



Hepburn Wind 2018 AGM Minutes

10:00 Morning tea and registration

10.30 Meeting opened

(Graham White - Chair)

Meeting opened at 10.35 with 101 in attendance

- Acknowledge traditional owners:

I would like to acknowledge that this meeting is being held on the traditional lands of the Dja Dja Wurrung people, and pay my respect to elders both past and present.

- Acknowledged special guests:

- Iris Degenhardt the chair of the Citizen Energy Co-operative Wolfhagen and
- Per Bernard, founder of Hepburn Wind
- Ron Liversidge, Landowner
- Dominic Murphy Sustainability Officer Hepburn Shire Council
- Councillor Kate Redwood (also ex-director)
- Artist in residence Cameron Robbins
- Ex-directors Candy Broad, Mitch Watson, Koos Hulst, Norman McMurray
- Prof. David Karoly

- Welcomed members and guests to the AGM for the 2017/18 Financial Year.
- Declared a quorum achieved (quorum is 30)
- Introduced board - David Perry, Linda Hancock, Geoff Gedge, Stuart Read, Paul Houghton with Graham White as Chair
- Agenda/timing outlined
- Standing Orders as outlined in the rules apply to this meeting
- Notified attendees that questions to directors can follow presentations by the board and financial reports.
- Stated to members that no vote will occur as Graham White is standing again and we do not have a

nominee to fill the second position, but the board will be actively recruiting either a member or a nonmember to act as an independent director in the coming months.

10:40 Presentations 45 minutes including questions

- Graham introduced Z-NET presentation
- Graham handed over to Taryn
- Taryn discussed Z-NET (5 minutes)
- Taryn welcomed Iris

"Iris Degenhart is the chair of the Citizen Energy Co-operative in Wolfhagen, Germany. This co-operative has developed over 22MW of renewable energy capacity, owning a wind and solar farm in collaboration with the local municipality. The energy co-operative has played an instrumental role in growing local renewable ownership and ensuring that the community benefits. In 2007-08 the municipality bought back the grid and set a target to become 100% renewable by 2015. Currently, the region is a net exporter of electricity, having exceeded their target by 20% and is an inspiration for our shire's transition to zero-net energy."

- Presentation (20 minutes)
- Graham thanked Iris and welcomed questions from the floor
- Asked for questions from members (5 minutes)

Q: What is average wind speed at your wind farm?

A: Average wind speed is 6m/s

Q: Do you need to balance out loads?

A: Not at this stage. The Government is not very interested at this stage. They are trying to encourage solar usage and battery at home.

Q: Utilities owned by municipalities, how does that differ from here? Is there potential in Aus for a community to own?

A: Iris: Not always the case in Germany. Municipalities are trying to buy more.

A: Taryn: 5 municipalities in Germany have bought back their grid

Q: Who owns the land underneath, is there any thought of the asset under solar?

A: Mostly installed in industrial areas. Wolfhagen solar was built on a highway. Nature groups didn't disapprove.

Q: Kate Redwood: Can you explain biogas project?

A: Owned by farmers. I'm not really involved

Q: Kate Redwood: What did they use to generate gas

A: Canola, corn.

11:25 Formal Proceedings: Apologies — 5 minutes

- Note to audience: Please speak up with your name when moving/seconding motions.
- Graham asked for number apologies
- Taryn: Apologies received (31 received).
- Asked members for any apologies.
- Called for a mover for the following motion:

“That the apologies be received.”

Moved: Angus MacKintosh Seconded: Genevieve Marlow

- Motion carried.

11:30 Minutes Previous Meeting — 5 minutes

- Asked members if there are any corrections needed to the minutes.
- Called for a mover for the following motion:

“That the minutes of the annual general meeting held on 10 November 2017 be confirmed as a true and correct record of the meeting and be duly signed by the Chairperson.

Moved Candy Broad Seconded Mitch Watson

- Declared motion carried.
- Graham hands over to Linda

11:35 Board and Financial Reports — 30 minutes

- Reminded members that the following reports are for the year ended 30 June 2018.
- Linda presented annual report summary
- Geoff Gedge presented on FARC
- David Perry presented on wind farm operations and the Future Generation Working Group slides
- Stuart Read presented for communications and community committee
- Graham White presented on potential future projects
- Graham announced Leonards Hill Hall exhibition of Cameron's Exhibition - invited attendees

Questions - **Phillip Brown our management accountant will also be on hand to answer financial queries.**

Q.Kingsley Dlipper: Statement: RET income significance and policy uncertainty may lead certificates to drop to 15 dollars a certificate.

A.Graham White: Serious issue. We are waiting to confirm a dividend because of political insecurity around

RET or similar market incentive.

Q:David Makey: In the early days there was lots of risk/debt. Should we move premium up.

A: Phillip: The share price for a cooperative is different to standard share offers. It would be uncommon to add a premium to the share price.

Q:David Wolf: Two ways of purchasing shares - buy for \$1.10 per share or buy from sellers. Is that price between sellers and buyers set or flexible?

A: Taryn Lane: We are not allowed to discuss prices and we created a share connect platform to enable share buyers to connect with share sellers.

Q: Rosetta Morse: I would like a firm commitment from you that you are going to be paying some kind of dividend in the next year.

A: Graham White: We will be paying a dividend next year, but it is difficult to say what amount of money will be set aside.

A: Phillip Brown: Fundamental reasons why not: Under cooperatives law, it has not been possible with the accumulated loss position to pay a divide. Also tax reasons. Cooperative tax credits will now enable tax credits to be used.

Q: John Redwood: Energy expansion. Could 1MW be accommodated on the roofs of Daylesford and Hepburn, do we need a solar farm?

A: Taryn Lane: We are running a partnership program the Hepburn Solar Bulk Buy and it's almost delivered 1MW of new rooftop solar in the Shire over the past 7 months.

A:David Perry: Encourage people to put solar on roof. Grid connection at Hepburn Wind is a underutilised resource. If we add output to wind we would only lose a few % through curtailment.

Q: Solar house: Powercor has said said no more solar

A: Taryn Lane: No technical reason for it - The zero--export limit is arbitrary. Discussed issue with minister to change this policy from Powercor and other energy distributors.

A: Linda: Looking at incentives for batteries.

Q: David Holmgren: Is wood being looked at as a contribution to our energy production?

A: David Perry: Concerned about particulate pollution, we are not looking at it now, but open to it in the future.

Q: William Fiddler: Sounds like the solar farm is a good way to get more equity. Could we have a gauge on

time for the profits from solar?

A: Graham: Turbines can run for 25 years/over. We will be able to give a dividend next year, regardless of if we develop solar or not. There are uncertainties due to the political situation, so we can not provide clear timeframes on future dividends and time frame.

Q: Robert Kingsman: Prospectus issue - originally said 12% but if you could get that amount of return everyone would invest in renewables. Wants to see to get assets working, to get that rate of return.

Q: Koos Hoost: Is the 12% ever going to come to members?

Q: Per Benard: Could we receive the financial documents for the proposed solar project.

A: David: we know what our rough generation would be but we don't know what the price we would receive would be. We are working on the business case and once it is ready to be shared we will provide it to members.

Q: Sue Dennet: Thanks to the board. I would support conserving capital.

Q: Dallas Kinnear: We can't forget how good this is for our environment

- Graham: Called for a mover of the following motion:

"That the reports from the board and auditors on the affairs of the co-operative for the year ended 30 June 2018 be received."

Moved: Normal Murray Seconded : Marshal Marauree

- Declared motion carried.

12:19 Housekeeping — 20 minutes

Remuneration of Directors

- The board recommends that that directors may receive remuneration for their services as a director for the coming year to be used for expenses such as travel.
- Call for a mover for the following motion:

"That directors may receive up to \$500 per director for remuneration for their expenses as a director for the coming year."

Moved Sue Dennet

Seconded Kingsley Sipper

- Invited questions from the floor
- Graham put motion to the vote.
- Motioned carried

Declaration of dividends

- Graham: The board recommends that no dividend, bonus shares or rebates be paid to members for the year ended 30 June 2018.
- Call for a mover for the following motion:

“That no dividend, bonus shares or rebates be paid to members for the year ended 30 June 2018.”

Moved Robert Kingston

Seconded Marsha Maraura

- Mover to speak to the motion.
- Invite questions from the floor and ask for those asking questions to state name.
- Q. Why did we need to do this?
- A. Because it's in the rules
- Put motion to the vote.
- Motion carried

Special resolution rule change

- Graham presented the proposed rule change from the document
- Call for a motion:

“That the rules of the co-operative be amended as follows -

56.3. The rebate, bonus shares or limited dividend:

- must not exceed the amount recommended by the board; and*
- in the case of dividend must not exceed the amount permitted by the Act and regulations.”*

Mover: Andrew Atkin

Secunder --Angus Macintosh

- Asked for questions:

Q: Shareholders have lived without dividend for first 7 years. You would expect that the rest of the remaining years that it would play catch up

A: Graham White: It depends on how profitable the cooperative is.

A: Taryn Lane: New legislation came out after the HW prospectus.

Q: David Hall: You must maintain working capital, strong push by some for dividends. We need to weigh up what is possible. If there is too much pressure - people will borrow. He doesn't want people to borrow. Thank you to volunteer directors. Except that dividends never reach 12% let's keep wind farm going.

- Vote for proposed rule change:
- Vote carried

Rule change continued:

29: Business of the Annual General Meeting

- *The ordinary business of the annual general meeting of the co-operative must be:*
 - *to confirm minutes of the last preceding general meeting (whether annual or special); and*
 - *to receive from the board, auditors or officers of the co-operative:*
 - *the financial reports or financial statements of the co-operative for the financial year;*
 - *a report on the state of affairs of the co-operative; and*
 - *the board's solvency resolution stating whether or not there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable; and*
 - *to approve any payments of fees to directors, and*
 - *to elect directors to fill any vacancies on the board.*
- *The annual general meeting may also transact special business of which notice has been given to members under these rules.*
- *All business of a general meeting, other than business of the annual general meeting that is ordinary business, is special business."*

- Vote for proposed regulations w rule change
- Vote carried
- Graham thanks everyone for the vote and hand over for closing remarks

12:20 Closing remarks

Invitation to Cameron Robbins' exhibition

● As you've heard, Cameron Robbins' exhibition will be held at 2pm today at Leonards Hill Hall. Cameron has been in residence at Hepburn Wind over the past three weeks and has produced a number of incredible works. These will be on display today from 2pm till 6pm and tomorrow from 10am till 2pm. The exhibition venue is close to the wind farm at 2095 Ballan-Daylesford Rd (corner of Leonards Hill School Road). We look forward to seeing you there!

- Thank you to:
 - Directors, Taryn, Jess, Marie
 - Ron and Nathalie Liversidge
 - Powershop & Meridian
 - Bendigo and Adelaide Bank
 - Senvion
 - PPT accounting
 - Tim Button Electrical

- Latitude
- Melbourne University
- Westgarth Corrs
- Cam Saunders for taking care of our sound
- Spade to Blade for the catering
- and of course our members
- Declare that as there is no further business, that the meeting is closed.

12:30 Close