

## NOTICE OF ANNUAL MEETING

Notice is hereby given that the 2009 Annual Meeting of shareholders of NZ Farming Systems Uruguay Limited (Company), will be held at the Great Northern Room, Ellerslie Event Centre, Auckland on Thursday 15 October 2009 commencing at 10.30 am.

The Explanatory Notes, which accompany this Notice of Annual Meeting, set out details of the transactions which are subject to approval by ordinary resolution of the Company's shareholders, pursuant to the New Zealand Exchange Limited Listing Rules (**Listing Rules**), the Companies Act 1993, (**Companies Act**) and the Company's Constitution.

### General Business

1. To hear addresses by the Chairman and PGG Wrightson Funds Management Limited (the **Manager**).
2. To conduct a shareholder discussion. There will be a reasonable opportunity for shareholders at the meeting to question, discuss or comment on the management of the Company.

### 3. Resolutions Supported by the Board

To consider and, if thought fit, (each by separate ordinary resolution of shareholders):

- to re-elect John Suffield Parker as a Director of the Company
- to elect Graeme Henry Wong as a Director of the Company

who in the case of John Suffield Parker retires by rotation in accordance with the Company's Constitution, and in the case of Graeme Henry Wong having been appointed by the Directors since the last annual meeting, retires in accordance with the NZSX Listing Rules.

(See *Explanatory Notes*)

### 4. Resolution Not Supported by the Board

To consider and, if thought fit, to elect as a Director of the Company, Paul Grogan who has been nominated by ST & CJ Bell Limited.

(See *Explanatory Notes*)

### 5. Resolution Supported by the Board

To consider and, if thought fit, approve by ordinary resolution the Directors' authority to fix the auditor's remuneration.

(See *Explanatory Notes*)

6. To consider any other business that may properly be brought before the annual meeting.

### Attendance and Voting

The Resolutions required for agenda items 3, 4 and 5 are ordinary Resolutions, needing a simple majority of the votes of those shareholders entitled to vote and voting on the Resolutions.

The only persons entitled to exercise votes at the meeting will be those who were registered as shareholders as at 10.30am on Tuesday, 13 October 2009, and only the shares registered in those shareholders' names at that time carry a right to vote at the meeting. Your rights to vote may be exercised by:

- (a) Attending and voting in person; or
- (b) Appointing a proxy (or representative) to attend and vote in your place; or
- (c) Voting by post.

The Proxy and Voting Form accompanies this Notice of Annual Meeting. Shareholders wishing to appoint a proxy (or representative) or cast a postal vote, must complete the applicable sections of the Proxy and Voting Form and mail it so that it is received by Computershare Investor Services Limited on or before 10.30 am on Tuesday, 13 October 2009.

Information on where to deposit a completed Proxy and Voting Form is on the reverse of the Form.

You may direct your proxy on how to vote on each Resolution, to abstain from voting on each Resolution or to vote at their discretion (in which case the proxy may vote as he or she thinks fit on that Resolution). If a Proxy and Voting Form is returned without such direction, or more than one direction for a Resolution is given, the direction on that Resolution is to abstain.

You may appoint the Chairman or any other Director as your proxy. The Chairman intends to vote undirected proxies in favour of Resolutions supported by the Board and against those Resolutions not supported by the Board.

The Company Secretary is the person authorised to receive postal votes for the purposes of clause 13 of the Constitution.

### Corporate Representative

A body corporate, which is a Shareholder, may appoint a representative to attend a meeting of shareholders on its behalf in the same manner as it could appoint a proxy.

### Voting Restrictions

Details of voting restrictions applying to the Resolutions are set out in the Explanatory Notes.

At the conclusion of the meeting, the Directors invite shareholders to join them for light refreshments.

By order of the Board of Directors.

### Julian Daly

General Counsel/Company Secretary  
Christchurch, New Zealand  
30 September 2009

# EXPLANATORY NOTES

These Notes form part of the Notice of Annual Meeting.

## RESOLUTIONS SUPPORTED BY THE BOARD

### **Resolutions 1 and 2: Appointment of Directors (Item 3)**

The following Directors retire by rotation in accordance with the Listing Rules and Company's Constitution and being eligible, offer themselves for re-election:

- **John Suffield Parker, B Agr Sc., AMP, Harvard, Independent Director**

John has been a Director of NZ Farming Systems Uruguay since 5 October 2006, shortly after incorporation. The Board has determined that John qualifies as an Independent Director, as defined by the NZSX Listing Rules.

John was formerly Deputy CEO of the New Zealand Dairy Board and amongst other responsibilities was Chairman of the Dairy Board's Latin American subsidiaries and a Director of the Livestock Improvement Corporation Ltd. He started with the Dairy Board as a Consulting Officer (farm advisor) and has owned dairy farms. John has held a number of directorships and is currently Chairman of Port of Tauranga Ltd and C 3 Ltd, and is a Director of Northport Ltd and several private companies.

The Company's Directors unanimously recommend shareholders vote IN FAVOUR of John Suffield Parker's re-election.

- **Graeme Henry Wong, BCA (Hons), FCFIP, Independent Director**

Graeme was appointed by the Board on 17 October 2008 to fill the vacancy arising from David Cushing's resignation. The Board has determined that Graeme qualifies as an Independent Director, as defined by the NZSX Listing Rules.

Graeme's background includes stockbroking, capital markets and investment. He founded and became Executive Chairman of Southern Capital Limited which listed on the NZSX. This Company evolved into Hirequip New Zealand Limited and the business was sold to private equity interests in 2006. Previous directorships include Sealord Group Limited, Tasman Agriculture Limited, Magnum Corporation Limited, At Work Insurance and alternate Director of Air New Zealand. Currently Graeme is also Chairman of Areograph Holdings Limited and a Director of Tourism Holdings Limited.

The Company's Directors unanimously recommend shareholders vote IN FAVOUR of Graeme Henry Wong's election.

Please note that the Company must have a minimum of 2 independent Directors. The Company will continue to meet this requirement, provided John Suffield Parker and/or Graeme Henry Wong are re-elected and elected as Directors respectively.

## RESOLUTION NOT SUPPORTED BY THE BOARD

### **Resolution 3: Appointment of Director (Item 4)**

Paul Grogan, who is not currently a Director of the Company, has been nominated for election by ST & CJ Bell Limited (which holds 450,000 shares, being 0.18% of the issued share capital in the Company) and is eligible.

The Board has determined that Paul Grogan would qualify as an Independent Director, as defined by the NZSX Listing Rules.

He has provided the following biographical details. He is an Auckland based private equity investor, specialising in risk assessment and reward, with farming, forestry and primary industry interests and experience. He has a Graduate Degree and Diploma from Massey University.

For the reasons outlined below, the Board does not support resolution 3 and recommends that shareholders vote AGAINST the resolution to elect Paul Grogan.

### **Why the Board does not support Resolution 3**

A current non independent Director, Samuel Richard Maling, will retire by rotation at the annual meeting, and has indicated that he will not stand for re-election. To fill the vacancy arising from Samuel Richard Maling's retirement, the Board has not had the opportunity to undertake a standard succession planning process to review the experience, expertise and skill sets required of the Board, and identify and nominate potential candidates in a professional and structured manner. Prospective Director candidates should be fully researched for their professional experience, expertise, independence, cultural fit and references. Such a process balances the introduction of new skills to the Board while maintaining sufficient continuity, and ensures that shareholders are given the opportunity to appoint the most appropriately qualified and experienced candidates to the Board.

The Board would prefer to undertake a standard succession planning process in the best interests of the Company, and in which this Director nominee could participate. The Board also notes that other potential candidates did not put their names forward for election given that they were aware of the intended succession planning process. In addition, the Board proposes to consider Mr. Grogan's nomination as part of this process.

## RESOLUTION SUPPORTED BY THE BOARD

### **Resolution 4: Appointment of Auditor (Item 5)**

The proposed ordinary resolution is to record the reappointment of PricewaterhouseCoopers as the Company's auditor, under section 200 of the Companies Act 1993 and to authorise the Directors to fix the auditor's remuneration for the following year, for the purposes of section 197 of the Companies Act 1993.

The Company's Directors unanimously recommend shareholders vote IN FAVOUR of this resolution.

### **Voting Restrictions**

The only persons entitled to exercise votes at the meeting, are those who were registered as shareholders as at 10.30am on Tuesday, 13 October 2009 (Eligible Shareholders), and only the shares registered in those Eligible Shareholders' names at that time carry a right to vote at the meeting.

The Eligible Shareholders include the Directors of the Company and their Associated Persons.