MURRAY CREEK DAIRY FARM LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING
HELD AT THE WELLINGTON AIRPORT CONFERENCE CENTRE
ON TUESDAY 5TH NOVEMBER 2013 AT 12.30PM

PRESENT
R Dickie, M & V Crozier, R Denton, N Pilbrow, R Gray, J Keef, R Kent, J Lissington, K Luey, B Nightingale, G & M Smith, T Stephens, R Stoddart, I Young, M Holden, P Stephenson, S Yeats, D Mita, J Eparaima

ATTENDING
J Whitlock (Director, Accountant), S Barr (Director) and M O'Neill (Roger Dickie (NZ) Limited).

APOLOGIES AND PROXIES
Apologies and Proxies were received from 63 Shareholders totaling 3,615,000 shares.
Apology from W & K Hapi
R Kent/ T Stephens THAT the apologies and proxies be sustained. CARRIED

MINUTES
The minutes of the 2012 Annual General Meeting & Special Meeting in December 2012 had been circulated.
V Crozier/P Stephenson THAT the minutes be confirmed. CARRIED

ARISING FROM MINUTES

At last year's Special meeting the Directors were authorized to cease supply to Fonterra and enter into a supply contract with Open Country Dairy Limited (OCD) and the Directors were authorized to sell the Fonterra Shares held by Murray Creek Farm Limited.

M O'Neill advised that to date there have been 221,660 shares sold with an average price of $7.45. The proceeds from the sales were $1,647,697.97 and this was used to reduce the debt from $3,200,000.00 to $1,540,302.00. We have been advised we have 3 years to sell all the Murray Creek Shares. All shares must be sold by 31st December 2015. As at the 4th November 2013 shares sales were at $6.87 and it was decided that while prices were low shares would not be sold.

With the change to OCD Murray Creek had to purchase a milk vat. Murray Creek chose to buy the existing vat from Fonterra at a cost of $29,217.99 + GST at a considerably lower price than costs relating to installing a new one.

ANNUAL REPORT AND ACCOUNTS
The Chairman tabled the Annual Report and the Audited Accounts for the Year Ending 31 May 2013.
R Kent/ N Pilbrow THAT the Annual Report and Accounts be received and open for discussion. CARRIED

APPOINTMENT OF AUDITOR
M Crozier/R Gray THAT Silks Chartered Accountants Limited of Wanganui be reappointed. CARRIED

APPOINTMENT OF DIRECTOR
The Chairman advised that S Barr retires by rotation and is available for re-appointment. Nominations were called for the position of Director.

M Holden/ P Stephenson THAT S Barr be appointed Director. CARRIED

GENERAL BUSINESS

R Dickie advised he has been made aware the Sharemilkers Stacey & Olivia Frost will be moving on next season and this still needs to be advised in writing. The Directors will meet with the Sharemilkers in the coming weeks to discuss their future with Murray Creek.

Roger outlined several options as to the future of Murray Creek and where we go from here. These three options are:

- Stay with a 50/50 Sharemilker
- change to Lower Order Sharemilker (LOSM)
- Sell

If Murray Creek Shareholders are in favour of the change to LOSM then Shareholders will need to vote by resolution.

I Young suggested that we have waited so long for a dividend we would be better off to get a capital gain at full production then sell. R Dickie agreed and mentioned the capital expenditure at Murray Creek was completed with the exception of the new backing gate and painting of the houses which have been budgeted for this season.

R Gray asked when Shareholders could expect a dividend and looking forward with the probability of an increase in interest, would we be better off selling. S Yeats commented that he would favor selling. T Stephens agrees with S Yeats, if he cannot get a return he would be in favor of selling. S Yeats advised he has been unsuccessful in selling his shares on the secondary market so his preference is to sell Murray Creek and is not willing to sell shares at a loss.

R Dickie suggested that if Shareholders agreed to sell Murray Creek this needs to be actioned quickly. Also you have the problem if Murray Creek does not sell it would be difficult to find cows and a Sharemilker for next season and puts us in a weaker situation.

Going forward we need to look at all the options and put forward budgets for the next 4 years to reflect the 50/50 option and LOSM option to assist the Shareholders in which direction to go in.

J Whitlock suggested a show of hands from Shareholders present for and against selling; FOR 4, AGAINST 10.

It was resolved at the meeting we provide the Shareholders with budgets with the view of canvassing Shareholders as to whether to sell or not and also the option of LOSM and buying cows.

R Dickie asked if the venue for the AGM was acceptable. The shareholders agreed it was a better venue. Dates for the next AGM will be advised in June to accommodate more shareholders.

This concluded the business and the meeting was declared closed at 1.50pm.

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R R Dickie
Murray Creek 2013