

19th October 2016

Dear Shareholder

This information pack contains the following important documents:

- Notice of Annual General Meeting to be held on **8th November 2016**
- A Proxy Form for the Annual General Meeting
- Minutes of Meeting of the Annual General Meeting held on 30th November 2015

Director Elections

There were two Director vacancies as a result of the retirement of two Directors and the rotation requirements within the company constitution. The retiring Directors were:

- Nicola Hyslop, Pleasant Point Highway, TIMARU (by rotation)
- Alvin Reid, Te Ngawai Road, PLEASANT POINT

Nominations closed on Tuesday 11th October 2016 at 4.00pm and the following nominations were received:

- Nicola Hyslop, Pleasant Point Highway, TIMARU
- Ryan O'Sullivan, Cricklewood Road, FAIRLIE

Since the number of candidates for the office of Director did not exceed the number of vacancies, Nicola Hyslop and Ryan O'Sullivan were deemed to be duly elected (Constitution clause 51.5).

Annual General Meeting (refer attached Notice)

We had previously advised that the AGM was planned for Tuesday 1st November 2016.

The AGM date has been rescheduled and will now be held on **Tuesday 8th November 2016** at the Pleasant Point Golf Club, Butlers Road, Pleasant Point. Refreshments from 3.30pm, followed by the AGM at 4.00pm.

If you wish to vote via proxy, please note that all proxy forms need be received at least **48 hours before** the time of the Annual General Meeting. Refer to the Proxy Form for further information.

Shareholders may submit written questions to be considered at the Annual General Meeting. The Company reserves the right not to address any questions that, in the Board's opinion, are not reasonable to address in the context of an annual meeting, or any written question received fewer than five working days prior to the Annual Meeting.

Written questions should be sent by post to "Annual General Meeting", Opuha Water Limited, 875 Arowhenua Road, RD 4, Timaru 7974, or by email to office@opuha.co.nz (please ensure the subject line identifies the email as a question for the AGM).

Annual Report

We will only be issuing printed copies of the Annual Report to those shareholders who request one.

Electronic copies of the Annual Report will be available on the company website from 28th October 2016 - www.opuhawater.co.nz/company-information/annual-financial-reports

NOTICE OF ANNUAL GENERAL MEETING

The Directors wish to give notice that the Annual General Meeting of Opuha Water Limited will be held on **Tuesday 8th November 2016** at 3.30pm at the **Pleasant Point Golf Club**, Butlers Road, Pleasant Point.
(Refreshments from 3.30pm, followed by the AGM at 4.00pm)

A copy of the Minutes of Meeting of the Annual General Meeting held on 30th November 2015 are included for your information.

Meeting Agenda

Ordinary Business

1. To adopt the Annual Report of the Company for the year ended 30th June 2016.
2. To consider and resolve that the annual Directors' Remuneration pool be increased from \$99,000 to \$120,000 (divided amongst the Directors as they deem appropriate) from 1st December 2016.
(see Note 1)
3. To consider and resolve that an annual Directors' Compensation pool of \$20,000 p.a. be established from 1st December 2016.
(see Note 2)
4. To confirm the re-appointment of KPMG as auditor of the Company and to hold office from the conclusion of the annual meeting, and to authorise the Board to fix the fees and expenses of the auditor.
(see Note 3)

At the conclusion of the Annual General Meeting, a presentation will be made on the company performance and current position.

The key points to note are:

1. In response to the commitment made at the 2015 AGM, the Board commissioned, in September 2016, an external independent review of Directors remuneration and the proposed increase from \$99,000 to \$120,000 is based on the recommendations of that review.
2. The external independent review of Directors remuneration above concluded that Directors should be compensated for their time involved in activities outside the Board room, where they represent the Company in forums such as CWMS and other industry related meetings. The Directors have proposed that a \$20,000 p.a. pool be established to cover this recommendation.
3. The current auditor of the company (KPMG) has indicated that they are willing to continue and have given notice to the Board that they wish to be reappointed as the company's auditor. KPMG were auditors for the year ended 30 June 2016. The Directors believe that KPMG are suitably qualified, given their experience with the Company and through the merger, to fill the vacancy for auditor that will arise and propose that they be reassigned as auditor.

AGM PROXY FORM

SECTION 1: SHAREHOLDER DETAILS

Full Name/s _____

Full Address _____

If shares are held jointly, enter details of other joint holders

Full Name/s _____

Full Address _____

SECTION 2: APPOINTMENT OF PROXY

(If the shares are held jointly, the appointment made in this section is made on behalf of each joint shareholder)

I/We appoint

Full Name of Proxy _____

Full Address of _____

as my/our proxy to exercise my/our vote at the Annual General Meeting of Opuha Water Limited to be held at 4.00pm on Tuesday 8th November 2016 and at any adjournment thereof.

If the person I have appointed is unable to be my proxy, then I appoint:

Full Name of Alternate _____

Full Address of _____

SECTION 3: VOTING INSTRUCTIONS

I / We direct my / our proxy to vote in the following manner:

RESOLUTIONS	Indicate with a tick	
	For	Against
1. To adopt the Annual Report of the Company for the year ended 30 th June 2016		
2. To resolve that the annual Directors' Remuneration pool be increased from \$99,000 to \$120,000 (divided amongst Directors as they deem appropriate) from 1 st December 2016		
3. To resolve that an annual Directors' Compensation pool of \$20,000 p.a. be established from 1 st December 2016		
4. To re-appoint KPMG as auditors of the Company, and to authorise the Board to fix the fees and expenses of the auditor		

Signed by each shareholder named in Section 1 this _____ day of _____ 2016

NOTES TO THE PROXY FORM

- As a shareholder you may attend the meeting and vote, or you may appoint a proxy to attend the meeting. A proxy need not be a shareholder of the Company. The Chairman may be appointed as proxy by naming the proxy as "Chairman of the Company".
- If you are joint holders of shares each of you must sign this proxy form. If you are a Company this proxy form must be signed on behalf of the Company by a person acting under the Company's express or implied authority. 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 shareholder 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.
- For this proxy form to be valid, you must complete it and produce it to the Company at least **48 hours before** the time for holding the meeting. You can produce it to the Company by:
 - Delivering it to the Company's registered office at Opuha House, 875 Arowhenua Road, RD 4, Timaru 7974 ; or
 - Posting it to the Company's registered office at 875 Arowhenua Road, RD 4, Timaru 7974 ; or
 - Emailing it to office@opuha.co.nz

In each case, so that it is received by the Company at least **48 hours before** the time for holding the meeting.

- If this proxy form has been 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 with this proxy form.
- If you return this form without directing the proxy how to vote on any particular matter, the proxy will vote as he or she thinks fit.

**MINUTES OF THE ANNUAL GENERAL MEETING OF
OPUHA WATER LIMITED
HELD 4.00PM, MONDAY 30th NOVEMBER 2015
AT THE PLEASANT POINT GOLF CLUB, PLEASANT POINT**

PRESENT: Mr Tom Lambie (Chairman), Mr Dermott O’Sullivan (Director), Mr Milne Horne (Director), Mr Alvin Reid (Director), Mrs Nicola Hyslop (Director), Mr David Williams, Mr Brendan Caird, Mr Jeff Pearse, Mr Hayden Roberts, Mr Ross Wells, Mr Stephen Brosnahan, Mr Hugh McGillivray, Mr Stan Taylor, Mr Chad Steetskamp, Mr Peter Scott, Mr Gerard Scott, Mr Cole Groves, Mr John Wright, Mr Ian Blakemore, Mr Mark Hawkins, Mr David Morgan, Mr Basil Drummond, Mr Dave Ellis, Mr David Oliver, Mr John Chapman and Mr John Gardner (all shareholders).

Also in Attendance were:

Mr Tony McCormick (CEO), Mr Nigel Gormack (Independent Director), Mr Jeremy Boys (Independent Director), Ms Aimee Bennett (OWL Financial Manager/Minutes), Mrs Christine Gardner (OWL Office Manager), Mrs Julia Crossman (OWL Environmental Manager), Mr Richard Wheeler (ANZ Bank), Mr James Christie (ANZ Bank), Mr Andrew Leete (Tavendale & Partners), Mr Hamish Mander (Tavendale & Partners), Mr Matt Davidson (Tavendale & Partners) and Mr Tom Henderson.

APOLOGIES: Mr Ryan O’Sullivan, Mr Murray Bell, Mr Tony Howey, Leighton and Michelle Pye, Mr Chris Broughton (ANZ Bank).

Mr Milne Horne moved that the apologies be Received and Accepted. This was seconded by Mrs Nicky Hyslop. The motion was carried.

WELCOME: The Chairman welcomed shareholders and other invited guests to the meeting.

A special welcome was given to invited guests:

- ANZ Bank - Mr James Christie and Mr Richard Wheeler
- Tavendale & Partners - Mr Andrew Leete, Mr Hamish Mander and Mr Matt Davidson

PROXIES: Proxies were completed and received from the following shareholding entities:

- Pye Group Limited (Leighton and Michelle Pye)

The Chairman moved that the proxies be Received and Accepted. This was seconded by Mr Alvin Reid. The motion was carried.

PREVIOUS MINUTES: It was **Resolved** that the Minutes of the Annual General Meeting of Opuha Water Limited (previously known as SCFIS Limited) held on Monday 24th November 2014 be confirmed as a correct record of that meeting. This was moved by Mrs Nicky Hyslop and seconded by Mr Ross Wells. The motion was carried.

MATTERS ARISING: No matters arose from the previous minutes.

CHAIRMAN’S REPORT: The Chairman’s Report dated 27th October 2015 included in the Annual Report was taken as Read. Mr Lambie provided highlights of the year and commented that the 2014/2015 year is recorded as the most difficult since the dam was commissioned in 1998, due to a lack of rainfall in the catchment after a winter almost devoid of snow. Mr Lambie thanked irrigators for showing a great ability to use their water as efficiently as possible under the restriction conditions. The key value of the downstream weir upgrade is that it will enable us to utilise the top portion of the lake and add to useable storage with a reduced risk of operating the fusible overflow embankment in the event of a large spill from the dam.

The Chairman noted we are about to head into a plan review for the Opihi River Regional Plan in the Orari Opihi Pareora sub-regional planning process and urged all shareholders to be actively involved in the process as it develops over the next couple of years. Mr Peter Scott asked whether the company was looking at the review of the hydraulically connected wells in our catchment and what impact these will have on the Opuha scheme. Mr Lambie replied that there are some people within the Opuha catchment who are not shareholders but that have wells that may subsequently be deemed to be hydraulically linked and we would need to identify them. We would also need to consider how we would handle the process, as the impact could be significant.

It could result in non-shareholders within the catchment having an affiliation with the company.

Mr Gerard Scott moved that the Chairman's Report for the year ending 30th June 2015 be Received and Accepted. This was seconded by Mr Stan Taylor. The motion was carried.

FINANCIAL STATEMENTS:

The CEO's Report dated 27th October 2015 included in the Annual Report was taken as Read.

Mr McCormick advised this was the first year of reporting as an amalgamated entity and the key point to note from the financial results was despite net income being \$1,057k less than the prior year, a positive operating margin of \$1,216k was still able to be achieved, mainly from cost savings realisable from the company merger such as the restructure of debt, retiring debt (thus reducing interest), and elimination of some administration and legal expenses.

Mr Ross Wells commented that if one-off income received from Collett Settlement (\$270k) and Other Entities (\$910k), shown in the Statement of Cash Flows, was not received then the company would not have been in a positive cash position. Mr McCormick replied that if the company was not in a good cash position then retiring debt of \$1.3m would have not taken place. Mr Wells asked whether the Board will be seeking an increase water charges going forward. Mr McCormick replied that he does not see a requirement to increase charges at this stage.

Mrs Nicky Hyslop moved that the CEO's Report for the year ending 30th June 2016 be Received and Accepted. This was seconded by Mr Reid. The motion was carried.

Mr McCormick noted he would provide an update/presentation at the close of the meeting.

RESOLUTION 1

It was **Resolved** to Receive, Consider and Adopt the Annual Report and Financial Statements of Opuha Water Limited for the year ended 30th June 2015. This was moved by Mr Ross Wells and seconded by Mr Hugh McGillivray. The motion was carried.

APPOINTMENT OF DIRECTORS/ DIRECTORS' REMUNERATION:

There were two Director vacancies as a result of the rotation requirements within the company Constitution and nominations closed on 11th November 2015 (prior to the Annual General Meeting). The only nominations received were for Mr Tom Lambie and Mr Dermott O'Sullivan - the two retiring Directors who were both available for re-election. Since the number of candidates did not exceed the number of vacancies, Mr Tom Lambie and Mr Dermott O'Sullivan were deemed to be duly elected (Constitution clause 51.5).

RESOLUTION 2

Following the Annual General Meeting held in November 2014, the Board of Directors conducted a review of remuneration. The Directors proposed an increase from \$90,000 p.a. to \$99,000 p.a. in consideration of the expanded scope of responsibility of the Board following the company merger. The review concluded that the proposed remuneration is consistent with other South Island irrigation companies. The Directors had agreed to have an external review of Directors remuneration before any further changes would be recommended.

It was **Resolved** that the annual Directors' remuneration pool be increased from \$90,000 to \$99,000 and that the increase applies from 1st December 2015, and is to be divided amongst Directors as they deem appropriate. This was moved by Mr Stan Taylor and seconded by Mr John Chapman. The motion was carried.

APPOINTMENT OF AUDITORS:

RESOLUTION 3

It was **Resolved** to record the appointment of KPMG as auditor of the company for a one-year term and to authorise the Directors to fix the auditors remuneration and expenses. This was moved by the Chairman and seconded by Mrs Hyslop. The motion was carried.

GENERAL BUSINESS:

There was no general business brought to the meeting.

There being no further business, the meeting closed at 4.32pm.

Chairman

Date