



Friday, 13 February 2015

Dear Annual Report Reader,

AMENDMENT TO THE 2014 ANNUAL REPORT

I refer to my Chairman's Report contained in the 2014 Annual Report, and in particular, the final page of my report (page 6 of the Annual Report). The first paragraph on that page states:

"On the basis of legal advice received by your Board, in June 2014 it was determined that due to technical issues arising from changes to the farm ownership and operation Peter Neal was no longer an active member of Norco. As a consequence, under Norco's rules Mr Neal no longer qualified to hold the position of Supplier Director. The legal advice the Board sought in relation to this issue indicated that the problem relating to Mr Neal's active membership status could not be remedied by the Board, or even the members, acting retrospectively."

Subsequent to the production and printing of the 2014 Annual Report, at the 2014 Annual General Meeting there was a discussion with a Member regarding their concerns about my Chairman's Report in which I stated that the reason Mr Neal was no longer an active member of Norco was due to "changes to the farm ownership and operation".

The Board acknowledges that there were no changes to the farm ownership and operation of the Neal family farm and that the use of this term is inaccurate in describing the basis of the technical issues that led to Mr Peter Neal no longer being an active member. The technical issues that arose in fact related to Norco's interpretation of the Active Member Rules and the resultant effect that interpretation had on Mr Neal's status as an active member. The technical issues relating to the Rules had previously not been fully understood in terms of their application until legal advice was received which clarified the issue.

On behalf of the Board I first and foremost apologise to Peter Neal and his family for publishing comments which were not factually correct and I also apologise to the Members of the Co-operative if any Members also felt aggrieved by the comments.

Yours sincerely

NORCO CO-OPERATIVE LIMITED



GREG McNAMARA
Chairman