

NOT FOR DISTRIBUTION TO THE MEDIA OR DISTRIBUTION OUTSIDE THE INDUSTRY

MINUTES OF NZKGI's ANNUAL GENERAL MEETING

Mercury Bay Park
22nd August 2024

Present: Mark Mayston (Chair), Colin Bond (CEO)

In Attendance: Dermott Malley, Craig Thompson, Amy Willoughby, Cam Clayton, Monty Spencer, Vicky Long, Sean Carnachan, David Tanner, Chris Anstis, Sally Gardiner, Matthew Glenn, Colin Bond, Stephen Butler, Mike Smith, Karen Pickford, Mark and Robyn Gardiner, Gary Davies, Helen Allen, Tom Davies, Phil Jones, Carol Ward, Linda Flegg, Hugh Moore, Ruth Underwood, Rory Bragg, Michael Baillie, Sam Coxhead, Robert Humphries, Tim Teitjen, Nick Woolsey, Tiaki Hunia, John Bourke, Whetu Rolleston, Michelle Dyer, Kimiora Rawiri, Marc Rolleston, R Bayly, Tangiwai Manihera-Palmer, Andrew Dunstan, Florence Trout, Graeme Redpath, Simon Bowker, Barry O'Neil, Debbie Robinson, Andrew Dawson, Tony Hawken, Tammy Hill, John White, Stu & May Roberts, Paul Gardiner, Ben Gardiner, Don & Sandra Kemp, Cathy Brown, Nathan Flowerday, Doug Brown, Scott Barr-Smith, Simon Bowker, Glenda Hutchison, Leisha Parr, Julian Raine, Jo Mayston, Andre Hickson, Shaun Vickers, Marty Mayston, Tony Ponder, Tim Mayston, Robbie Mayston, Paul Jones, Braden Hungerford, Ricky James, Dom Jones, Helen Scott, Phillipa Wright, Stephen Kenna, Leanne Stewart, Jacqui Craig, Lisa Gibbison, Linda Peacock, Erin Lane, Kerry O'Neil, Andrew McConnell, Anna Li, Isiah Roberts (Election NZ), Neil Mogey, Mike Murphy, Sam Vicente-Moa, Kathy Mason, Tanya Vickers, Vanessa Malloy, Michael Fox, Jason Te Brake, Tracy McCarthy, Sonia Whiteman & Jacqueline Rowarth.

Apologies: Fred Hutchings, Ross Bawden

1. APOLOGIES, PREVIOUS MINUTES AND MATTERS ARISING

Apologies: Fred Hutchings, Ross Bawden

Resolution: The meeting accepted apologies from Fred Hutchings, Ross Bawden

Moved: Sean Carnachan/Hugh Moore
Carried Unanimously

CONFIRMATION OF PREVIOUS MINUTES

Resolution: The minutes of the Annual General Meeting held on Wednesday 23rd of August 2023 be approved as a true and correct record.

Moved: Whetu Rolleston/Tammy Hill

Carried by Majority 99.38%

Matters Arising

2. ANNUAL REPORT INCORPORATING THE CHAIRMAN AND CEO REPORTS

The reports circulated within the Annual Report were taken as read.

The Chairman then spoke to his report drawing attention to the following points:

- The successful harvest is a result of careful planning of the season as well as great teamwork between industry stakeholders to ensure great tasting kiwifruit reaches our consumers.
- Critical projects, such as fighting for the retention of Hi-Cane, have been a costly marathon for our organisation, leading to the resolution for an increase in our levy of two-tenths of one cent to be able to continue to work in important spaces such as this.
- Your Forum has continued to have input into important decisions on growers' behalf on topics such as grower payments, government policy, share alignment and innovation.
- I also note that 2024 marks an important milestone for our industry. It has been 120 years since Isabel Fraser brought kiwifruit seeds to New Zealand, 35 years since the Kiwifruit Marketing Regulations came into force, 30 years since the formation of NZKGI and 25 years since the Zespri Group Ltd came to the fore.
- We will be recognising these milestones in October, and I look forward to seeing you all there.

CEO Colin Bond then spoke to his report drawing attention to the following points

- The outcome of the hydrogen cyanamide hearing has provided another confidence booster to the industry. So many people contributed to this outcome. We were confident in the case we put forward thanks to the hard work of NZKGI staff and Forum members and the engagement of the many Growers who either wrote their own submissions or contributed to the NZKGI thinking. Other industry participants, including service providers to the industry, all helped build a strong case for retention. It was a team effort.
- Mark has already talked about the resolution to increase the levy, but I would like to add three points about why it is necessary
 - First, as the industry grows and more Growers have more wealth at stake, the consequence of poor performance of our marketer gets ever greater. The model remains the best one for Growers, but NZKGI wants to make sure a strong Zespri is supported by an equally strong NZKGI.

- Second, the cost of doing the same is increasing all the time. Variability in tray numbers means that we can't simply rely on additional funding coming through increasing trays.
- Thirdly, the battles we fought on the hydrogen cyanamide and Gisborne rates proceedings, during a volatile period for the industry, has had a severe impact on retained earnings. We are in no position to defend another material challenge to Growers' businesses without more funding.
- Lastly, we are grateful to the NZKGI Executive and wider Forum for the support they provide to staff. Together we are having some big wins - like Hicane and like the recently announced changes to the RSE scheme. There is a lot to be proud of.

Thank you, Kathy Mason, for all the time and effort you put into the Hicane hearing.

Resolution: That the Annual Report Incorporating the Chairman and Chief Executive Reports be approved.

Moved: Tammy Hill/Mark Gardiner
Carried by Majority 99.80%

3. FINANCIAL STATEMENTS

The previous financial year's statements included within the Annual Report were presented to the meeting by CEO Colin Bond.

Resolution: That NZKGI's Financial Statements for the period ending 31 December 2023 be approved.

Moved: Sally Gardiner/Lianna White
Carried by Majority 99.80%

4. 2025 BUDGET

The 2025 budget circulated with the Annual Report was presented to the meeting by CEO Colin Bond as follows:

Resolution: That NZKGI's Budget for the year ending 31 December 2025 be approved.

Moved: Robert Humphries/Barry O'Neil
Carried by Majority 97.15%

5. SET THE REMUNERATION OF REPRESENTATIVES

Report taken as read

John Bourke spoke

Special thanks to John Bourke as he is retiring this year, thank you for your service and contribution.

Resolution: That the recommendations of the Remuneration Committee be approved with effect from 1 January 2025

Moved: Sean Carnachan/Doug Brown
Carried by Majority 93.45%

6. SET THE LEVY RATE

The Chairman then spoke to the following points:

- Our current levy is set at 1.1 cent per tray and under the Commodity Levies (Kiwifruit) Order 2024, growers can approve a maximum of 1.5 cents per tray.
- A small net operating profit of \$39,338 is anticipated if the levy rate increases to 1.3 cent per tray. At the end of 2023 there was \$829,100 in retained earnings.
- At the end of 2024, retained earnings are budgeted to decrease to \$818,287 which is 33% of the required operating cost for the organisation.
- The Executive Committee and Forum agree that in order to maintain retained earnings and to continue the current work activities, a levy rate increase to 1.3 cent per tray is required.

CEO Colin Bond then spoke to the following points

- This increase in the levy will allow for:
 - Greater independence in undertaking critical projects for Growers. Historically Zespri has contributed to some projects such as the Gisborne Rates court case and Hi-Cane hearing.
 - Improved benchmarking and reporting of Zespri performance to Growers either through more Forum time in market or improved access to consultants. Plans are currently underway to enhance our performance reporting of Zespri which would be supported by increased funding.
 - Enhanced ability to undertake projects which support the Single Desk.
 - The capacity to respond quickly to one-off events such as performance analysis of the Europe mice infestation or in building a better picture of global threats such as SunGold in China
 - The ability to invest more time with central and local government to build deeper relationships. It is important that NZKGI has the capacity to be a strong voice in light of a growing Zespri presence.
 - Improved ability to fund projects which contribute to policy settings. This includes, for example, financing for advice from experts on topics such as water, shelter, bird scarers etc.
 - The ability to advocate the importance of the RSE scheme for kiwifruit Growers through participation at the Pacific Labour Mobility Annual Meeting.
 - Funding allocated specifically to Grower education so that Growers have stronger industry knowledge and can make more informed decisions.

Ultimately, as the industry grows the responsibility that comes with being your advocacy body also grows. A levy of 1.3 cent per tray creates a stronger and independent NZKGI with better oversight and reporting for improved industry governance. We don't take decisions on the levy lightly and I am sure that this increase is in growers' best interests.

The following recommendation was made:

Resolution: To approve that the 2025 levy rate be set at 1.3 cent per tray

Moved: Sally Gardiner/John Bourke

Carried by Majority 86.46%

7. RULE CHANGES REQUIRED BY THE NEW INCORPORATED SOCIETIES ACT

The Chairman then spoke to the following points:

- There are a large number of changes which have been proposed for the NZKGI rules. We've inserted these changes as track changes to the current rules so they are easily identifiable. This document with the track changes is available on the NZKGI website. Next to this version of the rules with track changes, we've also uploaded a clean version of the proposed NZKGI rules with all of the changes inserted. This would be the version that would come into force if this resolution passes.
- But ultimately the new Incorporated Societies Act 2022 requires existing incorporated societies to re-register - and we have needed to review and amend our rules to ensure we can successfully re-register under this new Act. Societies that do not re-register by 5 April 2026 will cease to exist as legal entities.

The following recommendation was made:

- Resolution: to approve that the amendments to the Rules of NZKGI required for re-registration under the new Incorporated Societies Act 2022, as set out in the marked-up version of NZKGI's constitution and summarised in the overview of the changes, be approved.

Moved: Robert Humphries/Hugh Moore

Carried by Majority 99.65%

8. NEW BALANCE DATE FOR ANNUAL ACCOUNTS

The Chairman then spoke to the following points:

- Resolution eight proposes that NZKGI move its balance date from 31 December to 31 March upon successfully re-registering the amended Rules under the new Incorporated Societies Act 2022 as presented in the last resolution.
- The reason for this is that under the new Incorporated Societies Act 2022, the AGM must be within six months of the balance date and we wish to keep our AGM in August in line with current practice.
- A March balance date also gives growers a clearer picture of the low point in Retained earnings for the year. This will support a more informed conversation at future AGMs.
- An overview of these changes as well as a mark-up of these amendments in NZKGI's Rules can be found with the AGM papers on the NZKGI website.

The following recommendation was made:

- Resolution: to approve that the amendments to rules 9, 10.1 and 12 of the Rules of NZKGI to provide a new balance date for NZKGI of 31 March, as set out in the marked-up version of NZKGI's constitution and summarised in the overview of the changes, be approved.

Moved: Tammy Hill/Shawn Vickers
Carried by Majority 99.87%

9. CO-OPTED EXECUTIVE COMMITTEE MEMBERS

The Chairman then spoke to the following points:

- This resolution proposes to allow the Executive Committee to appoint co-opted committee members. The purpose will be to give board experience and develop new talent. Co-opted Executive Committee members will still need to come from the Forum. They will have full voting rights. Definition of "Co-opted Executive Committee Member" has been added to the Rules.
- An overview of this change as well as a mark-up of these amendments in NZKGI's Rules can be found with the AGM papers on the NZKGI website.

The following recommendation was made:

- Resolution: to approve that a new rule in the Rules of NZKGI for Co-opted Executive Committee members to be elected to the Executive Committee, be approved.

Moved: Robert Humphries/John Bourke
Carried by Majority 94.94%

10. OTHER SUBSTANTIVE CHANGES TO THE NZKGI RULES

The Chairman then spoke to the following points:

- There are two further substantive changes to the NZKGI rules in this resolution
- The first is a requirement to update the appointment of Supply Entity representatives: Rule 6.8 has been added to require that every three years; to coincide with the election of Regional Representative Forum members, the Executive Committee will ask Supply Entities to confirm the appointment of their representatives under Rule 6. This will ensure the requirements of Rule 6.7 are checked.
- The second substantive change involves additional reporting obligations on NZKGI: The new rules will provide for NZKGI to provide an annual report to Members summarising the activities undertaken by NZKGI in furtherance of its objects;
- and also for NZKGI to consult Members annually on its plans.
- An overview of these changes as well as a mark-up of these amendments in NZKGI's Rules can be found with the AGM papers on the NZKGI website.

The following recommendations were made:

- Resolution: to approve rule changes to the Rules of NZKGI, as set out in the marked-up version of NZKGI's constitution and summarised in the overview of the changes, allowing for:
- Resolution: A requirement to update appointment of Supply Entity representatives
- Resolution: Additional reporting obligations on NZKGI.

Moved: Mark Mayston/Hugh Moore
Carried by Majority 99.22%

11. OTHER TIDY-UP CHANGES TO THE NZKGI CONSTITUTION

The Chairman then spoke to the following points:

- This resolution proposes various minor changes to NZKGI's Rules are proposed to tidy up the Rules and make them easier to understand.
- An overview of these changes as well as a mark-up of these amendments in NZKGI's Rules can be found with the AGM papers on the NZKGI website.

The following recommendation was made:

- Resolution: to approve the various tidy-up changes to the NZKGI Constitution as set out in the marked-up version of NZKGI's constitution and summarised in the overview of the changes, be approved.

Moved: Robert Humphries/Marty Mayston
Carried by Majority 99.29%

12. REGISTRATION OF NEW CONSTITUTION

The Chairman then spoke to the following points:

- This resolution proposes to register the new Constitution by submitting a clean version of the new Constitution incorporating all the amendments approved at the AGM.
- The reason for this is that the new Incorporated Societies Act 2022 requires NZKGI to obtain consent of new members to becoming members of NZKGI. At present, membership occurs automatically on a person or entity becoming a grower and paying a levy. NZKGI is working constructively with Zespri to incorporate a consent process into the new Grower registration process.
- It is expected that this will be completed this year, in which case the new Constitution should be able to be registered by 1 April 2025. If this is not possible, registration will be delayed, and the new Constitution will come into effect on either 1 April 2026 which would enable the new financial year to start from that date, or after that date, but no later than 5 April 2026, in which case the new financial year dates will apply from 1 April 2027.

The following recommendation was made:

- Resolution: to approve that NZKGI register the changes to NZKGI's Rules approved in accordance with the above resolutions by:

- Firstly, registering a version of NZKGI's Rules incorporating those changes with any necessary amendments if a resolution is not approved; and
- Secondly, applying for registration upon reaching agreement with Zespri on arrangements to obtain the consent of new members to joining NZKGI, but, in any case, in sufficient time to enable the amended Rules to be registered by 5 April 2026.

Moved: Sally Gardiner/Barry O'Neil

Carried by Majority 99.39%

13. MEMBER FORUM

Mark thanked the Executive Committee and Robbie Mayston for the extra work they have taken on this year, as it takes them away from their own businesses.

Upcoming 30 Year Event is being held on the evening of the 22nd of October.

Thank you to Mark Gardiner who is stepping down from the NZKGI Forum this year, Mark has been part of Forum since inception - thank you for many years of dedication.

Hugh Moore spoke

Pleasure to see how NZKGI works and achieves outcomes for growers.

Growers need to appreciate the time and effort that is taken away from their own business.

Thank you

The Chairman thanked attendees for attending the meeting.

The Meeting closed at 12.03pm

Minutes Confirmed

Chairman

Date