

IN THE AUSTRALIAN COMPETITION TRIBUNAL

of 2013

MURRAY GOULBURN CO-OPERATIVE CO LIMITED

**RE: PROPOSED ACQUISITION OF WARRNAMBOOL CHEESE
AND BUTTER FACTORY COMPANY HOLDINGS LIMITED**

Certificate identifying annexure

This is the annexure marked RAP2 now produced and shown to Robert Arthur Poole at the time of signing his statement on 28 November 2013.

Annexure RAP2
Constitution of Murray Goulburn Co-operative Co Limited
adopted 28 November 2012

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**MURRAY GOULBURN
CO-OPERATIVE CO. LIMITED**

ACN 004 277 089

CONSTITUTION

Adopted 28 November 2012

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Constitution

Murray Goulburn Co-operative Co Limited

ACN 004 277 089

1. Definitions and Interpretations

1.1 Definitions

Unless the contrary intention appears in this constitution:

approved institution is defined in rule 5.3;

board means the directors;

business day means a day which is not a Saturday, Sunday or public holiday in Melbourne;

call includes an instalment of a call;

constitution means this document for the time being in force and any reference to any "part" or "rule" by number is a reference to the "part" or "rule" of that number in this constitution;

controlled entity means, in respect of an individual, an entity which the individual controls (as a consequence of that individual having the capacity to determine the outcome of decisions about the entity's financial and operating policies, applying the criteria set out in section 50AA of the Corporations Act);

Corporations Act means the Corporations Act 2001 (Commonwealth);

current supplier means a person who is or who is deemed to be a current and active supplier of milk pursuant to rule 3.1;

deferred pay share scheme means any scheme adopted by the board (and where required by law, ratified by Murray Goulburn in general meeting) in respect of any financial year which enables monies which may be allocated to members from time to time from the reserve referred to in rule 3.3 to be utilised by such members in the acquisition of shares in Murray Goulburn, whether by allotment or purchase;

directors means the directors from time to time of Murray Goulburn or such one or more of them as has or have authority to act for Murray Goulburn (including any alternate director duly acting as such);

disclosure notice means a written notice addressed to a member or another person ("**recipient**") requiring the recipient to provide to Murray Goulburn a written statement setting out:

- (a) the full particulars of the recipient's own relevant interest in shares and of the circumstances that give rise to that interest;
- (b) so far as is known to the recipient, the name and address of each other person who has a relevant interest in any of those shares together with full details of the nature and extent of the interest and the circumstances that give rise to the other person's interest; and
- (c) so far as is known to the recipient, the name and address of each person who has given relevant instructions in relation to those shares, together with full details of those instructions, including the date or dates on which they were given;

dividend means bonus as well as dividend;

dividend reinvestment plan means a plan established by the board, on such terms and conditions as the board thinks fit, which allows eligible shareholders (as determined by the board) to take up further shares in Murray Goulburn, by directing that part or the whole of any dividend due to them be applied in subscribing for shares of the same class as the class of shares upon which the relevant dividend was paid;

dividend reinvestment plan shares means shares issued under the dividend reinvestment plan;

employee means all person who are over the age of 18 years and are full time, part time and/or casual employees;

maximum shareholding limit is defined in rule 5.4(a);

member means a shareholder of Murray Goulburn;

month means a calendar month;

Murray Goulburn means Murray Goulburn Co-operative Co. Limited ACN 004 277 089;

Murray Goulburn entity is defined in rule 3.1(a);

Murray Goulburn Group means Murray Goulburn and each of its controlled entities;

NV class shares are defined in rule 6.2;

office means the registered office from time to time of Murray Goulburn;

payment dates are defined in rule 3.3;

preference shares means each class of preference shares specified in rule 4.3;

prescribed ratio is defined in rule 5.1(c);

product means butterfat or any other component of milk (including protein) selected by the board from time to time for the purposes of rule 3;

register means the register of members to be kept pursuant to the Corporations Act;

relevant eligibility period is defined in rule 3.3;

relevant instructions means, in relation to a share, instructions about:

- (a) the acquisition or disposal of the share;
- (b) the exercise of any voting or other rights attached to the share; or
- (c) any other matter relating to the share;

relevant interest means a relevant interest as defined in the Corporations Act;

seal means the common seal from time to time of Murray Goulburn;

secretary includes any person appointed to perform the duties of secretary of Murray Goulburn temporarily;

share means a share in the capital of Murray Goulburn;

special director means a person appointed by the board as a special director pursuant to rule 15.3;

supplier is defined in rule 3.1;

supplier region is defined in rule 3.5;

suppliers' equity share means ordinary shares, and such other number or class of shares as the board may by resolution otherwise determine;

suppliers' equity share scheme means any scheme adopted by the board (and where required by law ratified by Murray Goulburn in a general meeting) in respect of any financial year which enables suppliers to acquire shares in Murray Goulburn, whether by allotment or purchase;

supply period means:

- (a) a period of such length and date of commencement as the board may determine in its discretion; and
- (b) unless the board has resolved otherwise under paragraph (a), a period of 12 months commencing on 1 July and ending on 30 June next following;

surplus in respect of a financial year means the amount (if any) determined by the board as being available for dividend after payment of:

- (a) the preferential dividend payable on all of the preference shares and arrears (if any); and
- (b) a dividend in respect of that financial year at the rate of 8% per annum on the capital for the time being and from time to time paid up or credited as paid up on all the ordinary shares, and the NV class shares;

writing or written includes printing, typing, lithography and other modes of reproducing words in a visible form; and

year means calendar year.

1.2 Interpretation

Unless the contrary intention appears in this constitution:

- (a) words importing the singular include the plural and words importing the plural include the singular;
- (b) words importing a gender include every other gender;
- (c) words used to denote persons generally or importing a natural person include any company, corporation, body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);
- (d) a reference to a person includes that person's successors and legal personal representatives;
- (e) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws varying, consolidating or replacing them and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute; and
- (f) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

Headings for each rule and boldings are for convenience only and do not affect its interpretation.

1.3 Meaning of "present"

- (a) A member is to be taken to be present at a general meeting if the member is present in person or by proxy, attorney or representative, or (if the board has authorised direct voting as permitted by rule 14.21) if the member lodges a direct vote in respect of the general meeting.
- (b) A director is taken to be present at a meeting of directors if the director is present in person or by alternate director, or is deemed to be present in accordance with rule 17.4(c).

1.4 Application of the Corporations Act

- (a) This constitution is to be interpreted subject to the Corporations Act. However, the rules that apply as replaceable rules to companies under the Corporations Act do not apply to Murray Goulburn.
- (b) Unless the contrary intention appears, an expression in a rule that deals with a matter dealt with by a provision of the Corporations Act has the same meaning as in that provision of the Corporations Act.
- (c) Subject to rule 1.4(b), unless the contrary intention appears, an expression in a rule that is defined in section 9 of the Corporations Act has the same meaning as in that section.

- (d) A reference to funds available for dividend throughout this constitution includes, but is not limited to, "profits" and is determined in accordance with section 254T of the Corporations Act.

2. Murray Goulburn's objects and powers and alteration to certain provisions of this constitution

2.1 Name and original subscribers

The name of the company is "Murray Goulburn Co-operative Co Limited ACN 004 277 089". For the purposes of record only, the original memorandum of association for Murray Goulburn was signed by the original subscribers on 9 January 1950.

The original subscribers for shares in Murray Goulburn (all being dairy farmers) and the number of shares originally held by them are set out below.

James Wallace Gemmell	Cobram	100 shares
John Fordham Browning	Yarroweyah	100 shares
Hedley Morton Buzza	Cobram	100 shares
Charles Henry Garner	Yarroweyah	100 shares
Robert Hosie	Yarroweyah	100 shares
Harold William Wilkinson	Strathmerton	100 shares
Clarence Octavius Wood	Katunga	100 shares

2.2 Primary objects

Murray Goulburn shall carry on business having as its primary object or objects one or more of the following:

- (a) the acquisition of milk and other commodities from its shareholders for disposal or distribution;
- (b) the storage, marketing, packing and/or processing of milk and other commodities of its shareholders;
- (c) the rendering of services to its shareholders; and

without limitation in respect of the above primary objects, such other objects as the Board may from time to time resolve as being in the interests of Murray Goulburn and its shareholders and suppliers and for the benefit of its shareholders and suppliers.

The directors shall carry on and conduct Murray Goulburn's business having due regard to these primary objects.

2.3 Other objects

- (a) Any other objects of Murray Goulburn from time to time are intended to be ancillary to the primary objects specified in rule 2.2.
- (b) The additional objects include, without limitation:
 - (i) the manufacture, sale and disposal of products and commodities;
 - (ii) providing for the welfare of suppliers and employees of Murray Goulburn and its controlled entities;
 - (iii) distributing incentive payments to suppliers in proportion to the supplies received by them;

- (iv) providing loans and other financial accommodation to suppliers on such terms as the board may approve from time to time and in compliance with all applicable laws; and
- (v) carrying out all such other objects, acts, matters and things as may be directly or indirectly incidental to or conducive to the attainment of any of its objects from time to time.

2.4 Exercise of powers

Murray Goulburn may, in any manner permitted by the Corporations Act:

- (a) exercise any power;
- (b) take any action; or
- (c) engage in any conduct or procedure,

which under the Corporations Act a company limited by shares may exercise, take or engage in if authorised by its constitution.

2.5 Alterations to certain rules requires a special majority

A special resolution altering or adding to this rule or any of rules 5.6.1 [now rule 5.3.1], 12.2(a) and 14.14 will not have effect unless the resolution is passed by an affirmative vote of the members representing at least 90% of all the ordinary shares and class ordinary shares in the capital of Murray Goulburn held by members present at a meeting of members called to consider and vote on such special resolution.

3. Suppliers and supplier regions

3.1 Definition of “supplier”

- (a) The term “supplier” is used throughout this constitution. For the purposes of this constitution, a person shall be deemed to be a supplier if the board determines from time to time in its absolute discretion that:
 - (i) the person is a company, partnership or individual which is (or is in the process of becoming) a current and active supplier of milk to:
 - (A) Murray Goulburn;
 - (B) any company which is an associate of Murray Goulburn;
 - (C) any entity which the board has by resolution declared to be an associate of Murray Goulburn; or
 - (D) any agent, authority or corporation nominated by Murray Goulburn,
 (singularly or collectively “Murray Goulburn entity”) at the time such determination is made; or
 - (ii) the person is a sharefarmer in respect of a farm which is (or is in the process of becoming) a current and active supplier of milk to a Murray Goulburn entity; or
 - (iii) the person is an individual and is a member of a company or partnership, which is deemed to be a current and active supplier of milk under rules 3.1(a)(i) or 3.1(a)(ii).
- (b) In making any decision concerning the eligibility of any person as a supplier, the board may take into account whether or not that person is included as a recipient or one of the recipients of payments made by a Murray Goulburn entity in respect of milk supplied to that entity. The board may also take into account any written declarations (in a form to be prescribed by Murray Goulburn from time to time) made by a person as to his/her membership of any company or partnership or his/her status as a sharefarmer.

- (c) For the purposes of clarification, the board has the power (but not the obligation) to determine that a person is a current and active supplier of milk to any Murray Goulburn Group member, even though:
- (i) supply by the person, though expected to commence, has not yet commenced; or
 - (ii) supply by the person has temporarily been reduced or has temporarily ceased because of the occurrence of fire, flood, drought, disease, quarantine or other like force majeure events.

3.2 Suppliers' equity share scheme

Subject always to rule 5.3, if in respect of any financial year of Murray Goulburn the board determines (after taking into consideration any NV class shares held by the member which may be converted to ordinary shares by the board in the exercise of a discretion under rule 4.4) that a supplier:

- (a) may at the end of such financial year hold less than the required number of suppliers' equity shares for each kilogram of product which the board estimates will be supplied by that supplier to Murray Goulburn during that financial year; or
- (b) at the end of such financial year held less than the required number of suppliers' equity shares for each kilogram of product which that supplier supplied to Murray Goulburn during that financial year,

then the board will require that supplier to, and that supplier will, participate in the suppliers' equity share scheme.

3.3 Special distribution reserve

Subject always to rule 5.3, the board may in its absolute discretion set aside, out of the retained earnings and reserves of Murray Goulburn in any year, amounts as it thinks fit to establish a special distribution reserve ("**reserve**"). The board may if it thinks fit allocate amounts to this reserve to the credit of members who have during that year (or part thereof as determined by the board in its absolute discretion) ("**relevant eligibility period**") supplied product to Murray Goulburn in proportion (as near as conveniently may be) to the amount of product supplied by all other members to Murray Goulburn. The board may in its absolute discretion:

- (a) pay the amount allocated to the respective members;
- (b) allocate the amount on behalf of the respective members for utilisation in accordance with the provisions of the deferred pay share scheme;
- (c) satisfy the allocated amount by the allotment of fully paid up shares; or
- (d) a combination of any of paragraphs (a), (b) or (c) above.

The board may in its absolute discretion fix one or more dates in respect of the distribution of monies from the reserve ("**payment dates**"). These payment dates must arise during the relevant financial year or at any time within a period of 6 months following the end of that relevant financial year. The board must announce its intention to create a reserve, the relevant eligibility period and the payment date(s) for a relevant financial year no later than 30 June in that relevant financial year.

If any member ceases to be a current supplier prior to any payment date, such member shall not be entitled to participate in the payments due to that supplier on that payment date and such member's share will be retained by Murray Goulburn.

The board can establish rules for the further administration and operation of the reserve from time to time, and can vary those rules.

3.4 Bonus

Without limiting rule 4.1, the board may declare a bonus to be paid out of the profits of Murray Goulburn which are available for payment of a dividend to members. The bonus will be in

proportion to the amount of each member's supplies to Murray Goulburn as determined by the board. The board may in its absolute discretion either:

- (a) pay the amounts allocated to such members; or
- (b) satisfy the allocated amount by the allotment of fully paid shares.

3.5 Supplier regions and allocation of directorships

- (a) Unless otherwise decided by the Board, Murray Goulburn will obtain supplies of milk from the following "**supplier regions**":
 - (i) Gippsland Region;
 - (ii) Northern Region; and
 - (iii) Western Region.
- (b) The board may in its absolute discretion from time to time:
 - (i) increase or reduce the number of supplier regions to not less than 3 nor more than 10; or
 - (ii) establish, define or alter any one or more of the supplier regions in such manner as it thinks fit.

3.6 Allocation of supplier members to supplier regions

- (a) The board may in its absolute discretion from time to time:
 - (i) allot any of the members to any particular supplier region; and
 - (ii) alter the allocation of members to such supplier regions.
- (b) Any allocation of a member to a supplier region shall be final and conclusive unless and until subsequently altered by the board.

3.7 Right of supplier members to vote on persons from their supply region to be nominated for election to the board

- (a) In accordance with rules 15.1 and 15.6, members allocated by the board to a particular supplier region may nominate one or more members (who are current suppliers at the time of nomination and who are allocated to the same supplier region as the nominators at the time of such nomination) as a proposed director to fill any vacancy in the office of a director which is to be filled by the suppliers who are allocated to that supplier region.
- (b) If more persons are nominated as a proposed director than there are vacancies in the office of directors to be filled by suppliers allocated to a supplier region, the board shall arrange for the conduct of a postal ballot of the members who have been allocated or who are deemed to have been allocated to that supplier region and who are for the time being suppliers for the purpose of deciding which of the persons so nominated in respect of that supplier region shall be the person or persons nominated for election to the board in respect of that supplier region at the relevant general meeting of Murray Goulburn.
- (c) The postal ballot shall be conducted pursuant to the regulations made by the board from time to time. Such regulations shall provide for the proper administration and fair conduct of the ballot but shall not be inconsistent with or override any provisions of this rule 3.7. Until new regulations are made by the board, the regulations relating to postal ballots contained in the articles of association of Murray Goulburn immediately prior to the adoption of this constitution will apply.
- (d) The determination of any returning officer appointed by the board under the regulations in relation to the right of any person to vote upon the ballot or in relation to the validity of any vote or the result of the ballot (in the absence of fraud) shall be final and conclusive for all purposes and shall not be open to challenge in any way.

- (e) The person nominated under rule 3.7(a) who receives the highest number of votes under the ballot shall be deemed to be nominated for the office of director in respect of that supplier region. If there is more than one vacancy in the office of director to be filled by suppliers allocated to a supplier region, the person who receives the second-highest number of votes under the ballot shall be deemed to be the person nominated for the second vacancy in the office of director in respect of that supplier region, and so on until each vacancy is filled.
- (f) Each member who is a supplier and is allocated to a supplier region shall have the same number of votes on a postal ballot in respect of such supplier region as that member is under this constitution entitled to on a poll at a general meeting of Murray Goulburn.
- (g) Any member which is a subsidiary of Murray Goulburn will not be entitled to cast any votes in respect of the postal ballot.

4. Share capital

4.1 Power to issue shares

- (a) Subject to the provisions of the Corporations Act and this constitution, and without prejudice to any special rights previously conferred on the holders of existing shares, the board may issue or grant options in respect of, or otherwise dispose of, shares to such persons, for such price, on such conditions, and at such times and with such preferred, deferred or other special rights or special restrictions, whether with regard to dividend, voting, return of capital, payment of calls, or otherwise, as the board thinks fit.
- (b) No NV class share will be issued or allotted except upon a resolution of the board made pursuant to rule 4.4(b)(i)(A).

4.2 Preference shares

- (a) Subject to the Corporations Act, and notwithstanding any other provisions of this constitution, the board in its discretion may issue preference shares which are, and/or at the option of Murray Goulburn and/or the holder thereof are liable, to be redeemed.
- (b) Save as otherwise specified in this constitution, all preference shares shall rank *pari passu*. Unless otherwise provided by the terms of issue of any preference share, Murray Goulburn is entitled to issue further preference shares ranking *pari passu* with its existing preference shares.
- (c) Unless otherwise provided by the terms of issue of any preference shares, Murray Goulburn is entitled to issue:
 - (i) further non cumulative preference shares ranking *pari passu* with its existing non cumulative preference shares; and
 - (ii) further cumulative preference shares ranking:
 - (A) *pari passu* with its existing cumulative preference shares; and
 - (B) in priority to its existing non cumulative preference shares as regards payment of arrears of dividends.

4.3 Classes of shares

Without limiting rule 4.1, the following table specifies the share capital of Murray Goulburn:

No	Class of shares
4.3.1	Ordinary shares
4.3.2	"NV" class shares (converted from ordinary shares upon a resolution of the board pursuant to rule 4.4(b)(i)(A))

No	Class of shares
4.3.3	“A” class non cumulative preference shares
4.3.4	“B” class non cumulative preference shares
4.3.5	“C” class non cumulative preference shares

4.4 Conversion between classes of shares

- (a) Where the holder ceases to be a supplier or commences to be a supplier
- (i) If any member who holds any ordinary shares or NV class shares is not a supplier or ceases to be a supplier, the board may by resolution (and in its absolute discretion) convert all of that member's ordinary shares and NV class shares into:
- (A) “A” class non cumulative preference shares; or
- (B) any other class of preference shares.
- (ii) If any member who holds any preference shares is, or becomes, or resumes being, a supplier, the board may by resolution convert all of that member's preference shares into ordinary shares.
- (b) To maintain prescribed ratio
- (i) The board may by resolution convert any:
- (A) issued ordinary shares into NV class shares; or
- (B) issued NV class shares into ordinary shares.
- (ii) The board must at all times exercise its powers under this rule 4.4(b) with the purpose of furthering the objectives set out in rules 5.1(b) and 5.4.
- (c) Notifications, annotation of share register and share certificates
- In respect of any shares converted under this rule 4.4, Murray Goulburn shall forthwith notify in writing any member whose shares have been converted. The holder shall be bound to deliver to Murray Goulburn the share certificates for such shares (if any) for cancellation; however no failure by the holder to deliver the share certificates to Murray Goulburn shall prevent the conversion from taking full and immediate effect upon a notation in respect of the conversion being entered into the register. On registration of the conversion, the share certificates (if any) are considered to have been cancelled.

4.5 Quotation of shares prohibited

The quotation of any shares for sale or purchase at, on or through any stock exchange, or in any other public manner whatsoever, is prohibited.

4.6 Commission on subscriptions

Murray Goulburn may pay a commission to any person for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares, provided this is permitted and done in compliance with the Corporations Act. The commission must not exceed a value of 10% of the shares subscribed or to be subscribed for. The commission may be paid or satisfied either in cash or in shares or debentures of Murray Goulburn.

4.7 Dealing with shares

- (a) The board may issue shares in any manner it thinks is most beneficial to Murray Goulburn.
- (b) Murray Goulburn may reduce its capital in any manner permitted by (and subject to the requirements of) the Corporations Act.

4.8 Dividend reinvestment plan

The board in its discretion may:

- (a) at any time establish a dividend reinvestment plan; and
- (b) from time to time amend, suspend or terminate such plan.

4.9 Variation of class rights

- (a) The provisions of this constitution relating to general meetings apply, so far as they can and with such changes as are necessary, to each separate meeting of the holders of the issued shares of a particular class in Murray Goulburn.
- (b) The issue of preference shares, or the conversion of existing shares into preference shares ranking equally with or in priority to any class or classes of existing shares is expressly permitted and authorised and, subject to the law existing at the time of the issue or conversion, does not constitute a variation of the rights attaching to the said class or classes of existing shares.

5. Shareholding requirements

5.1 Suppliers only to hold ordinary and NV shares; proportion between production and holdings of ordinary shares

- (a) Ordinary shares may only be held by suppliers.
- (b) As far as is practicable given the information available to the board from time to time, the powers of the board under this constitution, and in particular under rule 4.4, must be exercised by the board with the objective of ensuring that when a vote is to be exercised by a supplier under this constitution that for such supplier the prescribed ratio is at that time:
 - (i) except as specified in paragraph (ii) of this rule 5.1(b), not more than 1:5;
 - (ii) following any consolidation or subdivision of issued ordinary shares, not more than a ratio to be determined by the board as an appropriate ratio having regard to the consolidation or subdivision.
- (c) “**prescribed ratio**” means, in relation to a supplier, the ratio:
 S : P
 where:
 S is the number of ordinary shares held by the supplier at the end of a supply period; and
 P is the volume (in litres) of milk supplied by the supplier to Murray Goulburn during the same supply period.
- (d) NV shares may only be held by suppliers.

5.2 Minimum shareholding

Save where the board determines otherwise, in its absolute discretion, no share shall be allotted or transferred to any person which will result in that person holding less than 500 shares of the class being allotted or transferred.

5.3 Maximum shareholdings

The following table specifies the maximum shareholdings which may be held by or on behalf of certain persons:

No	Type of shareholder	Maximum shareholding permissible
5.6.1 [now 5.3.1]	Any person (save for the persons referred to in rules 5.6.2, 5.6.3, 5.6.4 and 5.6.5) [now 5.3.2 and 5.3.3]	The total number of shares which may be held by, or by on behalf of, such person is limited to shares the aggregate of the nominal amounts of which shall not exceed 0.5% of the aggregate of the nominal amounts of all issued shares.
5.3.2	A person who is a subsidiary of Murray Goulburn	The total number of shares which may be held by or by and on behalf of a subsidiary of Murray Goulburn is not to exceed 15% of the aggregate of all issued shares.
5.3.3	A person who is an approved institution	The total number of shares (other than ordinary, NV class shares) which may be held by, or by and on behalf of, an approved institution is not to exceed 40% of all issued shares.

“Approved institution” means any company or institution which is declared by resolution of the board to be an “approved institution” for the purposes of rule 5.3.

A person’s ability to hold shares may also be limited by the provisions of the Corporation Act.

5.4 Consequences of exceeding maximum shareholding

- (a) Without limiting any other rights or powers of the board under this constitution, if the board is of the opinion that any member’s holding of, or dealings with, ordinary shares is in breach of, or (whether by itself or together with any other holdings or dealings) gives rise to a breach of, any provision of rule 5.3 (a **“maximum shareholding limit”**), the board may in its absolute discretion do any one or more of the following:
- (i) require disposal of shares
 - by written notice to the member (**“transfer notice”**) require that the member dispose of a number of ordinary shares to remedy that breach. The number of shares to be disposed of, and the time for completion of the transfer, will be specified in the transfer notice;
 - (ii) convert shares
 - convert all or such number of the member’s issued ordinary shares into NV class shares until such time as the breach of the maximum shareholding limit in respect of the member is rectified.
- (b) If the requirements of a transfer notice given under paragraph (a)(i) of this rule 5.4 are not complied with to the satisfaction of the board within the time specified in the transfer notice, the board may in its absolute discretion:
- (i) cause the number of shares which were specified in the transfer notice (or any lesser number of shares) to be sold by a person nominated by the board, at \$1.00 per share (or such lesser price as can reasonably be obtained within a reasonable time after the shares are offered for sale);
 - (ii) register the transfer of the shares notwithstanding that the certificates for the shares to be transferred may not have been delivered to Murray Goulburn; and
 - (iii) appoint a person to execute the transfer of the shares as vendor and to receive the purchase money.
- (c) The entry of the name of any purchaser of shares in the register in respect of shares sold under this rule 5.4 shall be final and conclusive.
- (d) The purchase money received on any sale under this rule 5.4 shall be applied:
- (i) first, to the expenses of the sale; and

- (ii) as to the balance (if any), to the member whose shares were sold, conditional upon the member having delivered to Murray Goulburn for cancellation the certificate relating to the shares (if any).
- (e) A member who holds shares in breach of rule 5.3 may not, while the breach continues, receive any dividend or other distribution made by Murray Goulburn in relation to those shares held in excess of the maximum shareholding limit.
- (f) A member who is paid a dividend or other distribution to which the member is not entitled for the reasons set out in paragraph (e) of this rule 5.4 must refund that dividend or distribution to Murray Goulburn promptly upon receipt of written notice from Murray Goulburn requiring such refund. Murray Goulburn has a first and paramount lien on any shares on which a payment referred to in this rule 5.4(f) is made and may enforce that lien as if the amount repayable to Murray Goulburn were an amount unpaid on those shares.

6. Rights applicable to ordinary shares and NV class shares

6.1 Ordinary shares

Each ordinary share confers on its holder:

- (a) the right to participate in dividends declared by the board (together with the holders of NV class shares and subject always to the specific rights of the holders of preference shares) and the right in each year to participate rateably with the holders of each of the NV class shares, and the shares referred to in the table in rule 7.4 in any surplus in proportion to the capital for the time being and from time to time paid up or credited as paid up thereon;
- (b) the right to receive notices of general meeting, reports, balance sheets and profit and loss accounts;
- (c) the right to attend, be heard at and, subject to rule 14.17, vote at any general meeting of Murray Goulburn; and
- (d) such other rights as are conferred on ordinary shares under this constitution.

6.2 NV class shares

Each NV class share confers on its holder the same rights and restrictions as those applying to ordinary shares, save and except that an NV class share confers on its holder no right to vote at any general meeting of Murray Goulburn.

7. General rights applicable to preference shares

7.1 Dividend priority ranking

- (a) Each class of preference share (whether redeemable or non-redeemable and whenever issued) shall have the right to receive out of funds available for dividends (to be determined in accordance with the law and rule 19.1(a)) the respective preferential dividend set opposite that class of preference share in the column titled "Dividend entitlement" in the table in rule 7.4 in accordance with rule 7.2(b).
- (b) Each class of preference share ranks *pari passu* with all other classes of preference shares in respect of dividends:
 - (i) save as otherwise specifically referred to in this constitution; and
 - (ii) save that all cumulative preference shares shall rank *pari passu* with one another but in priority to all classes of non cumulative preference shares to the extent of any deficiency in dividend in respect of the cumulative preference shares, as referred to in rule 7.7.

7.2 Rights on redemption or winding up

- (a) Subject to rule 7.2(b), each preference share shall confer on its holder the right on redemption (in the case of redeemable preference shares) and in a winding up to:
- (i) payment of all arrears of dividends (whether earned or declared or not) (if applicable) down to the date of redemption or commencement of the winding up in accordance with rule 7.2(b); and
 - (ii) the repayment of the capital paid up or credited as paid up thereon, *pari passu* with all other classes of preference shares but in priority to any other class of shares,
- but with no further rights to participate in the profits or assets of Murray Goulburn, whether surplus or otherwise.
- (b) Each class of preference share ranks *pari passu* with all other classes of preference shares:
- (i) save as otherwise specifically referred to in this constitution; and
 - (ii) save that all non cumulative preference shares shall not have any entitlements under rule 7.2(a)(i).

7.3 Other rights

- (a) Each preference share shall confer on its holder the same right as holders of ordinary shares to receive notices of general meetings and applicable reports, balance sheets and profit and loss accounts and to attend and be heard at any general meeting of Murray Goulburn.
- (b) A preference share does not confer on its holder any right to vote at any general meeting of Murray Goulburn.

7.4 Dividend rights - preference shares

Subject always to rules 7.1(b) and 7.2(b), the following table specifies the right of each class of preference share to receive dividends out of funds available for dividends (to be determined in accordance with the law and rule 19.1(a)):

	Class of share	Dividend entitlement	Right to participate in surplus
1	“A” class non cumulative preference shares	A fixed but non cumulative preferential dividend of 8% per annum on the capital for the time being and from time to time paid up or credited as paid up	The right in each year to participate rateably with the holders of ordinary shares, NV class shares and the classes of preference shares referred to in items 2 and 3 of this table in any surplus in proportion to the capital for the time being and from time to time paid up or credited as paid up thereon.
2	“B” class non cumulative preference shares	A non cumulative preferential dividend per annum on the capital for the time being and from time to time paid up or credited as paid up at a rate to be determined annually by the board. If the board fails to determine a dividend rate for a particular year, the dividend rate will be the	The right in each year to participate rateably with the holders of ordinary shares, NV class shares and the classes of preference shares referred to in items 1 and 3 of this table in any surplus in proportion to the capital for the time being and from time to time paid up or credited as paid up thereon.

Class of share	Dividend entitlement	Right to participate in surplus
3 "C" class non cumulative preference shares	<p>dividend rate which applied for the previous 12 month period.</p> <p>A non cumulative preferential dividend per annum on the capital for the time being and from time to time paid up or credited as paid up at a rate to be determined annually by the board. If the board fails to determine a dividend rate for a particular year, the dividend rate will be the dividend rate which applied for the previous 12 month period.</p>	<p>The right in each year to participate rateably with the holders of ordinary shares, NV class shares and the classes of preference shares referred to in items 1 and 2 of this table in any surplus in proportion to the capital for the time being and from time to time paid up or credited as paid up thereon.</p>

7.5 Calculation of dividend entitlements

The dividend entitlement of the holders of the preference shares shall be computed from the date of the receipt of application moneys.

7.6 Ranking for payment of dividends

Subject to rules 7.1(b) and 7.2(b) any preferential dividend shall rank for payment in priority to all other issued shares.

7.7 Deficiency in dividends

If there is a deficiency in dividend in respect of any one year the holders of any cumulative preference shares shall be entitled to have resort to funds available for dividends (to be determined in accordance with the law and rule 19.1(a)) in respect of any subsequent years, in accordance with the provisions of rules 7.1(b) and 7.2(b).

7.8 Redemption

Subject to rule 7.10(b) and to the provisions of the Corporations Act, Murray Goulburn shall be liable to redeem each class of redeemable preference shares:

- (a) on the date specified by the board; or
- (b) on the redemption date applying to such shares on the date upon which they were issued.

7.9 Payment on redemption

Upon Murray Goulburn becoming liable to redeem any redeemable preference shares:

- (a) the capital paid up or credited as paid up thereon together with all dividends accrued from the last date to which dividends thereon have been paid down to the date for redemption shall be payable and such shares shall be redeemed by Murray Goulburn accordingly and cancelled and the holder or holders thereof shall be bound to surrender all relevant share certificates to Murray Goulburn (if any); and
- (b) the dividend on any such shares shall cease to accrue as from the date for redemption thereof unless upon the registered holder or holders therefore demanding payment of the redemption moneys and tendering the certificate or certificates for such shares (if any) Murray Goulburn shall refuse or fail to pay the redemption moneys.

Redeemable preference shares shall only be redeemable out of profits which would otherwise be available for dividend or other moneys lawfully applicable for that purpose.

7.10 Dividend reinvestment plan shares

All dividend reinvestment plan shares issued from the proceeds of any dividends paid on any preference shares shall:

- (a) be deemed to be of the same class as the said preference shares; and
- (b) confer upon the holders thereof from the date of their issue, exactly the same rights as those attaching to the said preference shares, including the right to have such dividend reinvestment plan shares which are redeemable, redeemed on the same date as the said preference shares.

8. Employee share scheme

8.1 Power to issue

The board may from time to time establish and give effect to an employee share scheme for the benefit of employees of Murray Goulburn.

9. [Not used]

10. Share registers

10.1 Status of registered holder

Except as otherwise provided in the Corporations Act or provided by this constitution, Murray Goulburn is entitled to treat the registered holder of a share as its absolute owner and is not, required to recognise any equitable, other claim, or interest in that share of or by any other person.

10.2 Joint holders of shares

Where more than one person is registered as the holder of a share, they hold the share as joint tenants with benefits of survivorship, subject to the following provisions:

- (a) Murray Goulburn will not be bound to register more than 3 of them (not being the trustees or personal representatives of a deceased holder) as the holders of the share;
- (b) the holders are liable severally as well as jointly for all payments in respect of the share;
- (c) on the death of any 1 of the holders, the survivors will be the only persons recognised by Murray Goulburn as having any title to the share;
- (d) any 1 of the holders may give effectual receipts for any dividend, bonus or return of capital payable in respect of the share and any such receipt shall bind all holders; and
- (e) only the first named holder in the register of members will be entitled to notices from Murray Goulburn, and such notice shall be deemed to have been given to all holders.

10.3 Disclosure of shareholdings

- (a) Murray Goulburn may give a disclosure notice to any member or proposed transferee of shares.
- (b) Where Murray Goulburn receives (in response to a disclosure notice or otherwise) information that:
 - (i) any person (other than a member) has a relevant interest in any shares; or
 - (ii) any person (other than a member) has given relevant instructions in relation to any shares,

Murray Goulburn may give to that other person a disclosure notice in relation to those shares.

- (c) Within the time specified in the disclosure notice (or if no time is specified, within 5 business days after the disclosure notice is given) the recipient of the disclosure notice must provide to Murray Goulburn a written statement setting out the information required by the disclosure notice.
- (d) If the recipient fails to provide a disclosure notice, or provides a response which is determined by the board to be unsatisfactory, the rights to vote and receive dividends attaching to the shares which are subject to the disclosure notice, may be suspended, at the discretion of the board, until a response to the disclosure notice is provided in a form satisfactory to the board.
- (e) Murray Goulburn may at any time withdraw a disclosure notice.

11. Calls

11.1 Differentiation between calls

When issuing any shares, Murray Goulburn may differentiate between the holders of those shares in terms of:

- (a) the amount of calls to be paid on those shares; and
- (b) the time of payment of calls.

11.2 Power to make calls

The board may, subject to the terms on which shares may have been issued, make calls on members in respect of any money unpaid on their shares provided at least 14 days' prior notice specifying the time and place for payment is given.

11.3 Liability to pay

A member is liable to pay the amount of the call made:

- (a) to the person; and
- (b) at the time and place, appointed by the board.

11.4 Instalments

Calls may be made payable by instalments.

If by the terms of a prospectus or conditions of allotment, any amount in respect of a share is payable by instalment, every instalment must be paid as if it were a call made by the board of which due notice has been given. All provisions of this constitution with respect to the payment of calls and of interest or to the forfeiture of shares for non-payment of calls will apply to the instalment thereon and to the shares on which the instalment is payable.

11.5 Making of a call

Subject to rule 11.4, a call is deemed to have been made at the time when the resolution of the board authorising the call was passed.

11.6 Interest on overdue calls

If a call is not paid by the day appointed for payment of the call, the holder of the share from whom the call is due must pay interest on the call amount at a rate of 8% per annum (or such lesser rate as the board may determine) from the day appointed for the payment of the call to the time of actual payment. The board may in writing waive all or any part of the interest paid or payable.

11.7 Acceptance of moneys paid in advance

The board may accept from a member willing to pay all or any part of the money unpaid on shares held by that member in excess of sums actually called up either as:

- (a) a repayable loan; or
- (b) a payment in advance of calls.

11.8 Interest

Murray Goulburn may pay interest at a rate and for the period agreed between the member paying the amount and the board, on money paid under rule 11.7 by the member in advance or exceeding the amount of calls made and due on the shares.

11.9 Non-invalidity of calls

The non-receipt of a notice of a call by, or the accidental omission to give notice of a call to, a member will not invalidate the call.

12. Transfer and transmission of shares**12.1 Prohibited transfers**

No transfer is to be made to:

- (a) a lunatic;
- (b) a person of unsound mind; or
- (c) (except a fully paid share) to an infant.

However Murray Goulburn is not bound to enquire as to the age or soundness of mind of a transferee.

12.2 Power of the board to refuse to register transfers

- (a) The board may in its absolute discretion refuse to register a transfer of shares without giving any reason for the refusal.
- (b) Subject to the Corporations Act, the board may in its absolute discretion refuse to register a person (or that person's nominee) entitled by transmission to a share as if that person were the transferee named in a transfer presented for registration.
- (c) A transfer which the board refuses to register must (except in the case of fraud) be returned to the person who deposited it with Murray Goulburn, if requested by that person.

12.3 Form

The transfer of a share must:

- (a) be in writing and in proper form; or
- (b) in any other form as the board may prescribe or in particular cases accept, and must comply with all relevant laws and be signed by both the transferor and transferee.

12.4 Transferor to remain holder

The transferor of a share will be deemed to remain the holder of that share until the name of the transferee is entered in the register of members in respect of that share.

12.5 Procedures

A transfer must be left for registration at the office of Murray Goulburn, accompanied by:

- (a) the relevant share certificate and such other evidence (if any) as the board may require to prove the title of the transferor or the transferor's right to transfer the shares;
- (b) such evidence (if any) as the board may require to prove the status and identity of the transferee; and
- (c) where the board so determines, a signed disclosure notice from the transferee, taking into account the proposed acquisition.

12.6 Non-requirement to produce share certificates

The board may waive the production of a share certificate on evidence satisfactory to it of the loss or destruction of that share certificate.

12.7 Retention of transfers

A registered transfer must be retained by Murray Goulburn.

12.8 Closing of the transfer books and registers

Subject to the Corporations Act, the transfer books and registers may be closed during such time as the board thinks fit but not exceeding in total 30 days in each year.

12.9 Recognition of personal representative

The personal representative of a deceased member (not being a joint holder) will be the only person recognised by Murray Goulburn as having any title to the shares registered in the name of that member.

12.10 Transmission

Either the:

- (a) public trustee;
- (b) the committee; or
- (c) statutory representative of:
 - (i) a lunatic member;
 - (ii) a member of unsound mind; or
 - (iii) any person becoming entitled to shares in consequence of the:
 - (A) death;
 - (B) insolvency;
 - (C) bankruptcy;
 - (D) liquidation by arrangement;
 - (E) composition with creditors;
 - (F) assignment for the benefit of the creditors of any member; or
 - (G) otherwise than by transfer,

on producing such evidence of that person's title as the board thinks sufficient, may be registered as a member in respect of the shares or may (subject to this constitution) transfer the shares.

13. Forfeiture and lien

13.1 Service of notice where moneys owing

If any member fails to pay any sum payable in respect of any shares held by that member the board may at any time during the time the sum remains unpaid serve a notice on the member

requiring that member to pay the sum together with interest accrued (in accordance with rule 11.6) and all expenses incurred by Murray Goulburn by reason of the non-payment.

13.2 Contents of notice

The notice must name a day (at least 14 days from the date of the notice) by which the sum payable under rule 13.1 and interest and expenses (if any) are to be paid and the place, where payment is to be made. The notice must also state that in the event of non-payment the shares in respect of which such amounts are payable will be liable to be forfeited.

13.3 Forfeiture of shares

If the requirements of the notice served under rule 13.1 are not complied with, the share in respect of which notice was given, at any time after the day named in the notice and before payment required by the notice may be forfeited by a resolution of the board.

13.4 Forfeiture to apply to all moneys relating to the forfeited share

A forfeiture under rule 13.3 will extend to all dividends, interest and other money available in respect of the forfeited share and not actually paid before the forfeiture.

13.5 Notices of forfeiture

When a share has been forfeited:

- (a) notice of the resolution must be given to the member in whose name the share was held immediately before the forfeiture; and
- (b) an entry of the forfeiture date must be made in the register of members.

13.6 Powers of Murray Goulburn in respect of forfeited shares

A forfeited share becomes the property of Murray Goulburn. The board may sell, re-issue or otherwise dispose of the share in any manner as it thinks fit. The board may re-issue a forfeited share with or without the money paid on the share by any former holder being credited as paid up.

13.7 Annulment

The board may at any time before a forfeited share is sold, re-issued or otherwise disposed of, annul the forfeiture on such conditions as it thinks fit.

13.8 Obligation of member to pay amounts notwithstanding forfeiture

Notwithstanding a forfeiture, a member whose shares have been forfeited is liable to pay and must pay to Murray Goulburn:

- (a) all sums of money owing in respect of the forfeited shares;
- (b) interest on the amount payable under rule 13.1 as remains unpaid; and
- (c) any expenses in respect of the forfeited shares. The board may enforce payment if it thinks fit.

13.9 Lien

Murray Goulburn has a first and paramount lien or charge ("lien") for unpaid calls on:

- (a) shares on which calls are due and unpaid; and
- (b) the proceeds of sale of those shares.

Murray Goulburn's lien extends to all dividends and bonuses declared from time to time on those shares.

13.10 Discharge of lien on registration of transfer

If Murray Goulburn registers a transfer of a share on which it has a lien without giving notice of that lien to the transferee, then that share will be freed and discharged from the lien.

13.11 Power to sell shares to enforce lien

For the purpose of enforcing Murray Goulburn's lien, the board may sell the share subject to the lien in any manner as the board may think fit but no sale will be made until:

- (a) notice in writing of the intention to sell is served on the member holding the share or the member's representative; and
- (b) the member is in default of payment of allotment money calls or instalments of calls for 14 days after the notice under rule 13.11(a) is served on the member or member's representative.

13.12 Entry in share register and dealing with share certificates

An entry in the minute book of Murray Goulburn that shares have been forfeited, re-allotted or sold in accordance with this constitution will be sufficient evidence of that fact as against any person entitled to the shares immediately before the forfeiture, re-allotment or sale. A certificate stating the forfeiture, re-allotment or re-sale of the shares and a receipt of Murray Goulburn for the price of the shares will constitute a good title to the shares. The shares will be discharged from all calls or other money due prior to the purchase or allotment. The purchaser will not be bound to see to the regularity of the proceedings or to the application of the purchase money or consideration. The purchaser or allottee's title to the shares will not be affected by any fact, omission or irregularity in respect of the forfeiture, sale or re-allotment. The holder of the certificate of the shares sold will be bound to deliver the certificate (if any) to the board. The net proceeds of the sale must be applied first to the payment of all costs of the sale, second in satisfaction of the money due to Murray Goulburn and the residue (if any) paid to the member or the member's personal representatives or assignees (as the case may be) or as the member or member's representative directs.

14. General meetings**14.1 Calling general meetings**

- (a) The board may, whenever it thinks fit, call and arrange to hold a general meeting.
- (b) A general meeting may be called and arranged to be held only as provided by this rule 14.1 or as provided by sections 249D, 249E, 249F and 249G of the Corporations Act.
- (c) The board may change the venue for, postpone or cancel a general meeting unless the meeting is called and arranged to be held by the members or the court under the Corporations Act. If a general meeting is called and arranged to be held under section 249D of the Corporations Act the board may not postpone it beyond the date by which section 249D requires it to be held and may not cancel it without the consent of the requisitioning member or members.

14.2 Notice of general meetings

- (a) Subject to this constitution and to the rights or restrictions attached to any shares or class of shares, notice of a general meeting must be given within the time limits prescribed by the Corporations Act and in the manner authorised by rule 14.1 to each person who is at the date of the notice:
 - (i) a member;
 - (ii) a director; or
 - (iii) an auditor of Murray Goulburn.
- (b) A notice of a general meeting must specify the date, time and place of the meeting and state the general nature of the business to be transacted at the meeting.

- (c) A person may waive notice of any general meeting by notice in writing to Murray Goulburn.
- (d) The non-receipt of notice of a general meeting or proxy form by, or a failure to give notice of a general meeting or a proxy form to, any person entitled to receive notice of a general meeting under this rule 14.2 does not invalidate any act, matter or thing done or resolution passed at the general meeting if:
 - (i) the non-receipt or failure occurred by accident or error; or
 - (ii) before or after the meeting, the person:
 - (A) has waived or waives notice of that meeting under rule 14.2(c); or
 - (B) has notified or notifies Murray Goulburn of the person's agreement to that act, matter, thing or resolution by notice in writing to Murray Goulburn.
- (e) A person's attendance at a general meeting:
 - (i) waives any objection that person may have to a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and
 - (ii) waives any objection that person may have to the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting or in rule 14.2(c), unless the person objects to considering the matter when it is presented.

14.3 Admission to general meetings

The chairperson of a general meeting may refuse admission to, or require to leave and remain out of the meeting, any person:

- (a) in possession of a pictorial-recording or sound-recording device;
- (b) in possession of a placard or banner;
- (c) in possession of an article considered by the chairperson to be dangerous, offensive or liable to cause disruption;
- (d) who refuses to produce or to permit examination of any article, or the contents of any article, in the person's possession;
- (e) who behaves or threatens to behave in a dangerous, offensive or disruptive manner; or
- (f) who is not:
 - (i) a member or a proxy, attorney or representative of a member;
 - (ii) a director; or
 - (iii) an auditor of Murray Goulburn.

14.4 Quorum

No business may be transacted at any general meeting unless a quorum of members is present when the meeting proceeds to business.

The quorum for a general meeting will be 10 members present.

14.5 Quorum not present

If a quorum is not present within 1 hour from the time appointed for the meeting:

- (a) where the meeting was convened upon the requisition of members, the meeting must be dissolved; or
- (b) in any other case:

- (i) the meeting will stand adjourned to the same day in the next week at the same time and place; and
- (ii) if at the adjourned meeting, a quorum is not present within 1 hour of the time appointed for the meeting, the members present will constitute a quorum.

14.6 Chairperson

The chairperson of the board must preside as chairperson at every general meeting of Murray Goulburn.

14.7 Absence of chairperson

- (a) If:
 - (i) there is no chairperson; or
 - (ii) at any meeting the chairperson is not present at the time the meeting proceeds to business; or
 - (iii) the chairperson is unwilling to act as chairperson,
 the deputy chairperson is entitled to act as the chairperson at the meeting.
- (b) The directors present may choose one of their number to preside as chairperson if, at the general meeting:
 - (i) there is no chairperson or deputy chairperson of directors;
 - (ii) neither the chairperson nor the deputy chairperson of directors is present within 15 minutes after the time appointed for the meeting; or
 - (iii) neither the chairperson nor the deputy chairperson of directors is willing to act as chairperson of the meeting.
- (c) If the directors do not choose a chairperson under rule 14.7(b), the members present must elect as chairperson of the meeting:
 - (i) another director who is present and willing to act; or
 - (ii) if no other director willing to act is present at the meeting, a member who is present and willing to act.

14.8 Adjournment

The chairperson may at any time during the course of the meeting:

- (a) adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting from time to time and from place to place; and
- (b) for the purpose of allowing any poll to be taken or determined, suspend the proceedings for such period/s as he or she decides without effecting an adjournment. No business may be transacted and no discussion may take place during any suspension of proceedings unless the chairperson otherwise allows it.

14.9 Adjourned meeting

No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

It will not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting, save where a meeting is adjourned for 10 days or more at any one time, whereupon notice of the adjourned meeting must be given.

14.10 Decisions

At a general meeting, a resolution put to the vote of the meeting must be decided on a show of hands, unless a poll is demanded (before or on declaration of the result of the show of hands).

14.11 Declaration by chairperson of a vote

Unless a poll is demanded, a declaration by the chairperson that a resolution has on a show of hands been,

- (a) carried;
- (b) carried unanimously;
- (c) carried by a particular majority; or
- (d) lost,

and an entry to that effect in the minute book of Murray Goulburn is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

14.12 Equality of votes

In the case of an equality of votes on a proposed resolution, whether on a show of hands or on a poll, the chairperson of the meeting will be entitled to a second or casting vote.

14.13 Poll

A poll may be demanded by:

- (a) the chairperson of the meeting;
- (b) at least 5 members entitled to vote on the resolution; or
- (c) members with at least 5% of the votes that may be cast on the resolution of a poll.

If a poll is demanded it will be taken in such manner as the chairperson directs. The result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded. A poll may be demanded immediately on the election of a chairperson or on a question of an adjournment. A poll demanded on any other question can be taken at such time as the chairperson of the meeting directs.

14.14 Voting

Subject to restrictions on voting affecting a class of shares and any other specific provision of this constitution:

- (a) on a show of hands, every member present will have 1 vote; and
- (b) on a poll, every member present shall have 1 vote for each class ordinary share and ordinary share held by the member.

14.15 Voting by a member of unsound mind

If a member is of unsound mind, the member may vote by the public trustee or by the member's committee, curator bonis or other person of such nature appointed by any court. Such committee or person may vote by proxy on a poll.

14.16 Voting by joint holders of a share

If 2 or more persons are joint holders of a share, any 1 of the joint holders present may vote at a meeting as if that joint holder were solely entitled to the share. If more than 1 of the joint holders are present at a meeting, the joint holder named first in the register of members in respect of the share will be entitled to vote, to the exclusion of the others.

14.17 Prohibition on voting where moneys are unpaid

A member is not entitled to vote at a general meeting unless all calls and other sums of money presently payable by that member in respect of shares have been paid.

14.18 Appointment of proxies

- (a) Subject to rule 14.22, a member entitled to attend and vote at a meeting of the members or of any class of members will be entitled to appoint not more than 2 proxies (whether members of Murray Goulburn or not) as that member's proxies to attend and vote in that member's place.
- (b) The instrument appointing a proxy must be in writing and signed or sealed by or on behalf of the appointer.
- (c) The instrument of proxy shall be in the form provided by Murray Goulburn, or as prescribed by the Corporations Act.
- (d) The instrument appointing a proxy confers authority to demand or join in demanding a poll.

14.19 Depositing of proxies

At least 48 hours before the time for holding the meeting at which proxies or attorneys propose to vote:

- (a) the instrument appointing the proxy; and
- (b) the power of attorney or authority (if any) under which the proxy is signed or a notarially certified copy of the power of attorney or authority,

must be deposited at the registered office of Murray Goulburn.

The instrument or proxy will not be treated as valid if these requirements are not satisfied.

14.20 Appointment of representatives

Subject to rule 14.22, a corporation which is a member 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 a meeting of Murray Goulburn. 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 were an individual member 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.

14.21 Direct voting

The board may, subject to the Corporations Act, determine that at any general meeting a member who is entitled to attend and vote at the meeting is entitled to give their vote by a valid notice of their voting intention (a **direct vote**). A direct vote includes a vote delivered to Murray Goulburn by post, fax, electronic or other means approved by the board. The board may specify the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.

14.22 Limit on proxy and representative appointments

- (a) No person may seek or accept appointment, or hold or exercise any appointment, as a proxy or representative for any member or members of Murray Goulburn at any general meeting or on any resolution where the appointment is in respect of:
 - (i) more than 5 members of Murray Goulburn; or
 - (ii) voting shares which are greater in number than the number which is 0.5% of the aggregate number of all voting shares on issue as at the date of the meeting or resolution,
 and the chairperson of any meeting must disallow any votes which any proxy or representative seeks to exercise and which are in excess of these limits.
- (b) The prohibition in paragraph (a) of this rule 14.22 does not apply to proxies held by the chairperson of a meeting which are exercised or to be exercised at that meeting.

15. Directors - Eligibility and Retirement

15.1 Required number of directors and director prohibition

- (a) The number of directors (other than the managing director and special directors) must be at least 7 but not more than 10. Each of these directors must have been nominated for election to the board by a specific supplier region.
- (b) Subject to rule 15.1(a), the board may:
 - (i) increase the number of directors to be appointed in respect of any supplier region;
 - (ii) decrease the number of directors to be appointed in respect of any supplier region; and
 - (iii) allocate one or more director positions to be appointed in respect of any newly created supplier region.
- (c) A partner or employee or employer of an auditor of Murray Goulburn shall not be eligible to be appointed or elected a director or an alternate director.

15.2 Managing director

- (a) The board may appoint 1 or more persons to the office of managing director. The appointment of managing director may be for either a fixed term or without limitation as to period.
- (b) The board may determine the remuneration, salary, commission or participation in profits that the managing director will have.
- (c) The board may confer on a managing director any power exercisable by the directors as the board may think fit and on such conditions as they may think expedient.
- (d) A managing director while continuing to hold office will not be subject to retirement by rotation and must not be taken into account in determining the rotation of retirement of directors or the number of directors to retire;
- (e) A managing director will be subject to:
 - (i) the provisions of any contract between the managing director and Murray Goulburn; and
 - (ii) the same provisions as to resignation and removal as the other directors of Murray Goulburn.
- (f) If the managing director ceases to hold the office of director for any reason, the managing director shall ipso facto and immediately cease to be a managing director.

15.3 Special directors

Subject to this constitution:

- (a) the board may appoint any person to be a special director, provided the maximum number of special directors at any one time does not exceed 3; and
- (b) a person appointed as a special director will not be required to hold shares in Murray Goulburn and need not be a supplier.

At the third annual general meeting following which a special director was last elected or re-elected, the special director must retire from office but may be eligible for re-election.

15.4 Alternate directors

- (a) A director may, with the authority of a resolution of the board, in writing appoint a member of Murray Goulburn to act as an alternate director in that director's place during any time as the director is unable to attend a meeting of the board and may by written notice terminate any such appointment.

- (b) An alternate director during the term of his appointment, will be entitled to attend any meeting of the board and to vote in place of the director who appointed the alternate director.
- (c) The appointment of the alternate director will cease when the director who appointed the alternate director ceases to be a director.

15.5 Eligibility of directors other than the managing director and special directors

No person (other than a special director or a director who is or is to be appointed to act as the managing director of Murray Goulburn) is eligible to be elected, re-elected or appointed as a director of Murray Goulburn unless:

- (a) the person is the holder of at least 10,000 ordinary shares, which must be held by that director solely in that director's own name and not as one of several joint holders;
- (b) the person has been previously nominated by not less than 5 members, each of whom have been allocated to the supplier region in respect of which the person is nominated pursuant to this constitution and each of those members holds ordinary shares (either alone or jointly with any other person) and none of those members is a controlled entity of the nominated person.

The person so nominated and such members must also sign and lodge with Murray Goulburn a nomination in the form prescribed from time to time by the board and supplied by the secretary (including a confirmation of eligibility under this rule of the nominee and each of the nominating members);

- (c) the person shall at the time of such nomination be a supplier and the person has not in the opinion of or to the knowledge of the board at any time during the period of one year prior to the date of his/her appointment disposed of milk produced by that person in any of the pick up areas of Murray Goulburn other than as a supplier;
- (d) both at the time of nomination and at the time of any subsequent election or appointment, the person so nominated, and every controlled entity of the person so nominated:
 - (i) in respect of any trading activities with Murray Goulburn or any other member of the Murray Goulburn Group, do not have any debt which falls due and payable or has fallen due and payable but remains outstanding in full or in part beyond the period then allowed by Murray Goulburn for the payment of trading debts due to it; and
 - (ii) are not a party to an unresolved claim or dispute by or with or in relation to Murray Goulburn or any other member of the Murray Goulburn Group (and whether or not any party to the claim or dispute has commenced or threatened to commence legal or other dispute resolution procedures); and
- (e) the person shall not be prevented or disqualified from holding office as a director under any of the provisions of the Corporations Act.

15.6 Eligibility of the managing director and special directors

Neither the managing director or a special director is required to hold shares.

15.7 Disqualification from office

The office of a director becomes vacant:

- (a) in the circumstances prescribed by the Corporations Act;
- (b) if at any time the director (not being the managing director or a special director) ceases to hold or does not hold the quantity of shares specified in rule 15.5(a) in the manner specified in that rule, unless the board resolves otherwise;
- (c) if the director becomes bankrupt or of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;

- (d) if the director resigns by notice in writing to Murray Goulburn;
- (e) if the director absents himself or herself from 4 consecutive meetings of the board without special leave from the board; or
- (f) if that director (not being the managing director or a special director) ceases to or proposes to cease to supply to Murray Goulburn the whole of the milk produced within the pick up area of Murray Goulburn and marketed by that director or that director's business entity, unless the board resolves otherwise.

16. Rotation and election of directors

16.1 Directors' responsibility

All directors shall represent all of the members.

16.2 Retirement of directors who represent an amalgamated supplier region

Notwithstanding rule 16.4, if 2 or more existing supplier regions are amalgamated into 1 supplier region, all directors representing such supplier regions (if there is more than 1) shall continue on as directors until the conclusion of the next annual general meeting whereupon they shall retire from office and the nomination and election of a director for such amalgamated supplier regions shall occur in accordance with this constitution.

16.3 Term of appointment of directors who represent an amalgamated supplier region

A person or persons appointed as a director of an amalgamated supplier region shall continue in office until the third annual general meeting after such appointment, whereupon each of them will retire and a further election of a director or directors of such amalgamated supplier region shall occur. Thereafter, elections of the director or directors in respect of such amalgamated supplier region shall occur on each third annual general meeting thereafter.

16.4 Retirement and re-election of directors representing supplier regions

- (a) Each director who has been appointed, or who is deemed to have been appointed, from a particular supplier region will retire from office in the same year in the following sequence:

Supplier Region	Year of retirement
Gippsland Region	2012 and each third year thereafter
Western Region	2013 and each third year thereafter
Northern Region	2014 and each third year thereafter
Any new supplier region	The year of the third annual general meeting following the establishment of the new supplier region, and each third year thereafter

- (b) The retirement of a director who is required to retire by rotation in accordance with rule 16.4(a) will take effect at the conclusion of the annual general meeting held in the year of retirement.

16.5 Retirement and re-election of special directors

Any person who is a director appointed in accordance with rule 15.3 and who retires pursuant to the provisions of this constitution shall be eligible for re-election if endorsed by the Board.

16.6 Filling of vacancies at the annual general meeting

- (a) The board may continue to act, notwithstanding a vacancy to the body.
- (b) Subject to rule 15.1, Murray Goulburn may at any annual general meeting resolve to fill any vacancies created or existing in the board by electing a person or persons to the board. The person or persons who are to be considered by Murray Goulburn to fill a board vacancy will be determined in accordance with rule 3.7.

16.7 Vacancy

If at any meeting at which an election of directors ought to take place, the places of the vacating directors are not filled, the meeting may be adjourned to a time and place to be fixed by the meeting and being not more than 1 month thereafter. If the meeting is not so adjourned or if at such adjourned meeting the places of the vacating directors or any of them are not filled, the vacating directors or such of them as have not had their places filled shall continue in office as though they had been duly re-elected.

16.8 Filling of casual vacancy

Any casual vacancy occurring in the board from any cause may be filled by the directors but any person appointed to fill such casual vacancy shall retain office during such time only as the director in whose place he is appointed would have filled the same if such casual vacancy had not occurred.

16.9 Removal of directors by ordinary resolution

- (a) Subject to compliance with the Corporations Act (including, without limitation, section 203D), Murray Goulburn may by ordinary resolution remove a director from office before the expiration of his period of office provided that any member which is a subsidiary of Murray Goulburn will not be entitled to cast any votes in relation to such resolution.
- (b) Murray Goulburn may appoint some person in place of the director so removed but the person so appointed shall be a member allotted to the same supplier region as the director in whose place he is appointed provided that any member which is a subsidiary of Murray Goulburn within the meaning of the Corporations Act will not be entitled to cast any votes in relation to such appointment.

17. Rights, obligations and proceedings of directors**17.1 Remuneration**

- (a) For the purposes of calculating a director's remuneration under rule 17.1(b) below, any amount paid by Murray Goulburn or related body corporate:
 - (i) to a superannuation, retirement or pension fund for a director so that Murray Goulburn is not liable to pay the superannuation guarantee charge or similar statutory charge is to be included;
 - (ii) any special remuneration paid in recognition of a director holding the office of chairperson or deputy chairperson of the board or chairperson or member of a committee is to be included;
 - (iii) for any insurance premium paid or agreed to be paid for a director under rule 20.4 is to be excluded.
- (b) Subject to rule 17.1(g), each director is entitled to such remuneration out of the funds of Murray Goulburn as the directors decide, but the total amount provided to all directors for their services as directors must not exceed in aggregate in any financial year the amount fixed by Murray Goulburn in general meeting.
- (c) The remuneration of a director:
 - (i) may be a stated salary or a fixed sum for attendance at each meeting of directors or both; or

- (ii) may be a specific share of a fixed sum determined by Murray Goulburn in general meeting to be the remuneration payable to all directors, or failing such determination as divided between the directors in the proportions agreed between them or, failing agreement, equally,
- and if it is a stated salary under rule 17.1(c)(i) or a share of a fixed sum under rule 17.1(c)(ii), will be taken to accrue from day to day.
- (d) Subject always to rule 17.1(g) and 17.2(a), a board resolution cancelling, suspending, reducing or postponing payment of any remuneration shall bind all directors.
 - (e) In addition to his or her remuneration under rule 17.1(b), a director is entitled to be paid all reasonable travelling and other expenses properly incurred by that director in connection with the affairs of Murray Goulburn, including without limitation, attending and returning from meetings of the board or of committees of the directors.
 - (f) Subject to rule 17.1(h) and 17.1(h), if a director renders or is called upon to perform extra services or to make any special exertions in connection with the affairs of Murray Goulburn, the directors may arrange for a special remuneration to be paid to that director, either in addition to or in substitution for that directors remuneration under rule 17.1(b).
 - (g) Nothing in rule 17.1(b) restricts the remuneration to which a director may be entitled as an officer of Murray Goulburn or of a related body corporate in a capacity other than director, which may be either in addition to or in substitution for that director's remuneration under rule 17.1(b).
 - (h) Remuneration shall not include any payment being a commission or percentage of profits or of turnover.
 - (i) The board may:
 - (i) at any time after a director dies or otherwise ceases to hold office as a director, pay to the director or a legal personal representative, spouse, relative or dependant of the director, in addition to the remuneration of that director under rule 17.1(b), a pension or lump sum payment in respect of past services rendered by that director; and
 - (ii) cause Murray Goulburn to enter into a contract with the director for the purpose of providing for or giving effect to such a payment.
 - (j) The board may establish or support, or assist in the establishment or support of, funds and trusts to provide pension, retirement, superannuation or similar payments or benefits to or in respect of the directors or former directors.

17.2 Interested directors

- (a) A director may hold any other office or place of profit (other than auditor) in Murray Goulburn or any related body corporate in conjunction with his or her directorship and may be appointed to that office or place upon such terms as to remuneration, tenure of office and otherwise as the board thinks fit.
- (b) A director may be or become a director or other officer of, or otherwise interested in, any related body corporate or any other body corporate promoted by Murray Goulburn or in which Murray Goulburn may be interested as a shareholder or otherwise and is not accountable to Murray Goulburn for any remuneration or other benefits received by the director as a director or officer of, or from having an interest in, that body corporate.
- (c) A director may exercise the voting rights conferred by shares in any body corporate held or owned by Murray Goulburn in such manner in all respects as the directors think fit (including voting in favour of any resolution appointing a director as a director or other officer of that body corporate or voting for the payment of remuneration to the directors or other officers of that body corporate) and a director may, if permitted by law, vote in favour of the exercise of those voting rights notwithstanding that he or she

is, or may be about to be appointed, a director or other officer of that other body corporate and, as such, interested in the exercise of those voting rights.

- (d) A director is not disqualified, merely because of being a director, from contracting with Murray Goulburn in any respect, including, without limitation:
- (i) selling any property to, or purchasing any property from, Murray Goulburn;
 - (ii) lending any money to, or borrowing any money from, Murray Goulburn with or without interest and with or without security;
 - (iii) guaranteeing the repayment of any money borrowed by Murray Goulburn for a commission or profit;
 - (iv) underwriting or guaranteeing the subscription for securities in Murray Goulburn or in any related body corporate or any other body corporate promoted by Murray Goulburn or in which Murray Goulburn may be interested as a shareholder or otherwise, for a commission or profit; or
 - (v) being employed by Murray Goulburn or acting in any professional capacity (other than auditor) on behalf of Murray Goulburn.
- (e) No contract made by a director with Murray Goulburn and no contract or arrangement entered into by or on behalf of Murray Goulburn in which any director may be in any way interested is avoided or rendered voidable merely because of the director holding office as a director or because of the fiduciary obligations arising out of that office.
- (f) No director contracting with or being interested in any arrangement involving Murray Goulburn is liable to account to Murray Goulburn for any profit realised by or under any such contract or arrangement merely because of the director holding office as a director or because of the fiduciary obligations arising out of that office.
- (g) Subject to rule 17.2(h), a director who is in any way interested in any contract or arrangement or proposed contract or arrangement may, despite that interest:
- (i) be counted in determining whether or not a quorum is present at any meeting of directors considering that contract or arrangement or proposed contract or arrangement;
 - (ii) vote in respect of, or in respect of any matter arising out of, the contract or arrangement or proposed contract or arrangement; and
 - (iii) sign any document relating to that contract or arrangement, or proposed contract or arrangement, Murray Goulburn may execute.
- (h) Rule 17.2(g) does not apply if, and to the extent that, it would be contrary to the Corporations Act.
- (i) The board may make regulations requiring the disclosure of interests that a director, and any person deemed by the directors to be related to or associated with the director, may have in any matter concerning Murray Goulburn or a related body corporate and any regulations made under this constitution will bind all directors.

17.3 Powers and duties of the board

- (a) The board, is responsible for managing the business of Murray Goulburn and may exercise to the exclusion of Murray Goulburn in general meeting all the powers of Murray Goulburn which are not required, by the Corporations Act or by this constitution, to be exercised by Murray Goulburn in general meeting.
- (b) Without limiting the generality of rule 17.3(a), the directors may exercise all the powers of Murray Goulburn to borrow or otherwise raise money, to charge any property or business of Murray Goulburn or all or any of its uncalled capital and to issue debentures or give any other security, guarantee and/or indemnity for a debt, liability or obligation of Murray Goulburn or of any other person.

- (c) The board may determine how cheques, promissory notes, bankers drafts, bills of exchange or other negotiable instruments must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by or on behalf of Murray Goulburn.
- (d) The board may pay out of Murray Goulburn's funds all expenses of the promotion, formation and registration of Murray Goulburn and the vesting in it of the assets acquired by it.
- (e) The board may:
 - (i) appoint or employ any person to be an officer, agent or attorney of Murray Goulburn for such purposes and with such powers, discretions and duties (including powers, discretions and duties vested in or exercisable by the directors), for such period and upon such conditions as it thinks fit;
 - (ii) authorise an officer, agent or attorney to delegate all or any of the powers, discretions and duties vested in the officer, agent or attorney; and
 - (iii) subject to any contract between Murray Goulburn and the relevant officer, agent or attorney, remove or dismiss any officer, agent or attorney of Murray Goulburn at any time, with or without cause.
- (f) A power of attorney may contain such provisions for the protection and convenience of the attorney or persons dealing with the attorney as the board thinks fit.

17.4 Proceedings of the board

- (a) The board may meet together for the despatch of business and adjourn and otherwise regulate their meetings as it thinks fit.
- (b) The contemporaneous linking together by telephone or other electronic means of a number of the directors sufficient to constitute a quorum, constitutes a meeting of the board and the rules relating to meetings of the board apply, so far as they can and with such changes as are necessary, to meetings of the board by telephone or other electronic means.
- (c) A director participating in a meeting by telephone or other electronic means is to be taken to be present in person at the meeting.
- (d) A meeting by telephone or other electronic means is to be taken to be held at the place determined by the chairperson of the meeting provided that at least 1 of the directors involved was at that place for the duration of the meeting.

17.5 Convening of meetings of the board

- (a) The chairperson or any 2 directors may, whenever they think fit, convene a meeting of the board.
- (b) A secretary must, on the requisition of the chairperson or any 2 directors, convene a meeting of the board.

17.6 Notice of meetings of the board

- (a) Subject to this constitution, notice of a meeting of the board must be given to each person who is at the time of giving the notice:
 - (i) a director, other than a director on leave of absence approved by the directors; or
 - (ii) an alternate director appointed by a director on leave of absence approved by the directors.
- (b) A notice of a meeting of the board:
 - (i) must specify the time and place of the meeting;
 - (ii) need not state the nature of the business to be transacted at the meeting;
 - (iii) may be given immediately before the meeting;

- (iv) may be given in person or by post or by telephone, email, fax or other electronic means; and
 - (v) will be taken to have been given to an alternate director if it is given to the director who appointed that alternate director.
- (c) A director or alternate director may waive notice of any meeting of the board by notifying Murray Goulburn to that effect in person or by post or by telephone, email, fax or other electronic means.
- (d) The non-receipt of notice of a meeting of the board by, or a failure to give notice of a meeting of directors to, a director or alternate director appointed by that director does not invalidate any act, matter or thing done or resolution passed at the meeting if:
- (i) the non-receipt or failure occurred by accident or error;
 - (ii) before or after the meeting, the director or the alternate director appointed by the director:
 - (A) has waived or waives notice of that meeting under rule 17.6(c); or
 - (B) has notified or notifies Murray Goulburn of his or her agreement to that act, matter, thing or resolution personally or by post or by telephone, email, fax or other electronic means; or
 - (iii) the director or the alternate director appointed by the director attended the meeting.
- (e) Attendance by a person at a meeting of the board waives any objection that person and:
- (i) if the person is a director, any alternate director appointed by that person; or
 - (ii) if the person is an alternate director, the director who appointed that person as alternate director,
- may have to a failure to give notice of the meeting.

17.7 Quorum at meetings of the board

- (a) No business may be transacted at a meeting of the board unless a quorum of directors is present at the time the business is dealt with.
- (b) Subject to rule 17.7(c), a quorum consists of:
- (i) if the directors have fixed a number for the quorum, that number of directors; and
 - (ii) in any other case, 3 directors (other than the managing director and special directors),
- present at the meeting of the board.
- (c) If the number of directors in office at any time is not sufficient to constitute a quorum at a meeting of the board or is less than the minimum number of directors fixed under this constitution, the remaining director or directors must act as soon as possible:
- (i) to increase the number of directors to a number sufficient to constitute a quorum and to satisfy the minimum number of directors required under this constitution; or
 - (ii) to convene a general meeting of Murray Goulburn for that purpose and, until that has happened, must only act if and to the extent that there is an emergency requiring them to act.

17.8 Chairperson and deputy chairperson of the board

- (a) The board may elect 1 of the directors to the office of chairperson of the board and may determine the period for which that director is to be chairperson.

- (b) The directors may elect 1 or 2 of the directors to the office of deputy chairperson of the board and may determine the period for which any such director is to be a deputy chairperson.
- (c) The office of chairperson of the board or deputy chairperson of the board may, if the board so resolves, be treated as an extra service or special exertion performed by the director holding that office for the purposes of rule 17.1(f).
- (d) The chairperson must (if present within 10 minutes after the time appointed for the holding of the meeting and willing to act) preside as chairperson at each meeting of the board.
- (e) If at a meeting of the board:
 - (i) there is no chairperson of the board;
 - (ii) the chairperson of the board is not present within 10 minutes after the time appointed for the holding of the meeting; or
 - (iii) the chairperson of the board is present within that time but is not willing to act as chairperson of the meeting,
 then if the directors have elected a deputy chairperson of the board, the deputy chairperson of the board must (if present within 10 minutes after the time appointed for the holding of the meeting and willing to act) preside as the chairperson of the meeting.
- (f) If at a meeting of the board:
 - (i) there is no deputy chairperson of the board;
 - (ii) the deputy chairperson of the board is not present within 10 minutes after the time appointed for the holding of the meeting; or
 - (iii) the deputy chairperson of the board is present within that time but is not willing to act as chairperson of the meeting,
 the directors present must elect 1 of themselves to be chairperson of that meeting.

17.9 Decisions of the board

- (a) A meeting of the board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the directors under this constitution.
- (b) Questions arising at a meeting of the board are to be decided by a majority of votes cast by the directors present and any such decision is for all purposes a determination of the directors.
- (c) In the case of an equality of votes upon any proposed resolution the chairperson of the meeting, in addition to his or her deliberative vote, has a casting vote.

17.10 Written resolutions

- (a) If:
 - (i) all of the directors, other than:
 - (A) any director on leave of absence approved by the directors;
 - (B) any director who disqualifies himself or herself from considering the act, matter, thing or resolution in question on the grounds that he or she is not entitled at law to do so or has a conflict of interest; and
 - (C) any director who the directors reasonably believe is not entitled at law to do the act, matter or thing or to vote on the resolution in question,

- assent to a document containing a statement to the effect that an act, matter or thing has been done or resolution has been passed; and
- (ii) the directors who assent to the document would have constituted a quorum at a meeting of directors held to consider that act, matter, thing or resolution, then that act, matter, thing or resolution is to be taken as having been done at, or passed by, a meeting of the board.
- (b) For the purposes of rule 17.10(a):
- (i) the meeting is to be taken as having been held:
 - (A) if the directors assented to the document on the same day, on the day on which the document was assented to and at the time at which the document was last assented to by a director; or
 - (B) if the directors assented to the document on different days, on the day on which, and at the time at which, the document was last assented to by a director;
 - (ii) 2 or more separate documents in identical terms each of which is assented to by 1 or more directors are to be taken as constituting 1 document; and
 - (iii) a director may signify assent to a document by signing the document or by notifying Murray Goulburn (through its company secretary) of the director's assent in person or by post or by telephone, fax or other electronic means.

17.11 Committees of the board

- (a) The board may delegate any of its powers to a committee or committees consisting of such number of directors as it thinks fit (but not less than 3).
- (b) A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the board.
- (c) The rules applying to meetings and resolutions of directors apply, so far as they can and with such changes as are necessary, to meetings and resolutions of a committee of the board.
- (d) Membership of a committee of the board may, if the board so resolves, be treated as an extra service or special exertion performed by the members for the purposes of rule 17.1(f).

17.12 Delegation to individual directors

- (a) The directors may delegate any of their powers to 1 director.
- (b) A director to whom any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.
- (c) Acceptance of such a delegation may, if the directors so resolve, be treated as an extra service or special exertion performed by the delegate for the purposes of rule 17.1(f).

17.13 Validity of acts

An act done by a person acting as a director, or by a meeting of the board or a committee of directors attended by a person acting as a director, is not invalidated by reason only of:

- (a) a defect in the appointment of the person as a director;
- (b) the person being disqualified to be a director or having vacated office; or
- (c) the person not being entitled to vote,

if that circumstance was not known by the person or the directors or committee (as the case may be) when the act was done.

18. Minutes and records

18.1 Minutes of meetings

The directors must ensure minutes of proceedings and resolutions of general meetings and of meetings of the board (including committees of the board) are recorded in books kept for that purpose, within 1 month after the relevant meeting is held.

18.2 Minutes of resolutions passed without a meeting

The directors must ensure minutes of resolutions passed by directors (and committees of directors) without a meeting are recorded in books kept for that purpose, within 1 month after the resolution is passed.

18.3 Signing of minutes

- (a) The minutes of a meeting must be signed within a reasonable time by the chairperson of the meeting or the chairperson of the next meeting.
- (b) The minutes of the passing of a resolution without a meeting must be signed by a director within a reasonable time after the resolution is passed.

18.4 Minutes as evidence

A minute that is recorded and signed under rules 18.1, 18.2 and 18.3 is evidence of the proceeding or resolution to which it relates unless the contrary is proved.

18.5 Inspection of records

- (a) The board must ensure the minute books for general meetings are open for inspection by members free of charge.
- (b) Subject to rule 18.5(a), the board may determine whether and to what extent, and at what time and places and under what conditions, the minute books, accounting records and other documents of Murray Goulburn or any of them will be open to the inspection of members (other than the board).
- (c) A member (other than a director) does not have the right to inspect any books, records or documents of Murray Goulburn except as provided by law or authorised by the board.

19. Distribution of profits

19.1 Dividends

- (a) The directors may pay any interim and final dividends as, in their judgment, the financial position of Murray Goulburn justifies. Notwithstanding any other provisions of this constitution to the contrary, the power to declare or not declare dividends (and whether or not there are funds otherwise available for dividends or retained earnings and reserves available for any purpose specified in this constitution) for any particular period vests in the board in its absolute discretion, as does the absolute right of the board to determine whether or not there are funds available for dividends, to be exercised in each case in accordance with the provisions of section 254T of the Corporations Act.
- (b) The directors may pay any dividend required to be paid under the terms of issue of a share.
- (c) Subject to any provision of this constitution to the contrary, the payment of a dividend does not require any confirmation by a general meeting.
- (d) Subject to any rights or restrictions attached to any shares or class of shares:
 - (i) all dividends in respect of shares must be paid in proportion to the number of shares held by a member, but where shares are partly paid, all dividends

- must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares;
- (ii) all dividends must be apportioned and paid proportionately to the amounts so paid or credited during any portion or portions of the period in respect of which the dividend is paid;
 - (iii) for the purposes of rules 19.1(d)(i) and (ii), an amount paid or credited as paid on a share in advance of a call is to be ignored; and
 - (iv) interest is not payable by Murray Goulburn in respect of any dividend.
- (e) The directors may fix a record date in respect of a dividend, with or without suspending the registration of transfers from that date. The record date in respect of a dividend is the date by reference to which the board will determine which members on its share register are entitled to receive such dividend. There can be a different record date for each class of share. A transfer or transmission of shares after the record date shall not pass the right to any dividend declared but unpaid before that date.
- (f) Subject to this constitution and to any rights or restrictions attached to any shares or classes of shares, the directors when determining a dividend is payable may:
- (i) direct payment of the dividend wholly or partly by the distribution of specific assets, including paid-up shares or other securities of Murray Goulburn or of another body corporate, either generally or to specific shareholders; and
 - (ii) direct that the dividend be paid to particular shareholders wholly or partly out of any particular fund or reserve or out of funds derived from any particular source and to the remaining shareholders wholly or partly out of any other particular fund or reserve or out of funds derived from any other particular source or generally.
- (g) The directors may deduct from any dividend payable to a member all sums of money presently payable by the member to Murray Goulburn and apply the amount deducted in or towards satisfaction of the money owing.
- (h) Where a person is entitled to a share as a result of a transmission event, the directors may, but are not obliged to, retain any dividends payable in respect of that share until that person becomes registered as the holder of the share or transfers it.
- (i) Without prejudice to any other method of payment the directors may adopt, any dividend, interest or other money payable in cash in respect of shares may be paid by:
- (i) cheque and sent by post to the address of the holder as shown in the register of members, or in the case of joint holders, to the address shown in the register of members as the address of the joint holder first named in that register or to such other address as the holder or joint holders in writing directs or direct; or
 - (ii) by electronic or other means approved by the directors directly to an account (of a type approved by the directors) nominated in writing by a member or joint holders.
- (j) A cheque sent under rule 19.1(i) may be made payable to the bearer or to the order of the member to whom it is sent or such other person as the member may direct and is sent at the member's risk.
- (k) The directors may determine that, where an electronic means of payment is offered by Murray Goulburn to members, the cost of issuing a cheque to a member who elects to be paid by cheque may be deducted from any dividend payable to that member.
- (l) If the directors determine to make payment by electronic or other means approved by the directors pursuant to rule 19.1(i)(ii) and a bank account is not nominated by the member or joint holders or an electronic transfer into a nominated account is rejected

or refunded, Murray Goulburn may hold the amount payable and shall be entitled to use the amount for its own purposes, until such time that the member or joint holders nominate a valid bank account into which the payment may be made.

- (m) Where a member does not have a registered address or Murray Goulburn believes that a member is not known at the member's registered address, Murray Goulburn may hold the amount payable and shall be entitled to use the amount for its own purposes, until such time as the member claims the amount payable or nominates an account into which the payment may be made.
- (n) Amounts referred to in rules 19.1(l) and 19.1(m) will be treated as unclaimed (and as an interest-free debt owed by Murray Goulburn to the member) from the date that the relevant dividend was paid to members generally until the amounts are either claimed by the member. Murray Goulburn will not be a trustee of the money and no interest will accrue the member on the money.

19.2 Capitalisation of profits

- (a) Subject to any specific provisions of this constitution (including without limitation rules 3.3, 3.4 and 19.6) and to any rights or restrictions attached to any shares or class of shares, the board may capitalise and distribute among such of the members as would be entitled to receive dividends and in the same proportions, any amount:
 - (i) forming part of the undivided profits of Murray Goulburn;
 - (ii) representing profits arising from an ascertained accretion to capital or from a revaluation of the assets of Murray Goulburn;
 - (iii) arising from the realisation of any assets of Murray Goulburn; or
 - (iv) otherwise available for distribution as a dividend.
- (b) The board may resolve that all or any part of the capitalised amount is to be applied:
 - (i) in paying up in full shares in or other securities of Murray Goulburn to be issued to members;
 - (ii) in paying up any amounts unpaid on shares in or other securities of Murray Goulburn held by the members; or
 - (iii) partly as specified in rule 19.2(b)(i) and partly as specified in rule 19.2(b)(ii), and such an application must be accepted by the members entitled to share in the distribution in full satisfaction of their interests in the capitalised amount.

19.3 Ancillary powers

- (a) For the purpose of giving effect to any resolution for the satisfaction of a dividend in the manner set out in rule 19.1(f)(i) or by the capitalisation of any amount under rule 19.2, the board may:
 - (i) settle as it thinks expedient any difficulty that may arise in making the distribution or capitalisation;
 - (ii) fix the value for distribution of any specific assets;
 - (iii) pay cash or issue shares or other securities to any members in order to adjust the rights of all parties;
 - (iv) vest any such specific assets, cash, shares or other securities in any trustee upon such trusts for the persons entitled to the dividend or capitalised amount as may seem expedient to the directors; and
 - (v) authorise any person to make, on behalf of all the members entitled to any further shares or other securities as a result of the distribution or capitalisation, an agreement with Murray Goulburn or another body corporate providing, as appropriate:

- (A) for the issue to them of such further shares or other securities credited as fully paid up; or
 - (B) for the payment by Murray Goulburn on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares or other securities by the application of their respective proportions of the sum resolved to be capitalised,
- and any agreement made under an authority referred to in this rule 19.3(a)(v) is effective and binding on all members concerned.
- (b) If Murray Goulburn distributes to members (either generally or to specific members) securities in Murray Goulburn or in another body corporate or trust (whether as a dividend or otherwise and whether or not for value), each of those members appoints Murray Goulburn as his or her agent to do anything needed to give effect to that distribution, including agreeing to become a member of that other body corporate.

19.4 Reserves

- (a) Subject to this constitution, the board may set aside out of the profits of Murray Goulburn such reserves or provisions for such purposes as it thinks fit.
- (b) The board may appropriate to the profits of Murray Goulburn any amount previously set aside as a reserve or provision.
- (c) The setting aside of any amount as a reserve or provision does not require the board to keep the amount separate from the other assets of Murray Goulburn or prevent the amount being used in the business of Murray Goulburn or being invested in such investments as the board thinks fit.

19.5 Carry forward of profits

The board may carry forward so much of the profits remaining as it considers ought not to be distributed as dividends or capitalised without transferring those profits to a reserve or provision.

19.6 Capitalisation of certain moneys

Subject always to the Corporations Act, the board (without the need for shareholder approval) may resolve that money, investments or other assets forming part of the undivided profits of Murray Goulburn:

- (a) standing to the credit of a reserve fund;
- (b) in the hands of Murray Goulburn and available for dividend; or
- (c) representing premiums received on the issue of shares and standing to the credit of a share premium account,

be capitalised and distributed among members entitled to receive a dividend in the same proportions on the basis that they will become entitled to capital. Any part of the capitalised fund may be applied on behalf of such members in paying in full any unissued shares of Murray Goulburn which will be distributed towards payment of any uncalled liability on the issued shares. The distribution or payment shall be accepted by members in full satisfaction of their interest in the capitalised sum.

19.7 Powers of the board

For the purposes of implementing a resolution under rule 19.6, the board may resolve any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may:

- (a) issue fractional certificates;
- (b) fix the value for distribution of any specific assets; and
- (c) determine that cash payments be made to any member on the basis of the value fixed.

The board may resolve that fractions of value less value than \$1.00 be disregarded in order to adjust the rights of all parties. The board may vest cash or specified assets in trustees on trusts for members entitled to the dividend or capitalised fund.

20. Indemnity and insurance

20.1 Persons to whom rules 20.2 and 20.4 apply

Rules 20.2 and 20.4 apply:

- (a) to each person who is or has been a director, alternate director or executive officer of Murray Goulburn; and
- (b) to such other officers or former officers of Murray Goulburn or of its related bodies corporate as the board in each case determines.

20.2 Indemnity

Murray Goulburn must:

- (a) indemnify; and
- (b) if requested by a person to whom this rule 20.2 applies, enter into a deed indemnifying, on a full indemnity basis and to the full extent permitted by law, each person to whom this rule 20.2 applies for all losses or liabilities incurred by the person as an officer of Murray Goulburn or of a related body corporate including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred:
 - (i) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - (ii) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Corporations Act.

20.3 Extent of indemnity

The indemnity in rule 20.2:

- (a) is a continuing obligation and is enforceable by a person to whom rule 20.2 applies even though that person may have ceased to be an officer of Murray Goulburn or of a related body corporate;
- (b) applies to losses and liabilities incurred both before and after the date of adoption of that rule; and
- (c) operates only to the extent that the loss or liability is not covered by insurance.

20.4 Insurance

Murray Goulburn may, to the extent permitted by law:

- (a) purchase and maintain insurance; or
- (b) pay or agree to pay a premium for insurance,

for any person to whom this rule 20.4 applies against any liability incurred by the person as an officer of Murray Goulburn or of a related body corporate including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome.

20.5 Savings

Nothing in rule 20.2 or 20.4:

- (a) affects any other right or remedy that a person to whom those rules apply may have in respect of any loss or liability referred to in those rules; or

- (b) limits the capacity of Murray Goulburn to indemnify or provide insurance for any person to whom those rules do not apply.

21. Winding up

21.1 Distribution of surplus

Subject to this constitution and to the rights or restrictions attached to any shares or class of shares:

- (a) if Murray Goulburn is wound up and the property of Murray Goulburn is more than sufficient:
 - (i) to pay all of the debts and liabilities of Murray Goulburn; and
 - (ii) the costs, charges and expenses of the winding up,
 the excess must be divided among the members in proportion to the number of shares held by them, irrespective of the amounts paid or credited as paid on the shares;
- (b) for the purpose of calculating the excess referred to in rule 21.1(a), any amount unpaid on a share is to be treated as property of Murray Goulburn;
- (c) the amount of the excess that would otherwise be distributed to the holder of a partly paid share under rule 21.1(a) must be reduced by the amount unpaid on that share at the date of the distribution; and
- (d) if the effect of the reduction under rule 21.1(c) would be to reduce the distribution to the holder of a partly paid share to a negative amount, the holder must contribute that amount to Murray Goulburn.

21.2 Division of property

- (a) Subject to this constitution and to the rights or restrictions attached to any shares or class of shares, if Murray Goulburn is wound up, the liquidator may, with the sanction of a special resolution:
 - (i) divide among the members the whole or any part of the property of Murray Goulburn; and
 - (ii) determine how the division is to be carried out as between the members or different classes of members.
- (b) Where a division under rule 21.2(a) is otherwise than in accordance with the legal rights of the members, a member is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the Corporations Act.
- (c) If any of the property to be divided under rule 21.2(a) includes securities with a liability to calls, any person entitled under the division to any of the securities may within 10 days, after the passing of the special resolution referred to in that rule, by notice in writing direct the liquidator to sell the person's proportion of the securities and to account for the net proceeds and the liquidator must, if practicable, act accordingly.
- (d) Nothing in this rule 21.2 derogates from or affects any right to exercise any statutory or other power which would have existed if this rule were omitted.

22. Execution of documents

22.1 Manner of execution

Without limiting the ways in which Murray Goulburn can execute documents under the Corporations Act, Murray Goulburn may execute a document if the document is signed by:

- (a) 2 directors; or
- (b) a director and a secretary.

22.2 Common seal

Murray Goulburn will have a common seal.

22.3 Safe custody of seal

The board must provide for the safe custody of the seal.

22.4 Use of seal

- (a) The seal must be used only by the authority of the board or of a committee of the directors authorised by the board to authorise the use of the seal.
- (b) The authority to use the seal may be given before or after the seal is used.
- (c) Subject to rule 22.7, until the board otherwise determines, every document to which the seal is fixed must be signed by:
 - (i) 2 directors and a secretary; or
 - (ii) 2 directors and an additional director appointed to countersign the document.

22.5 Seal register

- (a) Murray Goulburn may keep a seal register. If Murray Goulburn does keep a seal register Murray Goulburn must enter in the register particulars of any document on which the seal is fixed (other than a certificate for securities of Murray Goulburn), giving in each case:
 - (i) the date of the document;
 - (ii) the names of the parties to the document;
 - (iii) a short description of the document; and
 - (iv) the names of the persons signing the document under rule 22.4(c).
- (b) The register must be produced at meetings of the board for confirmation of the use of the seal since confirmation was last given under this rule 22.5.
- (c) Failure to comply with rule 22.5(a) or (b) does not invalidate any document to which the seal is properly fixed.

22.6 Duplicate seal

- (a) Murray Goulburn may have for use in place of its common seal outside the state or territory where its common seal is kept one or more duplicate seals, each of which must be a facsimile of the common seal of Murray Goulburn with the addition on its face of the words "duplicate seal" and the name of the place where it is to be used.
- (b) A document sealed with a duplicate seal is to be taken as having been sealed with the common seal of Murray Goulburn.

22.7 Sealing and signing of certificates

The board may determine either generally or in a particular case that the seal and the signature of any director or secretary or other person is to be printed on or affixed to any certificates for securities in Murray Goulburn by some mechanical or other means.

23. Notices**23.1 Notices by Murray Goulburn to members**

- (a) A notice may be given by Murray Goulburn to a member:
 - (i) by serving it personally at, or by sending it by post in a prepaid envelope to, the member's address as shown in the register of members or such other

- address, or by sending it to the fax number or electronic address the member has supplied to Murray Goulburn for the giving of notices; or
- (ii) if the member does not have a registered address and has not supplied another address to Murray Goulburn for the giving of notices, by exhibiting it at the registered office of Murray Goulburn.
- (b) A notice may be given by Murray Goulburn to the joint holders of a share by giving the notice in the manner authorised by rule 23.1(a) to the joint holder first named in the register of members in respect of the share.
 - (c) A notice may be given by Murray Goulburn to a person entitled to a share as a result of a transmission event by serving it or sending it in the manner authorised by rule 23.1(a)(i) addressed to the name or title of the person, at or to such address, fax number or electronic address supplied to Murray Goulburn for the giving of notices to that person, or if no address, fax number or electronic address has been supplied, at or to the address, fax number or electronic address to which the notice might have been sent if the relevant transmission event had not occurred.
 - (d) The fact that a person has supplied a fax number or an electronic address for the giving of notices does not require Murray Goulburn to give any notice to that person by fax or electronic means.
 - (e) A notice given to a member in accordance with rules 23.1(a) or (b) is, despite the occurrence of a transmission event and whether or not Murray Goulburn has notice of that occurrence:
 - (i) duly given in respect of any shares registered in that person's name, whether solely or jointly with another person; and
 - (ii) sufficient service on any person entitled to the shares as a result of the transmission event.
 - (f) A notice given to a person who is entitled to a share as a result of a transmission event is sufficient service on the member in whose name the share is registered.
 - (g) Any person who, because of a transfer of shares, becomes entitled to any shares registered in the name of a member is bound by every notice which, before that person's name and address is entered in the register of members in respect of those shares, is given to the member in accordance with this rule 23.1.
 - (h) A signature to any notice given by Murray Goulburn to a member under this rule 23.1 may be in writing or a facsimile printed or affixed by some mechanical or other means.
 - (i) A certificate signed by a director or secretary of Murray Goulburn to the effect that a notice has been given in accordance with this constitution is conclusive evidence of that fact.

23.2 Notices by Murray Goulburn to directors

Subject to this constitution, a notice may be given by Murray Goulburn to any director or alternate director either by serving it personally at, or by sending it by post in a prepaid envelope to, the directors or alternate director's usual residential or business address, or such other address, or by sending it to the fax number or electronic address as the director or alternate director has supplied to Murray Goulburn for the giving of notices.

23.3 Notices by members or directors to Murray Goulburn

Subject to this constitution, a notice may be given by a member, director or alternate director to Murray Goulburn by serving it on Murray Goulburn at, or by sending it by post in a prepaid envelope to, the registered office of Murray Goulburn or by sending it to the principal fax number or principal electronic address of Murray Goulburn at its registered office.

23.4 Notices posted to addresses outside the Commonwealth

A notice sent by post to an address outside the Commonwealth must be sent by surface mail or airmail.

23.5 Time of service

- (a) Where a notice is sent by post, service of the notice is to be taken to be effected if a prepaid envelope containing the notice is properly addressed and placed in the post and to have been effected:
 - (i) in the case of a notice of a general meeting, on the day after the date of its posting; or
 - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (b) Where a notice is sent by fax or electronic means, service of the notice is to be taken to be effected on the day after the date it is sent.
- (c) Where Murray Goulburn gives a notice under rule 23.1(a)(ii) by exhibiting it at the registered office of Murray Goulburn, service of the notice is to be taken to be effected when the notice was first so exhibited.

23.6 Other communications and documents

Rules 23.1 to 23.5 (inclusive) apply in so far as they can and with such changes as are necessary, to the service of any communication or document.

23.7 Notices in writing

A reference in this constitution to a notice in writing includes a notice given by fax or electronic means.

24. General**24.1 Submission to jurisdiction**

Each member submits to the non-exclusive jurisdiction of the Supreme Court of the State or Territory in which Murray Goulburn is registered, the Federal Court of Australia and the Courts which may hear appeals from those Courts.

24.2 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this constitution which is prohibited in any place is, in that place, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of this constitution which is void, illegal or unenforceable in any place does not affect the validity, legality or enforceability of that provision in any other place or of the remaining provisions in that or any other place.

24.3 Payments by Murray Goulburn

Whenever any law for the time of any country, state or place imposes, or purports to impose, any immediate or future or possible liability upon Murray Goulburn to make any payment, or empowers any Government or taxing authority or Government official to require Murray Goulburn to make any payment in respect of any shares registered in any of Murray Goulburn's registers as held either jointly or solely by any member, or in respect of any dividends bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by Murray Goulburn, or in respect of any shares registered as aforesaid or for or on account or in respect of any member, then in each case Murray Goulburn:

- (a) shall have a lien upon all dividends bonuses and other monies payable in respect such shares; and

- (b) may recover as a debt due from such member any moneys paid by Murray Goulburn under or in consequence of any such law.