form part of this Notice of Meeting.

Shareholders are urged to vote by attending the Meeting or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Notes.

Proxy Forms must be received by no later than **11:00am (Melbourne time) on Tuesday 21<sup>st</sup> November 2023**. Terms and abbreviations used in this Notice of Meeting and Explanatory Notes are defined in section 10 of the Explanatory Notes.

### Agenda

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#### ANNUAL REPORT

To receive and consider the financial statements of the Company and the reports of the Directors and Auditors for the financial year ended 30 June 2023.

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#### RESOLUTION 1 REMUNERATION REPORT (NON-BINDING)

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*“That for the purposes of section 250R(2) of the Corporations Act 2001 (Cth), the Remuneration Report set out in the Directors’ Report for the financial year ending 30 June 2023 be adopted.”*

Please note that this resolution is advisory only and does not bind the Company or the Directors.

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A voting exclusion statement is set out below.

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## **RESOLUTION 2    CONDITIONAL SPILL RESOLUTION**

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*“Subject to, and conditional on 25% or more of the votes validly cast on Resolution 1 (Remuneration Report) for the year ended 30 June 2023 being cast against that Resolution, to hold an extraordinary general meeting of the Company (**Spill Meeting**) within 90 days, at which:*

- (a) all the Non-executive Directors in office when the resolution to approve the Directors Report for the financial year ended 30 June 2023 was passed and who remain in the office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (b) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting are put to the vote at the Spill Meeting”.*

**Note:** This is a conditional resolution and will only be put to the 2023 AGM if at least 25% of the votes validly cast on the resolution proposed in Resolution 1 are against that resolution. **If you do not want a Spill Meeting to take place, you should vote ‘against’ Resolution 2. If you want a Spill Meeting to take place you should vote ‘for’ Resolution 2.**

Passing this resolution would mean that each Non-executive Director needs to stand for re-election at the Spill Meeting if they wish to continue to be a Non-executive Director of the Company.

A voting exclusion statement is set out below.

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## **RESOLUTION 3    RE-ELECTION OF DIRECTOR - SCOTT LAI**

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*“That Scott Lai who, having been appointed by the Board on 7 August 2023, retires in accordance with Article 49(d) of the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director, be elected as a Director.”*

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#### RESOLUTION 4 RE-ELECTION OF DIRECTOR - JASON DONG

To consider, and if thought fit, to pass with or without amendment the following as an **ordinary resolution**:

*“That Jason Dong, who retires from office in accordance with Article 49(b)(i) of the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election, to be elected as a Director.”*

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#### RESOLUTION 5 RATIFICATION OF FIRST PLACEMENT

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

*“That, for the purpose of Listing Rule 7.4, Shareholders approve, ratify and confirm the prior issue of 45,454,545 Shares pursuant to Listing Rule 7.1 on the terms set out in the Explanatory Statement which accompanies and forms part of the Notice of this Meeting.”*

A voting exclusion statement is set out below.

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#### RESOLUTION 6 RATIFICATION OF SECOND PLACEMENT

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

*“That, for the purpose of Listing Rule 7.4, Shareholders approve, ratify and confirm the prior issue of 32,272,727 Shares pursuant to Listing Rule 7.1 on the terms set out in the Explanatory Statement which accompanies and forms part of the Notice of this Meeting.”*

A voting exclusion statement is set out below.

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#### RESOLUTION 7 APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass with or without amendment, as a **special resolution** the following:

*“That, for the purposes of Listing Rule 7.1A, the issue of Equity Securities (as that term is defined in the Listing Rules), totalling up to 10% of the issued capital of the Company at the time of the issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 be approved.”*

A voting exclusion statement is set out below.

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#### VOTING PROHIBITION AND EXCLUSION STATEMENTS

Resolution	Persons Excluded from Voting
Resolutions 1 and 2 Remuneration Report (Non-Binding) Spill Resolution	In accordance with section 250R(4) and section 250V(2) of the Corporations Act, a vote on Resolution 1 and 2 must not be cast by or on behalf of the following persons ( <b>Excluded Person</b> ):

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- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
  - (b) a Closely Related Party of such member,
- regardless of the capacity in which the vote is cast.

The Company will not disregard a vote made on Resolution 1 or 2 by an Excluded Person as proxy if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 or 2, and either:

- a) the Excluded Person is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- b) the Excluded Person is the Chair who has been appointed as a proxy for a person entitled to vote and the appointment of the Chair:
  - i. does not specify the way the proxy is to vote on this Resolution; and
  - ii. expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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**Resolution 5**

Mr Xin Yang and his Associates.

Ratification of First Placement

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**Resolution 6**

Each of the Second Placement Subscribers and their Associates.

Ratification of Second Placement

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**Resolution 7**

Approval of 10% Placement facility

The Company will disregard any votes cast in favour of this Resolution by any person who is expected to participate in the issue of equity securities under this resolution and any person who will obtain a material benefit if this resolution is passed, except a benefit solely by reason of being a holder of ordinary securities in the Company, and any Associates of those persons. However, as at this time the Company has no proposal to issue

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any securities under Listing Rule 7.1A.2, no persons are excluded.

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## Definitions

For the purposes of this voting exclusion statement:

Term	Definition
Associate	has the meaning set out in Chapter 19 of the Listing Rules.
Closely Related Party	<p>of a Key Management Personnel means:</p> <ul style="list-style-type: none"><li>• a spouse or child of such a Key Management Personnel;</li><li>• a dependent of such a Key Management Personnel or of the spouse of such a Key Management Personnel; or</li></ul> <p>a company such a Key Management Personnel controls.</p>
Key Management Personnel	means the Directors and those other persons who have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, as listed in the Remuneration Report.
Second Placement Subscribers	<p>means the following subscribers:</p> <ul style="list-style-type: none"><li>• 0302 Pty Ltd;</li><li>• Rimoyne Pty Ltd;</li><li>• Alexander Boden;</li><li>• Cannon Rocks Pty Ltd;</li><li>• Lazarus Securities Pty Ltd;</li><li>• JMT Securities Pty Ltd;</li><li>• AD &amp; MP Beard;</li><li>• Blamnco Trading Pty Ltd;</li><li>• Ilwella Pty Ltd; and</li><li>• JAF Capital Pty Ltd.</li></ul>

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By order of the Board of Directors

Kate Palethorpe  
Company Secretary  
Australian Dairy Nutritionals Limited  
24 October 2023

## INTRODUCTION

These Explanatory Notes have been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 11:00am (Melbourne time) on Thursday 23<sup>rd</sup> November 2023:

- **in person** at Williamstown Yacht Club, 260 Nelson Parade, Williamstown, Victoria 3016; and
- **online via Zoom** with the following access code and password:

Zoom meeting ID: 892 6730 0754

Zoom meeting password: 986513

The purpose of these Explanatory Notes is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice of Meeting.

These Explanatory Notes should be read in conjunction with and forms part of the accompanying Notice of Meeting, and includes the following:

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A Proxy Form is located at the end of these Explanatory Notes.

Please contact the Company Secretary on +61 3 8692 7284 or [shareholders@adnl.com.au](mailto:shareholders@adnl.com.au) if you wish to discuss any matter concerning the Meeting.



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## 1 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice of Meeting and these Explanatory Notes carefully before deciding how to vote on the Resolutions.

### 1.1 Proxies

All Shareholders are invited and encouraged to attend the Meeting. The meeting will be held at **Williamstown Yacht Club, 260 Nelson Parade, Williamstown, Victoria 3016**. If a Shareholder does not attend the Meeting in person, they can access the Meeting online via the Zoom meeting platform with the following details:

Zoom Meeting ID: 892 6730 0754

Password: 986513

**Shareholders who access the Meeting online should be aware that you will be limited to watching, hearing and asking questions at the Meeting and you will not be able to vote online at the Meeting.**

Shareholders who cannot attend the Meeting in person can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice of Meeting) to the Company in accordance with the instructions on the Proxy Form. The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on each resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 1:00pm (Melbourne time) on **Tuesday 21<sup>st</sup> November 2023**. Any Proxy Form received after that time will not be valid for the Meeting.

A Proxy Form and the question form may be lodged in the following ways:

Online	<a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>
By Mail	C/- Link Market Services Limited Locked Bag A14, Sydney South NSW 1235
By Facsimile	+61 2 9287 0309

Shareholders lodging a Proxy Form are not precluded from attending and voting in person at the Meeting.

### 1.2 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company:

- via email at [shareholders@adnl.com.au](mailto:shareholders@adnl.com.au); and/or
- via the registry,

in advance of the Meeting.

An appointment of corporate representative form is available from the website of the Company's securities registry ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)).

### 1.3 Eligibility to vote

The Directors have determined that, for the purposes of voting at the Meeting, Shareholders are those persons who are the registered holders of Shares at **7:00pm (Melbourne time) on Tuesday 21<sup>st</sup> November 2023**.

### 1.4 Voting by poll

The vote on each resolution set out in this Notice of Meeting will be decided on a poll. In a resolution determined by poll, you (or your proxy) have one vote for each Share held. On a poll, you do not need to exercise all of your votes in the same way and you do not need to cast all your votes.

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## 2 ANNUAL REPORT

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2023 which is available on the Company's website at <http://adnl.com.au/investor-centre> or the ASX platform at [www.asx.com.au](http://www.asx.com.au); and
- (b) ask questions about or make comment on the management of the Company.

The Chair of the Meeting will allow reasonable opportunity for the Shareholders to ask the auditor or the auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor about:

- (a) the content of the auditor's report to be considered at the Meeting; and
- (b) the conduct of the audit of the annual financial report to be considered at the Meeting,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office or via [shareholders@adnl.com.au](mailto:shareholders@adnl.com.au).

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## **3 RESOLUTION 1 - REMUNERATION REPORT**

### **3.1 Introduction**

Shareholders are asked to adopt the Company's Remuneration Report for the year ended 30 June 2023. The Remuneration Report is included in the Directors' Report section of the Company's 2023 Annual Report on pages 20 to 25 and can be found at [adnl.com.au/investorcentre](http://adnl.com.au/investorcentre).

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executives;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and the Company's key executives named in the Remuneration Report for the financial year ended 30 June 2023.

### **3.2 Remuneration Strategy and Composition**

The Company's remuneration strategy is designed to attract and retain skilled and experienced employees by rewarding them for strong performance and delivering long term results for shareholders.

The CEO and executives are rewarded based on a total reward framework comprising:

- (a) Fixed remuneration: to attract and retain high quality executives through market competitive and fair remuneration.
- (b) Variable performance-based remuneration: to ensure a portion of remuneration is variable and at-risk, linked to the delivery of agreed targets or milestones that support the Company's strategic priorities as well as the overall performance of the Company.

Non-executive Director remuneration is designed to attract and retain experienced, qualified and skilled Board directors and remunerate them for their time and expertise. Non-executive Director remuneration for Board membership comprises:

- (a) cash fees and superannuation;
- (b) performance based remuneration which is linked to the overall performance of the Company as opposed to specific targets or milestones which are the focus of the Company's executives.

### **3.3 Voting on Remuneration Report**

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

The Chair will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Pursuant to the Corporations Act, if 25% or more of votes that are cast are against the adoption of the Remuneration Report at two consecutive annual general meetings, a resolution will be proposed to Shareholders at the second of those annual general meetings that a further meeting is held within 90 days of that annual general meeting at which all of the Company's Directors will vacate their office and resolutions to appoint the Company's Directors will be voted on.

### **3.4 First Strike - 2022 AGM**

At the 2022 AGM, 50.29% of the votes cast by shareholders were against the adoption of the 2022 Remuneration Report which meant the Company incurred a first strike.

The first strike against the adoption of the Remuneration Report was a strong message for the Board from shareholders. We have taken the first strike seriously and taken the following measures to deliver greater transparency to shareholders in relation to Board and executive remuneration and to ensure there is greater alignment between executive and shareholder experience whilst also honoring our contractual obligations to our people:

- (a) the Company will not seek approval for the issue of any variable performance-based incentives for the Directors (eg. Performance Rights) in relation to financial year 2024;
- (b) the CEO and other executives only received the fixed component of their remuneration package in financial year 2023 and, neither the CEO or other executives received variable performance-based remuneration in relation financial year 2023;
- (c) any variable performance-based remuneration component for the executives in relation to financial year 2024 will be tied to the financial performance of the Company.

The outcome of the vote on this Resolution 1 will determine whether Resolution 2 Conditional Spill Meeting will be put to the meeting.

A voting exclusion statement applies to this item as set out earlier in this Notice of Meeting.

### **3.5 Director's recommendation**

The Board unanimously recommends shareholders vote **IN FAVOUR** of adopting the 2023 Remuneration Report. The Chair intends to vote undirected proxies **IN FAVOUR** of the adoption of the Remuneration Report.

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## 4 RESOLUTION 2 CONDITIONAL SPILL MEETING

### 4.1 Introduction

This Resolution 2 is a conditional item of business at the Annual General Meeting subject to the result of Resolution 1. **This Resolution will only be put to the 2023 AGM if at least 25% of the votes validly cast on Resolution 1 are cast ‘against’ the resolution. If less than 25% of the votes validly cast on Resolution 1 are ‘against’ Resolution 1 then there will be no further strike and this item will not be put to the 2023 AGM.**

### 4.2 Spill Meeting

If this item is put to the 2023 AGM, shareholders will be asked to vote on whether an extraordinary general meeting referred to as a ‘Spill Meeting’ is to be convened. This item must be passed as an ordinary resolution meaning more than 50% of the votes cast on the resolution must be in favour of it.

If Resolution 2 is passed at the 2023 AGM a Spill Meeting must be held within 90 days of the 2023 AGM. The Company will notify shareholders of the date of the Spill Meeting in due course.

If the Spill Meeting is held all the following non-executive Directors will cease to hold office immediately before the end of the Spill Meeting unless they are re-elected at the Spill Meeting:

- Bernard Kavanagh (Chairperson);
- Scott Lai (subject to Mr Lai being re-elected to the Board pursuant to Resolution 3); and
- Jason Dong (subject to Mr Dong being re-elected to the Board pursuant to Resolution 4).

There is no assurance that all non-executive Directors will seek re-election at the Spill Meeting. Eligibility to stand for re-election at the Spill Meeting would be determined in accordance with the Company’s constitution.

The Board notes the following factors as relevant to shareholders’ decision on how to vote for this resolution:

- (a) the Board has taken the first strike against the Remuneration Report very seriously and taken steps to ensure that the remuneration of the Directors and executives is aligned with the experience of shareholders;
- (b) the Board will not receive any variable performance-based remuneration in relation to financial year 2024 and any performance-based remuneration which Executives may be entitled to receive is linked to the overall financial performance of the Company in financial year 2024;
- (c) the Board is cognisant of the challenging cash position of the Company without material infant formula sales and has taken, and continues to take,

steps to reduce operational costs including sale of the Camperdown Dairy equipment and transfer of the site lease as well as insurance and compliance costs;

- (d) in recent months, members of the executive team have resigned from their roles, allowing the personnel strategy to be restructured to better align with the Company's operational circumstances;
- (e) in the past 18 months there has been significant Board renewal with Martin Bryant recently retiring as Chairman and Bernard Kavanagh taking on this role, Adrian Rowley resigning as a director in July 2023 and Scott Lai being appointed to the Board in August 2023. In addition, the CEO, Peter Skene, no longer sits on the Board, having resigned as a director in June 2021; and
- (f) if the Spill Meeting resulted in some Directors not standing for re-election or not being returned it would take time to rebuild a Board with appropriate skills and experience. In addition, the Spill Meeting would cause significant distraction for the Company at a time when it is critical the Company's focus remains on increasing sales and gaining access to new markets for its infant formula products.

For the reasons outlined, the Board does not believe that proceeding to a Spill Meeting would be in the best interests of the Company's shareholders. The Board are confident that the changes made will be effective in ensuring that Director and executive remuneration is aligned with shareholder experience whilst also ensuring the Company honors its contractual obligations to its personnel. The Board encourages shareholders to support the Board's decisions in relation to remuneration of the executive team. If shareholders do not support these decisions and vote in favour of Resolution 2 there will be a Spill Meeting.

A voting exclusion applies to this resolution as set out earlier in this Notice of Meeting.

#### 4.3 Director's recommendation

In the event this Resolution 2 is put to the vote at the 2023 AGM, the Board unanimously recommends shareholders vote **AGAINST** Resolution 2. The Chair intends to vote undirected proxies **AGAINST** Resolution 2.

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## 5 RESOLUTION 3 RE-ELECTION OF SCOTT LAI

### 5.1 Introduction

Article 48(b) of the Constitution provides that the Board may (subject to article 48(a)) appoint any person as a Director.

Article 49(d) of the Constitution provides that a Director appointed pursuant to article 48(b) must retire at the next annual general meeting occurring after that appointment and is eligible for re-election at that meeting.

## 5.2 Scott Lai

In accordance with article 49(d) of the Constitution, Qing (Scott) Lai, who was appointed as a Director by the Board on 7 August 2023, retires from office at the Meeting and offers himself for re-election.

Mr Lai brings strong financial market knowledge and an extensive network of more than 1,000 corporate and high net worth investors to the Company. He also has a strong track record of establishing and growing innovative businesses in highly regulated sectors including financial services and energy markets with demonstrated skills managing teams of more than 100 employees.

In 2017 Mr Lai founded IJ Financial Services Pty Ltd and has grown this business to be a preeminent leader in the fund investment and mortgage loan industry in Queensland with a specific focus on the Chinese market. He spearheads the development, communication and implementation of effective growth strategies to ensure operations are efficient and scalable. He also drives business development initiatives including sourcing and managing new investments and creating opportunities aligned with strategic and financial objectives.

Mr Lai is also a director of IJ Funds Management Pty Ltd which has been a shareholder in AHF since 2022 and currently holds 6.58% of the shares in AHF.

Mr Lai holds a Bachelor of Commerce (Banking, Finance and Risk Management) and a Master of Commerce (Professional Accounting) from Griffith University. He has also been a member of the Financial Education Professionals Pty Ltd since 2019.

## 5.3 Directors' Recommendation

The Board (excluding Scott Lai) recommends that Shareholders vote **IN FAVOUR** of Resolution 3. The Chair intends to vote undirected proxies **IN FAVOUR** of Resolution 3.

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# 6 RESOLUTION 4 RE-ELECTION OF JASON DONG

## 6.1 Introduction

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. Furthermore, Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Article 49(a) of the Constitution requires that a Director (excluding the managing director or an alternate director) must retire no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment. Article 49(b) further provides that, if no director is required to retire under article 49(a) but the Listing Rules require an election of Directors (as they do), the Director to retire at the meeting is the Director who wishes to retire and offers himself or herself for re-election, otherwise it is:

- (a) the Director who has held office as a Director the longest period of time since his or her last election or appointment to that office; or
- (b) if two or more Directors have held office for the same period of time, the Director determined by lot, unless those Directors agree otherwise.

Article 49(d) of the Constitution further provides that a Director appointed pursuant to article 48(b) must retire at the next annual general meeting occurring after that appointment and is eligible for re-election at that meeting, but, is not to be taken into account in determining the number of Directors who are to retire pursuant to article 49(b).

## **6.2 Directors required to retire at the Meeting**

None of the directors of the Company are required to retire pursuant to article 49(a) of the Constitution. Scott Lai was appointed by the Board on 8 August 2023 and therefore, pursuant to article 49(d) of the Constitution is required to retire and, will offer himself for re-election at the Meeting. As noted in section 6.1 above, article 49(d) of the Constitution states that Mr Lai's resignation cannot be taken into account in determining the number of Directors who are to retire at the Meeting pursuant to article 49(b).

Jason Dong was re-elected as a director on 20 January 2021, and therefore, has held office for the longest period since his last election. In accordance with article 49(b)(i) of the Constitution, Jason Dong has agreed to retire from office at this Meeting and, being eligible for re-election, offer himself for re-election as a Director.

## **6.3 Jason Dong**

Mr Dong is a highly skilled executive with extensive experience working with Australians to promote international trade and industry relationships. His previous roles include a research fellow for Centre of International Agricultural Research of the Chinese Academy of Sciences and a member of the Industry Advisory Board for the Centre for Asian Business at the University of Melbourne.

Mr Dong has a Master of Commerce (University of Melbourne) Bachelor of Economics (Shanxi University of Finance and Economics, China).

## **6.4 Directors' Recommendation**

The Board (excluding Jason Dong) recommends that Shareholders vote **IN FAVOUR** of Resolution 4. The Chair intends to vote undirected proxies **IN FAVOUR** of Resolution 4.



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## 7 RESOLUTION 5 RATIFICATION OF FIRST PLACEMENT

### 7.1 Introduction

Resolution 5 seeks Shareholder approval to ratify the issue of 45,454,545 Shares (**First Placement Shares**) pursuant to a private placement to Mr Xin Yang announced on 23 March 2023 (**First Placement**). The First Placement Shares were issued in two tranches:

- (a) 32,272,757 on 17 April 2023 (**Tranche 1 Shares**); and
- (b) 12,121,212 on 11 July 2023 (**Tranche 2 Shares**).

The proceeds of the First Placement were applied toward establishment of the Company's distribution network including appointment of distributors, product compliance and trademark registrations costs as well as general working capital and transaction costs.

### 7.2 ASX Listing Rules

ASX Listing Rule 7.1 (subject to certain exceptions, none of which are relevant here) requires the prior approval of the shareholders for an issue of equity securities if those equity securities will, when aggregated with the equity securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12-month period (**Placement Capacity**).

ASX Listing Rule 7.4 provides that, an issue of equity securities by an entity made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and approval of its ordinary shareholders is subsequently obtained.

The issue of 45,454,545 Shares pursuant to the First Placement did not breach ASX Listing Rule 7.1 at the time of issue as the issue was within the Placement Capacity. Ratification of the issue and allotment of the First Placement Shares is sought to refresh the Company's Placement Capacity as a result of issue of the First Placement Shares.

### 7.3 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided about the issue:

- (a) a total of 45,454,545 Shares were issued under the Company's Listing Rule 7.1 capacity on the below dates:

Issue	Date	No. of Shares Issued	Price per Share (\$A)
Tranche 1 Shares	27 April 2023	33,333,333	\$0.03
Tranche 2 Shares	11 July 2023	12,121,212	Nil

The Tranche 2 Shares were issued for nil consideration as an anti-dilution mechanism for Mr Yang given the Company raised further equity capital within 6 months of the issue of the Tranche 1 Shares at a price less than \$0.03. The issue of the Tranche 2 Shares made the effective price of the First Placement Shares \$0.022.

- (b) the First Placement Shares issued are fully paid ordinary shares in the capital of the Company and rank equally with all existing shares on issue on and from the date of issue;
- (c) the First Placement Shares were allotted and issued to Mr Yang, who is a sophisticated investor within the meaning of sections 708(8) of the Corporations Act without disclosure pursuant to section 708 of the Corporations Act;
- (d) the funds raised from the issue will be used as set out in section 7.1 above;
- (e) the material terms of the subscription agreement pursuant to which the First Placement occurred are summarised in Schedule 1; and
- (f) refer to the voting exclusion statement in the Notice of Meeting for details of those persons or entities which will be excluded from voting on Resolution 5.

#### 7.4 Directors' recommendation

Failure to ratify the issue of the First Placement Shares would result in the Company being unable to maximise business opportunities by proceeding with a further issue of equity securities within the next 12-month period. Any delay associated with obtaining shareholder approval means that the Company cannot act in an opportunistic manner and potentially puts any such raising at risk through the approval period.

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 5. The Chair intends to vote undirected proxies **IN FAVOUR** of Resolution 5.

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## 8 RESOLUTION 6 RATIFICATION OF SECOND PLACEMENT

### 8.1 Introduction

Resolution 6 seeks shareholder approval to ratify the issue of 32,272,757 Shares (**Second Placement Shares**) pursuant to a private placement to certain sophisticated investors as announced on 12 July 2023 (**Second Placement**).

The proceeds of the Second Placement will be applied toward establishment of the Company's distribution network including appointment of distributors, product compliance and trademark registrations costs as well as general working capital and transaction costs.

## **8.2 ASX Listing Rules**

ASX Listing Rule 7.1 (subject to certain exceptions, none of which are relevant here) requires the prior approval of the shareholders for an issue of equity securities if those equity securities will, when aggregated with the equity securities issued by the Company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12-month period (**Placement Capacity**).

ASX Listing Rule 7.4 provides that, an issue of equity securities by an entity made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and approval of its ordinary shareholders is subsequently obtained.

The issue of 32,272,757 Shares pursuant to the Second Placement did not breach ASX Listing Rule 7.1 at the time of issue as the issue was within the Placement Capacity. Ratification of the issue and allotment of the Second Placement Shares is sought to refresh the Company's Placement Capacity as a result of issue of the Second Placement Shares.

## **8.3 Information required by Listing Rule 7.5**

For the purposes of Listing Rule 7.5, the following information is provided about the issue:

- (a) a total of 32,272,757 Shares were issued under the Company's Listing Rule 7.1 capacity on 11 July 2023;
- (b) the Second Placement Shares were issued at a price of \$0.022 per Share;
- (c) the Second Placement Shares issued are fully paid ordinary shares in the capital of the Company and rank equally with all existing shares on issue on and from the date of issue;
- (d) the Second Placement Shares were allotted to the Second Placement Subscribers who are sophisticated investors within the meaning of sections 708(8) of the Corporations Act, without disclosure pursuant to section 708 of the Corporations Act;
- (e) the funds raised from the issue will be used as set out in section 8.1 above;
- (f) the material terms of the subscription agreement pursuant to which the Second Placement occurred are summarised in Schedule 2; and
- (g) refer to the voting exclusion statement in the Notice of Meeting for details of those persons or entities which will be excluded from voting on Resolution 5.

#### 8.4 Directors' recommendation

Failure to ratify the issue of the Second Placement Shares would result in the Company being unable to maximise business opportunities by proceeding with a further issue of equity securities within the next 12-month period. Any delay associated with obtaining shareholder approval means that the Company cannot act in an opportunistic manner and potentially puts any such raising at risk through the approval period.

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 6. The Chair intends to vote undirected proxies **IN FAVOUR** of Resolution 6.

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### 9 RESOLUTION 7 APPROVAL OF 10% PLACEMENT FACILITY

#### 9.1 General

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period following Shareholder approval (**10% Placement Facility**). The exact number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 8.3(a) below) and the calculations in the examples below.

The effect of Resolution 6 being passed will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary shares on issue under the 10% Placement Capacity during the period up to 12 months after this Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% Placement Capacity and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1. If the Company then needs to issue additional Equity Securities it will need to call a Shareholder meeting to seek that approval, attracting the relevant costs and time delay and associated risks from that delay.

Resolution 7 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

#### 9.2 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7. This will allow the Company flexibility to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1. This is particularly important for small companies like the Company and is why Listing Rule 7.1A was implemented.

### 9.3 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued securities capital through placements over a 12-month period following Shareholder approval by way of a special resolution. The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1.A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is currently an eligible entity as it is not included in the S&P/ASX 300 Index and as at 4 October 2023 has a market capitalisation of \$11.15 million based on a price of \$0.019 per Share.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities, being fully paid ordinary shares in the capital of the Company (ASX Code: AHF).

(a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

$\text{Number of Equity Securities} = (A \times D) - E$
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"A" the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- (A) plus, the number of fully paid ordinary securities issued in the previous 12 months under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (B) plus, the number of partly paid ordinary securities that become fully paid in the 12 months;
- (C) plus, the number of fully paid ordinary securities issued in the previous 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (D) plus, the number of fully paid ordinary securities issued in the previous 12 months under an agreement to issue

securities within Listing Rule 7.3 exception 16 where:

- the agreement was entered into before the commencement of the previous 12-month period; or
- the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;

- (E) plus, the number of fully paid ordinary securities issued in the 12 months with approval of holders of securities under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid securities under the entity's 15% placement capacity without Shareholder approval;
- (F) less the number of fully paid ordinary securities cancelled in the 12 months.

"D" is 10%

"E" is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

The Company did not obtain approval to issue any Equity Securities under Listing Rule 7.1A at the 2022 AGM held on 27 November 2022 therefore, the Company currently has no capacity to issue Equity Securities under Listing Rule 7.1A.

If Shareholders approve Resolution 7 the Company will have capacity to issue a total of 65,586,679 Equity Securities under Listing Rule 7.1A as at the date of the Meeting (assuming no further issues of Shares between the date of this Notice of Meeting and the date of the Meeting).

#### **9.4 Specific information required by Listing Rule 7.3A**

For the purposes of Listing Rule 7.3A, the following information is provided about the proposed issue:

- (a) The Equity Securities may be issued under the 10% Placement Capacity commencing the date of this Meeting and expiring on the first to occur of the following:
- (i) 12 months after the date of this Meeting;
  - (ii) the time and date of the Company's next annual general meeting; and

- (iii) the date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change to the nature and scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), (after which date, an approval under Listing Rule 7.1A ceases to be valid),  
or such longer period if allowed by ASX.
- (b) Under Listing Rule 7.1A.3, any Equity Securities issued using the 10% Placement Facility must be in an existing quoted class of the Company's Equity Securities and issued for a cash consideration per security of not less than 75% of the VWAP for securities in that class of the Company's Equity Securities, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
  - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Equity Securities may be issued for cash consideration only, in which case the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), and expenditure on the Company's current assets and/or general working capital. The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities, being that it must:
  - (i) state in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the Equity Securities under Listing Rule 2.7 that the Equity Securities are being issued under Listing Rule 7.1A; and
  - (ii) give to the ASX immediately after the issue a list of names of the persons to whom the Equity Securities were issued and the number of Equity Securities issued to each. This list will not be released to the market.
- (d) There is a risk of economic and voting dilution to existing Shareholders in approving the Placement Facility, including the risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than when Shareholders' approve the 10% Placement Facility (being the date of this Meeting); and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue

date or issued for non-cash consideration for the acquisition of a new asset.

The following is a table that sets out the potential dilution of existing Shareholders if Equity Securities are issued under the 10% Placement Facility:

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.010	\$0.020	\$0.040
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable A <b>655,866,797</b>	10% Voting Dilution	65,586,680	65,586,680	65,586,680
	Funds Raised	\$655,867	\$1,311,734	\$2,623,467
50% increase in current Variable A <b>983,800,196</b>	10% Voting Dilution	98,380,020	98,380,020	98,380,020
	Funds Raised	\$983,800	\$1,967,600	\$3,935,201
100% increase in current Variable A <b>1,311,733,594</b>	10% Voting Dilution	131,173,359	131,173,359	131,173,359
	Funds Raised	\$1,311,734	\$2,623,467	\$5,246,934

The table has been prepared on the following assumptions:

- The Company issues, or agrees to issue, the maximum number of Equity Securities available under the Placement Facility.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued security capital at the time of issue. Therefore, the voting dilution is shown in each example as 10%.
- The issue of Equity Securities under the Placement Facility consists only of Shares.
- The current number of Shares on issue is the Shares on issue as at 4 October 2023.
- The issue price is \$0.020, being the closing price of Shares on 3 October 2023.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Shareholders should note that there is a risk that:



- the market price for the Equity Securities may be significantly lower on the issue date than on the date of this Meeting; and
  - the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.
- (e) The Company is yet to identify the persons to whom Equity Securities will be issued to under the 10% Placement Facility. The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:
- (i) the fundraising methods available to the Company, including but not limited to, rights issue or other issues which may minimise dilution to Shareholders.
  - (ii) in the case of an asset or investment acquisition, the nature and circumstances of the acquisition, including the need for certainty of funding and timely execution.
  - (iii) the effect of the issue of the Equity Securities on the control of the Company.
  - (iv) the financial situation and solvency of the Company.
  - (v) advice from corporate, financial and broking advisers (if applicable).
- (f) The Company has not issued any Equity Securities in the 12 months preceding the date of the Meeting under Listing Rule 7.1A.
- (g) A voting exclusion statement is included in the Notice of Meeting.
- (h) At the date of the Notice of Meeting, the Company has not approached any existing Shareholder or an identifiable class of existing Shareholder to participate in the issue of the Equity Securities, and no existing Shareholder's votes will be excluded under the voting exclusion in the Notice of Meeting of Meeting.

## 9.5 Directors' Recommendation

The Board recommends that Shareholders vote **IN FAVOUR** of Resolution 7. The Chair intends to vote undirected proxies **IN FAVOUR** of Resolution 7.

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## 10 DEFINITIONS

In this Notice of Meeting and the Explanatory Notes:

<b>2022 AGM</b>	means the annual general meeting of the Company held on 27 <sup>th</sup> November 2022.
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<b>2023 AGM</b>	means the annual general meeting of the Company to be held on Thursday 23 <sup>rd</sup> November 2023.
<b>Annual Report</b>	means the 2023 annual report of the Company for the financial year ended 30 June 2023.
<b>ASX</b>	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>Board</b>	means the board of Directors.
<b>Chairman</b>	means the Chairman of the Company.
<b>Closely Related Party of a member of the Key Management Personnel</b>	means a spouse or child of the member, a child of the member's spouse, a dependent of the member or the member's spouse, anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; company the member controls; or a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
<b>Company</b>	means Australian Dairy Nutritionals Limited ACN 057 046 607.
<b>Constitution</b>	means the constitution of the Company as amended.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Equity Securities</b>	has the same meaning given in the Listing Rules.
<b>Explanatory Notes</b>	means these Explanatory Notes.
<b>Group</b>	means the Company and its subsidiaries.
<b>Group Entity</b>	means either the Company or any of its subsidiaries.
<b>Key Management Personnel or KMP</b>	has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
<b>Listing Rule</b>	means the listing rules of the ASX.

<b>Notice of Meeting</b>	means the Notice of Meeting for the 2023 AGM which accompanies these Explanatory Notes.
<b>Proxy Form</b>	means the proxy form attached to this Notice of Meeting.
<b>Remuneration Report</b>	means the remuneration report of the Company included in the Directors' Report section of the Company's Annual Report.
<b>Resolution</b>	means a resolution set out in the Notice of Meeting.
<b>Second Placement Subscribers</b>	has the meaning given in the voting exclusion statement set out in the Notice of Meeting.
<b>Shareholder</b>	means a holder of Shares.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Trading Days</b>	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
<b>VWAP</b>	means volume weighted average market price as defined in the Listing Rules.

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## **SCHEDULE 1 - SUMMARY OF FIRST PLACEMENT SUBSCRIPTION AGREEMENT**

### **1. Subscription Agreement**

On 23 March 2023 ADNL entered into a subscription agreement with Xin Yang (**Subscriber**) to raise up to \$1,000,000 (**Subscription Funds**) through the issue of 33,333,333 new Shares at \$0.03 per Share (**First Placement**).

### **2. Payment of Subscription Funds**

Under the terms of the First Placement the Subscriber agreed to pay the Subscription Funds to ADNL within 14 days after the date of the Subscription Agreement. On 19 April 2023 the Company agreed to extend the timeline for payment of the Subscription Funds to 28 April 2023. All of the Subscription Funds were received by the Company on 26 April 2023 and Mr Yang was issued 33,333,333 new Shares in the Company on that date.

### **3. Top Up mechanism for future capital raising activity**

The subscription agreement for the First Placement contained an anti-dilution mechanism such that if the Company conducted a further capital raising within 6 months after the date of the subscription agreement at a price less than \$0.03 then the Subscriber would be entitled to receive additional new Shares such that the price paid by the Subscriber would be equivalent to the subsequent capital raising.

As the Company conducted a share purchase plan after the First Placement at a price of \$0.022 per Share, the Company issued the Subscriber a further 12,121,212 new Shares on 11 July 2023.

### **4. Total Amounts Raised and Shares Issued**

A total of \$1,000,000 was paid to the Company by the Subscriber and the Subscriber was issued a total 45,454,545 new Shares in the Company. The Shares were issued to the Subscriber without securityholder approval under the Company's Listing Rule 7.1 Placement capacity.

### **5. Use of Subscription Funds**

The proceeds of the First Placement were used to fund:

- establishment of ADNL's distribution network including appointment of distributors, product compliance and trademark registration costs;
- general working capital and transaction costs.

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## **SCHEDULE 2 - SUMMARY OF SECOND PLACEMENT SUBSCRIPTION AGREEMENT**

### **1. Subscription Agreement**

On 11 July 2023 ADNL entered into a subscription agreement with each of the Second Placement Subscribers who are all sophisticated investors within the meaning of sections 708(8) of the Corporations Act (**Subscribers**) to raise \$710,000 (**Subscription Funds**) through the issue of 32,272,757 new Shares at \$0.022 per Share (**Second Placement**).

### **2. Payment of Subscription Funds**

All of the Subscription Funds were received by the Company on 11 July 2023 and the Subscribers were issued a total of 32,272,757 new Shares on that date.

### **3. Use of Subscription Funds**

The proceeds of the Second Placement were used to fund:

- establishment of ADNL's distribution network including appointment of distributors, product compliance and trademark registration costs;
- general working capital and transaction costs.

## LODGE YOUR VOTE



### ONLINE

<https://investorcentre.linkgroup.com>



### BY MAIL

Australian Dairy Nutritionals Group  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150



### ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Australian Dairy Nutritionals Group and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (Melbourne time) on Thursday, 23 November 2023 at Williamstown Yacht Club, 260 Nelson Parade, Williamstown, Victoria 3016 with the option to view, listen and ask questions online (please refer to details on the Notice of Meeting) (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote all undirected votes IN FAVOUR of each Item of business except Item 2. The Chairman of the Meeting intends to vote all undirected votes AGAINST Item 2.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

1 Remuneration Report (non-binding)

For Against Abstain\*

☐ ☐ ☐

5 Ratification of First Placement

For Against Abstain\*

☐ ☐ ☐

2 Conditional spill resolution

☐ ☐ ☐

6 Ratification of Second Placement

☐ ☐ ☐

3 Re-election of Director – Scott Lai

☐ ☐ ☐

7 Approval of 10% Placement Facility

☐ ☐ ☐

4 Re-election of Director – Jason Dong

☐ ☐ ☐


\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

AHF PRX2301C

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Melbourne time) on Tuesday, 21 November 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Shareholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Australian Dairy Nutritionals Group  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

\*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**