MURRAY CREEK DAIRY FARM LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING
HELD AT THE WELLINGTON AIRPORT CONFERENCE CENTRE
ON THURSDAY 23RD NOVEMBER 2014 AT 10.00 AM

PRESENT
R Dickie, M & V Crozier, R Marbeck, L Russell, B O'Brien, N Ball, K Luey, K Maclaren, G VargheskS Yeats,I Young, P Stephenson, D Mita, V Dickson, R Te Moana, P Croft, Neil Pilbrow

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

APOLOGIES AND PROXIES
Apologies and Proxies were received from38Shareholders totaling 2,045,000 shares.
P Croft/L Russell THATthe apologies and proxies be sustained. CARRIED

MINUTES
The minutes of the 2013 Annual General Meeting had been circulated.
D Mita/S Yeats THAT the minutes be confirmed. CARRIED

ARISING FROM MINUTES
It was discussed at the last year's meeting Murray Creek would be put on the market and if it did not sell, the second option was to appoint a VOSM and buy the herd and necessary equipment. Therewere no serious offers to buy Murray Creek, hence proceeding to engage a VOSM and purchase a herd and equipment. R Dickie advised the directors are very pleased with Jason & Sandy Herrick. Although there have been issues with some of the herd purchased, this has since be rectified. There have also been maintenance issues with the dairy shed but these should be covered by the repairs and maintenance budget.

L Russell asked whether the cows that had been ill have any further problems and was advised there were no more issues with the cows. The herd cannot be insured as the cost would be substantial.

There was general discussion about the Murray Creek sale process.

ANNUAL REPORT AND ACCOUNTS
The Chairman tabled the Annual Report and the Audited Accounts for the Year Ending 31 May 2014.
P Croft/ P StephensonTHAT the Annual Report and Accounts be received and open for discussion. CARRIED

There was general discussion about the Annual Report.

S Yeats advised some of the crucial aspects of this company have not been addressed. There is no mention of selling the farm or return on investment in the annual report. The chairman advised these matters needed to be addressed at the AGM, not necessarily in the Annual Report.
R Dickie mentioned there was no vote taken but the feeling was if the property did not sell then a VOSM would be appointed and there was every attempt to sell the property. S Yeats replied thatRogers statement was incorrect. J Whitlock said there was a vote taken but as the sale was not successful, the next option was to employ a VOSM.

There was general discussion about the Financial Accounts.

J Whitlock advised the financials are how they have to be presented according to the Financial Reporting Act.J Whitlock will confer with the Auditors if the financials can be set out in a manner that gives more detail of the expenses without materially increasing the audit cost.

There was general discussion about the Dividend or Share Bonus.

J Whitlock commented that a bonus share issue does not change anything as ultimately, the shareholders benefit from reducing debt because it adds equity to the company. A bonus issue doesn't change the equity in the company and he could not see the shareholders benefiting from it.

R Dickie commented that everyone would like to see a dividend and if we received $6.80kg/ms anticipated this season, a dividend would have been possible but with the forecast of a payout in the low $5, a dividend is not looking likely.

J Whitlock stated that the debtlevel at balance date was $1,500,000 and equity was $8,700,000 and therefore we are in a better place going into a season with a low payout than most.

APPOINTMENT OF AUDITOR

M Crozier/K Maclaren THAT Silks 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. Nominations were called for the position of Director.

P Croft/ V Crosier THATR Dickie be appointed Director. CARRIED

GENERAL BUSINESS

Murray Creek Sale Discussion

S Yeats expressed concerns that the partners voted to sell the farm. R Dickieexplained we have attempted to sell the farm and there were discussions at the time we needed to take steps to move on to the next season if a sale was not forthcoming. There were two - three months to achieve this. We were selling late in the season which made things difficult and there was not a buyer come forth at the time.

We had to plan what happened once the sharemilkers ended the season and this was discussed last year at the meeting and circulated to shareholders. Once we realised the farm was not going to sell, we had no choice but to move on and keep the farm operating.

With the current pricing forecast in the low $5 region, it is the right time to sell at the moment. In terms of the sharemilkers they are on a one year contract, renewable year by year. The directors are confident the sharemilker can get the farm production to 400,000kg/ms next season and this will help with a sale.

Secondary Market

R Dickie advised the last share sale was in September 2013. Shares sold for 80c and the net asset backing is $1.32 per share.

Debt Reduction

P Stephenson asked if he would be right in saying that we have put money into the property and reduced our debt so in a sense we that had a return by reducing debt. J Whitlock responded with absolutely and it all depends on the person as to how they see their return paying off.

P Stephenson asked if there could be a budget for next year expenditure to see the benefits of the VOSM we have in place in terms of return to the shareholders. If we could see 1.5 million went to the sharemilker and last year and if the payout hadn't gone down we would be getting an extra $1 million which would have given the potential to return a dividend. If we could see a budget for the next year going forward also a couple of scenario's if the payout were to go up to $6.00. R Dickie indicated this could be done and will have some scenarios prepared to show the various options.

Share Sales
D Mita– following the sale of the Fonterra shares, could some kind of dividend have been paid to the shareholdersinstead of purchasing the herd and new tractor as with the high payout, this was the year to give a return to the shareholders. J Whitlock replied if a dividend was paid we would have had to increase the borrowing and carry higher levels of debt. Selling capital to pay a dividend is not idealand it would be better to pay it from a profit.

A majority of shareholders present also indicated they had not received any information about shares for sales.

R Dickie was disappointed to hear there were a lot of shareholders not informed of share sales within the company and agreed that all shares for sale within the entity should be sent to all shareholders. Could be in the newsletters/reports that go out each quarter. Shares for sale in other farms could also be advised.

R Dickie advised there are 2 undertakings he will make. These are to prepare some scenarios as to what the returns might be at various pricing levels and ensure that the shares for sale are advised to all of the shareholders.

Cow Losses
R Dickie advised that there had been one or two more deaths and that he and S Barr had visited the farm the previous week and the herd is looking good. S Barr commented he had seen the affected cows at milking during the visit and they are recovering nicely.

Shareholder Farm Visits
B O'Brien enquired if there were any restrictions on a shareholder visiting the farms and was advised not, the sharemilkers needs to be advised however. Contact details will be sent in the next report.

On Farm Meeting
R Dickie informed investors there will be a farm meeting in March 2015 with dates to be confirmed. Shareholders will be advised well in advance of the meeting date.

R Dickie concluded the business and the meeting was declared closed at 11.30 am

…………………………………………………..
R R Dickie
Murray Creek 2014