

MINUTES OF THE ANNUAL MEETING OF ALLIED FARMERS LIMITED HELD AT THE TSB HUB, CAMBERWELL ROAD, HAWERA ON TUESDAY 26 NOVEMBER 2013 COMMENCING AT 11.00am

PRESENT:

Directors: G Bluett (Chairman), J Keenan, GA McDouall, P Luscombe

Officers: Steve Morrison (CEO Rural)

Shareholders: Approximately 30

The Chairman confirmed that there was a quorum present.

The Chairman welcomed all to the meeting and introduced the directors and Senior Management.

APOLOGIES:

Nil

The Chairman confirmed that the notice of Annual Meeting was sent on 25 October 2013 to all shareholders.

PREVIOUS MINUTES

The Chairman confirmed that the Directors have resolved at their February 2012 Meeting, that the minutes of the Annual Meeting held on the 27 November 2012 were a true and correct record.

FINANCIAL STATEMENTS AND REPORTS

The Chairman advised the financial statements and the reports of the directors and auditors for the year ending 30 June 2013 were set out in the company's Annual Report. The Annual Report was forwarded to shareholders who had requested a copy and is available on the company's website. Questions were to be addressed after the Chairman's and CEO Rural's addresses.

CHAIRMAN'S ADDRESS

The Chairman gave a presentation covering key aspects of the 2013 year.

CHIEF EXECUTIVE – RURAL'S ADDRESS

Mr Morrison gave a presentation on the Rural business.

After the presentations by the Chairman and the Chief Executive an opportunity for shareholder comment and questions was provided before the formal business of the meeting was considered. Shareholders raised a number of comments and issues including: reducing the number of subsidiary companies; the size of the IRD debt; matters in respect of the Allied

Nationwide Finance receivership/liquidation; appreciation of the efforts of Mr Bluett; separate reporting of Bobby Calf and Livestock results; real estate rental business restraint of trade; timing of the sale of the recently demolished Stratford merchandise building; costs and options in respect of the NZX listed status; and historical valuation methodology issues in respect of the Hanover assets.

Mr Bluett responded, noting that the position in respect of subsidiaries had been reviewed but that funding covenants and cost benefit issues constrained action; the company was on track with an IRD repayment arrangement extending out to Sept 2015; explanation of matters related to the Allied Nationwide Finance receivership; anticipated visibility of Bobby Calf turnover in future reporting; and confirmation that the Stratford merchandise premise had been sold approximately two years ago. Mr Morrison advised that he expected a restraint was in place in respect of the rental business, but could not categorically confirm that to the meeting.

RE-ELECTION OF DIRECTORS

The Chairman, in light of his interest, passed the Chair to Mr McDouall.

Mr McDouall noted that Garry Bluett is retiring under the rotation policy and offers himself for re-election. Mr McDouall noted that there were no other nominations. Mr McDouall advised that biographical information on Mr Bluett had been provided with the notice of meeting.

Mr McDouall proceeded with Resolution 1:

“That Garry Bluett be re-elected as a director of the Company”

The Chairman invited Mr Bluett to say a few words, invited comment from the shareholders, complimented Mr Bluett’s substantial contribution, and proceeded with inviting shareholders to vote on the resolution.

Mr McDouall then passed the Chair back to Mr Bluett.

AUDITORS REMUNERATION

The Chairman proceeded with Resolution 2:

“That the Directors be authorised to fix the auditors’ fees and expenses for the ensuing year”

The Chairman invited discussion on the resolution.

It was noted in response to questioning of whether the audit cost would reduce, that there had been a significant reduction this year, and that further changes should support further reduction in cost.

The Chairman invited shareholders to vote on the resolution.

APPROVE PROFESSIONAL INVESTOR PLACEMENT ON 13 SEPTEMBER 2013

The Chairman, in light of his interest, passed the chair to Mr McDouall.

Mr McDouall proceeded with Resolution 3:

“To approve and ratify, for all purposes (including NZSX Listing Rule 7.3.5(a)(iii)) the issue on 13 September 2013 of 3,480,000 share options in the Company to professional investors granting the holder the right, upon exercise, to purchase one fully paid ordinary share in the Company at an exercise price equal to \$0.027, payable on exercise of the share options, and which, if all were exercised, would require the Company to issue 3,480,000 ordinary shares”.

Mr McDouall invited discussion. There being no comment, he invited shareholders to vote on the resolution.

APPROVAL OF THE FARMERS MEAT EXPORT LTD LOAN

Mr McDouall proceeded with Resolution 4:

“To approve and ratify for the purposes of Listing Rule 9.2.1 the entry into of a loan on 23 August 2013 from Garry Bluett, and an unrelated person, to Farmers Meat Export Limited of up to \$1,500,000 on the terms further described in the Explanatory Notes for the purpose of funding working capital for the 2014 bobby calf business”.

Mr McDouall invited discussion. A typographical error on the voting form (‘loaded’ rather than ‘loaned’) was noted. Messrs McDouall and Morrison responded to questions related to future NZ Farmers Livestock or bank funding of the bobby calf business, noting that progression to this source of funding was anticipated (though likely not in 2014), and explaining the approach taken to arranging funding.

Mr McDouall invited shareholders to vote on the resolution.

Mr McDouall then passed the chair back to Mr Bluett.

GENERAL BUSINESS

There being no further discussion, Mr Bluett took the opportunity to thank his Board, Mr Train and staff for their commitment and contributions.

Meeting closed 12.15pm