

Minutes of the Annual Shareholders Meeting of PGG Wrightson Limited (PGW)

held virtually on

Monday, 6 December 2021 commencing at 3:00pm

Board members present	R Finlay (Chairman) in person JH Lee (Deputy Chairman); S Brown (Independent Director); U Kean Seng (Director); and C Severne (Independent Director) via virtual link.
In attendance	S Guerin (Chief Executive Officer); J Daly (GM Corporate Affairs and Company Secretary); P Scott (Chief Financial Officer). Also in attendance virtually: N Berry (GM Retail and Water); P Moore (GM Livestock Ventures & Partnerships), R Shearer (GM Human Resources); P Newbold (GM Real Estate & Livestock) and G Edwards (GM Wool). Ernst & Young (Auditors). 39 registered shareholders and approximately 28 guests and staff.
Apologies	No apologies were noted.
Introductory Matters	The Chairman advised that a quorum was present, opened the meeting, welcomed the Shareholders, and introduced the Directors and acknowledged the Executive team were online, and Bruce Loader from Ernst & Young.
Notice of Meeting	The Chairman confirmed that the Notice of Annual Meeting was sent to all shareholders on 15 November 2021.
Minutes of Previous Shareholder Meetings	The Chairman advised that the minutes of the previous Annual Shareholders Meeting held on 20 October 2020 were approved as a true and correct record of the meeting on 7 December 2020 and these were posted on the investor centre section of the PGW website.
Annual Report and Financial Statements	The Chairman noted that the financial statements and the reports of the Directors and Auditors for the year ending 30 June 2021 were set out in the company's Annual Report. The Annual Report was forwarded to shareholders who had requested a copy on 28 September 2021 and was available on the company's website.
Proxies and Postal Votes	It was noted that 192 shareholders had appointed proxies for the purposes of the meeting in respect of approximately 36 million shares.
Chairman's Address	The Chairman addressed the meeting and noted the following matters: <ul style="list-style-type: none"> ➤ FY2021 started and finished strongly with year-end Operating EBITDA at \$56.0 million, up \$13.8 million or 32.8 percent on last year's COVID-19 impacted result. ➤ PGW delivered a NPAT of \$22.7 million which was up \$15.0 million on the prior year. These results further substantiate the decision taken to divest the Seed and Grain business. ➤ Total Shareholder Return was +30 per cent for the financial year ending June 2021, representing impressive value creation for shareholders and reflected well on the health of the business and trading performance. ➤ PGW is clear about its strategy of driving for growth by providing customers with sector leading expertise and innovative solutions for their farming and production needs. The company looks to lead the market through the specialist knowledge and technical expertise of its people,

	<p>which is fostered through investing in their leadership and capability.</p> <ul style="list-style-type: none"> ➤ Customer's value PGW's technical offering and see this as a distinguishing strength that the company will continue to develop. ➤ PGW's strong balance sheet also allows it to contemplate earnings accretive growth ambitions. ➤ Key financial metrics for the year ended 30 June 2020 were noted including: <ul style="list-style-type: none"> - Operating EBITDA was \$56.0 million, up \$13.8 million or 33 percent. - Net profit after tax was \$22.7 million, up \$15 million. - Operating revenue of \$847.8 million, an increase of 7.6 percent. - Gross profit of \$223.2 million, an increase of 9.4 percent. - Net Cash Flow from Operating Activities of \$57.7m, up 83.4 percent. - Total Shareholder Returns of +30 percent. - Fully imputed dividends for the year of 28 cents per share which was supported by the strong full year earnings.
Chief Executive Officers' Address	<p>The Chief Executive addressed the meeting and provided an operational overview of the year, and the following matters were noted:</p> <ul style="list-style-type: none"> ➤ There were periods during the year when some of PGW's store network and operations in the greater Auckland area were impacted by COVID-19 restrictions due to various official pandemic alert levels, which also continued into the current financial year. Some of PGW's business units were deemed essential services during these periods and were able to continue to supply and service customers. ➤ The outlook for the rural sector is positive, and farmer and grower confidence is encouraging. Pricing for New Zealand's key agricultural exports has held up well and is expected to remain strong, as exports are predicted to reach new highs next year. Continued strong demand is expected for lamb and sheep meat, with cattle prices also expected to remain high. Dairy farmer sentiment is positive with a solid payout predicted in the coming year. ➤ The rural sector and farmer sentiment continues to see some challenges. Labour shortages remain a concern with growers struggling to harvest all their fruit and crops this past harvest season. Uncertainty in the workforce has also seen some growers put development plans on hold until they can get some surety around access to labour. ➤ Shipping delays continue to cause disruption to the supply chain. Though there continues to be demand for New Zealand's primary products, farmers and growers are conscious of the challenges in getting their products to market. These constraints are also adding cost pressures on imported inputs. Our supply chain teams have a significant focus on mitigating these issues for our customers. ➤ Regulatory change and compliance are increasing costs and putting pressure on the sector as farmers and growers grapple with how to respond. ➤ Land use change across the country is progressively altering regional landscapes. An increase in horticulture and arable crops has seen a number of growers diversify their portfolios and invest in these areas, which creates further sales opportunities for our Fruited Supplies business. It is also evident that farmland is being lost to forestry with sheep and beef farms being converted at a rate that is causing concern in some regions. ➤ As is generally the case, some of our customers and their growing operations were impacted by a range of climatic conditions. Hailstorms

	<p>caused severe damage in parts of the South Island, with a number of fruit crops written off. While drought conditions were experienced in the first half of the financial year with much of the East Coast experiencing low soil moisture levels. However, these conditions were abruptly ended in Canterbury, the West Coast, Marlborough, and Tasman following several significant flooding events.</p> <ul style="list-style-type: none"> ➤ The Chief Executive summarised the new joint venture insurance brokerage relationship. PGW entered into a new joint venture insurance brokerage relationship with BrokerWeb Risk Services Limited (BWRS) in February 2021. BWRS had also been appointed as PGW's corporate insurance broker. ➤ The following the operational highlights achieved during the year were noted: <ul style="list-style-type: none"> - The Fruitfed Supplies Technical R&D team conducted more than 70 trials and facilitated over 50 grower meetings nationwide. - Revenue for PGW's independent wholesale business, Agritrade, grew by 8.0 percent this financial year. - The Real Estate business sold 31 percent more properties compared to FY20. - PGW's people completed over 9,000 online learning courses. - The health and safety Total Recordable Injury Frequency Rate (TRIFR) has reduced 51 percent since the 2018 financial year baseline.
<p>First Quarter FY2022</p>	<p>The Chief Executive provided up update on trading performance for the first quarter of the current financial year.</p> <p>PGW's Rural Supplies, Fruitfed Supplies and Water businesses traded well over the first five months of financial year. Spring was the peak season for retail and PGW had seen good trading activity as customers geared up to meet their seasonal requirements.</p> <p>PGW's stores operated as essential services during Alert Levels 3 and 4. Under Alert Level 2, stores outside Auckland continued to trade well. PGW's staff had done an amazing job as essential workers, working under specific guidelines to protect themselves and the communities they live and work in. They would again adapt and implement appropriate protocols as PGW transitions to the new COVID-19 traffic light system.</p> <p>The operations of PGW's Water business have been impacted by the pandemic trading restrictions. During quarter two of 2021, the Water team completed 550 Valley Irrigation courses and achieved the number one spot globally for the "Valley University" course and event completions for that quarter. Valley Irrigation is a worldwide leader in precision irrigation and has dealers in more than 50 countries.</p> <p>Livestock and Wool were significantly impacted by the Alert Level 4 lockdown in the latter half of August 2021. Saleyards were closed and PGW Wool was unable to hold auctions, with subdued crossbred wool prices since then.</p> <p>Beef and sheep prices have been strong and are expected to remain positive for the season with demand exceeding supply. PGW's GO-STOCK products have been steady.</p> <p>bidr® enabled livestock sales to continue during the lockdown. bidr® successfully launched livestreaming of bidr® livestock auctions at Feilding, Frankton, and Stortford Lodge saleyards. bidr® has the capability to go to any saleyard in New Zealand and livestream.</p> <p>Real Estate continues to perform strongly.</p> <p>PGW's eCommerce platform experienced a positive uplift in sales through</p>

	<p>the lockdown periods. The eCommerce presence has enabled PGW to grow awareness of its product range in the lifestyle and residential markets and this has converted to increased sales.</p>
Group Strategy Reset	<p>The Chairman provided an overview of the Group Strategy Reset.</p> <p>PGW's Group Strategy Reset was launched internally to the business during August. As part of this exercise the Board and Executive team took stock of trends and developments in the agricultural sector internationally and domestically to determine PGW's 'why', while reflecting upon and respecting the company's proud history but concentrating on the future and growth opportunities for PGW.</p> <p>The team also considered customer insights gathered from external market research to better understand customer perceptions and expectations. This work provided clear observations relating to the deep customer relationships PGW staff hold and the trust that our customers place in PGW came through strongly. A key insight that was reinforced was the value associated with the technical expertise PGW provides to its customers.</p> <p>At a more targeted level, eight PGW Group Strategic Priorities were identified that will help direct PGW's focus in the medium term.</p> <p>The purpose of the PGW Strategy is to provide clarity and direction at a Group level around our strategic priorities that the business will collectively work towards. The eight priorities are then layered in more detail in the strategic objectives of each Business Unit and Corporate Function. Each of the eight strategic priorities have specific measurable objectives that would be tracked over time.</p>
Forecast Outlook Update	<p>The Chairman provided up update on the forecast outlook.</p> <p>Five months into the financial year had seen strong first quarter trading performance continue. Spring was the busiest season for PGW's retail network and there had been good demand over the seasonal peak trading months.</p> <p>The Board is confident that the company is well positioned to continue to perform well and deliver on PGW's Group Strategy to grow the business. Accordingly, the Operating EBITDA forecast for the FY2022 full year was around \$53 million</p>
Questions and Discussions	<p>At the conclusion of the presentations the Chairman invited Shareholders at the meeting to question, discuss, or comment on the management or other aspects of the Company.</p>
Business of Meeting	
A. Election of Director	<p>It was noted that the Board recommended the election of Dr Charlotte Severne and the re-election of U Kean Seng. The Board had determined that Dr Charlotte Severne was an Independent Director and U Kean Seng was not an Independent Director for the purposes of the NZX Listing Rules.</p>
B. Auditors Remuneration	<p>The Chairman noted the appointment of Ernst & Young as the Company's auditor pursuant to Section 207R(3) of the Companies Act 1993. A motion was put to the meeting for the purposes of Section 207P(2) of the Companies Act 1993, to confirm the appointment of Ernst & Young as the Company's auditor and for the purposes of Section 207S of the Companies Act 1993 and to also authorise the Board to fix Ernst & Young's remuneration as the Company's auditor.</p>
	<p>All items of business were moved as separate resolutions and put to a poll of Shareholders undertaken by Computershare.</p>
Poll Results	<p>The results of the resolutions put to the meeting were as follows:</p>

	<p><i>Election and Re-election of Directors:</i></p> <p>Resolution 1: Dr Charlotte Severne was elected an independent director. Votes for: 37,471,956 (99.76%) Votes against 91,691 Abstained: 19,495</p> <p>Resolution 2: U Kean Seng was re-elected a director. Votes for: 37,523,068 (99.89%) Votes against 40,439 Abstained: 19,635</p> <p><i>Confirmation and Remuneration of Auditors:</i></p> <p>Resolution 3: Ernst & Young was appointed the Company's auditor for the purposes of section 207R(3) of the Companies Act 1993. The appointment of Ernst & Young as PGW's auditor was confirmed for the purposes of section 207P(2) of the Companies Act 1993, and the Directors were authorised to fix Ernst & Young's remuneration as PGW's auditor for the current financial year for the purposes of section 207S of the Companies Act 1993. Votes for: 37,413,296 (99.62%) Votes against 142,971 Abstained: 26,875</p>
General Business	<p>No items of General Business were raised.</p> <p>The Chairman invited Shareholders to ask questions relating to any other matters that may be brought before the meeting and there were none.</p> <p>The Chairman closed the meeting.</p>
Closure	<p>The meeting closed at 3:55pm</p>

Confirmed as a correct record of that meeting on the 22nd day February 2022.

Chairman



