

**Minutes of the fourteenth Annual Meeting of Shareholders of
Skellerup Holdings Limited
held at Eden Park, Reimers Avenue, Auckland
on Wednesday, 28 October 2015, at 14:30.**

Present:	Sir Selwyn Cushing	(SJC)	Chairman
	Elizabeth Coutts	(EMC)	Independent Director
	Ian Parton	(IMP)	Independent Director
	John Strowger	(WJS)	Independent Director
	David Mair	(DWM)	Director & Chief Executive

In Attendance:	Graham Leaming	(GRL)	Chief Financial Officer
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Introduction:

The Chairman began by welcoming shareholders, noting that the meeting was properly convened, the Notice of Meeting duly given and that a quorum was present and therefore declared the meeting opened.

The Chairman then noted the share price appreciation that had occurred during the early afternoon following the release of earnings guidance for FY16 by Skellerup.

The Chairman then introduced the Directors and CFO to the shareholders providing a brief background on their skills and contribution to Skellerup. He noted that he would comment further on WJS later in the meeting. He then invited the CEO to introduce Skellerup management and employees present. The CEO introduced Guy Keogh – Divisional Manager, Agri; Perry Davis – National Manager Footwear and Dairy NZ; Guy Meuli – General Manager, Vacuum Systems Group; Mark Ho – Business Unit Manager; Rubber Services, Shaun Spacey – Head of Product Development for Gulf Rubber branded products; Cameron Allison – Business Unit Manager, Gulf Rubber Australia; Michael Robins – Business Unit Manager Gulf Rubber US; Andy Meese – General Manager, Deks Group; and Paul Goddard – General Manager, Foam Group. Finally the CEO introduced, Deborah Allan – Marketing Executive for the Agri Division and Laura Forsyth – EA for the Skellerup Group.

The Chairman then explained the voting process for shareholder and/or proxy holders as well as advising that there would be opportunities to address questions to the Directors during the meeting.

The Chairman advised that the Notice of Meeting contained the business to be dealt with in the meeting.

The Chairman called for any apologies. None were noted.

Proxies:

The Chairman requested that the CFO inform the Meeting of online votes made and proxy votes held. GRL advised 311 shareholders holding 65,233,885 (equivalent to 33.8%) of the shares on issue had either voted electronically or were represented at the Meeting by valid proxies. GRL further noted that the Board was holding 58,352,555 of these proxy votes which would be voted in favour of the resolutions that would be put before the meeting.

Minutes of Previous Meeting:

The Chairman noted that the minutes of the previous Annual Meeting were confirmed and signed as a true and correct record at the first Board Meeting that followed the Annual Meeting. The Chairman noted that a copy of these minutes was available for inspection by shareholders if required.

Annual Report and Financial Statements:

The Chairman advised that Skellerup's Annual Report was available to all shareholders on the Company's website and was circulated by mail to all shareholders on the register at the time of mailing. He stated the Annual Report would be taken as read and that before taking questions on it he would provide an overview of the Company which would be followed by a presentation from David Mair, CEO.

Chairman's Address:

The Chairman then addressed the shareholders reflecting first on quiet confidence about prospects for the future noting both operating divisions were performing well. He also noted that he was most pleased at the excellent progress being made with the new Dairy Rubberware Development and Manufacturing facility at Wigram, reflecting the talent and efforts of local management, contractors and advisors and importantly the guidance of Sir Ron Carter. The Chairman highlighted Sir Ron's vast experience overseeing projects in NZ and South East Asia and expressed gratitude for his contribution.

Commenting on the FY15 year the Chairman stated that a challenging year with considerable headwinds had been overcome with a resultant 6% increase in NPAT to \$21.9 million and maintenance of a healthy balance sheet. He noted the Agri Division continued to perform well with growth in international markets alongside a relatively solid NZ market. The Chairman also noted that the strategy of expansion into the US was beginning to bring success for the Industrial Division with growth achieved on the back of Gulf, Deks and Ultralon rubber and foam products.

The Chairman then commented on the appointment by the Board of John Strowger as a director. The Chairman noted WJS extensive experience in the business world, commercial acumen and legal skills were well recognised and reflected in numerous awards and commendations, making him a great asset to Skellerup as the company continued to grow and develop.

The Chairman then confirmed that as reported to the NZX earlier in the day the Board expected FY16 NPAT to fall in the range of \$24 to \$26 million.

In closing the Chairman commented that recent purchases of shares by Board and Management had followed the legal requirements and that furthermore the timing of these purchases had helped balance the large sale of shares by Institutions with one in particular a large seller. The Chairman added that 47% of the register had traded over the preceding 12 months due to apparent changes in Institutional shareholder management in NZ. The Chairman highlighted that in his recent investment reflected his view that Skellerup was an attractive investment based on comparable yield and a record of reliable earnings.

The Chairman then invited the CEO to address shareholders.

CEO's Address:

The CEO started by commenting on the trend in Skellerup earnings since FY11 and highlighting the improvement in FY15 compared with FY14. He also highlighted the FY12 year which benefitted from

the shale gas boom in the US, strong sales into the Australian mining sector and good results from Gulf prompting establishment of a facility in the US.

The CEO then spoke to the global revenue profile of Skellerup highlighting growth achieved in the US in FY15 and noting an expectation of a continuation of this into FY16 along with growth in the Australian market. The CEO reminded shareholders that a critical focus of Skellerup was to design products that capitalise on regulatory changes in food safety and rapidly increasing demand for clean energy.

The CEO then commented briefly on the FY15 results noting firstly the continued good performance of the Agri Division. The CEO highlighted that whilst the Fonterra pay-out impacted that the Skellerup revenue directly exposed to this sector was ~\$20 to ~\$25 million per annum and that the products supplied by Skellerup were essential consumables. He further noted that a successful focus on growing international business offset weakness in the NZ market in FY15. The CEO then discussed the Industrial Division, highlighting the successful and continued focus on the US market, where a relatively niche position for its product ranges and good relationships with large OEM customers provided continued strong growth prospects.

The CEO then turned to FY16 guidance noting that revenue growth across the business and internal improvements across the business had and would continue to drive the earnings growth. He highlighted that the ASM typically provided a good opportunity to provide earnings guidance, as the peak Agri season of June and July and the traditional northern hemisphere holiday season of August had passed. This enabled management and the Board to evaluate September and October trading and form a view on likely FY trading and earnings.

The CEO commented that the Board and management were focussed on improving products and services to customers and allocating capital to opportunities for growth, rather than dwelling on the macro headwinds of lower milk prices, oil prices and iron ore prices. He further noted that the allocation of capital included people not just \$ and highlighted the senior team was re-energised and included a number of young New Zealanders working across the world.

In closing the CEO expressed confidence that Skellerup was on the right path to profitable growth lead by an exciting team of people in attendance at the ASM. He thanked the Directors and the shareholders for their support and encouraged the shareholders to chat to Skellerup's management present at the conclusion of the meeting.

Shareholder Questions:

The Chairman then asked for shareholders to raise any questions on the Annual Report or Financial Statements:

A shareholder, queried what impact the relocation of the operation from Woolston to Wigram would have on the FY16 financial results. The Chairman invited the CFO to comment. GRL noted that the relocation of the distribution warehouse was planned to be completed before year end and that the costs associated with this would not be significant. He further noted that the more significant relocation of the secondary and primary processing equipment would not commence until July 2016 and it was not possible to quantify that cost yet.

A shareholder, queried the weaker operating cash flow in FY15. The Chairman invited the CFO to comment. GRL noted there were three factors impacting. Firstly the higher proportion of export sales referred to by DWM increased both receivables (as credit terms were longer than average) and inventory (as for some export customers sales were on delivered terms resulting in inventory being

“held” for longer by Skellerup. Secondly, sales in Q4 FY15 were the strongest of the FY15 year pushing receivables higher. Thirdly but with least impact was overall longer average credit terms reflecting the mix of business.

A shareholder, asked what plans the Board had in relation to releasing value from the new facility under construction in Christchurch. The Chairman responded that the Board had considered this matter, but that no decisions had been made. He noted that the property was held in a separate legal entity, that the building design was outstanding with Calder Stewart Industries construction team doing a very good job. He noted that he had received interest from institutions but that whilst the Board will always listen they have not reached any conclusions nor made any commitments at this point.

Address from Sir Ron Carter

The Chairman introduced Sir Ron Carter, Skellerup’s Project Viking champion to shareholders. The Chairman summarised Sir Ron’s experience and achievements and expressed his appreciation for the guidance Sir Ron was providing to the Project team and the Board of Skellerup. The Chairman invited Sir Ron to address shareholders.

Sir Ron summarised the status of the Project Viking and explained the importance of the facility to Skellerup. He noted the project was proceeding well and that it could be considered in two ways, firstly as a specialised purpose-built building of approximately 19,000 m2 or alternately as the heart of a business with several functions and array of specialist processing elements.

Sir Ron commented that he was impressed by the calibre of the Skellerup team and that the shareholders were fortunate to be served by a very knowledgeable engineering and production team, which in his view were unique in their knowledge of rubber processing. He further noted that an international specialist on a recent visit commented that the facility was the most comprehensive rubber development and processing facility he had seen.

Sir Ron acknowledged the competent construction activity being provided by Calder Stewart Industries on a very challenging timetable. Sir Ron stated that the project had now reached the stage where installation of the key infrastructural fit out (electrical, mechanical and plumbing) would commence in parallel to construction activity on the site.

In closing Sir Ron said he was pleased to report solid progress, noting there was still significant activity to be completed but that there was every reason to be confident of a successful outcome.

Election of Directors:

The Chairman then moved to the elections of Directors.

The Chairman noted that in accordance with the NZSX Listing Rules, Elizabeth Coutts was retiring by rotation and, being eligible offered herself for re-election. The Chairman invited EMC to speak in support of her re-election.

EMC introduced herself and spoke of her career background which included leadership roles in Finance, as a CEO and a long experience as a director of private and public companies. EMC commented that she had been a director of Skellerup for a number of years. EMC noted she considered Skellerup was making good progress and considered that with her knowledge of Skellerup, skills and experience that she could continue to make a valuable contribution to the business.

The Chairman called for a shareholder to move that Elizabeth Coutts be re-elected as a Director of Skellerup. This was duly moved and further shareholder from the floor seconded the motion.

The Chairman called for any questions. No questions were received from shareholders in respect of the motion. The Chairman asked for a show of hands which were all in favour of the motion. The Chairman declared the motion carried.

The Chairman noted that in accordance with the NZSX Listing Rules, John Strowger whom had appointed by the Board to a casual vacancy in March 2015, was retiring and, being eligible offered himself for election. The Chairman invited WJS to speak in support of his election.

WJS introduced himself and spoke of his experience as commercial partner at Chapman Tripp a leading NZ law firm. WJS noted that his 30 years of employment was largely spent advising on the purchase and sale of businesses which gave him a significant wealth of experience of industries and personalities. WJS further noted that he had been involved with Skellerup from the mid-1990s and as a result had come to know and admire the company. He commented that he considered Skellerup had a great Board and superb senior management.

The Chairman called for a shareholder to move that John Strowger be elected as a Director of Skellerup. This was duly moved and further shareholder from the floor seconded the motion.

The Chairman called for any questions. No questions were received from shareholders in respect to the motion. The Chairman asked for a show of hands which were all in favour of the motion. The Chairman declared the motion carried.

Appointment of Auditors:

The Chairman advised that Pursuant to Section 200 of the Companies Act 1993, Ernst & Young are automatically reappointed as auditors for the ensuing year.

The Chairman explained that the proposed ordinary resolution is required to authorise the Directors to fix the auditors' remuneration pursuant to section 197(a) of the Companies Act 1993.

The Chairman advised 64,964,289 directed and discretionary proxies would be voted in favour of this resolution and 266,596 proxies against. The Chairman moved that the Directors be authorised to fix the remuneration of the auditors for the year ending 30 June 2015. A shareholder from the floor seconded the motion. No questions were received from the shareholders with respect to the motion.

The Chairman called for a show of hands which were all in favour of the motion. The Chairman declared the motion carried.

General Business:

The Chairman called for shareholders to raise any other matters.

A shareholder queried the contingencies Skellerup had on its Woolston site. The Chairman invited the CEO to respond. DWM explained that the Woolston site occupied by Skellerup was in part owned by Skellerup and in part leased. DWM noted that the Board and management were aware of some minor instances of contamination on the site but that he expected the eventual sale of Skellerup's interest in the land would result in a net benefit to shareholders.

A shareholder queried whether Skellerup would benefit from the recently announced Trans Pacific Partnership (TPP). The Chairman invited the CEO to respond. DWM said he did not anticipate any negative impact and that potentially TPP may facilitate a smoother flow of products into North America from China and Vietnam which were significant manufacturing locations for Skellerup. DWM also noted that RCEP which sat in behind TPP was potentially more important.

The Chairman thanked the shareholders for their attention and declared the meeting closed at 15:50.

Signed as true and correct record

A handwritten signature in cursive script, appearing to read "A. Kuschner", is written in black ink. The signature is positioned above a horizontal dotted line.

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Chairman