

NOTICE OF ANNUAL MEETING

Notice is hereby given that the 2007 Annual Meeting of shareholders of NZ Farming Systems Uruguay Limited (**Company**) will be held at the Stamford Plaza Hotel, 22 Albert Street, Auckland, on Wednesday 31 October 2007 commencing at 10.00 am.

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. To consider and, if thought fit, to re-elect as directors of the Company (each by separate ordinary resolution of shareholders) the following directors:
Murray James Flett
Samuel Richard Maling
who retire by rotation in accordance with the Company's Constitution, and being eligible, offer themselves for re-election.
(See *Explanatory Notes*)
4. To consider and, if thought fit, approve by ordinary resolution an increase in the aggregate amount paid to directors as directors fees from \$400,000 per annum to \$600,000 per annum.
In accordance with Listing Rule 9.3.1, no director nor any of their Associated Persons may vote on this resolution.
(See *Explanatory Notes*)
5. To consider and, if thought fit, approve by ordinary resolution the issue of ordinary shares to the Manager by way of payment of the management fee and performance fee under the Management Agreement entered into between the Company and the Manager on 3 November 2006, on the following terms:
 - The date of issue will be on or about 30 June 2008.
 - The number of ordinary shares to be issued will be determined in accordance with the following formulae:
 - i. The management fee payable will be 1.5% per annum of the gross asset value of the Company until 30 June 2008, thereafter reducing to 1.0% per annum. The gross asset value of the Company will be calculated by the Manager in accordance with generally accepted accounting standards and will be based on the market value of the farm assets which are subject to a revaluation each year. The fee formula provides for a monthly payment. This will be adjusted to take account of the annual issue of shares.
 - ii. The performance fee payable will be calculated at 30 June 2008 and will, in summary, be an amount equal to 20% of the amount by which ordinary share price growth plus gross distributions exceeds 10% per annum compounded. An adjustment will be made to ensure that total performance fees paid to the Manager over time are not enhanced by ordinary share price volatility. Share price growth will be calculated as the percentage change in a 12 month period in the volume weighted average market price of the ordinary shares for the quarter to 30 June.
 - The issue price will be determined by the directors of the Company at the time of issue in accordance with the provisions of the Companies Act 1993 and the Company's constitution and, as such, must be fair and reasonable to the Company and to all existing shareholders.
 - The ordinary shares will rank equally with other fully paid ordinary shares of the Company.

(See *Explanatory Notes*)

6. To consider and, if thought fit, approve by ordinary resolution the appointment of PricewaterhouseCoopers as the auditors of the Company and authorise the directors to fix the auditors' remuneration.
(See *Explanatory Notes*)
7. To consider and, if thought fit, approve by special resolution the amendment of the Company's Constitution. The general nature of the amendments is to:
 - Bring the Company's Constitution into line with the NZSX Listing Rules; and
 - Correct grammatical errors.
 The text of the special resolution and an explanation of the proposed amendments are set out in the Explanatory Notes.
(See *Explanatory Notes*)
8. 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, 5 and 6 are ordinary resolutions, requiring a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions. The resolution required for agenda item 7 is a special resolution, requiring a 75% 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 are registered as shareholders as at 5.00pm on Monday 29 October 2007, 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.
- (c) voting by post.

The form of appointment of a proxy and voting instructions accompanies this Notice of Annual Meeting. Shareholders wishing to appoint a proxy (or representative) must complete and send the proxy form so that it is received by Computershare Investor Services Limited no later than 10.00am on Monday 29 October 2007.

Shareholders wishing to cast a postal vote must complete and send the postal vote form so that it is received by the Company Secretary (the person authorised under the Constitution to receive postal votes) c/o Computershare Investor Services Limited no later than 10.00am on Monday 29 October 2007.

Following the formal part of the meeting, the directors invite shareholders to join them for light refreshments.

By order of the Board of Directors.

J Pearson
Company Secretary
Christchurch
New Zealand
10 October 2007

EXPLANATORY NOTES

Item 3: Appointment of directors (for further information about the nominees see pages 7 and 8 of the NZ Farming Systems Uruguay 2007 Annual Report)

The following directors retire by rotation in accordance with the Company's Constitution and being eligible, offer themselves for re-election.

Murray Flett, Non-executive Director

As Murray is an associated person of a substantial security holder, PGG Wrightson Limited, the Board has determined that he does not qualify as an Independent Director as defined by the NZSX Listing Rules.

The Board unanimously recommends shareholders vote in favour of Mr Flett's re-election.

Sam Maling, Non-executive Director

As Sam is an associated person of a substantial security holder, PGG Wrightson Limited, the Board has determined that he does not qualify as an Independent Director as defined by the NZSX Listing Rules.

The Board unanimously recommends shareholders vote in favour of Mr Maling's re-election.

Please note that the Company must have a minimum of 2 independent directors. The Company meets this requirement regardless of the non-independence of the 2 above directors.

Item 4: Increase in Director Fees

While shareholder approval is not currently required to change the remuneration paid to the directors of the Company under the Constitution, an ordinary resolution of shareholders is required under the NZSX Listing Rules. In light of the Company's intention to list, it has chosen to comply with the standards prescribed in those Rules in respect of the proposed change.

In accordance with the Constitution of the Company, an ordinary resolution is required to change the remuneration paid to the directors of the Company.

The current level of directors' remuneration was set in 2006, prior to the Company progressing its intention to listing on the NZX. Given the rapidly evolving nature of the Company over that time the Board determined that a review of the level of remuneration is appropriate.

Since fees were set, the size and complexity of the directors' role has increased due inter alia to:

1. Progressing consideration of listing on NZX;
2. An increase in the number of trips to Uruguay that have occurred and are planned, over that initially envisaged; and
3. The Company's increasing funds employed and growth ambitions, requiring significantly greater and more involvement of directors than originally envisaged.

If shareholders approve the increase in the aggregate that may be paid to directors each year, then it is proposed that directors' fees be increased, with effect from 1 November 2007. The proposed aggregate increase would provide for:

1. an increase to the current base, as determined by the directors.
2. the remainder amount to be unallocated and held to allow for payments on an as required basis for individual directors to undertake specific work for the Company in addition to that expected to be covered by the normal directors base fee. The unallocated sum may not be necessarily paid in any particular year.

Item 5: Issue of Ordinary Shares to PGG Wrightson Funds Management Limited

PGG Wrightson Funds Management Limited (the Manager) has been appointed to provide asset management and investor relations services to the Company under a Management Agreement entered into on 3 November 2006.

The Manager is an associated person of the Company as it is a wholly-owned subsidiary of a substantial security holder of the Company, PGG Wrightson Limited.

Under the Management Agreement the Manager is entitled to receive a management fee and a performance fee (subject to meeting specified criteria) for its services.

These fees are to be calculated in accordance with the formulae set out in Resolution 4, a full copy of which is set out at the end of this Notice.

The Company wishes to pay the management fee, and the performance fee, by the issue of shares in NZ Farming Systems Uruguay. Shareholder approval is required to issue the shares.

As the quantitative aspects of these fees will not be known until 2008, the precise number of shares to be issued and the issue price can not be determined at this time. The issue price will be determined at the time of issue in accordance with the provisions of the Companies Act 1993 and the Company's Constitution and, as such, must be fair and reasonable to the Company and to all existing shareholders.

Item 6: Auditors

The proposed ordinary resolution is to appoint PricewaterhouseCoopers as the Company's auditors for the purposes of section 200 of the Companies Act 1993 and authorise the directors to fix the auditors' remuneration for the following year for the purposes of section 197 of the Companies Act 1993.

Item 7: Amendments to Company's Constitution

It is proposed to alter the Company's Constitution, with effect from 1 November 2007, by:

- 1 Amending clause 2.5 by replacing the first word of the clause with:
'Subject to the NZSX Rules, the'
- 2 Amending clause 2.8 by replacing the first word of the clause with:
'Subject to the Act and the NZSX Rules, the'.
- 3 Amending the heading of clause 11.29 by deleting the words 'if calls unpaid'.
- 4 Deleting clause 11.29 and replacing it with:
'No shareholder shall be entitled to vote at any meeting:
11.29.1 If a sum due to the Company in respect of a Share has not been paid; or
11.29.2 In favour of a resolution when that person is disqualified from doing so by virtue of any applicable voting restriction in the NZSX Rules.'
- 5 Deleting clause 15.10 and replacing it with:
'Subject to any exceptions to rotation in the NZSX Rules, one third of the Directors, or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the annual meeting each year. The Directors to retire at an annual meeting shall be those who have been longest in office since their last election or deemed election. As between individuals who became Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. A retiring Director shall be eligible for re-election.'
- 6 Amending clause 15.11 by replacing 'NZSX Rule 3.3.8' with 'NZSX Rules'.
- 7 Amending sub-clause 15.12.4 by replacing 'NZSX Rule 3.3.7' with 'NZSX Rules'.
- 8 Inserting a new clause 19.2 as follows:
'While the Company is listed, the shareholders may at any shareholders' meeting by ordinary resolution determine the sum or sums to be paid to the directors for their services as directors of the Company (but excluding services as an executive director) in accordance with the NZSX Rules.'
- 9 Renumbering clause 19.2 as 19.3.
- 10 Renumbering clause 19.3 to 19.4 and renumbering sub-clauses 19.3.1 to 19.4.1 and 19.3.2 to 19.4.2.
- 11 Renumbering clause 19.4 to 19.5 and replacing 'clause 19.3' with 'clause 19.4'.
- 12 Deleting clause 25.
- 13 Amending clause 26.1 by replacing 'NZSX Rule 6.3' with 'NZSX Rules'.
- 14 Amending clause 27.3 by replacing 'A failure to comply with the NZSX Rules' with 'A failure to comply with the NZSX Rules, or failure to comply with a provision of the Constitution corresponding with a provision of the Rules,'.
- 15 Inserting a new clause 27.6 as follows:
'While the Company is Listed on the NZSX, if there is any provision in this Constitution that is inconsistent with the NZSX Rules relevant to the Company, the NZSX Rules prevail.'
- 16 Renumbering clause 27.6 as 27.7 and inserting the following wording at the end of the clause:
, and have the same effect as though they were set out in full with any necessary modification'
- 17 Replacing 'NZSX Rules' with 'the NZSX Rules' in clauses 1.1, 2.1, 2.4, 2.6, 2.9, 9.6.5, 11.11, 15.12.4, 15.20 and in the definition of 'Listed' and the headings 'Incorporation of NZSX Rules', 'Enforceability of Transactions breaching NZSX Rules' and 'Compliance with NZSX Rules'.

Explanation of Proposed Amendments

The Company has previously indicated its intention to apply for listing on NZX later this year. In light of this it has conducted a review of its constitution against the NZSX Listing Rules to ensure that it complies with those Rules upon listing. While the constitution is largely compliant with the NZSX Listing Rules it wishes to make the proposed amendments to further clarify the requirements contained in the NZSX Listing Rules. The amendments are described in more detail below.

The proposed changes are not considered to be contentious and the Board unanimously recommends that shareholders vote in favour of the proposed amendments.

A copy of the current Constitution showing the proposed amendments is available for inspection at the Company's registered office. The NZSX Listing Rules are available on the NZX website at: www.nzx.com/regulation/rules/current_rules.

Amendments 1 and 2

These amendments clarify that regard must be had to the relevant NZSX Listing Rules when making a share repurchase, or consolidating or sub-dividing shares.

Amendments 3 and 4

These amendments bring the constitution into line with NZSX Listing Rule 9.3.1, which disqualifies certain shareholders from voting on particular resolutions.

Amendments 5, 6, 7 and 13

These amendments have been proposed to provide flexibility if the NZSX Listing Rule numbering is amended. Amendment 5 explicitly sets out the requirements contained in NZSX Listing Rule 3.3.8 (in relation to director rotation).

EXPLANATORY NOTES (continued)

Amendment 8

This amendment brings the constitution into line with NZSX Listing Rule 3.5.1, which requires shareholder approval to director remuneration.

Amendments 9, 10, and 11

These amendments effect consequential clause numbering changes required as a result of Amendment 8.

Amendment 12

The Companies Act 1993 and NZSX Listing Rules contain provisions relating to the drafting and distribution of the Company's annual and half-yearly reports. These provisions have recently been amended. Rather than amend the clause to reflect the recent legislative and regulatory changes, which may again change in the future, the Company has decided to delete this clause. This does not in any way affect the Company's obligation to comply with the relevant requirements contained in the Companies Act and NZSX Listing Rules.

Amendment 14

This amendment reflects the wording of NZSX Listing Rule 3.1.2, which permits the Constitution to contain a provision to the effect that a failure to by the Company to comply with the NZSX Listing Rules, or to comply with a provision of the Constitution corresponding with a provision of the NZSX Listing Rules, does not affect the validity of any transaction entered into by the Company.

Amendment 15

Amendment 15 is required to be included by NZSX Listing Rule 3.1.1(e), and provides that if a provision of the Constitution is inconsistent with the NZSX Listing Rules, the Rules prevail.

Amendment 16

This amendment effects consequential clause numbering changes required as a result of Amendment 15 and clarifies that the NZSX Listing Rules incorporated into the constitution by reference, in compliance with NZSX Listing Rule 3.1.1(a) and Appendix 6 of the NZSX Listing Rules, have the same effect as if they were set out in full in the constitution.

Amendment 17

These amendments correct grammatical errors.

Item 5: Issue of Ordinary Shares to PGG Wrightson Funds Management Limited

Schedule 1 (Extract from Management Agreement)

Fee

1 The Manager is entitled to the following fees under this agreement, in addition to amounts payable under clause 5.4:

1.1 From the date of this agreement, the Manager be paid:

- 1.1.1 a fee of 1.5% per annum of the gross asset value of the Company calculated by the Manager in accordance with generally accepted accounting standards (based on the market value of the Farm Assets which are subject to a revaluation each year) payable monthly (on the 1st of each month) in arrears from the date of this agreement (Management Fee) until 30 June 2008, thereafter reducing to 1.0% per annum; and
- 1.1.2 a Performance Fee in respect of each financial year of the Company, from inception.

Subject to clause 1.1.3, the Performance Fee shall be calculated at the end of each financial year and will be an amount equal to 20% of the amount by which the Investor Return for that year exceeds 10%, provided that the Company has also achieved the Compounded Target.

'Investor Return' means the return for the previous financial year of the Company comprising:

- (a) the total gross amount of distributions authorised by the Board and paid by the Company to Investors in respect of shares in the company on issue, expressed, in respect of each Share, as a percentage of the Share price at the beginning of the financial year; and
- (b) the percentage change from one twelve month period to the next in the Average June Quarter Market Price of a Share (provided that an appropriate adjustment determined by the Manager in consultation with the Company will be made in the event of any Share splits, issues, or other Share reorganisations which alter the market price of a Share), provided that the first Investor Return shall be calculated for the period from inception to 30 June 2008 (for this period a pro rata adjustment will be made for the number of months during that period which exceed the twelve month period).

'Compounded Target' means a compounded Investor Return from the inception of the Company, of 10% per annum.

'Average June Quarter Market Price' in respect of a Share means for any time that the Shares are listed on NZSX the volume weighted average price quoted on NZSX for the months of April, May and June in any year.

PROVIDED that, in the event that the Company has not listed on NZSX before July 2008, then for any period or part period during which the Shares are not listed on NZSX, the gross asset value of the Company, calculated in accordance with generally accepted accounting principles, shall replace the Average June Quarter Market Price for the purposes of this clause.

The Performance Fee is accrued and adjusted on a monthly basis and paid annually in arrears, provided that the first payment will be made in July 2008 in respect of the period from the inception of the Company to 30 June 2008, with an appropriate pro-rated adjustment of the calculation of the Performance Fee to reflect the number of months over which it is calculated.

- 1.1.3 Payment of a Performance Fee in any financial year will be reduced by the amount (if any) by which the sum of Performance Fees paid or payable (in the case of the current financial year) up to and including the current financial year (**Fee period**) exceeds the Performance Fees that would have been payable in total for the Fee Period had the Performance Fee been calculated as a single amount on the actual Investor Return for the Fee Period. For the avoidance of doubt, no Performance Fee amount shall be payable that shall cause the sum of Performance Fees paid to exceed the Performance Fee calculated in this manner across the relevant Fee Period.