



ZESPRI SHARES

ABOUT ZESPRI GROUP LIMITED SHARES

Zespri is grower-owned and grower-controlled by way of growers owning and voting their Zespri shares. For it to stay that way, growers need to own sufficient Zespri shares to maximise the voting entitlement that is based on the production from their orchards. It is not compulsory for growers to own shares.

In March 2018, Zespri shareholders voted on changes to the Zespri constitution including a share cap, dividend cap for non-producer shareholders, and a change to the way voting rights are calculated. This booklet outlines the rules that apply to Zespri share ownership, ways to trade Zespri shares, and the importance of keeping your shareholding and contact details up to date.

ZESPRI SHARE OWNERSHIP RULES

Zespri's company constitution, by way of the Kiwifruit Export Regulations (1999), provides that only landowners or lessees of land on which kiwifruit is grown for supply to Zespri, are entitled to purchase Zespri shares.

Share Cap

Growers are entitled to hold up to 6 shares per every tray of production (production is calculated by taking the average of the best 2 of the last 5 seasons). Overshared shareholders will be required to sell their overshared portion after a set amount of time – 7 years for those who were overshared at 14 March 2018, and 3 years for those who become overshared after this date.

Lessees are entitled to take up the balance of shares not taken up by the landowner. If the combined shareholding of the landowner and lessee exceeds the 6:1 share cap, the lessee is required to sell their shares (this is known as the Landowner Priority rule).

Dividend Cap for Non-Producer Shareholders

Shareholders without production (usually retired growers who did not sell their shares when they exited the industry) cannot vote their shares and will also stop receiving dividend payments after a set time.

If you are a dry shareholder but you are still in the industry, your shares could be misaligned, i.e. your shares are owned in a different entity to the entity which produces kiwifruit. If this is the case, please contact Zespri to discuss aligning your shares.

Voting Cap

Shareholders are entitled to vote at the Annual Meeting each year. Votes are capped at one vote per share, or one vote per tray of production, whichever is the lesser.

Where both landowner and lessees own shares, the landowner will have priority.

CONTACT US

Please contact us at any time with your queries regarding Zespri share ownership and trading.

0800 155 355

shares@zespri.com

www.zespri.com/companyinformation/shares

HOW TO TRADE ZESPRI SHARES

THERE ARE TWO WAYS TO TRADE – ON-MARKET THROUGH UNLISTED SECURITIES EXCHANGE, OR OFF-MARKET

ON-MARKET SHARE TRADING

An on-market trade requires the services of a share broking firm. The shares are being publicly traded on the share market.

Zespri shares trade on the Unlisted Securities Exchange (USX) platform. USX have 6 approved brokers in which to trade shares with.

Our Constitution provides that shares can only be moved to an individual or entity that owns or leases a New Zealand kiwifruit orchard. Producers are entitled to hold up to 6 shares for every 1 tray of production (6:1 share cap).

To buy, you will need a broking account in the same legal entity name your orchard is owned or leased in.

You are required to register with one of the approved USX brokers to be able to trade on-market.

A list of these approved brokers and their contact details are listed on the bottom of this page.

OFF-MARKET SHARE TRADING

An off-market transfer is for privately transferring shares between two parties without using the services of a share broking firm. Essentially, an off-market transfer is a change of ownership as the shares are not being publicly traded on the share market.

Shares can only be moved to an individual or entity that owns or leases a New Zealand kiwifruit orchard. Producers are entitled to hold up to 6 shares for every 1 tray of production (6:1 share cap).

When an agreement has been made to conduct a transfer between two parties, both must complete and sign the relevant sections of an "Off-Market Transfer Form" and return the original completed form to either Zespri or to Computershare, our share registry office.

Once this has been received and approved by both Zespri and Computershare, the transfer of shares is conducted by the share registry.

ZESPRI'S SHARE REGISTRY OFFICE

Computershare Investor Services Limited is Zespri's Share Registry Office. They transact all share trades and hold the share register. It is important that your details are kept up to date with both Computershare and Zespri.

09 488 8777
enquiry@computershare.co.nz
Private Bag 92119
Auckland 1142

Share Certificates

Prior to February 2016, share certificates were issued to shareholders when they purchased a new parcel of Zespri shares. All share certificates were cancelled following the 3-for-2 share split on 15 March 2019, so share certificates are no longer required to be surrendered when selling shares.

Zespri Group Limited's share registry, Computershare, will issue a Securities Transaction Statement on transfers of Zespri Group Limited shares.

APPROVED USX BROKERS

There are six approved USX brokers. Zespri does not recommend a preferred broker. The USX brokers are listed below in alphabetical order:



Craigs Investment Partners
P: 07 577 6049
E: lawrence.young@craigsip.com
www.craigsip.com



Forsyth Barr
P: 0800 367 227
www.forsythbarr.co.nz

JBWere

JB Were
P: 0800 555 555
www.jbwere.co.nz

FNZC

First NZ Capital
P: 0800 805 584
E: contactus@fnzc.co.nz
www.fnzc.co.nz



Hamilton Hindin Greene
P: 0800 10 40 50
E: enquiries@hhg.co.nz
www.hhg.co.nz

**HOBSON
WEALTH
PARTNERS**

Hobson Wealth Partners
P: 0800 742 737
E: info@hobsonwealth.co.nz
www.hobsonwealth.co.nz

DIVIDEND PAYMENTS

Traditionally, a final dividend (relating to the previous financial year) is paid to shareholders in August each year, and the interim dividend for the current financial year is paid in December. Dividend payments are made by Computershare. A record date is set when the payment amount and date are announced and is usually 1 week before payment date. Whoever holds shares at record date will receive the dividend payment.

If you have a bank account listed with Computershare, the payment will be made into your bank account on payment date and a statement will be emailed to you. Otherwise, a cheque will be posted to your registered address along with a dividend statement. If you have lost your dividend statement or did not receive one, please contact Computershare directly. Zespri can provide a payment summary but not an official statement.

USX

UNLISTED SECURITIES EXCHANGE

LIVE MARKET INFORMATION AVAILABLE

To see the latest Market Depth information including latest share price, bids and offers, and latest trades, visit the USX website: <https://www.usx.co.nz/> and search 'Zespri' in the Stock Lookup field.

The screenshot shows the USX website interface. At the top, there are navigation tabs for MARKET, INVESTORS, ISSUERS, ABOUT US, and LOGIN. Below this is a 'WARNING' section with a disclaimer. The main content area is titled 'RECENT MARKET ACTIVITY' and features a table with columns for SYMBOL, BID, OFFER, LAST, PRIOR DAY, % CHG, VALUE, VOLUME, and TRADES. The table lists several securities including SGL, RNSLB, ZSL, TVV, SYC, REL, and RNSLA. To the right of the table, there are sections for 'ANNOUNCEMENTS' and 'WHAT'S THE LATEST'.

UPDATING SHAREHOLDER DETAILS

Orchard Change of Ownership/ Misaligned Shares

When the entity that owns your shares does not exactly match the entity that owns or leases an orchard, your shareholding is considered to be dry i.e. no production is associated with your shares. This means that you will lose the ability to vote your shares at the Annual Meeting, and also that you will lose your dividend payments after a set amount of time. If you wish to align your shares, please contact Zespri on 0800 155 355 or email shares@zespri.com.

Lease Updates

We require all leases to be verified, by the lessee providing a copy of their

lease agreement and a signed lease declaration. If your lease expires, this will be automatically removed from our system, so it's important you keep us up to date with any changes.

Change of Address

Zespri and Computershare hold separate databases, so the mailing address Computershare has listed on the register may not be what Zespri has recorded. If your address changes, you will need to notify Computershare and Zespri to update this.

Bank Accounts

In order to receive your dividend payments by online banking, you will need to provide a Direct Credit

Notification form to Computershare. This form is available from Computershare or Zespri. The form needs to be signed by all holders.

Change of Trustees

A change of trustee is a legal change of ownership of shares. As such, any change of trustee requires an off-market transfer of shares from the old trustees to the new trustees. Due to the requirements of our constitution, we cannot approve an update of trustees when the shareholder is a non-producer (dry shareholder). In this case, your options are to sell your shares or to retain them in the names of the existing trustees.