

Ashburton Lyndhurst Irrigation Limited

Draft Minutes of the Annual Meeting of Shareholders held at the Hotel Ashburton, on Thursday 16th October 2025 at 7.00pm.

Present:

Colin Glass, Chair presided over an attendance of 36 shareholders representing 40 shareholdings (24.82% of shares).

In Attendance:

Rebecca Whillans (Chief Executive), Carmen Foster (Executive Assistant), Keeva Hintz (Environmental Support Coordinator) & Rachel Pilling (Operational Planner).

Apologies:

Andy Macfarlane, Linda Rollinson, Richard Wright, Charlie Draper, Roger Henderson, Ross Duncan, James Anderson.

Moved:

That apologies be accepted.

Steven Bierema / Graham Buick

Carried.

Registers:

As required by the Companies Act a copy of the Share Register along with the Directors' Shareholdings and Interests, are available for inspection if required.

2024 Minutes:

The Minutes of last year's Annual Meeting were circulated with the Notice of Meeting. The Chair advised that these Minutes were reviewed and approved by the Board of Directors at the December 2024 Board meeting, subject to there being no changes raised by shareholders at the 2025 Annual Meeting.

While the Board and the Chair have the ability to approve these minutes, ALIL's practice has been to circulate these prior to the subsequent Annual Meeting and if there are no points of contention raised by shareholders, then the minutes are approved.

Moved:-

That the 2024 Annual Meeting Minutes be approved.

Phil Lowe / Sue Duncan

Carried.

Matters Arising:

There were no matters arising from the minutes.

Business:

Chairman and Chief Executive's Report and Financial Reports:

The Chair presented the Chairman & Chief Executive's Report as read.

The Chair updated the meeting on the following items:-

- ALIL has been operating under continuance with resource consent CRC183851 since the ELI judicial review & high court decision around Section 107 was delivered on 20 March 2024.

- From March – August 2025 ECan reheard ALIL's discharge consent application. The hearing closed in September & discharge consent CRC185469 was granted on 15th October 2025.
- The company has appealed the imposition of two conditions. It did not challenge (and is supportive of) the grant of consent. ALIL has reverted to operating under continuance of the prior discharge consent CRC183851.
- The reasoning for the appeal, was that the Commissioners decision commented that ALIL needed to make measurable improvements within the term of the consent which expires in 2030, effectively a 4-year period. This is not consistent with the water quality data or the evidence presented by ALIL at the hearing.
- It was also hoped that ALIL can challenge the language of the decision referring to "Significantly Adversely Affected". These words were previously used against ALIL by ELI in the Judicial review.
- ALIL has seen an easing in interest rates, which has translated to a healthy position for the company.

The Chief Executive presented her report, along with a review of the Financial Statements & 2026 Budget

The following discussion points were noted:-

- The water charges for Stage 2 & Greenline have been budgeted to remain the same at \$7.38 per share for the 2025/26 year.
- A Water Swap Agreement between ALIL & BCI was optimised during the 2024/25 Irrigation season, meaning ALIL did not pay any charges for Stored Water. It is hoped that the same arrangement will continue for the 2025/26 Irrigation season.
- Mid Canterbury Water Storage budgeted expense has increased to allow for variations to the existing consents
- A slight increase in electricity expense has been budgeted. This will depend on weather.
- Principal repayments remain at levels consistent with the previous year. These have been set based upon a 6% table mortgage rate across all loans.
- Environmental charges have remained the same. This will be influenced by appeal costs relating to the discharge consent.
- 40% of ALIL's debt is floating at an average wholesale rate of 3.33% + margin.
- 60% of ALIL's debt is fixed at an average wholesale rate of 3.89% + margin.
- The Treasury Policy bands were amended during the year. This resulted in the 5–10-year period minimum cover at 0% & maximum cover at 50%.
- ALIL is in a strong financial position which has resulted in additional principal payments being made above the past two years required minimum. A debt covenant surplus is available for the 2025/26 financial year. This surplus is able to be carried forward 2025/26 financial year.
- Shareholders were asked how aggressively they'd like to see the board make changes to the water charges. There were no comments from the floor.

Moved:

That the ALIL Financial Reports and Chairman & Chief Executive's Report for the year ended 30 June 2025 as circulated be received.

Randal Hanrahan / Sue Duncan

Carried.

Auditor:

The Chair advised that the audit services for the ending 30 June 2026 had been tendered. Two were received & following Board review, the Board recommended the appointment of BDO.

Moved:

That BDO be appointed as auditors of Ashburton Lyndhurst Irrigation Ltd for the year ending 30 June 2026 and to authorise the Board to fix the Auditor's remuneration.

Gerard Murphy / Sue Duncan

Carried.

Director Nominations:

C Glass advised, in accordance with the rules of the Company, P Lowe & C Glass retire by rotation. Being eligible, P Lowe offers himself for re-election. C Glass has advised that he did not seek re-election, creating a vacancy.

At the close of nominations, one nomination was received for the appointment of Andy Macfarlane.

An introductory video received from A Macfarlane was played.

The company seeks approval of the reappointment of P Lowe & appointment of A Macfarlane as Directors. C Glass advised that the company is required to vote at the Annual Meeting to appoint each director even though the number of nominations is equal to the vacancies.

Moved:

That P Lowe be reappointed as a Director of ALIL.

Matthew Talbot / George Lilley

Carried.

Moved:-

That A Macfarlane be appointed as a Director of ALIL.

John van Polanen / Karl Henderson

Carried.

The Chair handed the meeting to the Chief Executive.

The Chief Executive invited Steven Bierema to address the meeting.

S Bierema acknowledged C Glass's 13 years of service. It was noted that C Glass was elected to the Board by shareholders in October 2012 following a short period where he had been co-opted onto the Finance Committee during the planning stages for the Stage 2 piping scheme. In 2017 C Glass was elected as Chair by fellow directors. It was further acknowledged that C Glass brought steady leadership, governance expertise, respect as an industry leader in the NZ Agri sector & cooperative approach to ALIL. Both C Glass & P Glass were presented gifts as a token of the scheme's gratitude.

C Glass thanked S Bierema & shareholders & the meeting resumed.

Directors Fees:

Gerard Murphy was invited to address the meeting as chair of the Remuneration

Committee.

G Murphy acknowledged C Glass's contribution to the scheme, bringing immense business acumen. He was widely respected by shareholders.

The remuneration committee consisting of Gerard Murphy, John Robinson & James Anderson met on 11th September 2025. Shareholders noted that the remuneration committee's recommendation was included in the notice of meeting sent to shareholders. A sum of \$110,000 was recommended, up from \$102,000 in the prior year. In setting the Directors fees, the remuneration committee considered the following:-

- CPI Increases of 2.7% to 30 June
- NZ salary & wage increases of 2.4% to 30 June
- The NZ Institute of Directors annual remuneration median fee increases for non-executive directors of 7.4%
- Directors' fees paid by eight other Canterbury irrigation companies between (\$15,000 - \$39,000 for directors & \$30,000 - \$78,000 for chairs). ALIL was noted as being at the bottom of the range.

C Glass spoke to the meeting, stating that ALIL sitting at the lower range was special. Being a director was an opportunity to give back & being able to lead from the front.

G Murphy noted that in prior years the Associate Director training had been included in the total pool of directors' fees. This year the remuneration committee recommended that the Associate Director training be transferred to the operating budget of the company & that the recommendation tabled was solely for directors' fees.

Moved:

That the Remuneration Committee's recommendation that the total pool of Directors fees for the 2025/26 financial year be set at a maximum of \$110,000 and be allocated to Directors Fees as the Board see fit.

Gerard Murphy / John Robinson

Carried.

C Glass thanked the remuneration committee for their efforts over the past year.

Remuneration Committee:

The current Remuneration Committee comprises Gerard Murphy, John Robinson & James Anderson. G Murphy & J Robinson advised they did not seek re-election.

Nominations were called for the Remuneration Committee.

Moved:

That Randal Hanrahan, Andrew Griffiths & James Anderson, be confirmed as the Remuneration Committee for the year.

Colin Glass / Gerard Murphy

Carried.

Scheme Update:

R Whillans provided the following update on scheme matters:-

- 2024/25 Water use
 - There were no irrigation restrictions passed on to shareholders & no request was made to use BCI Water Stored water that was available.
- McKendry's road pond was completed at the start of the 2025 calendar year.

- Mid Canterbury Water Storage which is jointly owned 50/50 with MHV Water Ltd is pursuing a change of consents with ECan. The company will also be seeking a “Designation”. Designation & consents will be sought on a non-notified basis & a staged approach for construction will be undertaken.
 - It is anticipated a building consent application will be lodged prior to Christmas 2025.
 - The existing consents require activation within 15 years of being granted. Once activated they will be able to be used for the term of the consent.
 - Storage at Klondyke is being developed to provide for optionality & reliability in the event of the proposed Ashburton River restrictions in 2033.
- ALIL is working with other irrigation schemes on opportunities arising from the Ashburton District Council exiting the stock water network by the June 2027.
- Audit Grades over time.
 - By December 2025 ALIL’s Annual Discharge Consent requires the scheme to be at 85% A grades & 15% B grades. This has already been achieved with 95% of FEP’s now graded at an A grade.
 - The focus is now on achieving the 2030 reductions. By 2030 this means all FEP’s being at an A grade or higher.
 - Compliance with the Discharge Consent is strongly linked to on-farm actions, so maintaining an A grade across the scheme is an important focus to demonstrate environmental improvements over time.
- Water Quality Monitoring - 2017 – 2025
 - Ground water results were reported on. These results were mixed with some aquifers recording variable results, while the deeper aquifers were reporting no clear trend.
 - Surface water results are showing a clear response to weather events. The Mt Harding stream nutrient levels are slightly above the national bottom line of 2.4 ppm for nitrate & work is required to bring the levels down.
 - A Fresh Water Scientist role is currently advertised & it is anticipated an appointment will be made by the end of November 2025.

RDRML Update:-

- A RDRML shutdown occurred at the start of the 2025/26 irrigation season. Works were completed on the Surry Hills Syphon, removal of material from the radial gates & installation of the intake for the Forks line were completed during this time.
- It has been suggested that longer shutdowns occur at the end of an irrigation season (May) rather than at the start of an irrigation season (September).
- The Manawa shutdown which was originally planned from Oct 2024 for an 18-month period, is now to be extended by at least a further 10-week period. This extension will impact the 2026 winter generation period.

Associate Director

The Chair advised that applications for the 2026 Associate Director role will be advertised in the November newsletter.

General Business

Director Nominations

John van Polanen advised that prior to the close of nominations he reviewed the constitution & understands that those able to be nominated for the role are broader than he originally thought. The constitution states that the board must consist of four shareholders, meaning the board does have the ability to co-opt an individual if there is a vacancy. Approval by shareholders of this appointment would then need to be approved

at the next Annual Meeting of the Company.

Ashburton Forks Pipeline

The following discussion points in relation to the Forks Pipeline were noted:-

- 40,600 shares had been sold, equating to 406 L/s
- The land brought into the scheme comes with its own nutrient allocation as held during the baseline period. This new allocation is added to the load within the scheme's Nutrient Discharge Consent. The scheme will work with the new shareholders on an annual basis (completion of FEP's etc) as it does with existing shareholders with the same rights & conditions.
- The Forks Road project is forecast to be completed by March 2026. Final costings have been amended following recent minor re-designs, but it is anticipated that costs will not be any greater than 60% of the capital generated by the share sales. A contingency has been included & if used, this would see the cost increase over the 60%.
- The board did not consider selling water at a rate less than \$160 per share on the basis it would drop the base value for all shareholders. There were numerous share offers made to existing shareholders before an offer to "out of scheme landowners" was made.
- The annual water charge income generated from the share sales would benefit all shareholders.

Nutrient Allocation

The meeting noted a Nutrient Allocation workshop was held on Friday 3rd October 2025.

A slide detailing the Average current N Loss for the scheme, Flat N loss & Individual property N Loss was tabled.

The following discussion points on the proposed management of Scheme N Loss were noted:-

- Average N loss is already below the 2030 target using Overseer, showing progress since 2020.
- The Board is focused on achieving shareholder viability and future flexibility for all shareholders.
- The ECan Commissioners decision requires measurable improvements in water quality by 2030, regardless of land use.
- High N-loss properties need to reduce while some low emitters may increase, all of which will be managed in a cooperative manner.
- There will be no grandparenting.
- Action plans will be developed jointly with higher N-loss farms.
- Initial focus will be with the top 20 highest N-loss farms.
- Concerns were expressed by some shareholders regarding Overseer accuracy, especially for arable systems with complex crop rotations.
 - Farms must understand their numbers; adjustments will only be required if necessary.
- A Water Quality Group has been formed with BCI & Acton; recruitment of a Water Quality Scientist is currently underway.

The Next Steps will include:-

- Development of action plans for high N-loss farms as part of FEPs.
- Report shareholder feedback on the proposed approach for management of Scheme N Loss to the Board.

- Continue progress toward equitable reductions and accurate modelling.

Chairs Closing Comments:

The Chair reflected on the long journey of irrigation development for his family, which resulted in the family property receiving ALIL water when the RDR Group was completed in 2017.

He spoke to key learnings during his tenure which included:-

- The importance of a cooperative approach
- Talking with shareholders
- Doing what is right for the cooperative rather than individual shareholders.
- The Stage 2 upgrade was a resounding success.
- Culture starts with the Board. This requires strong local connection and a respected & proud Management & Operations – this was evident with the longstanding staff within the scheme.

The Chair noted the challenges ahead which included consent to farm, innovation & change of land use. Flows in the Ashburton & Rangitata Rivers, mixing of waters, engagement with Arowhenua, ECan & Central Government.

The Chair thanked Rebecca & Carmen & all the ALIL team, including the late Brett Evans. Contractors, lawyers, accountants & other consultants used by the company were also acknowledged.

Fellow board members were thanked for the debates, the challenges, but mostly the fun that had been had. Congratulations were extended to P Lowe & A Macfarlane on their appointments.

In the Chairs final comments he extended thanks to Paula, Hannah & Olivia for their support during his ALIL tenure alongside all shareholders.

There being no further business the meeting closed at 8.55pm & shareholders were invited to remain for supper.

Date _____