COLDSTREAM DOWNS DAIRY FARM LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING
HELD AT THE NAPIER CONFERENCE CENTRE
ON SUNDAY 29th OCTOBER 2017 AT 10.15 AM

MEETING OPENED 10.21 am

PRESENT
R Dickie – Roger Dickie Holdings Ltd, A & S Gibson – The Alron Family Trust, B & K Lambie – The BJ & JD Lambie Family Trust, G & B Clark and S Dickson, B Wilson – The B & P Wilson Family Trust, C Den Haring & M Grandjonc, D Twigg, G & H Brockett – The Capybara Trust, D & J Thompson, K Leonard – The RK & HI Leonard Family Trust, M & V Crozier, M van Boheemen – The Trout Family Trust, M & S Colley, M & J Bailey, N & A Waugh – The NT & AF Waugh Family Trust, N Pilbrow, A Webster – Next Ten Ltd, N Davies – The Manic Trust, P & I Duncan, J Reekie – Reekie Investments Ltd, R & C de Leeuw, R & L Benning – Rovan Furniture Ltd, J Taylor – Taylor's Farms Ltd, J West – West Forestry Ltd, B & C McKenzie, K Hapi and S & Y Broughton – The Te Rina Waimarama Whanau Trust.

ATTENDING
J Whitlock (Director, Accountant), W Dickie and K Murdoch, Roger Dickie NZ Ltd.

APOLOGIES AND PROXIES
Apologies were received from The Matuku Trust, A Tipping, Barnstorm Enterprises Ltd, B & J Fry, Broadwood Gardner Miller Ltd, B & J Cornwell, D Woolner, The Wincanton Family Trust, D & L MacMillan, The D & B Family Trust, G Mosey, H Seitz, J Harper, J Mitchell, J Kayser, J Dalmer, L Elser, M Irwin & S Hunter, M & J Smith, The Stephenson Family Trust, The RMF Trust, R Austin, The Miranda Family Trust, R & P Ballard, The Selwyn & Pip Stafford Family Trust, S & M Thow, S Kent, S Wood, The Walter Loveday Trust.

It was <u>MOVED</u> by A Gibson and <u>SECONDED</u> by B Lambie THAT apologies and proxies be accepted.

<u>CARRIED</u>

MINUTES OF THE PREVIOUS MEETING
The minutes of the 2016 Annual General Meeting had been previously circulated and taken as read.

It was recorded that the management fee discussion was omitted from the previous minutes.

G Clark asked had the stock valuation issue been resolved. R Dickie said that Progressive Livestock Ltd refunded the 2015 valuation fee. Roger said he believes that there was no dishonesty on Leo's part, but just poor record keeping that explained the difference in stock numbers. Leo is requesting that the outstanding money be paid to him, but at this time the Directors have no intention of paying him as it makes up for the undocumented losses in the stock numbers.

It was <u>MOVED</u> by G Clarke and <u>SECONDED</u> by A Webster that the minutes of the previous meeting be accepted as true and correct.

<u>CARRIED</u>

ANNUAL REPORT

The Chairman tabled the Annual Report and opened the floor for discussion.

R Dickie talked through his report.

It was MOVED by J Taylor and SECONDED by M Colley THAT the Annual Report be accepted. CARRIED

AUDITED FINANCIAL ACCOUNTS

The Chairman tabled the audited Financial Accounts for the year ending 31 May 2017 and opened the floor for discussion.

J Whitlock said to refer to note 17A of the financial statements, where it is explained that the management fees were over stated for the 2016 financial year, on request from the auditor. In this year's accounts the management fee has been understated to correct this.

G Clark asked that fertiliser be removed from pasture maintenance and given its own line in the accounts for next year. J Whitlock said that this will occur.

C den Haring asked if the final Fonterra payments were taken into account in the statements. J Whitlock replied that it had.

A dividend of 7 cents per share will be paid in December 2017. Please note imputation credits only apply to New Zealand tax resident shareholder.

It was MOVED by A Webster and SECONDED by B de Leeuw THAT the Audited Financial Accounts be accepted.
CARRIED

APPOINTMENT OF AUDITOR

It was MOVED by N Davies and SECONDED by V Crozier THAT Silks Audit Chartered Accountants Limited of Wanganui be reappointed. CARRIED

APPOINTMENT OF DIRECTOR

The Chairman advised that R Dickie retires by rotation and is available for re-appointment.

R Dickie explained that director Steve Barr has experienced health issues recently and has not been as active with his involvement with the farm. He will discuss with Steve his future involvement with the farm, as it would be a shame to loose his farming experience from the board. The potential to pay more to the directors was discussed.

It was MOVED by K Leonard and SECONDED by M Irwin THAT M Bailey be appointed Director. CARRIED

GENERAL BUSINESS

K Murdoch outlined the capital expenditure; the Protrack automatic drafting system and the snap chill unit for the current financial year. Moving forward the tractor and mower will need to be replaced, as these items were deferred during the low payout year. There are also upgrades to the sharemilkers house and workers dwellings that need to occur.

C den Haring said that the valuation said the property is short of one dwelling and were the directors looking at putting one on. R Dickie replied that there is no need to have another dwelling on the property, because there are cup removers and the new drafting system, there is no need for additional labour units on the property.

N Davies asked about the future of Coldstream. R Dickie replied that the market has still not recovered and that the valuer noted that there has been no comparable sales in the area, therefore it was hard to gage a true value.

There was general discussion of a plan to move forward with a sale for Coldstream. It was decided that the directors would bring three options to next year's AGM – to stay, to sell or for the company to buy back shares.

Wellington was decided for the venue for the 2018 AGM.

MEETING CLOSED 11.32 am

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R R Dickie
Coldstream Downs Dairy Farm Limited 2016