

ALLIED FARMERS

ALLIED FARMERS LIMITED

NOTICE OF ANNUAL MEETING 2019

Notice is hereby given that the Annual Meeting of Shareholders of Allied Farmers Limited (“the Company” or “ALF”) will be held at the TET MultiSports Centre, 62 Portia St, Stratford on Tuesday 26 November 2019 at 11.00am.

ITEMS OF BUSINESS

- a. Chairperson’s introduction
- b. Addresses to shareholders
- c. Shareholder discussion
- d. Resolutions.

RESOLUTIONS

To consider, and if thought fit, to pass the following ordinary resolutions:

1. **Director re-election:** That Mark Benseman be re-elected as a Director of the Company.
2. **Director re-election:** That Philip Luscombe be re-elected as a Director of the Company.
3. **Director election:** That Richard Perry be elected as a Director of the Company.
4. **Director election:** That Ross Verry be elected as a Director of the Company.
5. **Auditor’s fees:** That the Directors be authorised to fix the auditor’s fees and expenses for the ensuing year.

To consider, and if thought fit, to pass the following special resolution in accordance with section 32 of the Companies Act 1993:

6. **New Constitution:** That the existing Constitution of the Company be revoked and the Company adopt a new Constitution in the form tabled at the meeting and signed by the Chairperson for the purpose of identification, with effect from the close of the Annual Meeting of the Company.

Ordinary Resolutions

Pursuant to section 105(2) of the Companies Act 1993, an ordinary resolution means a resolution passed by a simple majority of votes of those shareholders entitled to vote and voting.

Special Resolution

Pursuant to section 2(1) of the Companies Act 1993, a special resolution means a resolution approved by a majority of 75% of the votes of those shareholders entitled to vote and voting.

No Motions

The only matters being discussed and voted on at the Meeting are the Resolutions contained in this Notice of Meeting. No motions will be allowed from the floor.

Attendance and Voting

Your rights to vote may be exercised by:

- (a) attending and voting in person; or
- (b) appointing a proxy (or representative) to attend and vote in your place.

The proxy need not be a shareholder of the Company and the form of appointment of a proxy and voting instructions accompanies this Notice of Annual Meeting. The Chairperson of the meeting is willing to act as proxy for any shareholder who may wish to appoint him for that purpose and he intends to vote in favour of all resolutions where he is given a "Proxy Discretion". Shareholders wishing to appoint a proxy (or representative) must complete and send the proxy form so that it is received by Link Market Services no later than 5:00pm on Friday 22 November 2019.

Voting on all of the Resolutions will be by way of poll, meaning that each shareholder has one vote for each ordinary share held by that shareholder.

Voting entitlements for the meeting will be determined as at 5.00pm on Friday 22 November 2019. Registered shareholders at that time will be the only persons entitled to vote at the meeting (either in person or by proxy) and only the shares registered in those shareholders' names at that time may be voted at the meeting.

Corporate Representatives

A corporation which is a Shareholder may appoint a person to attend the meeting on its behalf in the same manner as that in which it could appoint a proxy.

By order of the Board of Directors

Mark Benseman
Chairperson
25 October 2019

EXPLANATORY NOTES

Director elections/re-elections pursuant to New Listing Rules

On 1 January 2019, NZX introduced new Listing Rules (the "**NZX Listing Rules**"). The Company transitioned to the NZX Listing Rules on 30 June 2019.

Pursuant to NZX Listing Rule 2.7.1, a Director must not hold office (without re-election) past the third Annual Meeting following the Director's appointment or 3 years, whichever is longer. However, a Director appointed by the Board must not hold office (without re-election) past the next annual meeting following the Director's appointment.

Resolution 1: Re-election of Mark Benseman as a Director

Mr Benseman was appointed a Director of Allied Farmers Limited in October 2015. He is retiring by rotation and, being eligible, offers himself for re-election. He is an experienced manager and financial analyst, with over 25 years' experience in the investment industry. Mr Benseman is currently the Principal of Fraters Group in New Zealand and in the past had a role as a senior analyst with ABN AMRO New Zealand, was Director and Head of Research with Citigroup Smith Barney in New Zealand, and similarly with Merrill Lynch (NZ). He has the following qualifications: BA (Hons in Economics).

The Board has determined that Mr Benseman is not an independent director due to the fact that an Associated Person is an Allied Farmers Substantial Product Holder. The Board unanimously supports his re-election.

Resolution 2: Re-election of Philip Luscombe as a Director

Mr Luscombe was appointed a Director of Allied Farmers Limited in December 2005. He is retiring by rotation and, being eligible, offers himself for re-election. He is an experienced farmer with interests in dairy farms in Taranaki and Otago, and in farm forestry. He is a Director of a number of private companies. He is a trustee of The Massey-Lincoln and Agricultural Industry Trust and a former trustee of the Massey University Agricultural Research Foundation. He is a former director of Kiwi Cooperative Dairies Limited, Kiwi Milk Products Limited, Dairy InSight and industry research company Dexcel. He has the following qualification: BAgSci(Hons).

The Board has determined that Mr Luscombe is an independent director, and unanimously supports his re-election.

Resolution 3: Election of Richard Perry as a Director

Mr Perry was appointed a Director of Allied Farmers Limited by the Board in June 2019. He is offering himself for election by the shareholders. Mr Perry has a strong knowledge and experience of the agribusiness, finance and technology sectors. Mr Perry has previously held senior finance and executive roles at the Reserve Bank of New Zealand, Landcorp Farming Ltd and Callaghan Innovation and has been a Technical Advisor to the International Monetary Fund. He is currently a member of the External Reporting Advisory Board and Director of Business Applications for Rocket Lab. As an experienced company director he has acted for several company boards across the agri-tech, property and food and beverage sectors including start-ups, mergers and established companies. He has the following qualifications: B Com (Hons), F.C.A (Fellow of Chartered Accountants Australia and New Zealand) and CTP (Certified Treasury Professional).

The Board has determined that Mr Perry is an independent director, and unanimously supports his election.

Resolution 4: Election of Ross Verry as a Director

Mr Verry was appointed a Director of Allied Farmers Limited by the Board in October 2019. He is offering himself for election by the shareholders. Mr Verry has extensive experience in the agri-finance sector. He is currently Chief Executive of Syndex Limited, an early stage, innovative capital markets business, and previously worked for 16 years in ANZ Bank, including most recently 5 years as a General Manager, Commercial and Agri. Mr Verry is a director of THE Limited, a largescale dairy farming business, and Gold Creek Partnership, a dairy farming syndicate. He was also previously a Trustee of Agri-Womens Development Trust. In addition, Mr Verry is currently Chairman of the New Zealand Cricket Players Association Board. He has the following qualifications: Bachelor of Commerce and Administration and Chartered Accountant – Chartered Accountants of Australia and New Zealand.

The Board has determined that Mr Verry is an independent director, and unanimously supports his election.

Resolution 5: Payment of Auditor's Fees

PricewaterhouseCoopers are automatically reappointed as auditors under section 207T of the Companies Act 1993. Resolution 5 authorises the Directors to fix the fees and expenses of the auditors for the ensuing year under section 207S of the Companies Act 1993.

Resolution 6: Changes to Constitution

As mentioned in the Explanatory Note above, on 1 January 2019 NZX adopted new NZX Listing Rules and the Company transitioned to the new NZX Listing Rules on 30 June 2019. To comply with the NZX Listing Rules, the Company needs to amend its Constitution. A marked up copy of the Company's existing Constitution showing all of the proposed changes and a clean copy of the proposed new Constitution can be viewed on the Company's website: <https://www.alliedfarmers.co.nz>. They will also be available for review at the annual meeting. The NZX Listing Rules may be viewed on the NZX website: www.nzx.com.

The most significant proposed changes to the Constitution are summarised below:

- Managing Director: the removal of the managing director provisions, as the Company does not utilise this role and can provide for this through normal board delegations.

- Restriction on appointment of directors: the Constitution has been amended to reflect that each resolution to appoint, elect or re-elect a director must be for one director only as required under NZX Listing Rule 2.3.3.
- Board composition: the Constitution will now contain a provision requiring the board composition to comply with the NZX Listing Rules, including as to minimum number, number of independent directors and number of NZ resident directors.
- Voting by poll: The NZX Listing Rules now require all shareholder voting to be conducted by poll. The Constitution has been updated to ensure that all voting is in accordance with the NZX Listing Rules in effect from time to time.
- Interested Directors: the Constitution will confirm that, consistent with the NZX Listing Rules, interested directors may not vote or be counted as part of a quorum on matters in which they are interested.

The following amendments are also proposed to update references and reflect developments with electronic voting:

- allowing for electronic means of voting at shareholder meetings if the Board determines to permit this, to allow Shareholder to vote by signifying their assent or dissent by electronic means, including voting on a personal computer, to reflect the alignment of the NZX Listing Rules with legislation permitting annual meetings to be held by electronic means;
- allowing directors to receive notice of meetings by email; and
- making consequential alterations in definitions and numbering.

Pursuant to the Companies Act, the proposed amendments must be approved by a special resolution of shareholders. As the amendments to the Constitution do not impose or remove a restriction on the activities of the Company or affect the rights attaching to shares, the shareholder minority buy-out rights under the Companies Act do not apply.

Tompkins Wake has provided an opinion to NZX that it considers that these amendments comply with the NZX Listing Rules.