



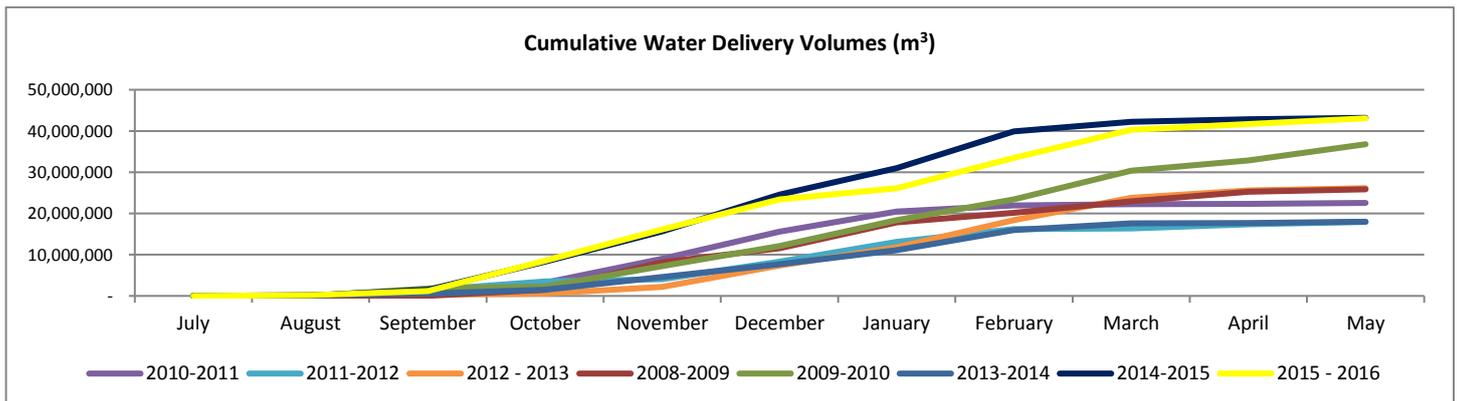
SCHEME AND EXPANSION NEWSLETTER

2016/2017 ANNUAL CHARGES

The Directors have approved a budget for the 2016/2017 season. It has been agreed that the annual charges will remain at the same levels as 2015/2016. There are some uncertainties associated with the upcoming year due to the expansion timing but rather than build that risk into the annual charges, the Directors felt it was better to approve a tight budget. We will plan to accumulate some additional funds from power recoveries in the peak of the season, assess the situation mid-season, and adjust from there rather than increase the annual charges up-front. AFC and AOC will be held at \$360 and \$252 per annum per share respectively.

Per Month	2015/2016	2016/2017
Financing Charge per share	\$30	\$30
Operating Charge per share	\$21	\$21

Volumetrically, we delivered almost exactly the same amount of water this season as the previous at 43.1 versus 43.2 million m³ although the demand pattern differed slightly. For example, it was unusual to have over 1 million m³ delivered in May. Cents per m³ charges remain stable with historical month by month charges shown in the table below.



Cents per m ³ charges									
	September	October	November	December	January	February	March	April	May
2012-2013	13.00	14.50	9.00	8.50	6.00	7.50	9.50	13.50	13.50
2013-2014	14.00	14.00	9.00	9.00	8.00	8.00	8.00	13.00	20.00
2014-2015	11.00	6.75	7.25	6.50	9.25	6.75	9.00	18.00	18.00
2015-2016	12.00	6.50	7.40	6.50	9.50	6.75	7.75	10.00	11.00

Stock / shed water rates to be charged to shareholders for 2016/2017 will also remain the same being:

Non-irrigation season (1 st June – 31 st August)	\$0.15 per m ³	Irrigation Season	\$0.30 per m ³
--	---------------------------	-------------------	---------------------------

Shares for Sale:

The company facilitates the sale of excess shares that existing shareholders wish to sell by communicating that there are shares for sale in our newsletters. We list the number of shares, and the name and number of the shareholder concerned in the newsletter. If you are interested in purchasing these shares you should contact the selling shareholder directly to discuss price.

Currently the following shares are for sale by shareholders:

David Douglas has 44 shares for sale. His phone number is 03 431 2585 and email address is douglas@ruralinzone.net

Environmental Meeting

Thanks to everyone who came to the Environmental update which was held last Wednesday in the Weston Hall, it was very well attended. We hope that those who came along will be sharing the information received with their friends and neighbours. We will be scheduling another one to be held in the early afternoon in approximately 2-3 weeks. Please remember that Dylan Robertson is always happy to visit farms to assist in their environmental planning, and the Environmental page of our website holds all of the Farm Plan templates you might need.

Pod Group Meetings

We are organising Pod Group meetings to keep you all informed and up to date on progress and the potential for staging, and to give everyone an opportunity to talk to our team about what is happening for you in your area. We are trying to keep these very area specific as there is a lot happening. The meetings scheduled so far are as follows:

Wednesday 13 th July	Thursday 14 th July
All Day Bay/Maheno Pod & Herbert Pod <ul style="list-style-type: none">✓ 4.00pm - Maheno Tavern✓ Pod group leader Ross Robertson 439 5221✓ Pod group leader Grant Purvis 439 5330	Round Hill Pod & Kauru Hill Pod <ul style="list-style-type: none">✓ 4.00pm - Maheno Tavern✓ Pod group leader Ben Backhouse 439 5300✓ Pod group leader Greg Nelson 027 447 7615
Dunrobin/Raupo Creek Pod <ul style="list-style-type: none">✓ 7.30pm - 46 Raupo Creek Road✓ Pod group leader Gareth Isbister 432 4078	Peaks Pod <ul style="list-style-type: none">✓ 7.30pm - Ngapara Rugby clubrooms✓ Pod group leader Alex Taylor 027 630 2248

If you are unsure about which Pod you might be in give us a call at the office, or call the Pod Group Leaders who are listed above.

Environmental Awards

This year three groups representing five farms were recognised for having excelled in environmental performance. These five farms exhibited exemplary management over the areas covered in the Environmental Farm Plan Audits: Irrigation, Nutrients, Soils, Effluent and Riparian, as judged by our external auditor. Congratulations to Callum & Twyla Kingan, Francois Tillard and Grant & Becca Isbister. A special thanks goes out to the staff on-farm too. It takes a team commitment to reach this level of performance. Well done to all involved!



Grant Isbister, Twyla & Callum Kingan, with Dylan Robertson.

Final Call on Shares – Due 1st September

We will be sending individual letters to expansion shareholders reminding them of the amount due. We have had several queries regarding whether or not this payment will still be expected to be made if the expansion has not been completed. The answer is, yes it will. A large portion of the funds required for the expansion have been borrowed from the bank and the borrowing was dependent on the share money coming in as agreed under the prospectus. If the company does not meet our bank obligations the penalties incurred would be very serious.

The company understands that not receiving water on time can also have very serious outcomes for our farmer shareholders, which is why we are now looking at staging options and will continue to do all we can to ensure that you receive the water you are expecting as quickly as possible. No annual charges are due to be paid on your shares until water is available to be delivered.

As always feel free to contact the office if you have any queries, concerns, or feedback.

With kind regards from the NOIC team