

KUROW-DUNTROON IRRIGATION COMPANY LIMITED

Notice of Special General Meeting

Notice is given that a Special General Meeting of Shareholders will be held at the Kurow Hotel, 55 Bledisloe Street, Kurow at 11am on Tuesday 22 October 2024.

1 Special Resolution – Registration of a Co-operative Company

That the Company re-register as a co-operative company under the provisions of the Co-operative Companies Act 1996.

Explanatory Note

It is proposed the Company be re-registered as a co-operative company. The purpose of this is to ensure that if some shareholders do not apply for shares that are to be issued then water charges can be adjusted so that those shareholders who do not apply for shares will have higher water charges than those who do apply for the shares needed to raise the capital needed as equity to enable the refinancing of the Company's debt.

2 Special Resolution – Adoption of Constitution

That the Company adopt a new constitution in the form provided to all shareholders in substitution for the existing constitution of the Company.

Explanatory Note

Attached is a summary setting out the difference between the current constitution and the proposed constitution. In addition the new constitution will permit the Company to:

- (a) Pay rebates to holders of a class of shares.
- (b) Surrender the shares of any shareholder who breaches the water user agreement or who fails to pay water charges at a nominal value of \$1.00 per share.
- (c) Create new share classes, convert classes of shares and consolidate or subdivide shares of any class.

3 Special Resolution – Repayment of Debt and New Borrowings from Bank

As a special resolution under section 129 of the Companies Act 1993 that the following transactions be approved:

- 3.1 The repayment of the debt owing by the Company to Crown Irrigation Investments Limited (*CII*L) by CII L accepting an amount as agreed between the directors of the Company and CII L to satisfy that debt being a material reduction in the debt owing by the Company to CII L.
- 3.2 The Company enter into borrowings with a trading bank of up to \$22.5 million to enable the transaction in 3.1 above to be completed with those borrowings being on such terms and conditions and providing for such security as determined between the bank and the directors of the Company.

Explanatory Note

Shareholders are aware of the substantial loan of approximately \$34 million owing to CII L. The directors have agreed with CII L that subject to shareholder approval, and raising \$27.5 million

from a bank and shareholders, CIL will accept \$27.426 million in settlement of this loan. The repayment of the CIIL loan is to be achieved by \$22.5 million being raised from a trading bank and a minimum of \$5.229 million being raised from shareholders through a new issue of shares.

This resolution is to approve the settlement terms with CIIL and approve the bank borrowing. If these transactions proceed this will substantially reduce the interest costs of the Company as debt will be reduced by around \$7 million.

4 Ordinary Resolution – Reclassification of Shares

The shareholders approve the following:

- 4.1 That all existing water shares on issue be reclassified as W Shares.
- 4.2 After the I Class Shares, being offered under the information memorandum, have been issued, that the W Shares held by those shareholders who have been issued the same number of I Class Shares as the W Shares held by those shareholders, have all shares so held reclassified as I Class Shares and then every two I class Shares held shall be consolidated into one I Class Share.

Explanatory Note

As part of the share issue a different class of shares (I Shares) needs to be created so that for those shareholders who apply for I Shares, and so fund the restructuring of the Company's finances, they will pay a lower water charge than those shareholders who do not apply for those shares.

On the issue of I Shares it is intended those shareholders will not increase their voting control of the Company. Therefore it is intended that concurrent to the issue of the I Shares:

- (a) The Water shares held by those shareholders will be reclassified as I Shares.
- (b) That two I Shares held by each shareholder will be consolidated into one I Share so the voting ratio of those shareholders will remain unaltered.

5 General Business

The Board will update shareholders on the proposed capital raise. To enable the above restructure to be implemented the Company will be requesting shareholders to apply for one new share for every existing share held at an issue price of \$1,640 per new share. The Company has to raise a minimum of \$5.229 million to enable Crown Irrigation Investments Limited to be repaid and to raise at least \$22 million from a trading bank. The shares offered will be I Class Shares and for those shareholders who apply for their full entitlement to those I Shares the water charges payable in the future will be materially less than the water charges for those who do not apply for those shares. Shareholders who apply for I Shares must obtain a certificate from a chartered accountant or solicitor confirming they are "eligible investors" which means they have the background to fully understand the share issue and the risks associated with that issue.

It is expected that the cost of borrowing to apply for I Shares will be substantially less than the benefits gained from a lower water charge. Detailed information will be provided at the meeting.

NOTES:

Resolutions 1, 2 and 3 are required to be passed as special resolutions.

Special Resolution means a resolution passed at a meeting duly convened and held in accordance with the provisions of the constitution of the Company and the Companies Act 1993 and carried by a majority of 75% or more of the persons voting in person or by poll at the meeting. At a meeting of shareholders on a poll each shareholder has one vote for each share held.

Resolution 4 is required to be passed as an ordinary resolution.

Ordinary Resolution means a resolution passed at a meeting duly convened and held in accordance with the provisions of the constitution of the Company and the Companies Act 1993 and carried by a majority of more than 50% of the persons voting by poll at the meeting. At a meeting of shareholders on a poll each shareholder has one vote for each share held.

Quorum – a quorum for the meeting of shareholders shall be 10 or more shareholders present in person or by proxy, attorney or authorised representative.

Shareholders – shareholders are advised that any shareholder that is entitled to attend and vote at the meeting may appoint a proxy, attorney or authorised representative or (in the case of a corporate shareholder) an authorised representative to attend and vote on his/her behalf. The proxy need not be a shareholder of the Company and a proxy appointment form must be received at the Company's address, 277 Thames Street, Oamaru 9400 by 5pm on Friday the 18th day of October 2024, being at least 48 hours before the time of the meeting. Proxies may also be sent by the form being scanned and emailed to office@aqus.co.nz. A proxy form is attached.

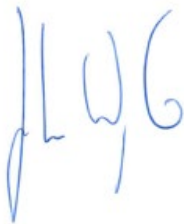
FURTHER MATTERS – General Business

Any business that can properly be brought before the meeting.

- **Proxy forms** – are required to be signed as follows:
 - If the shareholder is a company, the proxy form must be signed pursuant to section 180(1)(a) of the Companies Act 1993 by two directors or as otherwise provided by that section. If the Company has only one director that director's signature must be witnessed; if the Company has two or more directors at least two directors must sign the proxy form.
 - If the shareholder is an incorporated body the proxy form must be signed by the authorised signatories of that body as required by its constitution.
 - If the holding is held jointly (as with a husband and wife) the proxy form must be signed by both shareholders.
 - If there is an individual shareholder then the proxy form should be signed by that person in his or her usual signature or by the attorney of that shareholder.
 - If a trust holds the shares then all of the trustees in whose name those shares are registered must sign the proxy form.

- If the proxy form is being signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with the proxy form.
- **Attendance and Voting Rights** – all shareholders, or their proxy/ies or other representatives, are entitled to attend the meeting and vote. On a show of hands each shareholder has one vote on a poll, one vote for each share held.
- **Representative** – If the shareholder is a Company or an incorporated body which wishes to be represented at that meeting by an individual that shareholder will need to pass a resolution appointing that person as a representative. A copy of that resolution must be brought to the meeting.
- **Power of Attorney** – If the shareholder has appointed an attorney that attorney may attend the meeting provided a certified copy of the power of attorney has been delivered to the Company at least 24 hours prior to the meeting.

By order of the Board

A handwritten signature in blue ink, appearing to read 'JLW', is written over the printed name and title of John Wright.

John Wright
Director

4 October 2024

KUROW-DUNTROON IRRIGATION COMPANY LIMITED

PROXY FORM

(for use if you are unable to attend the Special Meeting or wish to vote ahead of the Special Meeting)

All shareholders entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and vote on their behalf by completing, signing and sending the proxy form enclosed, to Kurow-Duntroon Irrigation Company Limited, 277 Thames Street, Oamaru 9400 (or scanned and emailed to office@aqus.co.nz), no later than 5pm on the 18th day of October 2024. The Chairman of the Meeting is available to act as proxy if required.

I/We _____

(FULL NAME IN BLOCK LETTERS)

of _____

(FULL ADDRESS IN BLOCK LETTERS)

being a shareholder of the Company **HEREBY**

APPOINT _____

(FULL NAME OF PROXY IN BLOCK LETTERS)

of _____

as my/our proxy to vote on my/our behalf at the special meeting of shareholders to be held on Tuesday 22 October 2024 at 11am (New Zealand time) and at any adjournment thereof.

Unless otherwise instructed, the proxy will vote as he or she thinks fit. Should you wish to direct the proxy how to vote please indicate with a (✓) in the appropriate boxes below.

	In Favour	Against
1. Registration as a Co-operative Company That the Company re-register as a co-operative company.	<input type="checkbox"/>	<input type="checkbox"/>
2. Adopt a New Constitution for the Company That the Company adopt a new constitution as presented to shareholders.	<input type="checkbox"/>	<input type="checkbox"/>
3. (a) That the debt owing to CIIL be repaid That the Company be authorized to repay the debt owing to CIIL at a negotiated rate.	<input type="checkbox"/>	<input type="checkbox"/>
3. (b) Bank Funding That the Company be authorised to enter into bank funding of up to \$22.5 million.	<input type="checkbox"/>	<input type="checkbox"/>

	In Favour	Against
4. Reclassification of Shares That the existing Water Shares be reclassified as W Shares and then every two I Shares held being consolidated into one I Share	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2024

Usual signature(s): _____

Usual signature(s): _____

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

(Complete this section if you are acting on behalf of someone for whom you have a Power of Attorney)

I _____ of _____
(Name of Attorney) *(Address and Occupation of Attorney)*

hereby certify that by Power of Attorney dated: _____
(Date of Power of Attorney)

_____ of _____
(Name of Person for whom Attorney is signing) *(Address and Occupation of Person for whom Attorney is signing)*
("The Donor")

Appointed me his/her/its attorney on the terms and conditions set out in that Power of Attorney.

- I have completed and executed this proxy form as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me.
- At the date of this certificate, I have not received any notice or information of the revocation of that Power of Attorney, whether by the death or dissolution of the Donor or otherwise.

SIGNATURE OF ATTORNEY: _____

Signed at _____ this _____ day of _____ 2024
(City/Town where signed) *(Day of Month)* *(Month)*

NOTES ON PROXY FORM

- (1) **Entitlement to appoint proxy:** A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her.
- (2) **Proxy not a member:** A proxy need not be a shareholder of the Company. The Chairman may be appointed as proxy.
- (3) **Name of proxy:** You must indicate the name of your proxy. Failure to do so will invalidate your vote.
- (4) **Indication of vote:** Please indicate in the appropriate boxes how your vote is to be cast. If you do not, the chairman will **have** the ability to cast your vote as they see fit.
- (5) **Signing of proxy form**
 - (a) **Individual holder:** In the case of an individual holder, the proxy form should be signed by that person in his or her usual signature or by the attorney of that holder.
 - (b) **Joint holders:** If the holding is jointly held (as with a husband and wife) the proxy form must be signed by both holders.
 - (c) **Company or other body:** If a member is a company then this proxy form must be signed by a person who has express or implied authority to sign the proxy form as a representative of the company. If the member is another type of incorporated body the proxy form must be signed by the authorised signatories of that body as required by the constitution of that body or by a person who has express or implied authority to sign the proxy as a representative of that body.
 - (d) **Power of Attorney:** If this form has been signed under Power of Attorney a copy of the Power of Attorney and a signed certificate of non-revocation of Power of Attorney must be produced to the Company with the proxy form.
 - (e) **Deposit of proxies:** Instruments appointing a proxy must be sent to the Company at the address set out below no later than 5pm on Friday the 18th day of October 2024.

Please forward to:

Kurow-Duntroon Irrigation Company Limited
277 Thames Street
Oamaru 9400
email: office@aqus.co.nz