

2021 Annual General Meeting
Thursday 2 December 2021 at 7:00pm at Glenavy Hall

Minutes of Meeting

Directors: Alan Gibson (Chair), Dave Ellis, Maurice Hellewell, Gert Van't Klooster, Mark Hurst, Bruce Murphy and Kieran Henshaw.

Shareholders: Simon Scott, Ewart Joyce, Peter Hughes, Ian Fleming, Hamish McFarlane, Paul Derwin, Grant Hayman, Robert Smith, Robin Murphy, John Williams, Linda Brown, Nick Ruddenklau, Ben Hart

Staff: Craig Evans, Matt Gill, Helen Anderson, Grace Baldwin, Luke Guyton

Others: Trevor Campbell

Apologies: Michael Horne, Andrew McFarlane, Peter Brown, Daryll Brown, Ian Willans

Apologies were accepted.

Moved: Kieran Henshaw

Second: Dave Ellis

Proxies: Received on behalf of:

- Willans Holdings Limited & Coastal Farms
- Murphy Farms Limited
- Tawai Family Trust

Proxy: Grant Hayman

Proxy: Bruce Murphy

Proxy: Gert Van'T Klooster

1) Minutes of the Previous AGM – 10 December 2020

The previous minutes were accepted and approved.

Moved: Bruce Murphy

Second: Dave Ellis

2) (a) Chairman's Report

Presented by Alan Gibson (Chairman).

Moved: Alan Gibson

Second: Gert Van'T Klooster

(b) CEO Report

Presented by Craig Evans.

Moved: Mark Hurst

Second: Bruce Murphy

3) Election of Directors

There were two nominations received for the two vacancies on the Board, so no election was required and Alan Gibson and Maurice Hellewell were accepted as new Directors for a 3-year term.



Moved: Kieran Henshaw

Second: Paul Derwin

4) Receipt of audited Financial Statements for the year ended 31 July 2021

The annual Financial Statement was circulated with the meeting notice and summarised in the CEO Report. There were no questions and so the audited Financial Statements were approved.

Moved: Bruce Murphy

Second: Dave Ellis

5) Directors Remuneration

The recommendation that Director's remuneration is increased was accepted and will become effective for the last 6-months of FY22:

Chairman	\$30,000
Vice-Chairman	\$20,000
Directors (5 positions @ \$15,000 each)	\$75,000

Moved: Bruce Murphy

Second: Mark Hurst

6) Appointment of Auditor for the Financial Year ending 31 July 2022

The recommendation that BDO are re-appointed as auditors for the next financial year was accepted.

Moved: Gert Van'T Klooster

Second: Dave Ellis

7) Nominal 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 \$2,350, as per Section 3.11(a) of the Constitution, is increased to \$2,400 from 2 December 2021."

Moved: Hamish McFarlane

Second: Bruce Murphy

8) Resolution – Intercompany Guarantee

The ANZ facility renewal is in progress, and the ANZ have increased the margin to 3.1%. The margin set by the bank is influenced by the banks risk rating of the borrower, and part of that bank assessment considers the Company's asset value and debt to equity ratios. It is understood that the Company would achieve a 0.4% – 1% reduction in margin through competitive tension which would save up to \$300,000 per year in interests costs. The Board are considering two initiatives that could enable the Company to obtain a better finance deal:

- (a) An Intercompany Guarantee between MGI and WDI would enable us to negotiate with other banks and generate competitive tension; and,
- (b) A revaluation would determine our true asset value and improve terms.



The Intercompany Guarantee resolution was opposed by shareholders in April 2019 and without it we are effectively tied to the ANZ and cannot achieve competitive tension. To obtain an indication from shareholders, the resolution put by poll at the meeting is:

That the Board and its delegates be authorised to seek alternative finance for the Company and its subsidiary. It is noted that offers of finance will be sought on the basis that an inter-company guarantee will be put in place between the Company and its subsidiary, and that shareholder approval as a "major transaction" for any inter-company guarantee or refinance will be obtained before either the inter-company guarantee or refinance proceeds.

With the revaluation initiative, it is possible that refinancing and an intercompany guarantee may not be classified as a major transaction in the future, however, the Board would still bring a finance offer back to an ordinary shareholder vote before agreeing to an intercompany guarantee.

Trevor Campbell responded to a question about the effect that the asset revaluation could have on depreciation. There would be no change to the calculation of depreciation for tax purposes.

Craig Evans responded to a question about the effect of the revaluation on share price. As MGI is a registered co-operative we are allowed to continue the current practice of setting a nominal share price.

The votes were collected using voting slips and counted by Helen Anderson (Office Manager) with Trevor Campbell (Waimate Accountants) as adjudicator. The resolution was passed.

Votes in favour	84%
Votes against	16%
Votes to abstain	0%

Alan Gibson moved that the voting papers be destroyed once the votes were counted.

9) Presentation on Scheme Upgrades

Mr Evans provided a presentation on the scheme upgrades, the projects completed to date, performance against budget and the forecast for the next years.

10) General Business

No general items were raised.

Meeting Closed at 8:10pm

Chairman

Date