



McPherson's  
ABN 98 004 068 419

000001 000 MCP  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



Dear Shareholder

On behalf of McPherson's Directors I have pleasure in inviting you to attend the Company's Annual General Meeting, and have enclosed the Notice of Meeting and Explanatory Notes which set out the items of business. The meeting will be held at the KPMG Theatre, 147 Collins Street, Melbourne, Victoria on Thursday, 11 November 2010 at 1.00 p.m (AEDT).

If you are attending the meeting, please bring this letter with you to facilitate registration.

If you are unable to attend the meeting, you are encouraged to either vote online at [www.investorvote.com.au](http://www.investorvote.com.au) or to complete the enclosed proxy form. The proxy form should be returned in the envelope provided or faxed to our share registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia) so that it is received by 1.00 p.m. (AEDT) on Tuesday, 9 November 2010.

Corporate shareholders will be required to complete a "Certificate of Appointment of Corporate Representative" form to enable a person to attend on their behalf. This form can be obtained from the Company's share registry, or by downloading it online at [www.investorcentre.com](http://www.investorcentre.com).

Please note that you can view our Annual Report on the Investor Centre page of the McPherson's website at the following address: [www.mcphersons.com.au](http://www.mcphersons.com.au)

Yours sincerely,

**P.R. Bennett**  
Secretary



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## Notice of Annual General Meeting

*Notice is hereby given that the Annual General Meeting of McPherson's Limited (the Company) will be held at the KPMG Theatre, 147 Collins Street, Melbourne, on Thursday, 11 November 2010 at 1.00 p.m. (AEDT).*

### Agenda Items

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#### 1. Financial Statements and Reports

To consider the Financial Statements, the Directors' Report and the Auditor's Report for the Company for the year ended 30 June 2010.

#### 2. Remuneration Report

To adopt the Remuneration Report for the financial year ended 30 June 2010, which is set out on pages 26 to 36 of the Annual Report. The Remuneration Report contains details of the Company's policy for determining the remuneration for Directors and Senior Executives. It includes information on the methodology adopted and the elements of remuneration which are fixed and those which are related to performance.

In accordance with the Corporations Act, this resolution is advisory only and does not bind the Company or the Directors. However, the Board will take into account any discussion on this resolution and the outcome of the vote in considering future remuneration arrangements.

#### 3. Election of Director - Mr. Graham Cubbin

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

"That in accordance with the Company's Constitution and the ASX Listing Rules, Mr. Cubbin retires as a Director and offers himself for election."

Relevant information about Mr. Cubbin, an explanation for his appointment to the Board by the Directors on 28 September 2010, and the reasons for the above resolution to elect him are each set out in the attached Explanatory Notes to this Notice of Annual General Meeting.

The Board recommends that shareholders vote in favour of this resolution.

#### 4. Non-Executive Directors' fees

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

"That in accordance with ASX Listing Rule 10.17 and the Company's Constitution, the aggregate amount payable by the Company to its Non-Executive Directors as remuneration for their services be increased by \$150,000 per annum from \$400,000 per annum exclusive of superannuation, to \$550,000 per annum inclusive of superannuation."

Relevant information as to the above resolution is set out in the attached Explanatory Notes to this Notice of Annual General Meeting.

The Board recommends that shareholders vote in favour of this resolution.

## Voting Exclusion Statement

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In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in respect of Agenda Item 4 by any Director and any person who would be regarded as an associate of any Director.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) It is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## Voting and Proxies

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The Company has determined in accordance with the Corporations Act that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's Register of Members as at 7.00 p.m. (AEDT) on Tuesday 9 November 2010.

Any member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote instead of the member. Where two proxies are appointed, each proxy may be appointed to represent a specified proportion or number of the member's voting rights. If the member does not specify the proportion or number of the member's voting rights that each proxy is to represent, each proxy will be entitled to exercise half the member's votes. A proxy need not be a member of the Company. A form of proxy is enclosed. In order to be valid the properly completed form of proxy must be lodged at the office of the Company's Share Registrar, Computershare Investor Services Pty Limited at GPO Box 242, Melbourne, Victoria 3001 (reply paid envelope enclosed), by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia), online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) or at the Company's offices at 5 Dunlop Road, Mulgrave, Victoria, 3170, not less than 48 hours before the time appointed for holding the meeting. Intermediary Online subscribers only (custodian voting) may visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit their voting intentions.

**By Order of the Board**



**P.R. Bennett**

Secretary  
Dated: 8 October, 2010

# Annual General Meeting - Explanatory Notes for Shareholders

## Agenda Item 3: Election of Director – Mr. Graham Cubbin

As foreshadowed in the Company's announcement on 1 July 2010, the Board has appointed a new, independent Non-Executive Director, namely Mr. Graham Cubbin, with effect from 28 September 2010.

The Company's inclusion in the S&P/ASX 300 Index on 19 March 2010 resulted in ASX Listing Rule 12.7 applying to the Company, thereby requiring its Audit Risk Management & Compliance Committee ('Audit Committee') to comprise at least three members, the majority of whom must be independent Directors, and requiring the Audit Committee's Chairman to be a Director who is not also the Chairman of the Board.

Mr. Cubbin's appointment as a Director and Audit Committee member will bring valuable and relevant experience to the Board and to the Audit Committee. His appointment as Chairman of the Audit Committee will also ensure the Company is in full compliance with the best practice recommendations set by the ASX Corporate Governance Council regarding the composition of its Audit Committee.

Mr. Cubbin's relevant qualifications and experience are as follows:

Mr. Cubbin was a senior executive with Consolidated Press Holdings Limited (CPH) from 1990 until September 2005, including Chief Financial Officer for 13 years. Prior to joining CPH, he held senior finance positions with a number of major companies, including Capita Financial Group and Ford Motor Company. He has 15 years experience as a director and audit committee member of public companies in Australia and the United States.

Mr. Cubbin is a director of the ASX listed Challenger Financial Services Group Limited, STW Communications Group Limited, Bell Financial Group Limited and White Energy Company Limited, and serves on the Audit Committee for each of these companies.

The Directors (other than Mr. Cubbin), consider that Mr. Cubbin's qualifications and experience equip him well to make a valuable contribution to the Company in his role as a member of the Board and as Chairman of the Company's Audit Committee.

The Directors accordingly recommend that shareholders vote in favour of the resolution for Mr. Cubbin's election.

## Agenda Item 4: Non-Executive Directors' Fees

ASX Listing Rule 10.17 requires that a listed company obtains shareholder approval for any increase in the total amount of Non-Executive Directors' remuneration payable by it. Rule 47(b) of the Company's Constitution also requires that any increase in the total amount payable by the Company to its Non-Executive Directors as remuneration for their services must be approved by the Company in general meeting.

The Board of the Company resolved on 28 September 2010, subject to shareholder approval, to increase the maximum amount that may be paid by the Company to its Non-Executive Directors as remuneration for their services to a maximum aggregate of \$550,000 per annum.

This maximum amount includes superannuation contributions to be made for the benefit of the Non-Executive Directors by the Company. The current maximum amount of \$400,000, which was approved by shareholders in 2007, excludes superannuation. A change in the ASX Listing Rules since the last increase was sought obliges the amount approved by shareholders in this regard to now include superannuation contributions payable by the Company for the benefit of its Non-Executive Directors.

In summary, and for the purposes of ASX Listing Rule 10.17:

- (a) the amount of the increase in all Non-Executive Directors' fees (inclusive of superannuation) payable by the Company if Resolution 4 is approved will therefore be \$150,000; and
- (b) the maximum amount that may be paid to Non-Executive Directors as a whole by the Company (inclusive of superannuation) will be \$550,000.

## **Annual General Meeting - Explanatory Notes for Shareholders (Cont'd)**

### **Agenda Item 4: Non-Executive Directors' Fees (Cont'd)**

The reasons for the proposed increase, the second increase in 21 years, are to recognise the appointment of Mr. Graham Cubbin as an additional Non-Executive Director, to take into account the possible appointment of a further Non-Executive Director having suitable qualifications, to recognise the inclusion of superannuation contributions as part of the maximum aggregate and to enable the Company to remunerate each of its Non-Executive Directors at levels appropriate to their qualifications, experience and current market expectations.

The Board expects the total remuneration of Non-Executive Directors during the year ending 30 June 2011 will be significantly below \$550,000, but the increased maximum will enable the Company to expand the Board if considered appropriate.

Please note that "remuneration" for the purposes of Agenda Item 4 does not include any travelling or similar expenses of Directors, or additional payments to any Director performing specific additional services for the Company.

For the reasons stated above the Directors recommend that shareholders vote in favour of the resolution to increase the aggregate amount that may be payable by the Company to Non-Executive Directors.



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## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

**[www.investorvote.com.au](http://www.investorvote.com.au)**



**Cast your proxy vote**



**Access the annual report**



**Review and update your securityholding**

**Your secure access information is:**

**Control Number: 999999**

**SRN/HIN: 1999999999**

**PIN: 99999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 1.00 p.m. (AEDT) Tuesday 9 November 2010**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

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☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

**Proxy Form**

Please mark ☒ to indicate your directions

**STEP 1 Appoint a Proxy to Vote on Your Behalf**

**XX**

I/We being a member/s of McPherson's Limited hereby appoint

☐ the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of McPherson's Limited to be held at the KPMG Theatre, 147 Collins Street, Melbourne, on Thursday, 11 November 2010 at 1.00 p.m. (AEDT) and at any adjournment of that meeting.

**Important for Item 4:** If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 4 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 4 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4 of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

**STEP 2 Items of Business**

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

	For	Against	Abstain
2. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Director - Mr. Graham Cubbin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Non-Executive Directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

**SIGN Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_



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Dear Securityholder,

We have been trying to contact you in connection with matters arising from your securityholding in McPherson's Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company and correct our records.

You are requested to include the following;

- > Security Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

**P.R. Bennett**  
Secretary