



Pyne Gould Corporation

PYNE GOULD CORPORATION LIMITED

**MINUTES OF THE EIGHTEENTH ANNUAL MEETING OF SHAREHOLDERS HELD AT
MANCAN HOUSE, CORNER OF CAMBRIDGE TERRACE AND MANCHESTER STREET,
CHRISTCHURCH, ON FRIDAY 28 OCTOBER 2005 AT 4.00 PM.**

Present

Mr S R Maling (in the Chair), and Messrs R F Elworthy, B R Irvine, B J Jolliffe, SC Montgomery, TEC Saunders and WJ Steel (Directors), Mr C W Hair (Group Financial Controller) and 165 shareholders and proxy holders.

In Attendance

Messrs PE Baynes (Perpetual Trust Chief Executive), M Noone (PricewaterhouseCoopers), and Ms P Hoogerwerf (Lane Neave).

The Chairman advised the meeting that a representative of the press was in attendance.

The Chairman welcomed Brian Jolliffe to his first meeting as Managing Director.

Notice of Meeting

It was moved and seconded that the notice of meeting be taken as read. Put to the meeting and carried.

Quorum

The Chairman declared a quorum to be present.

Apologies

The following apologies were received and sustained from B W Mogridge, D R Wallace, M F Hulse, M D Hulse, R J S Watherston, P B Maling, I G C Kerr, D L Hazlett.

Proxies

71 proxies were received representing 4,616,391 shares.

Minutes

The Chairman advised that the minutes of the last Annual Meeting held on 29 October 2004 had been confirmed at a subsequent Directors' meeting.

Interests Register

The Chairman advised the Interests Register was available for inspection.

Auditors' Report

It was moved and seconded that the Auditors' Report be taken as read. Put to the meeting and carried.

Annual Report

It was moved and seconded that the Annual Report for the year ended 30 June 2005 be taken as read. Put to the meeting and carried.

The Chairman addressed the meeting. A copy of his address is attached to these minutes.

The Chairman moved that the Annual Report for the year ended 30 June 2005, together with the Report of the Auditors, be received.

The Managing Director addressed the meeting and then seconded the motion. A copy of his address is attached to these minutes. The Chairman advised a copy of these addresses had been filed with NZX.

Question- Gerald Hunt

Did the attempt to buy into the company meet with any success?

Answer

There was more than one attempt, including by Wrightson. None were very successful. More than 50% of the shares are still held by representatives of the founders. The board takes comfort from that.

Question- Sefton Gray

The company is earning 30 cents per share but only paying a dividend of 19 cents. Isn't this a bit on the conservative side. What is the company doing with the rest of the earnings?

Answer

We will do what we always have done, use wisely and reinvest back in the company.

Question –Dave Handyside

What is the shareholding in PGG Wrightson?

Answer

22%.

There being no further discussion, the motion was put to the meeting and carried.

R F Elworthy took the chair

Election of

It was moved, seconded and carried that Mr S R Maling be re-elected as a director.

S R Maling resumed the chair

Directors

It was moved, seconded and carried that Mr R F Elworthy be re-elected as a director.

Auditors

The auditors, PricewaterhouseCoopers, continue in office in accordance with Section 200 of the Companies Act.

It was moved and seconded that the directors be authorised to fix the remuneration of the auditors for the current year. Put to the meeting and carried.

Directors' Remuneration

The Chairman noted that PGC had a sophisticated business in finance and trust and required directors to have skill in governance and management higher than in many other companies. The company had been fortunate to attract such directors, but this came at a cost as the company needed to recognise those skills.

It was moved that from 1 July 2005 the total amount of directors' fees payable annually to all of the directors (other than the Managing Director) taken together be increased by \$100,000 up to

\$600,000, such sum to be divided amongst the directors as the directors from time to time deem appropriate.

Motion seconded. Put to the meeting and carried.

Managing Director's Share Purchase Scheme

The Chairman noted the scheme was all about incentivising and aligning the performance of the Managing Director with that of the company. The scheme had been considered by the Remuneration Committee and recommended to the board.

Question- B R Mann

Why is the scheme linked to MARAC and why are the shares not purchased on market?

Answer

The managing director is also managing director of MARAC and MARAC is the main part of our business. New shares may be issued or shares purchased on market.

Question – A Reid

The KPMG report says there could be a negative bonus. Is he required to pay back a portion of his pay.

Answer

The KPMG report was required by the NZX. An explanation on the operation of the scheme is set out in the notes to the meeting. The scheme requires the managing director to reinvest back in the business and the shares have a three-year restrictive period.

It was moved that the Pyne Gould Corporation Managing Director's Share Purchase Scheme for Mr B J Jolliffe be approved.

It was moved that approval be granted to the maximum entitlement of Mr Jolliffe under the scheme during the three year period to 28 October 2008, being 30% of Mr Jolliffe's total fixed remuneration in each year.

Motions seconded. Put to the meeting and carried.

R F Elworthy

The Chairman thanked Richard Elworthy for his tremendous contribution to the company during his tenure as Managing Director over the previous fourteen years. Substantial growth had been achieved in this period.

General Business

JPatterson

As an ex director and a long servicing ex staff member, reminded the board of the attributes of a Canterbury company being loyalty to staff, loyalty to clients and integrity.

Other Business

There being no further business, the Chairman thanked shareholders for their attendance, advised that due to numbers attending a different venue may be required next year and declared the meeting closed.

Read and confirmed as a true and correct record

Sam Maling

28 October 2005