

**MINUTES OF THE ANNUAL MEETING OF ALLIED FARMERS LIMITED HELD
AT THE TSB HUB, CAMBERWELL ROAD, HAWERA ON TUESDAY 25
NOVEMBER 2014 COMMENCING AT 11.00am**

PRESENT:

Directors: G Bluett (Chairman), 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:

J Keenan.

The Chairman confirmed that the notice of Annual Meeting was sent on 7 October 2014 to all shareholders.

PREVIOUS MINUTES

The Chairman confirmed that the Directors have resolved at their February 2014 Meeting, that the minutes of the Annual Meeting held on the 26 November 2013 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 2014 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 2014 year.

CHIEF EXECUTIVE – NZFL/RURAL'S ADDRESS

Mr Morrison gave a presentation on the NZFL/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: explanation of the remaining ex-Hanover assets; share price performance; opportunities to grow NZFL; ownership structure of the yards; utilisation of subvention payments; use of tax losses; and motor vehicle leasing arrangements and accounting treatment.

RE-ELECTION OF DIRECTORS

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

The Chairman proceeded with Resolution 1:

“That Jeff Keenan be re-elected as a director of the Company”

The Chairman noted that he would normally invite Mr Keenan to say a few words, but noted the he was currently in hospital and therefore unable to attend the meeting.

The Chairman invited shareholders to vote on the resolution by way of a show of hands (**passed**).

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.

In response to questions, Mr Bluett said that he believes that due to the increasing complexity of the audit, Allied is receiving good value for the audit, and that, while conscious of the benefits of bringing competition into the provision of audit services, there have been challenges regarding Allied’s ability to open the audit to contestability.

The Chairman invited shareholders to vote on the resolution by way of a show of hands (**passed**).

GENERAL BUSINESS

The Chairman commented on general questions from shareholders in relation to related party lending and the need for that to continue, and the potential to raise equity capital in 2015 to repay debt.

Mr McDouall publically acknowledged the significant contribution and sacrifice of Garry Bluett to the Company, which was endorsed with a round of applause from shareholders.

There being no further discussion, the Chairman closed the meeting.

Meeting closed 12.15pm

Garry Bluett



Chairman