**EXTRAORDINARY GENERAL MEETING**

**Resolution 1 – Appointment of Auditor**

i. Depending on :

(i) the aggregate amount of the monies paid and received by HCF in its financial year ending on 31 December 2019, and

(ii) the total value of HCF’s assets as at the end of that year

HCF has a statutory obligation either :

(i) to appoint a qualified auditor formally to audit its accounts and balance sheet in respect of that financial year, or

(ii) to appoint two or more persons, who are not qualified auditors, to audit its accounts and balance sheet in respect of that financial year

ii. However, the relevant legislation gives HCF the legal power, in certain circumstances, to dispense with the obligation to make whichever of the above appointments would be the appropriate one

In order for HCF to be able to dispense with the above obligation to appoint a qualified auditor:

(i) HCF has to satisfy the applicable financial criteria set out in the relevant legislation, and, if it does

(ii) (As required by, the relevant legislation), the shareholders of HCF who are present in a general meeting of HCF must pass a specific resolution to dispense with the obligation, i.e. a resolution where:

i) At least 80% of the *votes cast* are in favour of dispensing with the obligation, and

ii) Those, if any, voting against represent, in number, less than 10% of *all HCF’s registered shareholders* (i.e. not just 10% of those present and voting)

iii. The board is satisfied that HCF satisfies the applicable financial criteria set out in the relevant legislation

iv. Furthermore, the board’s view is that

(i) the scale of HCF’s financial operations are, currently, in relative terms, extremely small in scale and simple by nature

(ii) in the circumstances, appointing a qualified auditor, or two or more persons, who are not qualified auditors, to carry out a full audit would be disproportionate and

(iii) the cost would be an excessive expense

v. The board therefore unanimously recommends that, (just as in the case of previous HCF financial years), a HCF shareholders’ resolution be passed dispensing with the obligation to appoint a qualified auditor, or two or more persons, who are not qualified auditors, to audit the accounts and balance sheet in respect of HCF’s financial year ending on 31 December 2019

**Resolutions 2 & 3 – Means of Giving Notice of General Meetings**

Particularly with the advent of the new website, the board considered that it would be advantageous if HCF had greater flexibility/wider options as to the various methods of giving notice of general meetings that are authorised by HCF’s Rules, in particular, the added options of

i. uploading copies to the new website and

ii. displaying copies on either (HCF’s choice) the farm notice board inside the main shed or on the one outside it.

To do this requires a two-step process, i.e.:

a. Firstly, amending the relevant Rule (R.35), (hence Resolution 2), so as to say that, provided HCF passes a resolution sanctioning methods i. & ii. above, those methods would then be formally authorised

b. Secondly, passing the authorising resolution itself, (hence Resolution 3)

**ANNUAL GENERAL MEETING**

**Resolution 3 – Retirement & Re-Election of Directors**

i. Rule 62 of HCF’s rules states that, in every AGM of HCF other than the first, (at which all then-existing directors had to resign, subject, if they chose, having the right tooffer themselves for re-election):

(i) One third, or, if an exact one third can’t be numbered, the number, (being above one third), nearest to one third, of HCF’s Directors, who are:

i) the longest serving since the time of their most recent election as such, (whether that happened to be their initial election or a subsequent re-election), and

ii) are willing to continue in office,

(‘the resigning directors’), must tender their resignations to the AGM, although they can then, if they wish, immediately offer themselves for re-election

(ii) If, when it comes to identifying a resigning director, there are two or more directors who have served for the same length of time and are willing to continue, lots will be drawn to determine which one/s shall be the relevant director/s

ii. Therefore, whenever there are five directors of HCF, as is currently the case, namely:

Jim Malpuss (JM); Lynn Sheil (LS); Steve Grundy (SG); Martin Benning (MB);

Tudor Rees (TR),

Rule 62 requires two resigning directors

iii. One of the main reasons for Rule 62 is that it gives the shareholders of HCF a degree of say over the composition of the board year on year

iv. For the record, the history so far, in relation to the current directors is:

(i) 18-5- 2016 (Incorporation): JM &TR elected as Directors

(ii) 2-3-2017 (1st AGM): Under Rule 62, All then-existing Directors – JM & TR, resign as Directors, but take up the option of offering themselves for re-election, & are re-elected.

 LS elected as additional Director

(iii) 8-3-2018 (AGM): JM resigned. Re-elected

(One other Director, (since resigned), selected by lots drawn, resigned. Re-elected)

(iv) 21-4-2018 (EGM): SG & MB elected as additional Directors

(v) 7-3-2019 (AGM): TR & LS resigned. Both re-elected

(vi) 6-2-2020: Lots drawn as between SG & MB – because they joined at

the same time. SG selected

(vii) 20-2-2020 (AGM): JM & SG resigned. Both re-elected

v. Therefore, going forward re 2021 & 2022:

(i) 29-3-2021 Lots drawn as between TR & LS – because of equal length

 of service since last re-elected. TR selected

(ii) 20-4-2021 (AGM) MB & TR to resign & offer themselves for re-election

(iii) 2022 AGM (date TBC) Lots to be drawn as between JM\* & SG\* – because of

 equal length of service since last re-elected

 \*LS & SG\*/JM\* to resign & offer her/himself for re-election

\*If still then a Director & Willing to be Re-elected