



**2018 Annual General Meeting**  
 Thursday 6 December 2018 at 5:00pm at Glenavy Hall

**Minutes of Meeting**

Directors: Alan Gibson (Chair), Robin Murphy, Dave Ellis, Martyn Jensen, Mark Hurst, Robert Smith and Gert Van't Klooster.

Shareholders: Michael Horne, Maurice Hellewell, Mike Moffat, Joy Burke, Simon Scott, Daryl Brown, Peter Brown, Terry Cooney, Gary Rooney, Andrew McFarlane, Bill Penno, Digger McCulloch, Doug McIntyre, Nick Ruddenklau, Charles Ruddenklau, Ben Hart, Dan Studholme, Alister Bell, Bevin Joyce, Aad & Wilma van Leeuwen, Rutherford Wilson, Roger Small, May Murphy, John Stark, Ross McCulloch, Quintin Paul, James Gibson, Ruth Lyons, Rachel & Hamish McFarlane, Paul Derwin, John Harper, Bruce Murphy, Peter Hughes, Hugh Le Fleming, Bryson Hargraeves

Staff: Craig Evans, Helen Anderson, Luke Guyton, Judith Neilson, Matthew Gill, Emily Anderson, Davey Guyton

Others: Barry O'Neill, Elizabeth Soal (WIC), Jon Kirk, Trevor Campbell

Apologies: Lyle & Robin Green, Rodney Esker, Michael & Barbara Cooney, Geoff Hay, Richard & Karen Willans, Barney & Marion Clayton, Brian Willis, Jim Gibson, LeeAnn & Andrew Smart, Peter Mehrtens, Martyn Cochrane, Cecil Lowe, Nigel Wilson, Kevin Edith & James Cromie, Paul Harrison, Johnny O'Sullivan, Ross Brown, Greg Paul, Carl Jensen, John Hughes, Jeremy Hurst, James Davis

Apologies were accepted.

Moved: Martyn Jensen

Second: Bruce Murphy

Proxies: Received on behalf of:

| Shareholder                | Proxy             | Instructions Received on Election of Directors | Instructions Received on Resolution Four |
|----------------------------|-------------------|--|--|
| Murphy Farms               | Robin Murphy      | No   | No                                       |
| Morven Reserve Committee   | Peter Hughes      | No   | No                                       |
| Mansfield Land Co          | Alister Bell      | Yes  | Yes                                      |
| ID & HM Gardner            | Alister Bell      | Yes  | Yes                                      |
| Atnas Ltd                  | Maurice Hellewell | Yes  | Yes                                      |
| Gibberslea Farm Ltd        | Maurice Hellewell | Yes  | Yes                                      |
| Camden Downs Ltd           | Maurice Hellewell | Yes  | Yes                                      |
| Ikawai Dairy Farm Ltd      | Maurice Hellewell | Yes  | Yes                                      |
| Riverview Dairy Farm Ltd   | Maurice Hellewell | Yes  | Yes                                      |
| Baylyn Farm Ltd            | Maurice Hellewell | Yes  | Yes                                      |
| Willans Holdings Ltd       | Alan Gibson       | Yes  | Yes                                      |
| Morven Farming Partnership | Alan Gibson       | Yes  | Yes                                      |
| Rawcliffe Farms Ltd        | Alister Bell      | Yes  | Yes                                      |

| Shareholder                   | Proxy                | Instructions Received on Election of Directors | Instructions Received on Resolution Four |
|-------------------------------|----------------------|--|--|
| Van Leeuwen Group             | Mark Bingham         | Yes  | Yes                                      |
| Waiherd Ltd                   | Alister Bell         | Yes  | Yes                                      |
| CS & JH Neilson               | Alister Bell         | Yes  | Yes                                      |
| Hellewell Family Trust        | Maurice Hellewell    | Yes  | Yes                                      |
| Geoff Wallace Holdings Ltd    | Alister Bell         | Yes  | Yes                                      |
| RJT Crooks Partnership        | Helen Anderson       | Yes  | Yes                                      |
| Tawai Family Trust            | Gert Van't Klooster  | Yes  | Yes                                      |
| Van't Klooster Farms Ltd      | Gert Van't Klooster  | Yes  | Yes                                      |
| Vale Terrace Pastoral         | Helen Anderson       | Yes  | Yes                                      |
| Highfield Trust               | Helen Anderson       | Yes  | Yes                                      |
| Kevin Cromie                  | Helen Anderson       | Yes  | Yes                                      |
| Uretane Farming Trust         | Martyn Jenson        | Yes  | Yes                                      |
| A Nigel Wilson                | Helen Anderson       | Yes  | Yes                                      |
| Nigel Wilson Trust            | Helen Anderson       | Yes  | Yes                                      |
| Prodairy Trust                | Helen Anderson       | Yes  | Yes                                      |
| Rua Farming Ltd               | Gert Van't Klooster  | Yes  | Yes                                      |
| Margaret Wells                | Maurice Hellewell    | Yes  | Yes                                      |
| Beckford Farm                 | Maurice Hellewell    | Yes  | Yes                                      |
| JS & LC Dyson                 | Alister Bell         | Yes  | Yes                                      |
| MT & DE Cochrane Family Trust | Helen Anderson       | Yes  | Yes                                      |
| C & R Jensen Family Trust     | Robin Murphy         | Yes  | Yes                                      |
| Mairos Dairy Co               | Andrew McFarlane     | No   | No                                       |
| Mm & BM Cooney                | Alistair Bell        | Yes  | No                                       |
| Henshaw Family Trust          | Alan Gibson          | Yes  | No                                       |
| Waitaki Dairy Ltd             | Maurice Hellewell    | Yes  | No                                       |
| TB & MJ Bailey                | Alistair Bell        | Yes  | No                                       |
| AJ Bell Family Trust          | AJ Bell              | Yes  | No                                       |
| Chris Olorenshaw              | Dan Studholme        | Yes  | No                                       |
| Waitaki North                 | John Stark           | Yes  | No                                       |
| Amuriwai Limited              | Alistair Bell        | Yes  | No                                       |
| The Ikawai Land Co Ltd        | Maurice Hellewell    | Yes  | No                                       |
| RF Brown & CM Drummond        | Helen Anderson       | Yes  | No                                       |
| Bosterra Limited              | Arjan van't klooster | No   | No                                       |
| LJ & RM Green                 | Maurice Hellewell    | Yes  | No                                       |
| Leighbank Farm Trust          | Roger Small          | No   | No                                       |
| Joy Burke Family Trust        | Joy Burke            | No   | No                                       |
| Burke Farming Development     | Joy Burke            | No   | No                                       |
| Leningrad Farm Ltd            | Dan Studholme        | Yes  | Yes                                      |
| Thanet Farm Ltd               | Mark Hurst           | Yes  | Yes                                      |
| DJA & FD Martin               | Dan Studholme        | Yes  | No                                       |

The total voting rights by proxy were 10,079 (37%). The proxies were accepted and the voting instructions recorded in the ballots. Mr Barry O'Neill was nominated and approved as the independent Adjudicator to count the votes.

Moved: Robin Murphy

Second: Gert Van'T Klooster



**7) Appointment of Auditor for the Financial Year ending 31 July 2019**

The Directors recommended the re-appointment of BDO as auditors for the next financial year.

Moved: Dave Ellis

Second: Bruce Murphy

**8) Share Price**

A resolution pursuant to Section 15(3)(a) of the Co-operative Companies Act 1996 to amend the Constitution was moved and adopted, as follows:

*"That the nominal share price of \$2,200, as per Section 3.11(a) of the Constitution, is increased to \$2,250 from 7 December 2018."*

Moved: Gert Van'T Klooster

Second: Hugh Le Fleming

**9) Resolution Four – Investment Proposal**

Mr Evans presented an overview of the proposed investment case document and the proposal was opened to the floor for questions. A range of questions were asked including:

- Could ECan could still require MGI to do more in 2028 over and above the proposal? There is always a risk of that, but we hope that we can demonstrate and prove our commitment to improvement and that our results will be enough.
- Whether the investment could be postponed, do we need to do it now? It is a judgement call but the closer we get to consent renewal in 2028 the riskier the do-nothing option becomes and the business gets placed in increasing jeopardy.
- Will groundwater levels decline and risk wells going dry? Most of the current canal leakage is along the margins of the scheme where the benefits to groundwater is less. There may be subtle declines in groundwater levels but the change from borderdyke will have a greater effect on this than the canals will.
- Is there a risk of having to introduce aquifer recharge in the future to help with water quality and quantity? It may come up, but again we are not proposing many changes to the inland race network, which still leaks to a lesser degree. MGI could readily perform environmental augmentation of spring-fed streams like Waikakahi and Whitneys, so this could be an inexpensive card that we can still play if required.
- How do we resolve timing issues for the pipelines, with some shareholders wishing to convert sooner than others? By negotiation and in some cases by temporarily maintaining the canal and phasing it out later.

Resolution Four

*Invest up to \$15M over a five-year period in scheme infrastructure upgrades to increase efficiency and to reduce water losses as set out in the attached Investment Case report to shareholders.*



Moved: Andrew McFarlane      Second: John Stark

Resolution Four was approved and then put to shareholder vote (by poll). The meeting had to be temporarily adjourned in order to count the votes and the results were:

|                      |              |
|----------------------|--------------|
| <b>Votes for</b>     | 16,669 (83%) |
| <b>Votes against</b> | 2,819 (14%)  |
| <b>Abstain</b>       | 545          |

Resolution Four was passed and item approved for execution by the Board.

## 10) General Business

The Company was asked how much we spent on the Hunter Downs project. There was no expenditure in the FY2018, however, about \$105,000 was spent, mostly on legal fees, during the FY2017 year. Hunter Downs Water Limited refunded \$5,000 pursuant to a prior agreement with MGI should the project not proceed.

A question was asked about the scheme nutrient load and how it will be allocated to farms. The scheme-wide consent has not yet been granted but is expected to give MGI a total load that is equivalent to an average of about 50 kgN/ha/year. However, the intention is not necessarily to allocate this to farms because MGI needs to report on the total aggregate load which will afford greater flexibility to shareholders. Farmers will be expected to meet Good Management Practice and it may be necessary to regulate the high emitters by various methods which are still not fully defined.

It was moved and approved that the voting papers and proxy forms shall be destroyed.

Moved: Maurice Hellewell      Second: Dan Studholme

Formal Meeting Closed at 7:20pm

A retirement function was held for Mr Robin Murphy to celebrate his 29-years of service as a Director of MGI. This included a gift of a garden sculpture from MGI.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date