

**Minutes of the Annual Shareholders Meeting of
PGG Wrightson Limited (PGW)
held at Sudima Hotel, Memorial Ave, Christchurch
Wednesday, 25 October 2023 commencing at 9:30am**

Board members present	Sarah Brown (Meeting Chair and Independent Director), U Kean Seng (Acting Chair); Garry Moore (Independent Director) and Dr C Severne (Independent Director), Meng Foon (Independent Director).
In attendance	<p>S Guerin (Chief Executive Officer); J Daly (GM Corporate Affairs and Company Secretary); P Scott (Chief Financial Officer).</p> <p>Also in attendance, R Shearer (GM People & Safety); P Newbold (GM Livestock & Real Estate), N Berry (GM Retail & Water), G Edwards (GM Wool)</p> <p>Ernst & Young (Auditors) Bruce Loader 36 registered shareholders and approximately 23 guests and staff.</p>
Apologies	No apologies were received.
Introductory Matters	The Chair advised that a quorum was present, opened the meeting, welcomed the Shareholders, and introduced the Directors and acknowledged the Executive team, PGW staff, and auditor Bruce Loader from Ernst & Young.
Notice of Meeting	The Chair confirmed that the Notice of Annual Meeting was sent to all shareholders on 26 September 2023.
Process for Participation in Virtual / Hybrid Meeting	The Chair outlined the procedural and technical arrangements to enable shareholders to participate in the meeting online.
Minutes of Previous Shareholder Meetings	The Chair advised that the minutes of the previous Annual Shareholders Meeting held on 18 October 2022 were approved as a true and correct record of the meeting on 5 December 2022 and these were posted on the investor centre section of PGW's website.
Annual Report and Financial Statements	<p>The Chair noted that the financial statements and the reports of the Directors and Auditors for the year ending 30 June 2023 were set out in the company's Annual Report.</p> <p>The Annual Report was forwarded to shareholders who had requested a copy on 26 September 2022 and was available at the meeting and on the company's website.</p>
Proxies and Postal Votes	It was noted that 381 shareholders had appointed proxies for the purposes of the meeting in respect of approximately 37 million shares.
Chairman's Address	<p>The Chair addressed the meeting and noted the following performance financial performance highlights for the financial year ended 30 June 2023 (referenced against the prior year):</p> <ul style="list-style-type: none"> ➤ Operating EBITDA was \$61.2 million, (down 9% on the prior year). ➤ Net profit after tax was \$17.5 million, (down 28% on the prior year). ➤ Operating revenue of \$975.7 million, (up 2% on the prior year). ➤ Gross profit of \$252.8 million, (up 2% on the prior year).

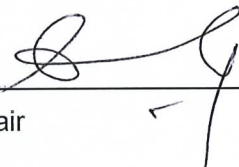
	<ul style="list-style-type: none"> ➤ Net Cash Flow from Operating Activities of \$25.5m, (up 8% on the prior year). ➤ Fully imputed dividends for the year of 22 cents per share. <p>These results were realised with margins broadly in line with the comparative period. This is the second strongest trading performance for the business since the PGG Wrightson Seeds divestment.</p> <p>The resilient performance of PGW in volatile market conditions is perhaps the most pleasing aspect of the result. Strong operating results were generated by most business units with Livestock, Wool, and Water all experiencing solid demand. Rural Supplies and Fruited Supplies again delivered standout performances. The exception was our Real Estate business which continues to operate in a difficult market.</p> <p>Macro trading conditions for the year were volatile with increasing input costs and inflationary pressures, falling commodity returns for our clients, and a wet and cold spring delivering frosts which affected a number of crops. Two cyclones through late summer also resulted in significant crop and rural infrastructure damage in the North Island.</p> <p>In the context of these market conditions, management and the Board were heartened by the performance of the business. We were proud of the way our team responded to the demands experienced in their regions and the extraordinary efforts of many in the way they supported each other, our clients, and their communities in need.</p>
Chief Executive Officers' Address	<p>The Chief Executive addressed the meeting and provided an operational overview of the year. The following matters were noted:</p> <p>PGW recorded operating cash flows during the year of \$25.5 million. This was up \$1.8 million on the prior year noting it included \$8.2 million of higher income tax payments related to the exceptional FY22 result.</p> <p>PGW invested in working capital during the year, including implementation of our strategy to grow GO-STOCK. This resulted in a balance of \$74.0 million at 30 June 2023. This was an increase of \$7.9 million from 30 June 2022. Inventories were \$5.5 million higher than the prior financial year end due to more inventories being held owing to higher sales volumes in the Retail and Water business and also at higher values due to continued supply chain disruptions.</p> <p>Capital expenditure of \$17.1 million was \$8.4 million higher than the prior year. This increase was driven by investment in our IT Systems Business Improvement Programme. This includes both operating expenditure and capital expenditure components and is due to go-live in 2024.</p> <p>Net interest-bearing debt was \$65.3 million as at 30 June 2023, an increase of \$32.5 million from the prior comparative period.</p> <p>The Business Improvement Programme to simplify our IT systems made good progress with its first phase successfully implemented in July 2023. The main component of the programme is expected to be completed in FY24. The benefits expected from the consolidation of systems and renewal of processes include greater efficiency, flexibility, better utilisation of our data, and improved security.</p> <p>Since the launch of our refreshed Max Rewards loyalty programme in November 2022, membership growth has been steady. As well as a brand-new look, our clients have an enhanced shopping experience, membership tiers, and access to wider member benefits as part of the programme. Max Rewards differentiates our client offering in the competitive agribusiness servicing market.</p> <p>During the financial year PGW's property maintenance requirements were transitioned to a specialist third party facilities manager. Using a specialist</p>

	<p>provider to engage contractors provides us with efficiencies and enhances our capacity to deliver professional repairs and maintenance work with a greater degree of compliance assurance.</p> <p>At 30 June 2023 PGW had 1,572 permanent and temporary (fixed term) employees and 323 casual and commission agents, totalling 1,895 people.</p> <p>PGW continues to take a disciplined approach to controlling our critical risks. Our revised Health, Safety, & Wellbeing roadmap has made significant progress this past year by engaging and learning from those who are closest to our critical risks.</p> <p>Guided by the Environment and Sustainability pillar within the PGW Group Strategy, PGW was pleased to release its Sustainability Strategy to 2030. This strategy establishes PGW's positioning on a range of key Environmental, Social, and Governance issues. We have targets around greenhouse gas emissions reductions, fleet management, energy efficiency, and other social and governance metrics. PGW has committed to reduce its operational (scope 1 & 2) greenhouse gas emissions by 30% by FY30 from its FY21 baseline. As part of this commitment, PGW has undertaken a comprehensive process to calculate its current and historic emissions profile, including seeking external assurance. PGW has identified its largest sources of emissions and put in place a series of strategic actions to address these. PGW has also committed to transparency through public reporting and has aligned our reporting to the Global Reporting Initiative Standards. These Standards assist organisations to understand and communicate their impacts on a range of issues such as climate change, human rights, and corruption.</p> <p>The damage caused to our clients from Cyclone Gabrielle and Northland flooding was substantial, with the effects and recovery going to be felt for a number of years to come. Whilst sobering seeing the devastation the cyclone caused it was heartening to see that the fabric of our rural communities is strong and resilient.</p> <p>Our local teams did a fantastic job supporting our clients and growers, often while having to deal with their own personal impacts. We had a lot of staff from around the country travel to the affected areas to help the local teams and provide additional support where needed. Our people have been outstanding in how they responded to the challenges this event brought and continue to demonstrate how PGW plays an important role in our communities as well as looking out for each other.</p> <p>We worked in conjunction with Ag Proud and Federated Farmers to capture donations for distribution to the Rural Support Trusts in the impacted areas. Our retail stores and livestock saleyards collected approximately \$32,000 which was distributed to the Rural Support Trust and Federated Farmers who were on the ground doing great work to support those in need. Internally, PGW raised over \$115,000 from employees and other donations.</p>
First Quarter FY2023	<p>The Chief Executive provided up update on trading performance for the first quarter of the current financial year.</p> <p>The business is into the busy Spring period with increased activity on farm and orchard with growth rates picking up across the country. The first quarter got off to a relatively subdued start with cooler conditions initially and farm and orchard spending indicators back on last year. Farmer and grower sentiment dipped lower and investment intentions have fallen to their weakest levels since the 1980's, excluding the first Covid lockdown. The good news is that PGW's market share is steady and, in some areas, is continuing to make gains.</p> <p>Whilst PGW cannot influence customer spend appetites, we can keep a strong focus on areas of our business that we can control, for example inventory, cash flow and operating expenses. These are areas that we</p>

	<p>continue to proactively manage as appropriate for the operating environment. Although we have seen spending patterns back off in discretionary inputs, much of the business we do involves necessary seasonal spend for our customers that is essential for their growing operations.</p>
Forecast Outlook Update	<p>The Chair provided up update on the forecast outlook.</p> <p>There is a significant degree of volatility in the global economy and international markets currently. New Zealand, like key trading partner nations, are committed to bringing inflation under control and we have seen interest rates increase to help achieve that. The effect of this monetary policy is being felt with inflation levels beginning to trend lower but with elevated interest rates raising borrowing costs.</p> <p>While PGW is well positioned operationally, we see continuing volatility and softening commodity prices for our clients and challenging macro market conditions out over the short to medium term.</p> <p>Increased concerns over the outlook for agricultural commodity prices in the year ahead has pushed New Zealand farmer sentiment to record lows. We have seen the movement in dairy forecasts in recent months along with soft demand for sheep meat. Demand in key markets has declined and China's economic recovery remains subdued.</p> <p>While some of the sector is recovering from last summer's cyclones there is also concern about the potential for drought conditions in the coming months due to El Niño weather patterns. These factors combine to hamper confidence and reinforce cautiousness as farmers and growers anticipate impacts on the profitability of their business operations.</p> <p>While the sector faces a challenging year, this is nevertheless balanced by strong longer-term fundamentals, and we expect an improvement as the economies in our key markets recover. The global population and demand for protein is expected to continue to grow and the fundamentals for the sector remain sound.</p> <p>The longer-term outlook is positive, with the Ministry for Primary Industries projecting steady growth for New Zealand's primary exports and revenue projected to reach \$62 billion by 2027. As a market leader in the agricultural sector, PGW is in a strong position to assist our clients grow their businesses as they respond to export demand.</p> <p>On balance, we remain cautious about the financial year ahead given the mixed signals in the macroeconomic environment.</p> <p>Although it remains early in the financial year, we are forecasting an Operating EBITDA result for the year to 30 June 2024 of around \$52 million. This is back from last year's strong Operating EBITDA result of \$61.2 million and is based upon our current assessment of a more cautious operating environment. It remains early in the year however and we would hope to be in a better position to assess again after the spring trading period.</p> <p>In the meantime, the business remains focused on continuing to deliver on our strategy and creating value as we enter our key trading period.</p>
Questions and Discussions	<p>At the conclusion of the presentations the Chair invited Shareholders at the meeting to question, discuss, or comment on the management or other aspects of the Company.</p>
Business of Meeting	
Auditors Remuneration	<p>A motion was put to the meeting to authorise the Board to fix Ernst & Young's remuneration as the PGW's auditor.</p>
	<p>This item of business was moved as an ordinary resolution and put to a poll</p>

	of Shareholders undertaken by Computershare.
Poll Results	<p>The results of the resolutions put to the meeting were as follows:</p> <p>Confirmation and Remuneration of Auditors:</p> <p>Resolution: The reappointment of Ernst & Young as PGW's auditors was noted and shareholders voted to authorise PGW's Directors to fix Ernst & Young's remuneration for the current financial year for the purposes of section 207S of the Companies Act 1993.</p> <p>Votes for: 46,078,865 (99.68%)</p> <p>Votes against 148,809</p> <p>Abstained: 40,072</p>
General Business	<p>No items of General Business were raised.</p> <p>The Chair invited Shareholders to ask questions relating to any other matters that may be brought before the meeting and there were none.</p> <p>The Chair closed the meeting.</p>
Closure	The meeting closed at 10:47am

Confirmed as a correct record of that meeting on the 27th day November 2023.



 Chair

