



CRT Investment Statement



Investment Statement

Introduction

This Investment Statement is prepared using the registered prospectus dated 6 June 2006, as amended by Memoranda of Amendment dated 31 July 2006, 2 September 2008 and 4 August 2009.












IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978).

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information in this document important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

Engaging an investment adviser



An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including:

-  relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
-  what types of investments the adviser gives advice about; and
-  whether the advice is limited to investments offered by 1 or more particular financial institutions; and
-  information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
-  any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

-  the nature and level of the fees you will be charged for receiving the advice; and
-  whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

What sort of investment is this?

You are investing in the capital of Combined Rural Traders Society Limited ("CRT" or "the Society"). The rules of the Society ("the Rules") provide that the Society can issue Rebate Shares (which carry certain rights set out in the Rules and in the terms of issue of those shares) and other classes of shares on the terms specified by the Board at the time of issue of those shares.

What are Rebate Shares and how do they work?

All members of the Society are required until otherwise determined to hold at least 500 Rebate Shares in the Society. The Rebate Shares on issue are classified as and referred to in the Society's annual accounts as "Share Capital" (representing all Shares on issue). They carry a right to rebates or other payments arising from the holder of those shares being a transacting member of the Society. Shares may only be held by farmers, or persons who are or will be providing goods and services to farmers or others at the Board's discretion.

Each holder of Shares in the Society has the right to one vote per Share on any resolution of the shareholders of the Society, except no vote attaches to Shares before they are fully paid up. However, the holders' right to exercise these voting rights may not be exercised if the holder has not purchased services from the Society during the period of one year preceding the vote.

Shares are "participatory security" for the purposes of the Securities Act 1978 and Securities Regulations 1983.

The nominal value of all the Rebate Shares (including the Shares) is \$1.00.

Holders of Shares are entitled to one vote per Rebate Share on any resolution or other vote of the shareholders of the Society, except for Rebate Shares that are not fully paid up.

As a holder of Shares in the Society you will be eligible for a CRT Card. The CRT Card can be used to purchase goods and services at discounted prices, accessing affiliated suppliers who have agreed to take part in the CRT System.

If you have ceased to transact business through or with the Society and request the Board to approve the surrender of your shares in the Society, the Board must within 3 months pay you your entitlement to Share Capital unless the Board elects to either:

- a. Refuse to give its approval to the surrender where the payment will detrimentally affect the financial position of the Society and affect its ongoing trading position; or
- b. In lieu of paying cash to you, convert your shares into another class of shares which are to be redeemed over a period of time.

In practice, payments are made as soon as practicable after closure of your trading account.

Shares may be issued by the Board of Directors from time to time, either as cash or bonus issues or as the Board determines.

However, under section 4 of the Industrial and Provident Societies Act 1908 and the Provident Societies (Amount of Shares) Gazette Notice 2002, an Industrial Provident Society cannot issue one shareholder with an interest in share capital worth more than \$15,000 (which, for the Society, is 15,000 shares). However, the directors of the Society set this limit on number of shares that can be held lower than this. Investors can contact the Society to find the current limit. Otherwise, there is no maximum limit on the total number of shares being offered to all applicants as a whole.

Bonus Issues

The Board may distribute profits to shareholders by:

1. Paying up fully paid shares and distributing those shares either pro-rata according to the number of shares held, or calculated by reference to the number or value or volume of, or the profit derived by the Society from, transactions by the shareholders with the Society.
2. Distributing any retained profits to the credit of the accounts of shareholders of the Society and then paying and applying such moneys in paying up in full bonus shares of the Society or paying up unpaid Rebate Shares.

Any such issues will form part of the shareholder's Share Capital

How long is your money invested for?

Under the Rules, shares in the Society are transferable with Board approval to a person who the Board would admit to membership. Shares in the Society may be surrendered, either by choice or compulsorily. This is set out in further detail under *How do I cash in my investments?*

Who is involved in providing it for me?

CRT

CRT is an incorporated society registered under the provisions of the Industrial and Provident Societies Act 1908. Its registered number is 225946, and it was incorporated on 11 February 1964.

Its address is: Combined Rural Traders Society Limited Telephone: (03) 477-9040
Private Bag 1968 Facsimile: (03) 477-9341
84 Cumberland Street
DUNEDIN 9054

The Managers of CRT

The Society's policy is determined by a Board of Directors. Day to day management is carried out by a Chief Executive with the assistance of Divisional Managers responsible for specific activities.

The Chief Executive Officer of CRT is:

Brent Andrew Esler
27 Aylsham Lane
Regents Park
Christchurch

The current directors of the Society are shown in the attached schedule sent with this Investment Statement.

Exemption from requirement for Statutory Supervisor

CRT is exempt from the requirement under section 33(3) of the Securities Act 1978 that issuers of participatory securities appoint a statutory supervisor under a deed of participation. CRT's exemption is contained in the Securities Act (Industrial and Provident Societies) Exemption Notice 2002.

Activities of CRT

The Society's major purpose is to reduce farmers' costs by means of collective group buying. It has been in business since 1964. The Society's purchasing service covers the full range of farm, business and personal requirements. Rebate Shares are only available to farmers or to persons approved by the Board who are or will generally be providing services to farmers, or to CRT. The Board may issue other classes of shares as it determines.

The principal fixed assets used for the purposes of the Society's business comprise freehold land, buildings, motor vehicles, fixtures and plant. The principal fixed assets are used primarily for the purpose of the Society's retailing feed and seed operations. All such assets are all or will be owned or leased by the Society.

The Society operates a retail arm including retail stores and supports retail agencies. The Society has operated a grain & seed division since 1996, a feed division since 2002 and a livestock division since 2009. It has a 100% owned subsidiary called CRT Real Estate Limited which primarily deals with the sale of rural land, a 100% owned subsidiary company called CRT Fuel Limited, which operates a fuel distribution network throughout New Zealand and a 100% owned subsidiary company called CRT Finance Limited, which provides loans.

How much do I pay?




Rebate Shares

You are required to subscribe for a minimum of 500 Rebate Shares of \$1.00 each in the share capital of the Society. Every application for shareholding is subject to the final approval of the Society's Directors, in accordance with the Rules.

Bonus Issues

If a bonus issue is declared, your resulting subscription for capital is paid for out of profits from the Society's trading operations. You do not have to pay anything in cash. This will form part of your holding of Rebate Shares.

You invest by:

-  completing both sides of the application form at the rear of this Investment Statement;
-  making your cheque payable to CRT, crossed "Account Payee Only" or "Not Transferable"; and
-  mailing it direct to the Secretary of CRT at the address provided above or delivering it to any CRT outlet.

Cooling-Off Period

There is no cooling-off period in respect of any securities issued by the Society.

What are the Charges?

Processing Fee for Share Capital

There is no processing fee, management fee, entry or exit fees associated with the Shares. .

There are two alternative methods of paying the subscription amount:

1. In one sum of \$200.00 at the time of application, or
2. By charge to the shareholder's monthly account.

You must select either method 1 or method 2 in the space provided on the application form. The remaining \$300.00 will be credited to the share issue price from rebates and/or bonuses that would otherwise be paid to the Shareholder (and no votes attach to these shares until they are fully paid up).

What returns will I get?

Returns on Rebate Shares - Discounted Prices

The Society's major purpose is to reduce farmers' costs by means of collective group buying. Society shareholders are able to purchase goods and services at discounted prices at affiliated suppliers by means of the CRT Card.

All holders of Rebate Shares in the Society are eligible to be issued with a CRT Card. The CRT Card can be used to purchase goods and services at discounted prices at affiliated suppliers who have agreed to take part in the CRT System.

The Society negotiates with each supplier a percentage discount off the normal retail price for goods and services purchased from the supplier.

By using the CRT Card, the shareholder charges goods and services purchased to the Society. The supplier's account for all such purchases is charged to and paid by the Society. All charges for purchases made by each shareholder are on charged to the shareholder on one composite statement which is issued by the Society, together with attached invoices or transaction details, on a monthly basis.

The negotiated discount less the Society's administration margin is passed on to the shareholder by way of a rebate off the normal retail price, as shown on the shareholder's monthly statement. Shareholders can claim this price rebate providing they pay their monthly accounts on the due date in the month following purchase (normally 20th of the month).

Returns from the Society's general trading operations

Under the Rules, the Directors may distribute any surpluses resulting from members' purchasing or trading activities through the Society by way of bonus, bonus shares or otherwise. Any other trading surpluses may be divided among the shareholders in due proportion to the amount of business which each member has done with the Society during the relevant financial year and on such terms and conditions as the Directors think proper, including a condition that they be applied in whole or part toward subscription for bonus shares.

Returns promised to other shareholders

As at the date of this investment statement, existing shareholders are entitled to returns on their capital in accordance with the Rules summarised above. The amount of those returns is dependent on the amount of trading done by each shareholder with the Society on a monthly basis, and on the annual trading result of the Society, and is not able to be quantified in advance

Taxes, duties, reserves and retentions

Any cash bonuses or bonus issues declared by the Society are under current law subject to income tax. The Directors have the power to retain trading surpluses in the reserves of the Society.

It is the Society that is responsible for the calculation and administration of the returns described above.

What are my risks?

Principal risks

The principal risk of your not recovering your share capital subscriptions in full, or not receiving the anticipated returns described above, is the risk of the Society trading consistently at a loss so that there are no surpluses in any year and the Society's reserves are used up.

Liability on insolvency of the Society

If the Society becomes insolvent, your liabilities are qualified by section 15 of the Industrial and Provident Societies Act 1908. In summary, your liability is limited to the amount (if any) unpaid on your shares.

General Liability

Your other liabilities are governed by the Rules. Among other things the Rules provide that you may be required to surrender your shares in the Society if:

- a. You have ceased to transact business with the Society; or
- b. You have not paid any call, instalment or other amount by the date specified by written notice, or
- c. You have failed to comply with requirements relating to transactions with the Society.
- d. The Board has resolved that the surrender of your shares is in the best interests of the Society.




Your only other potential liability is the liability to pay the purchase price of all goods and services purchased by you through the Society.

Eligibility for price rebates

The negotiated discount is passed on to you only if you pay your monthly accounts by the due date in the month following purchase (normally the 20th of the month).

Prior and equal ranking claims

Claims on the assets of the Society, in the event of the Society being put into liquidation, that will or may rank ahead of your claim as a holder of capital in the Society are:

-  the claims of any secured creditors;
-  the claims set out in the Seventh Schedule to the Companies Act 1993 (being, in general terms, the liquidator's fees, some salary and wage payments and some taxes); and
-  any other claims preferred by law.

The claims on the assets of the Society that will or may rank equally with your claim on the assets of the Society in the event of the Society being put into liquidation are all other claims in respect of the share capital of the Society other than such claims as are preferred by law.

Can the investment be altered?

Increasing your share investment

You cannot hold more shares than the amount prescribed from time to time under section 2 of the Industrial and Provident Societies Amendment Act 1923 or such higher amount the Minister of Justice may specify by notice in the Gazette (currently \$15,000). The directors set the limit on the number of shares that can be held lower than this. Investors can contact the Society to find out the current limit.

The Society has the power to increase the minimum shareholding required of all members under the Rules. Under the Securities Act (Industrial and Provident Societies) Exemption Notice 2002, if you object to an increase in the minimum shareholding you may withdraw from the Society and be repaid your paid up share capital and any other entitlements within six months of notifying your intention to withdraw.

Decreasing your share investment

Shares in the Society are transferable with Board approval in terms of the Rules. If you wish to remain a voting member of the Society you may not reduce your Rebate Shares holding below 500 shares.

A shareholder who has ceased to transact business with the Society may request that the Board give its approval to the surrender of that shareholder's shares in the Society. If you die, the personal representative of your estate may request the shares be surrendered.

The Society may at any time require you or your personal representative to surrender your shares if:

- a. You have ceased to transact business with the Society;
- b. You have not paid any call, instalment or other amount by the date specified by written notice (including the balance subscription amount if you select Method Two for your Shares);
- c. You have failed to comply with requirements relating to transactions with the Society contained in any contract between you and the Society; or
- d. The Board has resolved that the surrender of your shares is in the best interests of the Society.

If shares are surrendered, (other than by reason of unwillingness to subscribe for further shares in the capital of the Society following any increase in the minimum shareholding required of all members under the Society's rules) that shareholder's entitlement is repaid to the shareholder within three months of the request for approval to the surrender of shares in the Society, unless the Board elects to either:

- a. Refuse to give its approval to the surrender where the payment will detrimentally affect the financial position of the Society and affect its ongoing trading position; or
- b. In lieu of paying cash to the shareholder, convert those shares into another class of shares which are to be redeemed over a period of time.

A member who has surrendered shares in the Society by reason of unwillingness to subscribe for further shares in the capital of the Society following any increase in the minimum shareholding required of all members under the Society's rules is entitled to receive that shareholder's entitlement in Rebate Shares, and any other entitlements within six months after the date of the notice of withdrawal from the Society.

In practice, payments are made as soon as practicable after closure of the shareholder's trading account.

How do I cash in my investment?

Surrender of Shares in the Society

Under the Rules, if you cease to transact business through or with the Society and apply to the Board for approval to the surrender of your shares in the Society (other than by reason of unwillingness to subscribe for further shares in the capital of the Society following any increase in the minimum shareholding required of all members under the Society's rules), you are entitled to receive a return of your Rebate Shares (to the extent they are paid up) and any other entitlements within three months from the date you notify the Society of your wish to surrender your shares, unless the Board elects to either:

- a. Refuse to give its approval to the surrender where the payment will detrimentally affect the financial position of the Society and affect its ongoing trading position; or
- b. In lieu of paying cash to you, convert your shares into another class of shares which are to be redeemed over a period of time.

In practice, payments are made as soon as practicable after closure of your trading account.

Withdrawal following increase in minimum shareholding

The Society has the power to increase the minimum shareholding required of all members under the Rules. Under the Securities Act (Industrial and Provident Societies) Exemption Notice 2002, if you object to an increase in the minimum shareholding requiring a member to pay money for additional shares, you may withdraw from the Society and be repaid your share capital and any other entitlements within six months of notifying your intention to withdraw.

Request for Board's approval to Surrender of Shares

Any request for the Board's approval to the surrender of your shares should be sent to:

The Secretary
CRT
Private Bag 1968 (84 Cumberland Street)
DUNEDIN 9054

Right to sell shares

Under the Rules, you can transfer your shares with Board approval to a person who the Board would admit to membership. Otherwise, if you wish to cash in your investment, you must surrender your shares in the Society as set out above.

Who do I contact with enquiries about my investment?

Enquiries about your investment can be addressed to:

The Secretary
CRT
Private Bag 1968 (84 Cumberland Street)
DUNEDIN 9054
Phone (03) 477 9040

Is there anyone to whom I can complain if I have problems with the investment?

If you for any reason you are unhappy with any aspect of your CRT investment you may wish to contact the secretary at the above address and telephone number.

Alternatively you could contact one of the Society's Directors. A list of them is available from the Secretary or from any CRT outlet.

What other information can I obtain about this investment?

Prospectus and Financial Information

This Investment Statement provides only a summary of the Society. Other information relating to the Society is contained in the prospectus and financial statements relating to the Society and can be obtained free of charge at the address set out above.



The prospectus and financial statements that were current when the prospectus was registered relating to the Society are also filed on a public register at the Companies Office at the Ministry of Commerce and are available for inspection.

Annual Information

Each year the Society will send you an annual report containing audited financial statements.

On Request Information

You can also request at any time, free of charge, the following:

-  A copy of the Society's most recent annual report
-  A copy of the most recent CRT Investment Statement

Simply put your request in writing to the above address.

Combined Rural Traders Society Limited


Director's Statement

Current as at 30 November 2011

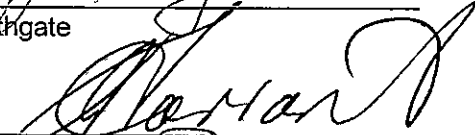
We, the Directors of Combined Rural Traders Society Limited confirm that:

- a. there are no material matters relating to the offer of securities set out in the Investment Statement attached to this Director's Statement other than:
 - i. matters set out in the Investment Statement, the registered Prospectus or the most recent financial statements for Combined Rural Traders Society Limited; and
 - ii. contracts entered into the ordinary course of business; and
- b. after due inquiry by us in relation to the period between the date of Combined Rural Traders Society Limited's most recent statement of financial position and the date of this Director's Statement there have, in our opinion, arisen no circumstances that materially adversely affect:
 - i. the trading or profitability of Combined Rural Traders Society Limited other than circumstances affecting the New Zealand economy generally and which are generally known in New Zealand; or
 - ii. the value of the assets of Combined Rural Traders Society Limited; or
 - iii. the ability of Combined Rural Traders Society Limited to pay its liabilities due within the next twelve months.

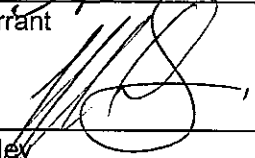
Signed by:




IJ Bathgate



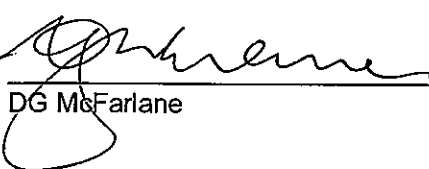
IF Farrant




JJ Foley



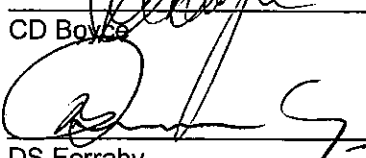
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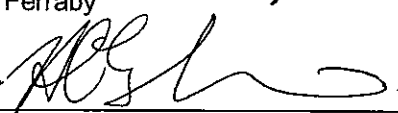
DG McFarlane



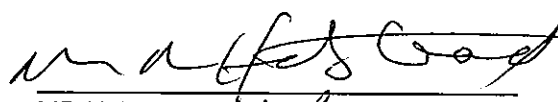
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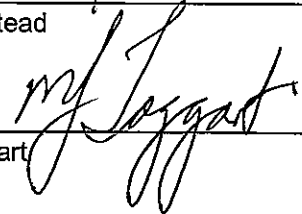
DS Ferraby



HC Gardner



MR Halstead



MJ Taggart

Dated: 6 December 2011

