



PRODUCT DISCLOSURE STATEMENT

FOR AN OFFER OF ORDINARY
SHARES IN ZESPRI GROUP LIMITED

ISSUED BY ZESPRI GROUP LIMITED | 21 NOVEMBER 2024

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on disclose-register.companiesoffice.govt.nz, offer number OFR13848. Zespri Group Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

An aerial photograph of a lush green kiwifruit orchard. A red tractor is pulling a blue harvest bin filled with ripe kiwifruit. The orchard rows are dense and vibrant green, with a dirt path visible in the upper left. The scene is brightly lit, casting shadows on the ground.

**ZESPRI IS THE
WORLD'S LARGEST
MARKETER OF
KIWIFRUIT, SELLING
KIWIFRUIT IN
MORE THAN 50
COUNTRIES.**

1

KEY INFORMATION SUMMARY

1.1 What is this?

This is an offer of convertible ordinary shares (**Shares**). Shares give you a stake in the ownership of Zespri Group Limited (**Zespri**). You may receive a return if dividends are paid or Zespri increases in value and you are able to sell your Shares at a higher price than you paid for them.

If Zespri runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

A Share is convertible into a Class B Share in limited circumstances. A Share will automatically convert to a Class B Share:

- after 14 March 2025, if it is held by a Shareholder who was a non-Producer continuously from 14 March 2018 (a **Grandfathered Shareholder**); or
- if it is held by a Shareholder for a period of three years and where, during that period, that Shareholder was not an Owner or Lessee of a property from which kiwifruit was supplied to Zespri.

A Class B Share will not have any rights to receive a dividend but will otherwise have the same rights as a Share, although in practice, a Class B Share will usually not have voting rights either, as most voting rights are based on production, which a holder of a Class B Share will not have due to them being a non-Producer. More detail regarding the limited voting rights of holders of a Class B Share is set out in Section 5.1 under the heading “Maximum shareholding and voting rights”.

If you remain a Producer, your Shares will not convert to Class B Shares. Class B Shares automatically convert back to Shares if they are held by a Producer.

1.2 About Zespri Group

As the world's largest marketer of kiwifruit, selling kiwifruit in more than 50 countries, Zespri works with New Zealand and international growers and post-harvest operators to source and supply Zespri Kiwifruit through its distribution partners to wholesale markets and retail customers.

Zespri was incorporated in 2000 in accordance with the Kiwifruit Industry Restructuring Act 1999 (**Kiwifruit Act**) and Kiwifruit Export Regulations 1999 (**Kiwifruit Regulations**), and was set up as the exclusive exporter (subject to collaborative marketing) of kiwifruit from New Zealand to all countries other than Australia. This arrangement is commonly referred to as the single point of entry or single desk (**SPE**).

Due to Zespri's SPE status, Kiwifruit New Zealand (**KNZ**) was established under the Kiwifruit Act and Kiwifruit Regulations as Zespri's regulator, with its three main functions being to issue Zespri's export authorisation, to monitor and enforce the mitigation measures, and to regulate collaborative marketing as further discussed in Section 2.1 (*Overview of the business of Zespri Group*).

Zespri also develops and licenses proprietary kiwifruit cultivars to growers and receives royalties and, in New Zealand, an initial licence fee for existing licensed varieties. A review of the licence release and licence payment mechanism will be undertaken for future commercialised varieties.

Zespri is 100 percent owned and controlled by current and past New Zealand kiwifruit growers. Only New Zealand kiwifruit growers are allowed to purchase Shares. Although Zespri is cooperative-like, there is no mandatory requirement for New Zealand kiwifruit growers to be a Zespri shareholder.

For further information, refer to Section 2 (*Zespri Group and what it does*).

1.3 Purpose of this Offer

The Offer is intended to improve alignment between growers and Shareholders by facilitating the issue of Shares to Producers resident in New Zealand. Zespri's aspirational alignment goal is for 75 percent of Producers to be Shareholders by 2030 and at least 60 percent of Producers to hold Shares at a ratio of between 0.5 and 2.0 Shares per Tray of production by 2030.

Currently, a large proportion of growers are either under-shared or do not own Shares at all, and the purpose of this Offer is to give all eligible growers an opportunity to participate in the corporate income streams of Zespri, through potential dividends, in addition to fruit payments. The Offer aims to address one of the key goals of the New Zealand kiwifruit industry, which is to strengthen grower ownership and control of Zespri.

To assist in achieving Zespri's alignment aspirations and to reduce the dilutionary effect of the Offer on Shareholders, Zespri intends to return some or all of the funds raised under the Offer to Shareholders periodically. This may be via a targeted share buyback or other appropriate form of capital return. Funds raised under the Offer which are not returned to Shareholders are expected to be used to fund Zespri's growth initiatives.

For further information, refer to Section 3 (*Purpose of the Offer*).

1.4 Key terms of the Offer

Description of securities	The shares being offered are fully paid convertible ordinary shares in Zespri.
Offer price	<p>There is no fixed price and no fixed or indicative price range for Shares. Rather, Shares have no nominal value, and are expected to be issued at a price determined by the Board from time to time as being fair and reasonable to Zespri and all Shareholders.</p> <p>The Board expects to provide an indicative Share price range on the date that the Loyalty as Shares scheme (LaS Scheme) and Dividends as Shares scheme (DaS Scheme) open for applications in each year. The final Share price will be determined by the Board and notified to participants before the relevant Share issue date. After a participant has been notified of the final Share price, they will have a chance to opt-out if they do not wish to receive Shares at that price for any reason. Both the indicative price range and the final Share price will be determined by the Board having regard to (among other things) independent valuation advice obtained from time to time and such other factors it considers appropriate in the circumstances, including those set out in Section 4 under the heading “Offer price”. The issue price may be different to the prevailing market price. For further information refer to Section 4 (<i>Terms of the Offer</i>).</p>
Date Offer opens	29 November 2024
Date Offer closes	This is a continuous offer of Shares. The Offer therefore has no closing date. Zespri reserves the right to accept any application or to suspend or cease offering Shares at its discretion.
Eligibility	<p>The Offer is made in conjunction with the LaS Scheme and the DaS Scheme. The Offer is made to Producers who are resident in New Zealand and who:</p> <ul style="list-style-type: none"> • opt-in to the LaS Scheme; and/or • opt-in to the DaS Scheme, <p>and in each case are, and remain, eligible to participate in the applicable scheme, and have not opted out or otherwise been exited from the LaS Scheme or DaS Scheme (as applicable).</p> <p>Participation in either or both of the LaS Scheme and DaS Scheme is mandatory for Producers wishing to acquire Shares under the Offer.</p> <p>For further information refer to Section 4 (<i>Terms of the Offer</i>).</p>
Shareholding Requirements	<p>Ownership of Shares is restricted. Shares may only be acquired by Producers who are not Overshared, and who would not become Overshared as a result of acquiring the Shares.</p> <p>A Share has the normal features an ordinary share in a company has, except in the following respects:</p> <ul style="list-style-type: none"> • the maximum number of Shares a person may hold and the manner in which voting rights (other than those related to interest group votes) are calculated are linked to the production at the Properties that person owns or leases; • transfers of Shares are restricted, in particular Shares can only be transferred to a Producer that is not, or would not become as a result of that transfer, Overshared; and • Overshared Producers can be required to sell the overshared portion of their Shares. <p>For further information refer to Section 5 (<i>Key Features of Shares</i>).</p>
Conversion	As more fully explained in Section 5.1 under the heading “Conversion and entitlement to dividends”, a Share will automatically convert to a Class B Share if it is held by a Grandfathered Shareholder after Friday 14 March 2025; or if at any time it is held by a Shareholder for a period of three years, and where, during that period, that Shareholder has not been an Owner or Lessee of a property from which kiwifruit was supplied to Zespri. A Class B Share does not have any rights to a dividend but otherwise has the same rights as a Share (although in practice, a holder of a Class B Share will usually not have voting rights either as most voting rights are based on production, which a holder of a Class B Share will not have due to them being a non-Producer). A Class B Share will automatically convert to a Share if it is held by a Producer.

1.5 How pricing of Shares is fixed

Shares have no nominal value and are issued at a price determined by the Board from time to time as being fair and reasonable to Zespri and all Shareholders. The Board will obtain independent valuation advice and set the issue price of Shares having regard to the Zespri Group's current and future expected financial performance, the prevailing market price of Shares on the USX (as noted in Section 1.6 below) and such other factors as it considers appropriate in the circumstances.

You should also read Section 4 (*Terms of the Offer*).

1.6 How you can get your money out

Zespri does not intend to quote these Shares on a licensed market in New Zealand but they will be able to be traded on the USX. This means you may be able to sell them on USX if there are eligible and interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.

Shares are not redeemable and you have no right to require any party to acquire your Shares. You may sell or transfer your Shares on the USX or via an off-market transfer (grower-to-grower direct sale) to a permitted Producer who satisfies the shareholding requirements set out in the Constitution (as noted earlier in Section 1.4), or Zespri may require you to dispose of Shares in certain circumstances under the Constitution.

Should your Shares convert to Class B Shares, they will continue to be tradeable on the USX on the same basis as Shares even though they are not separately quoted on the USX.

USX is not a Licensed Financial Product Market. Efficient Market Services Limited, which operates the USX, accepts no responsibility for any statement in this PDS.

1.7 Key drivers of returns

Set out below are Zespri's three key revenue segments representing the current and future segments of Zespri Group's business that have, or may have, the most impact on the financial performance of the business and Zespri's key strategies and plans for those segments of the business.

- **New Zealand Kiwifruit segment:** This segment covers all activities related to the production and sale of New Zealand-grown kiwifruit varieties, other than activities included in the New Cultivars segment. Note: The Enduring Funding Agreement between Zespri and Registered

Suppliers provides a mechanism for determining Zespri's fruit return margin. The current Enduring Funding Agreement, which has a term until the end of the 2027 season, facilitates Zespri targeting a one percent earnings before interest and tax (**EBIT**) return on sales for this segment. The agreed mechanisms under the Enduring Funding Agreement may include either upward or downward annual resets of the Zespri fruit return margin by 0.25 percent. The Loyalty Agreement contains profit-share arrangements with New Zealand growers via loyalty premiums, and in certain circumstances the reduction of unpaid base loyalty premiums.

- **Non-New Zealand Supply segment:** This segment is commonly referred to as Zespri Global Supply (**ZGS**) and covers all activities related to the production and sale of non-New Zealand-grown kiwifruit varieties, other than activities included in the New Cultivars segment. Note: The Enduring Funding Agreement and related mechanisms described for the New Zealand Kiwifruit segment do not apply to this segment.
- **New Cultivars segment:** This segment covers all pre-commercialised activities related to any Zespri PVR Kiwifruit, activities related to the selling and administration of PVR licences, and the associated ongoing royalty income.

Underpinning each of the above revenue segments are Zespri's strategies to increase value through a premium-branded product, supported by investment in sales and marketing, innovation and an ongoing focus on quality and efficiency through the supply chain. On the back of this, Zespri aims to maintain and enhance access to existing markets and to further develop current or future key markets, such as China, Japan, and Europe.

For further information on Zespri's revenue segments and associated key strategies that drive its returns, see Sections 2.2 and 2.3.

1.8 Key risks affecting this investment

Investments in Shares are risky. You should consider if the degree of uncertainty about the Zespri Group's future performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks of these Shares. Zespri considers that the most significant risk factors that could affect the value of the Shares are:

- Zespri's SPE status under the Kiwifruit Regulations gives it the sole right to export kiwifruit from New Zealand, other than to Australia (subject to collaborative marketing arrangements). Zespri believes this gives it economies of scale and

the ability to build a global brand and invest in innovation. If the Kiwifruit Regulations were amended to remove or reduce this status so that New Zealand kiwifruit growers not using Zespri's PVRs could sell to persons other than Zespri, it could reduce Zespri's sales, revenues, and profitability materially.

- Zespri is predominantly an exporter of kiwifruit. Therefore, its commercial success is dependent on its ability to access and conduct its business in different jurisdictions. Access to overseas markets depends on overseas laws regulating imports and overseas regulators' approach to their enforcement. Changes in law or regulations, or the approach to kiwifruit imports or significant matters relating to the Zespri Group's supply chain in key markets, could result in a loss of the ability to import kiwifruit into such markets, a reduction of the kiwifruit that Zespri can sell in such markets or the profitability of any such transactions, therefore affecting Zespri Group's financial position.
- Zespri proprietary varieties, in particular SunGold, make up a significant proportion of Zespri's global kiwifruit volume. It is possible that over time other commercially successful varieties will be produced in sufficient volume by competitors and affect the premium returns Zespri achieves on its proprietary varieties. Further, Zespri acknowledges that proprietary variety licence revenue may materially diminish over time as the number of hectares licensed reaches Zespri's supply targets and as the New Zealand PVR expiry dates draw closer, being 2039 for ZESY002 variety (marketed as Zespri SunGold™ Kiwifruit) and 2043 for ZES008 variety (marketed as Zespri RubyRed™ Kiwifruit). In each case, the extent of decline of proprietary variety licence revenue will depend on Zespri's ability to successfully develop new PVR varieties. A reduction in proprietary variety sales revenue and/or licence revenue could have a material adverse effect on Zespri Group's financial performance and should proprietary variety licence revenue decline, Zespri's distributable profit and, therefore dividends may decline.
- As a seller of fresh produce, climate change, environmental factors, pests, and diseases can adversely affect kiwifruit production, transportation, and market access. If unfavourable growing conditions (such as hail or frost) were to affect Zespri's supply or an outbreak of pests – such as Brown Marmorated Stink Bug (**BMSB**) or exotic fruit fly – or disease – such as vine decline due to *Ceratocystis* or a new strain of *Psa* – occurred, Zespri may not have the quantity or quality of kiwifruit it requires to service its markets or could be subject to import restrictions in major markets. This could have a material adverse effect on Zespri Group's financial performance.

- Zespri's ZGS programme aims to create supply of Zespri Kiwifruit in the northern hemisphere so that Zespri can supply its key customers with kiwifruit 12 months of the year. ZGS provides a different source of revenue to PVR licensing and the sale of New Zealand-grown kiwifruit. If ZGS is not successfully operated or approval is not given for any future growth plans, it could reduce customer loyalty and eventually risk Zespri Group's financial performance and profitability.

The Zespri Group insurance programme covers a broad range of insurable risks (which consider costs and availability of insurance) and is regularly reviewed. The limits and policies relevant to growers are discussed with industry.

This summary does not cover all of the risks of investing in Shares in Zespri. You should also read Section 7 (*Risks to Zespri Group's business and plans*) and Section 5 (*Key features of Shares*).

1.9 Where you can find Zespri Group's financial information

The financial position and performance of the Zespri Group are essential to an assessment of this Offer. You should also read Section 6 (*Zespri Group's financial information*).



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LETTER FROM THE CHAIRMAN OF THE BOARD



Dear Grower,

On behalf of the Zespri Board, I am pleased to offer you the opportunity to purchase Shares in Zespri Group Limited.

Zespri has a proven track record of returning strong value to growers and Shareholders by providing the world with great-tasting high-quality kiwifruit. This, along with an innovation programme which has successfully commercialised new varieties such as SunGold and RubyRed Kiwifruit, has allowed us to establish Zespri as a world-leading fruit brand.

A large proportion of our New Zealand growers are currently under-shared or do not own Shares at all, including new growers who are important for the continued growth and development of our industry.

The Board believes that greater alignment between growers and Shareholders will:

- help protect the single desk structure that has helped deliver strong value to the industry;
- enhance industry cohesion; and
- support any potential future expansion of non-core activities which stand to benefit growers and Shareholders.

Our aim is that 75 percent of Producers are Shareholders by 2030 and at least 60 percent of Producers hold Shares at a ratio of between 0.5 and 2.0 Shares per Tray of production by 2030. This Offer (which is made in conjunction with the Loyalty as Shares Scheme and Dividends as Shares Scheme, both of which are described in more

detail throughout this PDS) seeks to make further progress towards this by facilitating the issue of Shares to Producers resident in New Zealand. It offers an opportunity for growers to participate in the corporate income streams of Zespri through potential dividends, in addition to fruit payments.

To help minimise the dilutionary effect of the Offer, Zespri intends to return some or all of the funds raised under the Offer to Shareholders periodically. This may be via a targeted share buyback or other appropriate form of capital return.

As well as providing detailed information on the Offer, this PDS sets out information on Zespri's business structure, strategy and sources of value. It also identifies the risks to Zespri's business and plans. We recommend that you read this document carefully and seek professional advice before making a decision on whether investing is right for you.

I am confident about the outlook for Zespri and pleased to be able to provide this opportunity for eligible growers to benefit by owning a stake in our organisation's future.

A handwritten signature in black ink, appearing to read 'N. Flowerday', written over a light blue horizontal line.

Nathan Flowerday

Chairman



2

ZESPRI GROUP AND WHAT IT DOES

2.1 Overview of the business of Zespri Group

Zespri's business at a glance

Zespri is the world's largest marketer of kiwifruit, selling kiwifruit in more than 50 countries. Zespri works with New Zealand and international growers, as well as post-harvest operators, to source the best-quality Zespri Kiwifruit to be supplied through Zespri's distribution partners to wholesale and retail customers.

The establishment of the Zespri business

Zespri's origins lie in the challenges faced by the New Zealand kiwifruit industry in the 1980s. Rapid expansion of the industry and large crop volumes had seen supply exceed demand, and combined with unfavourable interest and foreign exchange rates, the price of kiwifruit had dipped to an all-time low, badly affecting local growers. New Zealand kiwifruit growers decided they could do better together, leading to the creation of the New Zealand Kiwifruit Marketing Board in the late 1980's.

The New Zealand Kiwifruit Marketing Board was later converted to Zespri - incorporated in 2000 in accordance with the Kiwifruit Act and Kiwifruit Regulations - and set up as the exclusive exporter (subject to collaborative marketing) of kiwifruit from New Zealand to all countries other than Australia. This arrangement is commonly referred to as the SPE. Due to Zespri's SPE status, KNZ was established under the Kiwifruit Act and Kiwifruit Regulations, as Zespri's regulator, with its three main functions being to issue Zespri's export authorisation, to monitor and enforce the mitigation measures, and to regulate collaborative marketing. For further information on KNZ's role, refer to the Regulatory section below.

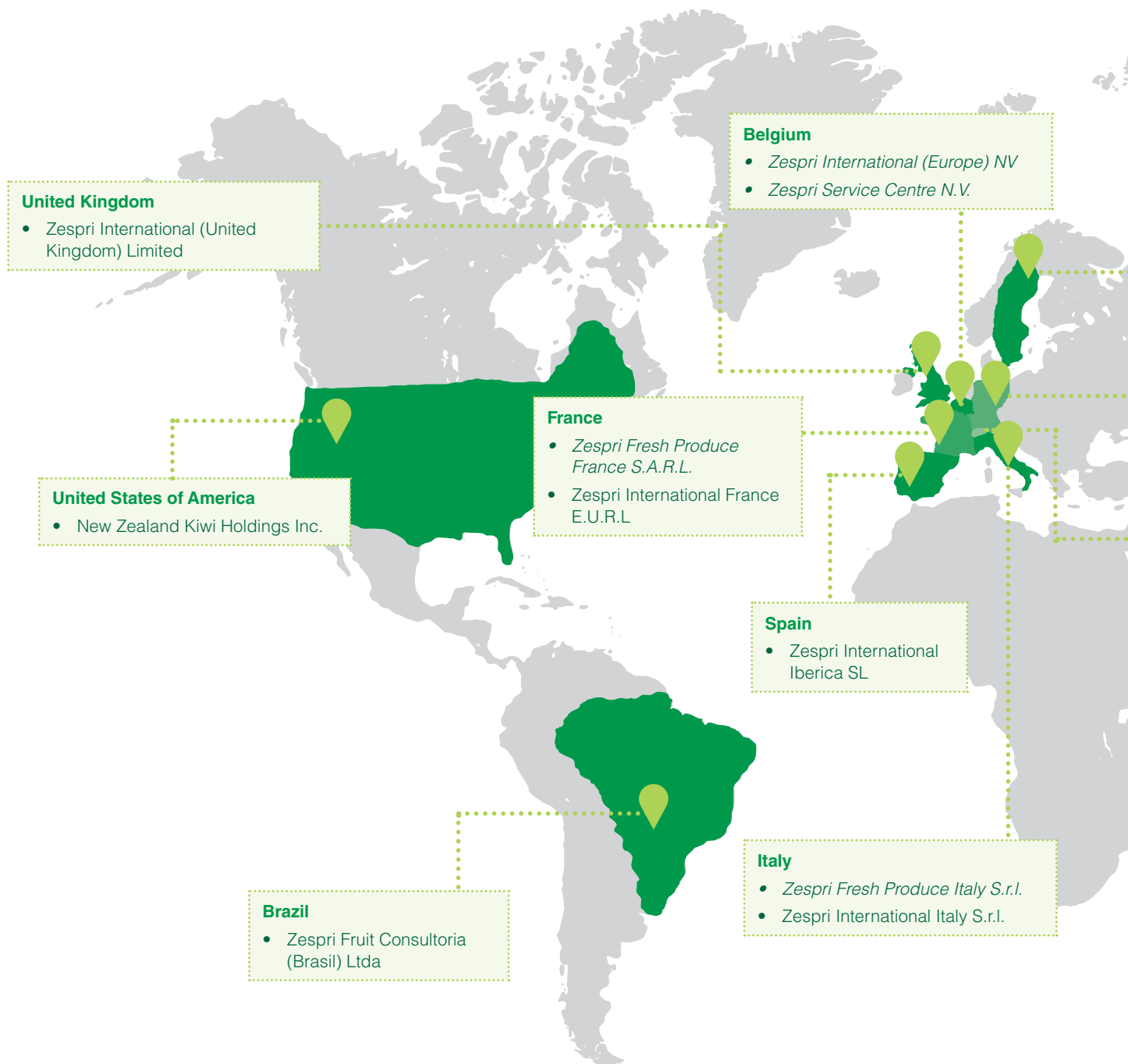
In 2001, the ZGS business was set up with the support of growers to deliver kiwifruit to consumers 12 months of the year.

Zespri today

Based in Mount Maunganui, New Zealand, Zespri is 100 percent owned by current and past New Zealand kiwifruit growers - it is grower-owned and grower-controlled by way of growers owning and

voting their Shares. Zespri's Constitution provides that only individuals or entities who own or lease a New Zealand kiwifruit orchard can purchase Shares. Although Zespri is cooperative-like, there is no mandatory requirement for New Zealand kiwifruit growers to be a Zespri Shareholder.

Zespri manages the innovation, supply management, distribution management, and the marketing of Zespri Green™, Zespri SunGold™,



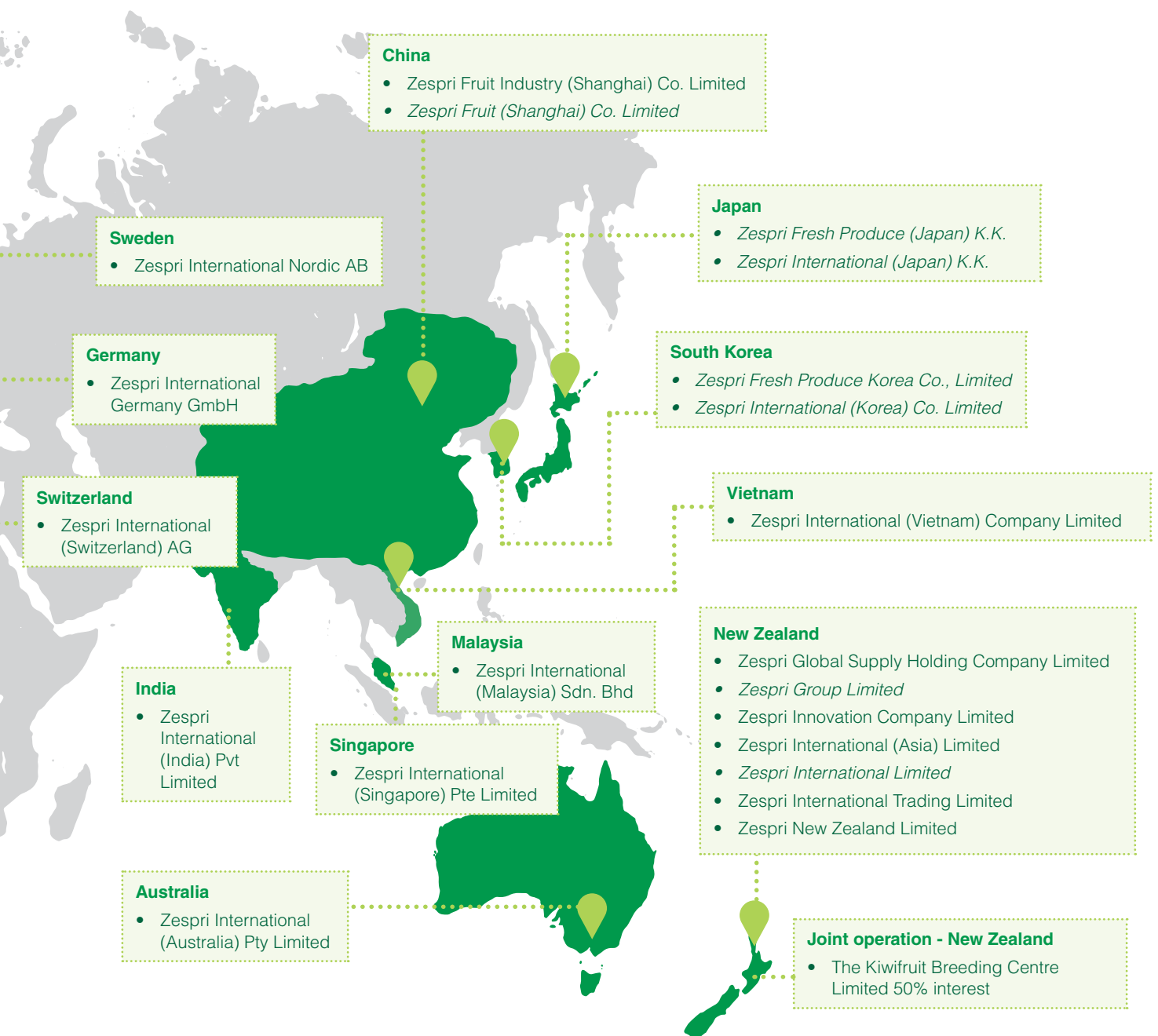
Zespri™ Organic Green, Zespri™ Organic SunGold™, Zespri Gold™, Zespri Sweet Green™, and Zespri RubyRed™ Kiwifruit. Its key markets are Japan, China, and Europe.

Zespri has three key revenue segments which have the most impact on the financial performance of its business: New Zealand Kiwifruit, Non-New Zealand Supply, and New Cultivars – these are explained in more detail in Section 2.2.

Ultimately, Zespri's purpose is to help people, communities, and the environment around the world thrive through the goodness of kiwifruit. Its mission is to create sustainable long-term value for New Zealand kiwifruit growers, by offering consumers the world's leading portfolio of branded kiwifruit 12 months of the year.

The Zespri Group

Zespri is the ultimate holding company for the Zespri Group. Zespri's trading subsidiaries are below, with the most significant members of the Zespri Group shown in *italics*:



The kiwifruit industry

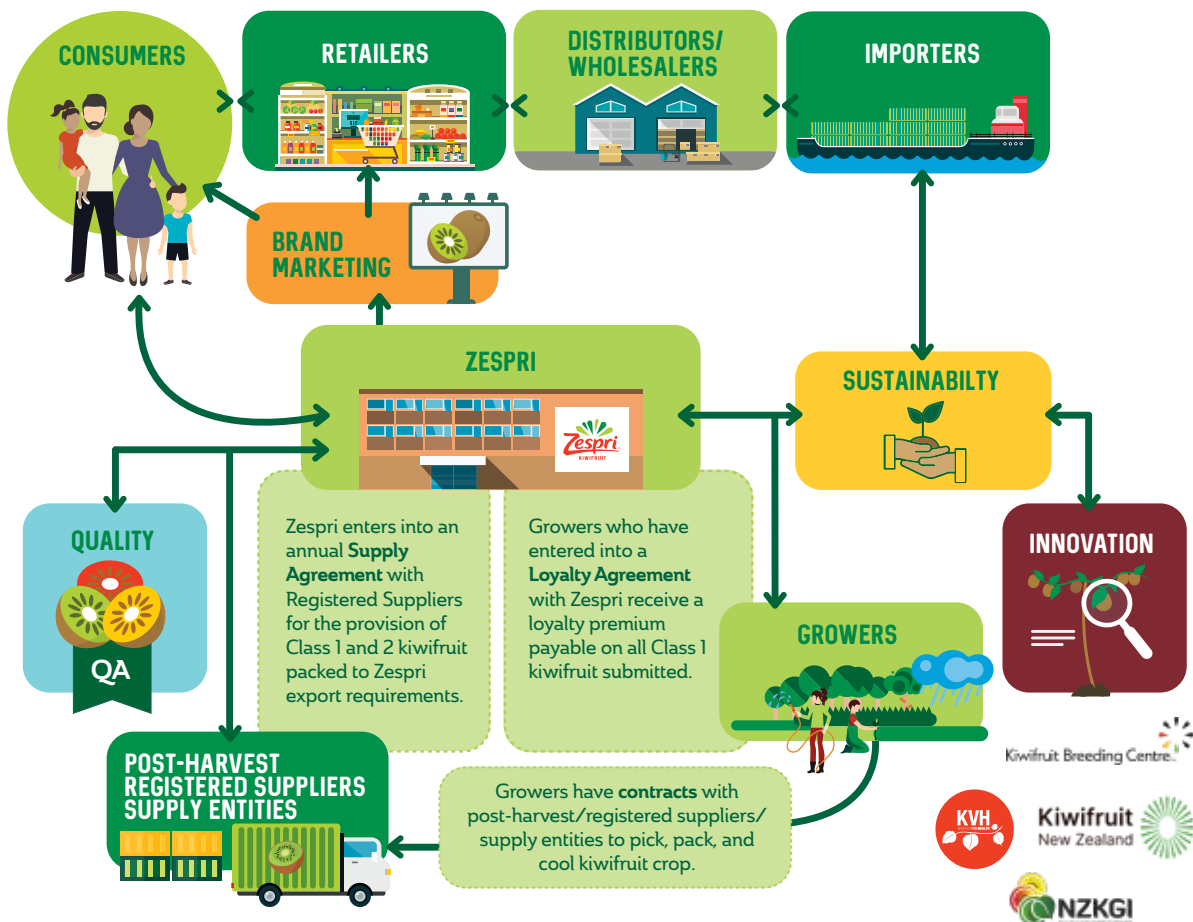
Zespri operates an integrated export and marketing system, comprising long-term partnerships among growers, post-harvest operators, port and shipping companies, distributors, wholesalers, and retailers, all focused on delivering kiwifruit to consumers in more than 50 countries.

Zespri does not itself grow kiwifruit for sale nor currently sell directly to end consumers. Zespri's 'customers' are distributors and retailers of foodstuffs, with whom Zespri works to sell New Zealand and ZGS kiwifruit.

Zespri's position within the New Zealand kiwifruit industry

The New Zealand kiwifruit industry consists of more than 3,400 registered orchards, with more than 15,000 hectares of producing kiwifruit vines in New Zealand.

The industry also includes a highly competitive post-harvest sector. Each post-harvest operator is aligned with a Zespri Registered Supplier, who is paid by Zespri to supply kiwifruit and services relating to kiwifruit. Below is a summary diagram of how this works:



Copies of the Supply Agreement and Loyalty Agreement can be found on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848.

Zespri's position in the non-New Zealand kiwifruit industry: ZGS

Zespri's strategy is to market the world's leading portfolio of branded kiwifruit 12 months of the year. ZGS helps Zespri build its brand, protect its shelf space, and supply key customers in key markets throughout the year. This is a key part of Zespri's

strategy and ability to create ongoing value for New Zealand growers.

The ZGS team was established in 2001 to deliver on this strategy. This team works with local growers in the northern hemisphere to grow SunGold and procure Zespri-quality Green to fill shelves when New Zealand fruit is not available.

Zespri's focus on innovation

Investment in innovation

Together with its partners, including The New Zealand Institute for Plant & Food Research Limited (**PFR**) and the New Zealand Government, the New Zealand kiwifruit industry currently invests over \$70 million each year in innovation. New cultivar development is the biggest investment in Zespri's innovation portfolio. Priorities of Zespri's 50:50 joint venture partnership with PFR – The Kiwifruit Breeding Centre (**KBC**) – are the development of cultivars with increased productivity and orchard performance, greater climate resilience, and which attract new consumers to the kiwifruit category and grow overall kiwifruit consumption.

Future growing systems

Zespri's key goals within its future innovation programme of work are to lower orchard costs and labour inputs, significantly lift production, and strengthen resilience against the increasing weather volatility that comes with climate change, all with a focus on having a smaller environmental footprint. New growing systems are being explored that may allow the growing of vines at higher density and/or extend the sales window.

Other key innovation platforms

Zespri's innovation programme focuses on five other platforms across the supply chain to improve Zespri's position in the market, address any issues in the industry, and create value for Zespri growers, stakeholders, and consumers. The focus of these platforms includes:

- protecting fruit from pests and diseases
- sustainable orchard productivity
- optimising how high quality fruit is delivered through the supply chain
- health and nutrition communication
- northern hemisphere supply.

Regulatory

Kiwifruit Regulations

Zespri and the New Zealand kiwifruit industry are regulated by the Kiwifruit Regulations. Under the Kiwifruit Regulations, Zespri has the exclusive right (subject to collaborative marketing, as discussed in the next column) to export New Zealand kiwifruit to all countries other than Australia in accordance with the export authorisation issued by KNZ annually. A copy of the export authorisation can be found on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848.

The Kiwifruit Regulations set out Zespri's "core business" as:

- the purchase of New Zealand-grown kiwifruit for export where the point of acquisition of title to fruit is when it is stowed on board the ship or aircraft on which the kiwifruit is exported (**FOBS**) and the export of that fruit;
- including the following activities:
 - the marketing of New Zealand-grown kiwifruit; and
 - market development for New Zealand-grown kiwifruit; and
 - research and development relating to kiwifruit.

Excluded from Zespri's core business is the export at FOBS of kiwifruit for consumption in Australia and the sale of kiwifruit in New Zealand (subject to Regulation 10A(6)(a) of the Kiwifruit Regulations, which allows a maximum of 300,000 trays of kiwifruit to be sold by Zespri in the New Zealand market).

Where approved by KNZ, Zespri is required to enter into collaborative marketing agreements with any person to export kiwifruit in collaboration with them. A person seeking KNZ's approval to enter into a collaborative marketing agreement must show that the purpose of increasing the overall wealth of Producers will be achieved.

Aside from activities which are core business, Zespri can carry out activities that meet the regulatory test for activities that support its core business, as well as activities outside its core business and which do not meet the support core business test but are approved by Producers. ZGS and ownership and operation of PVRs are activities that have been approved by Producers (to the extent the PVR ownership and operation was not already secured under the transitional provisions of the Kiwifruit Regulations) – subject to certain limitations in relation to ZGS. Any extensions to those activities would need to be approved by Producer vote in accordance with Kiwifruit Regulation 11.

The Kiwifruit Regulations contain a number of measures to mitigate the potential costs and risks arising from Zespri's SPE status. A summary of the mitigation measures under the Kiwifruit Regulations can be found on KNZ's website.

Zespri's compliance with the Kiwifruit Regulations is monitored and enforced by KNZ. This includes, in relation to the activities approved by Producer vote, that Zespri has minimised the risks of these activities (as far as reasonably possible) for the Producers who did not agree (whether or not those Producers voted).

2.2 Zespri's revenue segments

Zespri considers the following current and future segments of the Zespri Group business have the most impact on the financial performance of the business:

- New Zealand Kiwifruit
- Non-New Zealand Supply
- New Cultivars.

'Land and Buildings' is another segment of the Zespri Group business. However, as noted below, activity in this segment solely facilitates activity in the other segments.

Zespri Group's business segment that drives financial performance	Description	Importance
New Zealand Kiwifruit	This segment covers all activities related to the production and sale of New Zealand-grown kiwifruit varieties, other than activities included in the New Cultivars segment.	<p>New Zealand kiwifruit is Zespri's largest source of revenue.</p> <p>Underpinning this revenue segment is Zespri's SPE status under the Kiwifruit Regulations. Zespri was corporatised in 2000, in accordance with the Kiwifruit Act and Kiwifruit Regulations as the sole exporter (subject to collaborative marketing arrangements) of New Zealand Kiwifruit, other than to Australia.</p> <p>Importantly, from a Shareholder's perspective, Zespri's funding model – as set out in the Enduring Funding Agreement between Zespri and Registered Suppliers – means Zespri's EBIT on New Zealand kiwifruit supply earnings should be maintained at around one percent of net New Zealand kiwifruit sales.</p> <p>Enduring funding mechanisms agreed with Registered Suppliers until the end of the 2027 season, in accordance with the Enduring Funding Agreement, may include either upward or downward annual resets of the Zespri fruit return margin by 0.25 percent. In addition, there are profit-share arrangements with New Zealand growers via loyalty premiums, and in certain circumstances the reduction of unpaid base loyalty premiums, in each case made in accordance with the Loyalty Agreement. These profit-share arrangements reduce the returns available to Shareholders.</p> <p>A copy of the template 'Enduring Funding Agreement' can be found on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848.</p>

Non-New Zealand Supply	<p>This segment is commonly referred to as Zespri Global Supply (ZGS), established in 2001, and covers all activities related to the production and sale of non-New Zealand-grown kiwifruit varieties, other than activities included in the New Cultivars segment.</p>	<p>Zespri's New Zealand supply is supplemented with globally-sourced kiwifruit through ZGS. This is mainly sourced from growers in Italy, France, Greece, Japan and South Korea aiming to position Zespri to be able to offer 12-month supply to key customers in key markets. The objective is to secure shelf space and brand presence all year round. As ZGS is not subject to the Enduring Funding Agreement, the margin Zespri can earn on Non-New Zealand Supply is higher. This is important as, from a Shareholder's perspective, ZGS can deliver different value compared to the New Zealand kiwifruit segment. A key Zespri strategy is the expansion of ZGS so that it can improve its ability to offer 12-month supply.</p> <p>See Section 7 for further information on risks associated with ZGS, and see Section 2.3 for a summary of Zespri's strategies and plans for ZGS.</p>
New Cultivars	<p>This segment covers all pre-commercialised activities related to any Zespri PVR Kiwifruit, activities related to the selling and administration of PVR licences, and the associated ongoing royalty income.</p>	<p>This segment contributes significantly to Zespri's performance with revenue from licensing Plant Variety Rights (PVR): Zespri owns the PVR for a number of varieties, including for ZESY002 (marketed as Zespri SunGold™ Kiwifruit) and ZES008 (marketed as Zespri RubyRed™ Kiwifruit). There is a significant opportunity in continuing to expand its supply of SunGold and RubyRed through further licensing rounds in New Zealand and overseas.</p> <p>Zespri's licence release programme is a key driver of returns. The programme (relating to licence release hectares of SunGold and RubyRed, and any future varieties), is subject to an annual review that considers risks, as well as the level of market demand, including the need for continued improvement in the cost of quality and additional investment in industry capacity. The analysis of risk includes both demand and supply-side factors. The licence release programme is approved by the Board and published annually in Zespri's <i>Five-Year Outlook</i> document, which can be found on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848.</p> <p>Licence revenue has been a significant contributor to Zespri's historical performance. Between 2019 and 2023, licence revenue contributed to between 75 percent and 95 percent of Zespri Group's EBIT.</p> <p>Zespri earns royalties on its licensed PVRs and, therefore, as licensing continues, this revenue segment will rise, noting PVRs will expire in the future. Ultimately, as PVRs expire, Zespri's ability to earn revenue from them, whether as licence fee or royalty, will be impacted. The extent of the impact on revenue will depend on Zespri's ability to successfully develop new PVR varieties.</p> <p>See Section 7 for further information on risks associated with this segment.</p>
Land and Buildings	<p>This segment covers all activities related to the ownership of land and buildings. This includes Zespri's building in Mount Maunganui and land utilised for research and development. These holdings are held to facilitate activity in the other segments.</p>	

2.3 Key strategies and plans

Zespri's strategy is designed to deliver Zespri's mission of creating sustainable long-term value for kiwifruit growers by offering consumers the world's leading portfolio of branded kiwifruit, 12 months of the year, while at the same time living Zespri's purpose of helping people, communities, and the environment thrive through the goodness of kiwifruit.

The following key strategies and plans are all aligned to the three main segments of Zespri Group's business that have the most impact on its financial performance: New Zealand Kiwifruit; Non-New Zealand Supply; and New Cultivars.

Key strategies and plans	Description
Brand-led demand	<p>Zespri's brand-led demand strategy continues to build demand ahead of supply to deliver significant growth in both volume and value. As Zespri is predominantly an exporter, maintaining current markets and expanding into new ones is an important aspect of its business. In this respect, China, Japan, and Europe are its most important markets. Zespri is working to establish itself as one of the top fruit brands in the world, supported by a strategy focused on selling Trays and building the brand.</p> <p>Zespri will increase demand by understanding its consumers' needs and preferences, aiming to leverage its brand in the most effective way for each market, building in-market distribution, and enhancing its customer relationships.</p> <p>A focus is to seize the growth opportunity inherent in the success of SunGold, while continuing to grow demand for RubyRed and Green. Confidence in the growth potential of SunGold continues to be strong, and there are additional sales opportunities for SunGold both early and late in the season.</p>
12-month Global Supply	<p>Zespri's 12-month Global Supply strategy (commonly known as ZGS) focuses on driving value for growers by having a relentless focus on quality, continuously driving efficiencies through the supply chain and the wider business and fulfilling demand by being on the shelf 12 months of the year.</p> <p>In addition to New Zealand kiwifruit, ZGS is a key element of fulfilling the demand that Zespri creates. ZGS, unlike New Zealand kiwifruit, is not subject to the funding mechanisms set out in the Enduring Funding Agreement.</p> <p>ZGS enables Zespri to grow, procure, and sell kiwifruit grown overseas within specific approved parameters. ZGS activities have been approved by Producers and any extensions to those activities, including to the growing regions, or approved hectares or Trays, would need to be approved by Producer vote.</p> <p>Strong demand in the ZGS season indicates that the continued growth of ZGS hectares can deliver additional value to Zespri's growers and Shareholders, subject to approval through Producer vote.</p>

Innovation	<p>Zespri's partnership with PFR through KBC focuses on developing new improved and differentiated cultivars, grown through leading-edge growing practices and systems, designed to attract new consumers to the kiwifruit category and grow overall kiwifruit consumption, improve productivity and orchard performance, and strengthen climate resilience.</p> <p>Together with its partners, including PFR and the New Zealand Government, the New Zealand kiwifruit industry is currently investing over \$70 million each year in innovation and this is forecast to grow over the medium term to hone a competitive edge globally. This contribution is one of the largest investments of its kind in the primary sector of New Zealand. New cultivar development, through its funding of KBC, is the biggest investment in Zespri's innovation portfolio.</p> <p>Zespri's innovation activity extends beyond its new cultivar development programme, to on-orchard practices, biosecurity, supply chain management, right through to the health attributes marketed to its consumers.</p>
Sustainability	<p>Providing kiwifruit produced in a way which meets the increasingly stringent expectations of customers, communities, and regulators is important for protecting value for growers and Zespri's business.</p> <p>Zespri publishes its sustainability framework and targets on its website. Its priorities align with managing risk, as well as creating a food system that builds value for people's health, for the environment, and for economic growth.</p> <p>The impact of climate change is one of the material priorities for Zespri. Actions such as working alongside KBC on the development of climate-tolerant kiwifruit varieties, as well as investing in modelling the impact of a changing climate on supply, are set out in the climate change strategy documents available on the Zespri website.</p> <p>Progress on Zespri's sustainability priorities and targets are published each year in its Annual Report.</p> <p>By preparing for and responding to market drivers and requirements, Zespri's action on sustainability is an important part of protecting value for its growers.</p>
Digital strategy	<p>The implementation of Zespri's digital strategy is key to harnessing technology to drive resilience, efficiency, and scalability to enable Zespri's future growth potential and to continue being a world-leading fruit brand.</p> <p>The critical component of Zespri's digital strategy is the Horizon programme – Zespri's multi-year programme of work to modernise the essential processes and systems across the business areas of finance, supply and demand planning, sales, supply chain, quality management, and grower community-focused solutions.</p> <p>While Horizon is a sizeable portion of Zespri's digital strategic roadmap, this roadmap underpins the broader Zespri strategy of enabling a digitally-led future operating model through to 2030. This includes acquiring and harnessing the necessary data to drive better planning and insights, and leveraging the newest technologies around business analytics, process automation, and the rapid growth of artificial intelligence.</p>

2.4 Directors and senior managers

As at the date of this PDS, the Directors and senior managers of Zespri are:

Directors

- Nathan Flowerday – Chairman and Director
- Craig Thompson – Deputy Chair and Director
- Andrew Dunstan – Director
- Sally Gardiner – Director
- Paul Jones – Director
- Michael Ahie – Independent Director
- Alison Barrass – Independent Director
- Jonathan Mason – Independent Director

Senior managers

- Jason Te Brake – Chief Executive Officer
- Ichiro Anzai – President Asia Pacific
- Tim Clarkson – Executive Officer Strategy
- Rachel Depree – Executive Officer Sustainability
- Richard Hopkins – Chief Financial Officer
- Michael Jiang – President Greater China
- Nikki Johnson – Acting General Manager for Europe
- Nick Kirton – Executive Officer Northern Hemisphere Supply
- Darren LaMothe – General Manager for North America
- Tim Mackle – Acting Chief Operating Officer
- Tracy McCarthy – Executive Officer Grower and Industry Engagement
- Dave Scullin – Chief Digital Officer
- Tracy Sherlock – Chief Executive Assistant
- Jiunn Shih – Chief Marketing, Innovation & Sustainability Officer
- Edith Sykes – Chief People Officer

Refer to Zespri's website for up-to-date profiles of Zespri's Directors and Executive Leadership Team.

2.5 Substantial shareholdings in Zespri

A table of substantial shareholders of Zespri and of relevant interests in shares held by Directors and senior managers of Zespri can be found on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848 in the document entitled "Information incorporated by reference in Product Disclosure Statement for an offer of Ordinary Shares in Zespri Group Limited".

2.6 Other equity securities of Zespri

The Constitution provides for three classes of equity security, Shares (which are the subject of this Offer), Class B Shares and Employee Shares.

A Class B Share has the same rights as a Share and will rank equally with a Share on liquidation of Zespri, but does not have any rights to receive a dividend. A Class B Share will usually not have voting rights either, as most voting rights are based on production, which a holder of a Class B Share will not have due to them being a non-Producer.

As at 24 October 2024, there are 1,662,941 Class B Shares on issue. However, the number of Class B Shares on issue will vary from time to time. This is because Shares and Class B Shares automatically convert depending on the status of the holder, as further described in Section 5.1 under the heading "Conversion and entitlement to dividends":

- a Share will automatically convert into a Class B Share if it is held by a Grandfathered Shareholder after Friday 14 March 2025, or if at any time it is held by a Shareholder who has not in the past three years, been an Owner or Lessee of a property from which kiwifruit was supplied to Zespri; and
- a Class B Share will automatically convert back into a Share which has dividend rights if on any Business Day it is held by a Producer or a person deemed to be a Producer.

Employee Shares have the same rights as Shares, including the right to receive dividends, and will rank equally with Shares on liquidation of Zespri, but do not carry any voting rights. The Board may issue Employee Shares to the trustee of an Employee Share Ownership Plan (as defined in the Constitution), provided that the aggregate number of Employee Shares does not exceed five percent of the total number of shares of Zespri at any given time. As at the date of this PDS, there are no Employee Shares on issue.

Under the Constitution, any other class of equity securities of Zespri that ranks equally with, but not in priority to, the Shares may be issued to a Producer without a special resolution of the holders of the Shares.

2.7 Interests of Directors and senior managers

Directors' remuneration and other benefits

Under the Constitution, Shareholders must approve by ordinary resolution the maximum amount for annual Directors' fees. The remuneration payable to the Directors in their capacity as Directors will be the sum so determined by ordinary resolution or such lesser sum as the Board determines from time to time. The Directors' remuneration may be distributed among them in such manner as the Board determines from time to time.

The table below sets out the total remuneration and value of other benefits each Director received in the year ended 31 March 2024:

Name	Remuneration
M J T Ahie ¹	\$64,317
A J Barrass	\$120,600
B L Cameron ²	\$242,073
A J Dunstan ³	N/A
N W Flowerday ⁴	\$128,951
S A Gardiner ⁵	N/A
A J Hawken ⁶	\$117,600
P R Jones ⁷	\$138,300
J P Mason	\$129,600
P M Springford ⁸	\$46,083
C M Thompson	\$115,449
Total	\$1,102,973

Note: In FY2024, the Chair of each committee received an annual remuneration ranging from \$5,000 to \$10,000, except for the Chair of the Audit and Risk Management Committee, who received \$19,000.

Under the Constitution, the Directors are entitled to be paid their reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings or otherwise in the execution of their duties as Directors. Further, Zespri arranges directors and officers insurance for the Directors, as noted on page 23.

¹ Michael Ahie was appointed as a Director in August 2023.

² Bruce Cameron was Chairman of the Zespri Board until February 2024. He ceased as a Director in August 2024.

³ Andrew Dunstan was appointed as a Director in August 2024, and therefore received no remuneration in FY2024.

⁴ Nathan Flowerday was appointed Chairman of the Zespri Board in February 2024.

⁵ Sally Gardiner was appointed as a Director in August 2024, and therefore received no remuneration in FY2024.

⁶ Tony Hawken ceased as a Director in August 2024.

⁷ Paul Jones was Deputy Chair of the Zespri Board in FY2024.

⁸ Peter Springford ceased as a Director in August 2023.

Employees remuneration and other benefits

For the year ended 31 March 2024, the number of employees whose total remuneration and value of any benefits received exceeded \$100,000 between the following bands was:

Number of non-New Zealand-based employees	Number of New Zealand-based employees	Total remuneration and benefits (\$)
36	28	\$100,000 to \$109,999
28	25	\$110,000 to \$119,999
37	29	\$120,000 to \$129,999
19	35	\$130,000 to \$139,999
15	12	\$140,000 to \$149,999
14	10	\$150,000 to \$159,999
15	16	\$160,000 to \$169,999
11	10	\$170,000 to \$179,999
15	6	\$180,000 to \$189,999
10	8	\$190,000 to \$199,999
11	7	\$200,000 to \$209,999
6	2	\$210,000 to \$219,999
7	6	\$220,000 to \$229,999
12	3	\$230,000 to \$239,999
6	4	\$240,000 to \$249,999
6	6	\$250,000 to \$259,999
2	2	\$260,000 to \$269,999
1	1	\$270,000 to \$279,999
1	3	\$280,000 to \$289,999
6	1	\$290,000 to \$299,999
2	1	\$300,000 to \$309,999
2	–	\$310,000 to \$319,999
5	–	\$320,000 to \$329,999
2	2	\$330,000 to \$339,999
–	1	\$340,000 to \$349,999
1	2	\$350,000 to \$359,999
1	–	\$360,000 to \$369,999
1	2	\$380,000 to \$389,999
1	–	\$390,000 to \$399,999
2	–	\$400,000 to \$409,999
1	–	\$440,000 to \$449,999
1	–	\$450,000 to \$459,999
1	–	\$460,000 to \$469,999
–	1	\$480,000 to \$489,999
2	–	\$490,000 to \$499,999
–	1	\$500,000 to \$509,999
2	–	\$520,000 to \$529,999
1	–	\$530,000 to \$539,999
2	1	\$540,000 to \$549,999
–	2	\$590,000 to \$599,999
–	1	\$600,000 to \$609,999
–	1	\$690,000 to \$699,999
1	–	\$750,000 to \$759,999
1	–	\$1,020,000 to \$1,029,999
1	–	\$1,080,000 to \$1,089,999
1	–	\$1,180,000 to \$1,189,999
1	–	\$1,880,000 to \$1,889,999

Note: These bands are in New Zealand Dollar equivalents and reflect foreign exchange calculations as at 31 March 2024.

Material interests in Zespri Group

Certain Directors of Zespri hold, or have, a relevant interest in Shares as set out in Section 2.5. As at 24 October 2024, no senior managers hold, or have, any relevant interests in any class of shares in Zespri.

All of the senior managers have entered into employment agreements with Zespri International Limited (ZIL), except those based overseas whose contracts are with Zespri International (Singapore) Pte Limited, Zespri International (Japan) K.K., Zespri Fruit (Shanghai) Co Limited, Zespri Fresh Produce Italy SRL, or Zespri International (Europe) NV. Apart from salary and the incentive plan described below, additional benefits include life insurance, medical insurance, and social insurance to employees depending on which market they are employed in. An Organisational Design Change and Redundancy Policy is in place, which provides for redundancy compensation based on certain criteria, including length of permanent employment. Zespri periodically reviews remuneration and benefits offered to its people to ensure it can compete for talent in the labour markets it operates in. The Zespri Group has a global incentive scheme in place for all permanent employees, who have performance measures set each financial year.

The Short-Term Incentive scheme has two primary components: company performance and individual performance. The Sales Incentive Plan (**SIP**) is restricted to employees who are in roles that satisfy specific eligibility criteria for the SIP, and the two components of this scheme are market performance and individual performance. Executive employees have specific annual targets and measures, and there is a Long Term Incentive Plan in place focusing key executives on medium term value creation. Each of the scheme components and performance measures are reviewed and set each year, at Zespri's discretion, and subject to Board approval.

Zespri has granted indemnities, as permitted by the Companies Act and the FMC Act, in favour of each of its Directors, former directors and officers. Zespri also maintains insurance for its Directors and officers, and run off insurance for its former directors.

Certain Directors and senior managers, including Nathan Flowerday, Paul Jones, Craig Thompson, Sally Gardiner, and Andrew Dunstan conduct business with Zespri Group in the normal course of their business activities as growers and as Shareholders (either directly or through associated persons). All these transactions are conducted on commercial terms and conditions prevailing in the relevant season. Further, all amounts paid to these persons are consistent with the payments made to third party entities supplying

Zespri with the equivalent grade, volume and variety of kiwifruit (with loyalty premiums as applicable). Similarly, any PVR licence held by these persons was applied for and obtained under the same tender process as with any other participant.

A full list of Directors' interests in Zespri Group is on pages 23 - 26. No senior managers have a material interest in Zespri Group.

Information regarding related party disclosures can also be found in Zespri's financial statements included in its Annual Report, which can be found on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848.

Directors' interests in Zespri Group – Directors in office as at the date of this PDS

Nathan Flowerday

Director and Chairman of Zespri Group Limited

Director and Chairman of Zespri International Limited

Director of Zespri Fruit Industry (Shanghai) Co. Limited

Director of Zespri Fruit (Shanghai) Co. Limited

Director of Zespri International (Europe) NV

Director of Zespri International (Japan) K.K.

Director of The Kiwifruit Breeding Centre Limited

Director and shareholder of N W F Holdings Limited (owns orchards, licence and Zespri shares)

N W F Holdings Limited is a limited partner in Hairy Fruit L.P. (owns orchards and licence)

N W F Holdings Limited is a limited partner in High Fives Kiwifruit L.P. (shareholder in Zespri and Apata Group Limited, owns orchards and licence)

Director of HFKGP Limited the general partner of High Fives Kiwifruit L.P.

Director and shareholder of High Fives Orchard Limited (shareholder in Zespri and Apata Group Limited, owned orchards and licence) (interest ceased 12 December 2023 and High Fives Orchard Limited transferred all orchards and Zespri shares to High Fives Kiwifruit L.P.)

Director and shareholder of Pro Kiwi Limited (provides harvest, orchard management and contracting services)

Pro Kiwi Limited is a limited partner in Hairy Fruit L.P. (owns orchards and licence)

Director of PKGP Limited the general partner of Hairy Fruit L.P. (owns orchards and licence)

Craig Thompson

Director and Deputy Chair of Zespri Group Limited

Director of Zespri International Limited

Director of Ohiwa Hort Limited (owns licence, Zespri shares and orchards)

Director of Ohiwa Investments Limited (owns orchard and licence)

Director of Paradise Kiwis (NZ) Limited (owned by Ohiwa Investments Limited, owns orchards and licence)

Director of Alandale Farms Limited (owns orchards, Zespri shares, and licence, owns shares in Seeka Limited)

Director of D.C.D Orchards Limited (owns licence)

Director of Kiwifruit Vine Health Incorporated (biosecurity organisation for the New Zealand kiwifruit industry)

Director of Thompson's Horticulture Limited (orchard management and spray contractor, leases orchard and owns licence)

Director and Chairman of Kaiaponi Farms Limited (Zespri trialist, owns orchard, licence and Zespri shares)

Director of OPAC Properties Limited (orchard and post-harvest service provider) (interest ceased 4 May 2021)

Director and shareholder of Opotiki Packing and Cool Storage Limited (orchard and post-harvest service provider) (interest ceased 4 May 2021)

Director and shareholder of B & T Ranch Limited (owns orchard, licence and Zespri shares)

Shareholder of Seeka Limited (registered facility group, owns and leases orchards and owns licence)

Shareholder of G.I.K SS (owns licence)

Shareholder in CVC Orchards Limited (owns orchard and licence)

Advisory Board Member for kiwifruit for Craigmores Farming Services Limited and Craigmores Permanent Crop Services Limited (owns orchards, licence and Zespri shares)

Trustee and beneficiary of CM Thompson Family Trust (part owns Ohiwa Investments Limited and Ohiwa Hort Limited)

Trustee and beneficiary of Gibbons Family Trust (owned Ohiwa Investments Limited and Ohiwa Hort Limited) (interest ceased March 2022)

Trustee and beneficiary of L and C Trust (part owner of Alandale Farms Limited)

Andrew Dunstan

Director of Zespri Group Limited

Director of Zespri International Limited

Director of Southern Cross Horticulture Limited (kiwifruit orchard developer, orchard manager and spray contractor)

Director and shareholder of Liberty Foundation 1977 Limited (shareholder in Seeka Limited, owns orchard, licence and Zespri shares)

Director and shareholder of Awakeri Gold Limited (owns orchards and licence)

Director of Skylark Pastoral Limited (owns orchard and licence)

Director and shareholder of Dunstan Group Holdings Limited (indirectly, through its subsidiaries, owns orchards and Zespri shares) and director of certain direct and indirect subsidiaries of Dunstan Group Holdings Limited including SCH Group Limited, Bayview Estate (2017) Limited (shareholder in EastPack Limited, DMS Pro growers Limited and Seeka Limited), Kitchener Estate Limited (shareholder in Zespri and DMS Pro growers Limited), Eastern Rise 51 GP Limited (the general partner for Eastern Rise 51 L.P., which owns Zespri shares), Eastern Rise 37 GP Limited (the general partner for Eastern Rise 37 L.P., which owns Zespri shares), Green Meadows GP Limited (the general partner for Green Meadows Orchard L.P. and Green Meadows Subsidiary L.P., which each own Zespri shares), Riverview Orchard GP Limited (the general partner for Riverview Orchard L.P. which owns Zespri shares), Hereford Park GP Limited (the general partner for Hereford Park Orchard L.P. (owns Zespri shares and shareholder in DMS Pro growers Limited which owns Zespri shares), Hereford Park S2 GP Limited (the general partner for Hereford Park S2 L.P.), Hereford Park S3 GP Limited, Aurora Gold GP Limited (the general partner for Aurora Gold L.P., which owns Zespri shares), Oaklands GP Limited (the general partner for Oaklands 2019 L.P., which owns Zespri shares), Red Meadows Limited, Hydro Village Limited, New Zealand Red Six Limited (interest ceased), Kopanga Road Orchards Limited (owned licence) (interest ceased March 2024), Matai Orchards Limited (owned licence) (interest ceased March 2024)

Director and shareholder of Provident Capital NZ Limited (indirectly, through its subsidiaries, owns orchards)

Director and shareholder of G3 Orchards Limited (owned licence) (interest ceased)

Director of Liberty Succession Capital NZ Limited (indirect holder of certain of the above interests)

Trustee and beneficiary of Liberty Succession Trust (indirect holder of certain of the above interests, shareholder in Dunstan Group Holdings Limited, shareholder in Provident Capital NZ Limited which indirectly, through its subsidiaries, owns orchards interests)

Andrew Dunstan (continued...)

Director and shareholder (as trustee for Endeavour Trust) of Endeavour Capital NZ Limited (indirect holder of certain of the above interests)

Trustee and beneficiary of Endeavour Trust (indirect holder of certain of the above interests)

Member of Eastpack Entity Trust Forum (registered facility group) (interest ceased August 2024)

Advisory Board Member for kiwifruit for Craigmore Farming Services Limited and Craigmore Permanent Crop Services Limited (own orchards, licence and Zespri shares)

Sally Gardiner

Director of Zespri Group Limited

Director of Zespri International Limited

Director of Start Afresh Limited (contracts to Zespri and industry for research projects, training and technical support and provides orchard management services)

Director of Start Afresh General Partner Limited (the general partner of Dartmoor Apple Orchard L.P., Golden Tui Orchard L.P., and Pounamu Peak Orchard L.P., which each own either Zespri shares, licence, orchards and/or have interests in a packhouse)

Director and shareholder of Cosmos Blue Limited (shareholder in Start Afresh Limited)

Trustee and Beneficiary of AJ Scott Family Trust and SA Gardiner Family Trust (limited partner in limited partnerships who own licence, orchards, Zespri shares and have interests in a packhouse)

Director of Matai Pacific Iwi Collective Limited (the general partner of Iwi Collective Orchards L.P., which owns Zespri shares, orchards and licence)

Director of MyFarm Kiwifruit Fund GP Limited (general partner of MyFarm Kiwifruit Fund L.P. which owns Zespri shares, orchards and licence)

Previous New Zealand Kiwifruit Growers Incorporated forum member, executive member and grower entity member for MPAC/APAC (resigned August 2024)

Paul Jones

Director of Zespri Group Limited

Director of Zespri International Limited

Director of P J Kiwi Limited (shareholder in DMS Management Holdings Limited)

Director of Anamata 100 Limited (shareholder in Zespri and indirect shareholder in DMS Pro growers Limited, owns Zespri shares, owns orchards and licence through related entities, limited partner in Origin Capital Fund I LP and limited partner in Origin Capital Fund 2 LP)

Director of DMS Group Limited and subsidiaries (kiwifruit management company, owns orchards and licence through related entities, shareholder in various

companies including DMS Pro growers Limited and DMS Horticulture Limited)

Director of DMS Management Holdings Limited (holding entity)

Director of DMS Pro growers Supply Entity Limited (registered supplier to Zespri)

Director of DMS Pro growers Limited (post-harvest operator, owns and leases orchards, owns licence and Zespri shares, shareholder in the Nutritious Kiwifruit Co. Limited)

Director of DMS Horticulture Limited (orchard manager, shareholder in DMS Pro growers Limited)

Partner of Te Kaha 9B Orchard Joint Venture (owns licence) (interest to cease)

Director of Mangatarata Orchards Limited (owns orchards, licence and Zespri shares)

Director of Willows Rd Gold Limited (owns orchards, licence and Zespri shares)

Director of OTK Orchards Limited partner of Te Kaha 18B Joint Venture, Awanui Haparapara 4A2B Block Orchard, Omaio 36 Orchard, Te Kaha No.23 Orchard, Maungaroa No1 Section 28 Orchard, Maungaroa 6 Orchard and Awanui Haparapara 2A Orchard Joint Venture (own orchards and/or licence)

Director of Eastern Gold Limited (owns orchard, licence and Zespri shares)

Director of Gold Income JV Limited (owned orchard) (interest ceased 26 January 2024)

Director of Direct Management Services Limited (owns shares in DMS Pro growers Limited)

Director and shareholder of Origin Capital Fund 2 GP Limited the general partner of Origin Capital Fund 2 Limited Partnership (limited partner in Origin Capital Fund 2 FLP LP), OCP X Limited Partnership, OCP XI Limited Partnership, OCP XII Limited Partnership and Origin Capital Fund 2 FLP LP (shareholders in Zespri, own orchards and/or licence)

Director and shareholder of Origin Capital Partners GP Limited the general partner of Origin Capital Fund I LP (limited partner in Origin Capital Fund I FLP LP), OCP I Limited Partnership, OCP II Limited Partnership, OCP III Limited Partnership, OCP IV Limited Partnership and Origin Capital Partners Fund I FLP LP (own orchards, licence and/or Zespri shares)

Director and shareholder of Origin Capital Partners Management Limited (manages / promotes a kiwifruit investment fund)

Director and shareholder of Mangatarata Farms Limited (owns orchards, licence and Zespri shares)

Director of Fraser Rd Orchard GP Limited and limited partner in Fraser Rd Orchard Limited Partnership (owns orchards, licence and Zespri shares)

Director of Golf Course Orchard GP Limited and limited partner in Golf Course Orchard Limited

Paul Jones (continued...)

Partnership (owns orchards, licence and Zespri shares)

Partner in TKG Partnership (owned orchards and licence) (interest ceased)

Shareholder of Progeny Kiwifruit Limited (owns orchards, licence and shareholder in Zespri and DMS Progrowers Limited)

Partner in Fruit Force Partnership (owned Zespri shares, orchard and licence – all interests ceased and transferred to Anamata 100 Limited in November 2023)

Trustee and beneficiary of the PR Jones Family Trust (previous shareholder in Zespri, owns Zespri shares and licence (through related entities), owns shares in DMS Group Limited and subsidiaries)

Trustee and beneficiary of the Patricia Jones Trust (previous shareholder in Zespri, owns orchard and licence through related entities)

Michael Ahie – Independent Director

Director of Zespri Group Limited

Director of Zespri International Limited

Alison Barrass – Independent Director

Director of Zespri Group Limited

Director of Zespri International Limited

Jonathan Mason – Independent Director

Director of Zespri Group Limited

Director of Zespri International Limited

2.8 Other material governance disclosures**Appointment of Directors**

The Board has the power to determine the number of Directors on the Board, provided that the total number of Directors will not be less than six or more than eight, and there will be three Independent Directors. Any casual vacancy occurring among the Directors may be filled by the Board.

Directors are also subject to rotation, whereby Directors can only hold office until the annual meeting nearest to the expiry of three years from the date of their election, and will retire at that meeting, but may stand for re-election in accordance with the nomination and recommendation procedures noted below.

With respect to non-Independent Director vacancies, not less than two months before the annual meeting of Shareholders, Zespri will call for nominations to fill the non-Independent Director vacancies.

With respect to Independent Director vacancies, the Board may recommend a person without a Disqualifying Relationship for election or re-election as an Independent Director. In the event that the Board does not recommend a person or persons to be elected or re-elected as an Independent Director, then the Board may call for nominations to fill Independent Director vacancies.



3

PURPOSE OF THE OFFER

The purpose of this Offer is to facilitate and align Producer and Shareholder interests by encouraging and providing a platform for the issue of Shares to Producers. The Board believes that having greater alignment between shareholding and production will result in Zespri being able to better deliver on its strategy.

Currently, a large proportion of growers are either under-shared or do not own Shares at all, and the purpose of this Offer is to give all eligible growers the opportunity to participate in the corporate income streams of Zespri, through potential dividends, in addition to fruit payments. The Offer aims to address one of the key goals of the New Zealand kiwifruit industry, which is to strengthen grower ownership and control of Zespri.

The Offer is intended to improve alignment between growers and Shareholders by facilitating the issue of Shares to Producers resident in New Zealand. Zespri's aspirational alignment goal is for 75 percent of Producers to be Shareholders by 2030 and at least 60 percent of Producers to hold Shares at a ratio of between 0.5 and 2.0 Shares per Tray of production by 2030. As such, Zespri will seek to target the number of Shares on issue to be broadly comparable to the total New Zealand Tray production.

To assist in achieving Zespri's alignment aspirations and to reduce the dilutionary effect of the Offer on Shareholders, Zespri intends to return some or all funds raised under the Offer to Shareholders periodically. This may be via a targeted share buyback or other appropriate form of capital return. Funds raised under the Offer which are not returned to Shareholders are expected to be used to fund Zespri's growth initiatives.

4 TERMS OF THE OFFER

The table below sets out the terms of the Offer. The Constitution sets out the terms of issue and rights and powers of the Shares. You can find a copy of the Constitution on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848.

What is the Offer	See Section 1.4 (<i>Key terms of the Offer</i>) for an overview of what the Offer involves.
Date Offer opens	29 November 2024
Date Offer closes	This is a continuous offer of Shares. The Offer therefore has no closing date. Zespri reserves the right to refuse to accept any application or to suspend or to cease offering Shares at its discretion.
Offer price	<p>There is no fixed price and no fixed or indicative price range for Shares. Rather, Shares have no nominal value and are expected to be issued at a price determined by the Board from time to time having regard to relevant factors at the time of issue. The issue price may be different to the prevailing market price.</p> <p>The Board will consider and set the issue price at a price it determines as being fair and reasonable to Zespri and all Shareholders at the time of issue, having regard to (among other things):</p> <ul style="list-style-type: none"> • independent valuation advice obtained by the Board from time to time; • Zespri Group's current and future expected financial performance; • the fact that Shares are traded in a restricted manner, as only Producers not exceeding their Share Cap can buy Shares; and • the prevailing market price of Shares trading on the USX.
Eligibility	<p>The Offer is only open to Producers who are resident in New Zealand and who:</p> <ul style="list-style-type: none"> • opt-in to the LaS Scheme; and/or • opt-in to the DaS Scheme, <p>and in each case, are and remain eligible for the relevant scheme, and have not opted out or otherwise been exited from the LaS Scheme or DaS Scheme (as applicable).</p> <p>Participation in either or both of the LaS Scheme or DaS Scheme is mandatory for Producers wishing to acquire Shares under the Offer.</p> <p>See Section 1.4 (<i>Key terms of the Offer</i>) and Section 5 (<i>Key features of Shares</i>).</p>
Shareholding requirements	See Section 1.4 (<i>Key terms of the Offer</i>) and Section 5 (<i>Key features of Shares</i>).
Loyalty as Shares Scheme	<p>The LaS Scheme lets Producers who are party to a Loyalty Agreement with Zespri and who meet the eligibility requirements in the LaS Scheme Terms, invest in Shares using certain cash amounts paid to them by Zespri under that arrangement. Instead of receiving their final instalment of the annual loyalty premium payable by Zespri under the Loyalty Agreement, eligible Producers can choose to use that payment to purchase Shares instead.</p> <p>Further details about the LaS Scheme are set out in the LaS Scheme Terms.</p>

Dividends as Shares Scheme	<p>The DaS Scheme lets Producers who are existing Shareholders and who meet the eligibility requirements in the DaS Scheme Terms, invest in Shares using dividends paid by Zespri on their existing Shares. Instead of receiving dividends as cash payments, eligible Producers can choose to use that payment to purchase Shares instead.</p> <p>Further details about the DaS Scheme are set out in the DaS Scheme Terms.</p>
Share Cap	<p>As a fundamental concept, each Tray produced at a Property generates an entitlement to hold a maximum of six Shares. That entitlement vests first in the Owner of the Property, and then, to the extent that the Owner does not take up that entitlement, it vests in the Lessee (if any).</p> <p>This landowner priority rule is subject to a number of exceptions:</p> <ul style="list-style-type: none"> • Glasgow Leases: if the Property is leased under a Glasgow Lease, then the Lessee, not the Owner, has the first priority; • Greenfields: the Board can deem the Owner of a Greenfield to be a “Producer”, and can grant the Owner or Lessee of that Property a right to acquire Shares based on notional supply (in this scenario the Share Cap is one and a half Shares to each Tray of production); and • ELTL (Existing Long Term Lease): for some long term leases that were in place in 2018, the leased Property will be notionally divided into two Properties and the Lessee will have priority over one and the Owner will have priority over the other.
Applications	See Section 10 (<i>How to apply</i>).
Allotment	<p>While the Board retains a discretion to issue and allot new Shares at any time as at the date of this PDS, its intention is to only issue and allot Shares annually at specific times determined by the Board in accordance with the LaS Scheme Terms and the DaS Scheme Terms.</p> <p>Details of the relevant processes are set out in the LaS Scheme Terms and DaS Scheme Terms (as applicable) which, in the window before the relevant times at which issuances and allotments are to be undertaken, will be available through the Industry Portal and on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848.</p>
Disposal or transfer of Shares	See Section 1.4 (<i>Key terms of the Offer</i>) and Section 5 (<i>Key features of Shares</i>).
Conversion	<p>A Share will automatically convert to a Class B Share if it is held by a Grandfathered Shareholder after Friday 14 March 2025, or if at any time it is held by a Shareholder for a period of three years, and where during that period, that Shareholder has not been an Owner or Lessee of a property from which kiwifruit was supplied to Zespri. A Class B Share does not have any rights to receive a dividend but will otherwise have the same rights as a Share (although in practice, a holder of a Class B Share will usually not have voting rights either, as most voting rights are based on production, which a holder of a Class B Share will not have due to them being a non-Producer). A Class B Share will automatically convert to a Share if it is held by a Producer.</p> <p>See Section 5 (<i>Key features of Shares</i>).</p>
No Guarantee	No person guarantees the Shares offered under this Offer, nor warrants or guarantees the future performance of Zespri, the Shares, or any return on investment pursuant to this Offer.





5

KEY FEATURES OF SHARES

5.1 Key features

A Share has the normal features an ordinary share in a company has, except in five respects:

- the maximum number of Shares a person may hold;
- how voting rights are calculated;
- to whom a Shareholder may transfer their Shares;
- their conversion and the holder's entitlement to dividends; and
- the requirement for Overshared Producers to sell the overshared portion of their Shares.

Maximum shareholding and voting rights

A person's entitlement to buy and hold Shares in Zespri and to vote those Shares is linked to production at the Properties owned and/or leased by that person. This is significant as it means that the ability to exercise voting rights and the number of Shares able to be held, will vary depending on the level of kiwifruit production, and, in relation to leased land, will also be affected by the number of Shares held by the Owner of that land.

Entitlement to Shares and votes

The basic rule is that each Tray of production at a Property generates an entitlement to hold up to six Shares. Where there is an Owner and a Lessee the proportion of that entitlement is shared according to the landowner priority rule. The landowner priority rule means that the Owner of a Standard Property has priority over that entitlement, and to the extent that the Owner does not take up its full entitlement, then the Lessee of that Property can instead. In the case of a Property leased under a Glasgow Lease this priority is reversed, as the Lessee has rights that are more like ownership in that situation. In the case of a Property leased under an Existing Long Term Lease (i.e. with a term of 20 years or more that is not a Glasgow Lease, and was in existence as at 14 March 2018), the leased Property will be notionally divided into two Properties and the Lessee will have priority over one and the Owner will have priority over the other.

The maximum number of votes a Shareholder may cast is the lesser of (1) the number of Shares held, and (2) the aggregate number of votes the Shareholder is entitled to under clause 20 of the Constitution which is based on a Shareholder's Historical Production (being the average of the best two years' production history of the past five completed seasons at the Property the Shareholder owns or leases).

Calculation of entitlements

The entitlement to purchase Shares and cast votes is based on the average of the highest number of Trays supplied from the Property in any two of the past five completed seasons. This is the same method for determining production from a Property as is used for the voting calculations.

Multiple Properties

Where a Shareholder owns and/or leases more than one Property, then for the purposes of calculating how many Shares the Lessees at any of those Properties are entitled to hold and/or vote, the Owner's Shares are spread across the Owner's Properties in proportion to production from each Property. The Lessees at each of those Properties will be able to take up any entitlement that remains.

Separate parts of a Property

When separate parts of a Property are operated by separate Shareholders, each of those parts is treated as a separate Property and entitlements are allocated in proportion to the production from each separate part.

Calculation of entitlements for New Entrants

A New Entrant to the industry (i.e. which doesn't own or lease any Orchards) which converts Greenfield land to an Orchard will not have any production for a number of years while the Orchard gets established. To enable New Entrants to buy Shares immediately, they may be assigned a level of "Deemed Production" equivalent to the regional average production, and they will then be able to buy Shares based on that Deemed Production (but only one and a half Shares per deemed Tray rounded up to the nearest Share).

The Deemed Production will last for three years after the Greenfield is assigned a KPIN, after which the New Entrant will need to use actual production instead and the same rules will apply as for other Producers. Note that the Greenfield rules do not affect voting rights — voting rights are (in most cases) based on Historical Production only, and so a New Entrant with no actual production yet cannot vote (in most cases).

The Board also has powers to revoke a grant of Deemed Production if, by the date falling two years after the date that Greenfield was assigned a KPIN, the Board considers that there is insufficient progress in the development of the Greenfield piece of land.

These provisions are important for Greenfield Producers as their right to hold Shares can be reduced, potentially to nil.

Transfer of Shares

Any transfer of Shares is subject to the process set out in the Constitution. In particular, Shares can only be transferred to a Producer that is not, or would not become as a result of the transfer, Overshared.

The features of Shares and the applicable transfer requirements may have an impact on the availability of buyers and therefore the level of demand for Shares. Ultimately this may impact the price at which Shares are able to be sold.

Conversion and entitlement to dividends

A Shareholder will not be entitled to receive a dividend if that Shareholder is the holder of a Class B Share. A Class B Share otherwise has the same rights as a Share.

A Share will automatically convert into a Class B Share (and the holder will be recorded on the share

register as the holder of a Class B Share rather than a Share) if it is held by a Grandfathered Shareholder after Friday 14 March 2025, or if at any time it is held by a Shareholder for a period of three years and where, during that period, that Shareholder was not an Owner or Lessee of a property from which kiwifruit was supplied to Zespri.

Therefore, if the above criteria is met, a Shareholder could lose their ability to receive dividends and, because they will not have any production at that time either, will have limited voting rights (typically limited to voting on interest class resolutions, and voting on certain matters where voting rights are mandated by the Kiwifruit Regulations).

A Class B Share automatically converts back to a Share which has dividend rights (and the relevant Shareholder will subsequently be recorded on the share register as the holder of a Share) if on any Business Day it is held by a Producer or a person deemed to be a Producer.

Should your Shares convert to Class B Shares, they will be tradeable on the USX on the same basis as Shares even though they are not separately listed on the USX. This is because all shares in Zespri (including Shares and Class B Shares) can only be sold to Producers that would not be Overshared after the transfer. On that transfer occurring, the Class B Shares would automatically convert to Shares.

Requirement to sell Shares

Subject to the paragraph immediately below, Producers who hold more Shares than they are entitled to for a continuous period of three years or more must, within 20 Business Days of receiving notice from Zespri requiring the Producer to dispose of Shares, dispose of those excess Shares, and if they fail to, the Board may sell them on their behalf. The period is within six months of receiving notice in the case of New Entrants who fail to establish an Orchard.

A Shareholder who on Wednesday 14 March 2018 held more Shares than they were entitled to and continued to do so for a continuous period of seven years or more must, within 20 Business Days of receiving notice from Zespri requiring it to dispose of Shares, dispose of those excess Shares, and if they fail to, the Board may sell them on their behalf.

5.2 Dividend policy

The Board has approved a dividend pay-out policy in the range of 70 percent - 90 percent of each year's calculated distributable profit. Payment of dividends by Zespri is not guaranteed and is at the discretion of Directors, and dividends (if any) will be declared only after meeting appropriate solvency requirements.

Details of payment of dividends by Zespri (including total dividends on all equity securities of Zespri) since 1 April 2021 can be found on the disclose register at disclose-register.companiesoffice.govt.nz, offer number OFR13848 in the document entitled "Information incorporated by reference in Product Disclosure Statement for an offer of Ordinary Shares in Zespri Group Limited".



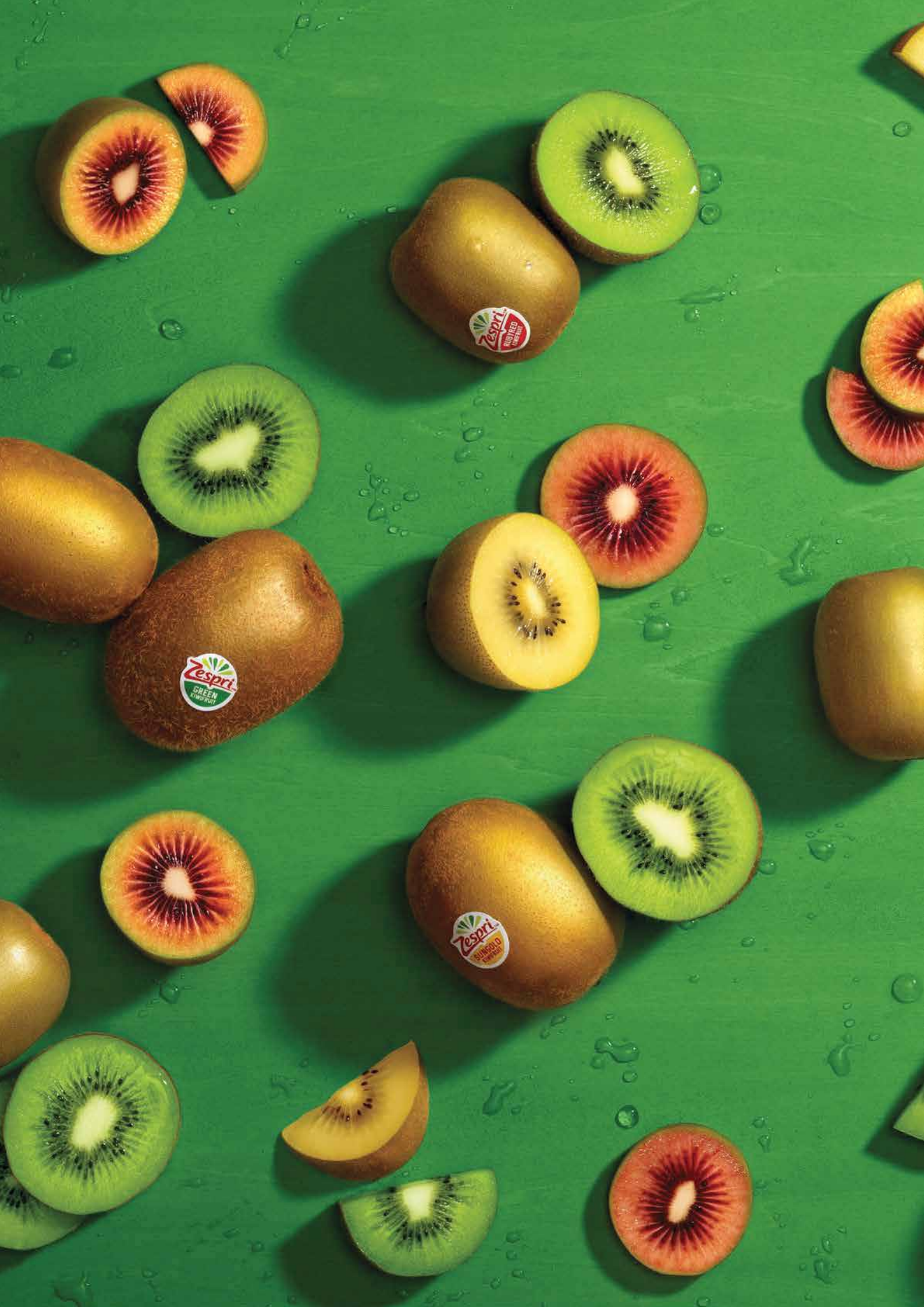


6

ZESPRI GROUP'S FINANCIAL INFORMATION

A table providing key financial information about the Zespri Group (contained in a document entitled "Information incorporated by reference in Product Disclosure Statement for an offer of Ordinary Shares in Zespri Group Limited") and full financial statements are available on the Offer Register at disclose-register.companiesoffice.govt.nz, offer number OFR13848.

If you do not understand this financial information, you can seek advice from a financial advice provider or an accountant.



7

RISKS TO ZESPRI GROUP'S BUSINESS AND PLANS

This section sets out a description of the circumstances that Zespri is aware of that exist or are likely to arise that significantly increase the risk to Zespri Group's financial position, financial performance, or stated plans. Zespri has made an assessment of the likelihood, nature, and potential magnitude of any impact arising from these circumstances. These risks are based on an assessment undertaken by the Zespri Group at the date of this PDS, but other risks may emerge over time.

7.1 Loss of SPE

Description of the risk and its significance	<p>The Kiwifruit Act and the Kiwifruit Regulations give Zespri the exclusive right (subject to collaborative marketing arrangements) to export New Zealand kiwifruit to all countries other than Australia. This arrangement is commonly referred to as the SPE. If the Kiwifruit Act or Kiwifruit Regulations were amended to revoke or reduce Zespri's exclusive rights, then Zespri's current structure and operations could be significantly disrupted.</p>
Assessment of likelihood, nature, and potential magnitude of the risk	<p>It is hard to assess the likelihood of full or partial deregulation. Potential drivers of deregulation could include performance issues, significant reductions in grower returns, irreconcilable divisions in the industry which erode grower support, or pressure from industry participants or those external to it. In order for Zespri to maintain support of the SPE, it needs to maintain the support of the New Zealand Government, ensure good management, business performance, and grower returns, and to be responsive to industry issues in order to unlock ongoing value for growers and ensure the industry creates value for all growers. Zespri considers it important for this purpose to facilitate and encourage growers to become Zespri Shareholders. The Offer is seen by Zespri as a step toward improving alignment between growers and Shareholders, improving industry alignment – for further information, refer to Section 3 (<i>Purpose of the Offer</i>).</p> <p>Given strong grower returns and ongoing grower support for the SPE, Zespri does not expect a change in its SPE status in the near future.</p> <p>If a change were to occur, its impact would be more pronounced on Zespri Green varieties than Zespri PVR varieties, as Zespri owns and licences the SunGold, RubyRed, and other proprietary varieties on terms under which growers are required to sell the resulting kiwifruit to Zespri.</p> <p>If deregulation (full or partial) occurred, Zespri would suffer a significant reduction in revenue (as well as potential losses) at least during an adjustment period to a non-regulated environment and should it return to profitability, that could be at materially lower levels than present.</p>

7.2 Changes in market conditions

<p>Description of the risk and its significance</p>	<p>Zespri's earnings are dependent on Zespri's ability to conduct its business in different jurisdictions and maintain access to those markets. A change in market conditions may include geopolitical conflict, political change, a change in the approach of key jurisdictions to kiwifruit imports or legislative or regulatory change including in relation to environmental or social considerations such as sustainability, modern slavery, agrichemical use, residue sensitivity, and agricultural land use which affect Zespri's ability to trade.</p> <p>A change to the market conditions in which Zespri conducts business may adversely affect its sales, costs, relative position, and other aspects of Zespri Group's financial and/or operational performance, or force other undesired changes to its business model or the business model of its growers, distributors, or direct retail customers. Any such changes would likely impact the profitability of Zespri's business.</p>
<p>Assessment of likelihood, nature, and potential magnitude of the risk</p>	<p>Overseas markets present significant opportunities for Zespri but also risks. Zespri believes the risks are more prevalent in fresh produce industries due to food safety and biosecurity concerns, as well as a trend towards greater protectionism globally.</p> <p>Changes in laws or regulations, or the approach to kiwifruit imports or significant matters relating to the Zespri Group or its supply chain, in key markets such as China, Japan, or Europe could result in a loss of the ability to import kiwifruit into such markets, a reduction of the kiwifruit that Zespri can sell in such markets, or the profitability of any such transactions, therefore affecting Zespri Group's financial position as a result. Changes in other markets are less likely to have an impact on Zespri Group's financial performance, as they are less significant to Zespri and therefore Zespri is better able to redirect unsold kiwifruit to other markets where it retains access.</p> <p>To manage the risk of changes in market conditions, Zespri continuously monitors regulatory requirements in the markets to which it exports kiwifruit with the aim of ensuring that it complies with applicable requirements and responds to changes as they occur. However, there is always a risk that Zespri may not be in strict compliance with all requirements around the globe at all times.</p> <p>Zespri also aims to diversify its export markets so that should a market issue develop in one jurisdiction, there are others it can switch supply to although naturally not all markets will offer equal supply opportunities for Zespri.</p> <p>Zespri is an active participant in forums and trade missions and in regulatory and legislative processes where it seeks to ensure a favourable trading environment and to promote the benefits of trade alongside the New Zealand Government and other key exporters.</p>

7.3 Brand risk

Description of the risk and its significance	<p>Zespri is primarily a marketer of kiwifruit. As such, Zespri's brand must remain strong so that there is trust in and a desire to buy Zespri-branded kiwifruit. If Zespri's brand is damaged, its ability to sell kiwifruit or generate its current level of return would be adversely affected for Zespri and for growers.</p>
Assessment of likelihood, nature, and potential magnitude of the risk	<p>Brand damage can result in Zespri losing revenue, market share, and customers, both in the short and long term. As brand damage can vary in severity depending on the circumstances, the effects are difficult to predict. However, Zespri considers brand damage would most likely occur through:</p> <ul style="list-style-type: none"> • Zespri Kiwifruit failing to meet customer expectations (including taste and quality issues); • PVR/brand infringement (including through counterfeit kiwifruit); • Failure to meet sanitary and phytosanitary standards resulting in a food safety issue or recall; and • Supply chain environmental, social and governance issues, such as poor health and safety, labour compliance or environmental practices by growers, post-harvest operators or distributors. <p>To manage these risks, Zespri has a number of processes in place. Zespri seeks to protect its brand with marketing campaigns to differentiate it from competitors, and trade mark registration and enforcement.</p> <p>As Zespri does not itself grow kiwifruit for sale nor currently sell directly to end consumers, it is reliant on its growers, post-harvest operators, and in-market partners to grow quality kiwifruit, manage the quality of the kiwifruit through the supply chain, and deliver high-quality kiwifruit to its consumers.</p> <p>Zespri seeks to incentivise growers to produce high-quality kiwifruit through Zespri Taste incentive payments and minimum standards.</p> <p>Zespri seeks to protect the value in its PVRs through legal action with penalties which may include removal of unauthorised plantings, fruit destruction, or financial penalties. There can be limitations on Zespri's ability to enforce its PVRs in jurisdictions with less favourable PVR rules. Zespri has also expanded its non-PVR intellectual property framework (trademarks, domain names, and copyright) so as to seek to adequately protect the same.</p> <p>Zespri continues to monitor the estimated scale of unauthorised plantings of its proprietary variety ZESY002 (marketed as Zespri SunGold™ Kiwifruit) in China, including assessing the extent of these plantings. Zespri is continuing its legal action against unauthorised producers and distributors of ZESY002 and individuals selling unauthorised ZESY002 and China-grown fruit with counterfeit Zespri labels.</p> <p>To reduce the risk of kiwifruit becoming or being perceived as unsafe (including through tampering, transit or storage issues, or counterfeiting), in particular overseas where the kiwifruit industry and grower practices are not as developed as in New Zealand, Zespri looks to operate under strict adherence to food safety process controls.</p> <p>Zespri has a Global Supplier and Partner Code of Conduct and Supplier Anti-Bribery and Anti-Corruption Policy to set expectations for supply chain participants, targeting a range of issues including quality and food safety, environment, ethics, protection of intellectual property, and data, worker's rights and health and safety, including modern slavery considerations, legal and financial compliance, fair competition, anti-bribery, and anti-corruption. Zespri is audited by the Ministry for Primary Industries, other independent regulatory bodies, and multinational customers (to their standards) both in New Zealand and overseas. All orchards supplying fruit to Zespri both in New Zealand and overseas must meet Zespri standards (GLOBALG.A.P. certification for New Zealand and Europe, and local regulations in Japan and Korea), which ensures fruit is safe and grown in a way that meets Zespri, regulatory, and customer requirements. All primary packhouse facilities operate a certified food safety system that meets the Global Food Safety Initiative and Zespri standards. Packhouse facilities are independently audited each year.</p>

7.4 Reliance on proprietary varieties

Description of the risk and its significance	<p>Zespri's proprietary varieties, in particular SunGold, are highly significant contributors to Zespri Group's financial performance, so any reduction in a proprietary variety's sales revenue and/or licence revenue may impact both profitability and the Share price.</p>
Assessment of likelihood, nature, and potential magnitude of the risk	<p>The risk around Zespri's reliance on proprietary varieties arises from the kiwifruit sales revenue itself, as well as from a licence revenue perspective:</p> <ol style="list-style-type: none"> With respect to kiwifruit sales revenue, as with any other PVR, there are a number of factors that could impact profitability. If a proprietary variety's popularity diminishes, is subject to illegal grafting or becomes susceptible to kiwifruit diseases or other climate or storage/handling challenges, there could be a material adverse effect on Zespri Group's financial performance. If competitors create a viable competing variety in sufficient quantity, there is a risk that the demand for the Zespri proprietary variety reduces and Zespri may not be able to continue to achieve its current price premium. With respect to licence revenue, Zespri's proprietary variety licence revenue may materially reduce over time as the number of hectares licensed reaches the supply targets sought by Zespri, and as the PVR expiry date draws closer. If the licensed hectares per year of a Zespri proprietary variety decreases (either due to Zespri releasing less hectares or grower demand reducing due to agronomic conditions, economic circumstances, restricted bank lending, a decrease in orchard gate returns, etc.) and/or if the price tendered for the licence decreases below Zespri targets, Zespri would earn less. While these factors may not cause a cashflow issue for Zespri as most of the licence revenue is distributed through dividends to Shareholders, it will mean that dividends would likely fall. <p>Although the ZESY002 variety (marketed as Zespri SunGold™ Kiwifruit) New Zealand PVR does not expire until 2039, and the ZES008 variety (marketed as Zespri RubyRed™ Kiwifruit) New Zealand PVR does not expire until 2043, Zespri invests significantly in researching and developing new cultivars to remain competitive. Zespri has established KBC, a joint venture with PFR, to accelerate this work.</p> <p>Zespri conducts a range of different monitoring activities in targeted locations to identify unauthorised production of its PVR fruit and enforce its PVR rights to protect its PVRs from unauthorised use which can damage the value of both its PVR rights and brand. As noted in Section 7.3 (<i>Brand risk</i>), Zespri's ability to do this can be constrained in jurisdictions with less developed PVR rules.</p>

7.5 Failure of growth plan: demand or supply issues

<p>Description of the risk and its significance</p>	<p>Demand issues</p> <p>If Zespri fails to develop profitable kiwifruit demand ahead of supply, the returns it can generate on kiwifruit sales and its prospects for future growth will be significantly affected.</p> <p>Furthermore, if Zespri fails to innovate with the creation of new PVRs that meet consumer and business needs, its prospects for future growth will be significantly affected, as well as having lower income streams from licences and royalties.</p> <p>Supply issues</p> <p>If current growers cannot supply enough kiwifruit to meet the demand generated by Zespri in a given season or over a prolonged period, Zespri Group's financial performance may be materially adversely impacted. Conversely, there is also a risk if post-harvest packing, storage and logistic capacity is unable to deal with the increased supply of kiwifruit.</p> <p>If this risk were to materialise to a significant degree, it could affect industry support for and confidence in the SPE.</p>
<p>Assessment of likelihood, nature, and potential magnitude of the risk</p>	<p>In order for Zespri to hit its growth targets and maintain grower and its own returns, it needs to generate profitable kiwifruit demand through its marketing activities ahead of its kiwifruit supply. There are a wide range of factors influencing supply and demand and a wide range of outcomes which make the likelihood and impacts of demand and supply issues difficult to predict.</p> <p>On the supply side, Zespri seeks to manage supply through licence releases to be below projected demand levels. Maintaining a gap between projected demand and supply provides the opportunity to absorb excess supply if yields lift excessively, specific demand opportunities do not materialise, or markets face unfavourable conditions. This assessment of demand and the mix or product desired by consumers compared to supply influences the amount of PVR hectares to be planted.</p> <p>Underlying the risk of being able to supply enough kiwifruit is essentially the growers' ability to grow kiwifruit to the required level of quality, size, taste, and production. This is impacted by certain limitations faced by growers (which can include labour shortages, climate risk, water supply, and capital) and also their ability to invest in expanding production. With respect to post-harvest logistics (including picking, packing, storage, use of ports/port capacity, and shipment), any event materially affecting supply chain infrastructure or access to markets could have a material adverse effect on Zespri's ability to get fruit to market on a timely basis and therefore creates risk that fruit is not able to be sold, lessening returns. These risks may be exacerbated overseas to the extent that post-harvest logistics are less developed for the kiwifruit industry than in New Zealand.</p> <p>If the supply side falters, Zespri may lose market share to competitors.</p>

On the demand side, Zespri's focus includes gaining new customers and maintaining relationships with its existing customers (both distributors and retailers), using traditional promotional efforts, and increasing distribution. Through investment in its brand and marketing activities, the focus is to increase household penetration and the frequency of consumption in targeted markets, and provide profitable PVRs that customers and consumers want (including through the creation of new PVRs). In respect of the latter, creation of new, successful PVRs will be particularly important.

If the demand side falters, Zespri may have excess supply which would impact its returns and the future incentive for growers to grow kiwifruit and purchase licences for Zespri PVRs.

In order to achieve its growth plan, including in relation to supply and demand, Zespri has various initiatives. On the supply side, Zespri is actively managing the licensed hectares of SunGold and RubyRed. On the demand side, apart from traditional marketing, it regularly reviews its distribution and growth strategy so that it maintains effective distributors, flexible terms of trade, and, where appropriate, it establishes direct business with retailers so that it can grow demand at the same time as maintaining or improving profitability. Zespri works collaboratively with its industry partners to ensure the supply chain can manage its growth plans.

Further, impacting both demand and supply, Zespri puts considerable resources into research and development of new varieties through KBC.

7.6 Competition risk

Description of the risk and its significance	<p>If non-Zespri growers outside of New Zealand produce kiwifruit of the same or better quality as Zespri, it may have a significant impact on Zespri's profitability, as it would put Zespri's ability to charge a premium for its quality kiwifruit at risk.</p>
Assessment of likelihood, nature, and potential magnitude of the risk	<p>Zespri's main source of competition in supplying kiwifruit during the New Zealand sales season comes from Chile and South Africa. Italy, France, Greece, and China are core production regions during the northern hemisphere supply season.</p> <p>Zespri considers the greatest risk of competition is with respect to SunGold and RubyRed given the premium those PVR varieties command. In comparison, green varieties are unable to command as much of a premium due to already high volumes and competition in market.</p> <p>As the quantity and quality of competitors of SunGold and RubyRed improve, the price Zespri can obtain for those varieties may decline, especially if there is significant supply consolidation covering both hemispheres, or southern hemisphere supply is substituted by all-year-round local grower supply if controlled environment agriculture production becomes commercially and operationally viable. Further, if other gold or red varieties are successful, Zespri may also face competition for the best growers and orchards in global locations. This may have an adverse effect on Zespri Group's financial performance. Zespri conducts market research in respect of competitors and other PVR varieties to ensure it is aware of the competitive landscape.</p> <p>There is also a risk of fruit from unauthorised plantings of ZESY002 (marketed as Zespri SunGold™ Kiwifruit) in China entering the market in China and other nearby global markets. Zespri continues to monitor the estimated scale of plantings of unauthorised ZESY002 in China, including assessing the extent of these plantings. Zespri is continuing its legal action against unauthorised producers and distributors of ZESY002 and of individuals selling unauthorised ZESY002 and China-grown fruit with counterfeit Zespri labels. More broadly, there is a risk that unauthorised plantings of ZESY002 exist in New Zealand and/or other markets, the extent of which are unknown to Zespri. Where Zespri becomes aware of such unauthorised plantings and can obtain sufficient evidence to meet evidentiary requirements for PVR infringement, Zespri may have rights to file for infringement proceedings.</p> <p>Zespri positions itself at the premium end of the market so there is also a risk that inferior-quality, cheaper kiwifruit puts pressure on its premium.</p> <p>Outside of SunGold and RubyRed competition, producers globally are also trying to establish green varieties that better suit consumer needs. So, with time, the competitive landscape for other varieties, including green, could change.</p>

7.7 Limitations in relation to the growth of the ZGS business

<p>Description of the risk and its significance</p>	<p>The ZGS business licenses and procures kiwifruit grown outside New Zealand, for the purpose of ensuring the supply of Zespri-branded kiwifruit to Zespri's key customers for 12 months of the year. This supply is a critical enabler of Zespri's strategy to create value for kiwifruit growers by offering consumers Zespri-branded kiwifruit all year. It does this by securing shelf space and brand presence for all Zespri Kiwifruit so that Zespri can maintain its market position and continue delivering strong returns. ZGS also provides a different source of revenue to PVR licensing revenue and New Zealand-grown kiwifruit.</p> <p>Zespri carries out the ZGS business under an approval given by a formal Producer vote carried out under the Kiwifruit Regulations. That approval has certain limitations, as to varieties, hectares, and countries in which the ZGS business is carried out. If Zespri wishes to expand the ZGS business beyond those limitations, it will require further approval by Producer vote. If additional Producer vote approval is not obtained, other suppliers will likely fill the gap left by Zespri, thereby reducing customer loyalty and eventually risking Zespri Group's financial performance and profitability.</p> <p>The success of the ZGS business is also dependent on Zespri's ability to procure and market kiwifruit grown outside New Zealand.</p>
<p>Assessment of likelihood, nature, and potential magnitude of the risk</p>	<p>The ZGS business requires approval by a Producer vote if it wishes to expand beyond the limitations in the current approval. If the ZGS business is not successfully operated or approval is not given for any future growth plans, revenue expected from ZGS (including royalties) would be delayed or may need to be found through other sources. Further, having insufficient kiwifruit to cover key Zespri customers during the year will likely impact Zespri's relationship with its customers, and eventually, its financial performance and competitive position.</p> <p>The ZGS business is also dependent on the ability to find in each ZGS country growers with suitable land and capability, including ability and willingness to invest in the necessary post-harvest infrastructure to handle increased volumes.</p> <p>There are a number of additional challenges for the ZGS business, including the impact of a changing climate on supply due to acute impacts like the increased frequency and severity of extreme weather events such as hail, frost, and storms. Different growing conditions and restrictions on agrichemical use outside New Zealand make full consistency with New Zealand fruit harder to achieve (for example, fruit size and skin colour) which can lead to variable earnings and increased supply chain complexity.</p> <p>Pests and diseases are also a challenge. BMSB and Kiwifruit Vine Decline Syndrome are already established in some ZGS growing areas where they have caused a drop in production in affected orchards.</p> <p>Zespri sets and enforces fruit quality and grade standards, and audits facilities and suppliers. Zespri only takes fruit that meets its standards. Growers are subject to GLOBALG.A.P. in Europe and to local regulations in Japan and Korea (because ZGS fruit from those locations is only sold in those countries). Non-compliances are issued and managed the same way as they are in New Zealand.</p>

7.8 Biosecurity, kiwifruit diseases, and pests

Description of the risk and its significance	<p>As with other horticultural products, kiwifruit is susceptible to diseases and pests, such as Psa, <i>Neofabraea</i> fungus, BMSB, and exotic fruit fly. Diseases and pests can adversely affect production, transportation, and market access. Consequently, Zespri Group's financial performance would suffer as it may have less kiwifruit to sell or deliver, fewer markets to access, and/or additional operational costs associated with selling or redirecting kiwifruit to available markets.</p>
Assessment of likelihood, nature, and potential magnitude of the risk	<p>Kiwifruit can be affected by diseases and/or pests at various stages including on the orchard, during storage, transportation, packaging, and in other steps in the supply chain, with potentially severe impacts on production and/or market access depending on the export market.</p> <p>Given Zespri's role as a marketer, it has limited direct control over managing and mitigating on-orchard diseases. However, the kiwifruit industry adopts a co-ordinated approach in tackling on-orchard diseases and Kiwifruit Vine Health Inc. (KVH) is the lead organisation responsible for managing biosecurity readiness, response, and operations on behalf of the New Zealand kiwifruit industry. Zespri works closely with KVH in this regard and invests significantly in research and development through its innovation programme in this space.</p> <p>With respect to diseases or pest impacts that can be developed outside the orchard, Zespri partners with quality third party suppliers and implements stringent checks to ensure optimal storage and transportation conditions.</p> <p>KVH is an active member of the Government Industry Agreement for: Biosecurity Readiness and Response (GIA) partnership on behalf of the kiwifruit industry. GIA operational agreements outline cost sharing arrangements with the New Zealand Government and other industries for biosecurity readiness and response. Accordingly, in the event of a serious incursion, growers may be required to contribute financially. Zespri could also be asked to financially support response efforts to protect the industry and its business. The extent of any such cost is difficult to estimate.</p> <p>Zespri's dedicated crisis management and innovation teams have collaborated with biosecurity risk analysis agencies to assess the potential impact of various high-risk pests and diseases (including a BMSB incursion and a Queensland Fruit Fly incursion) on the New Zealand kiwifruit industry.</p> <p>In addition, the Ministry for Primary Industries, on behalf of New Zealand horticultural industries is working to pre-negotiate market access agreements with trading partners in the event of a fruit fly incursion.</p>

7.9 Climate change and environmental risks

Description of the risk and its significance	<p>As a horticultural product, kiwifruit is subject to environmental factors which can impact the quantity and quality of production. Adverse environmental conditions can affect the amount of suitable kiwifruit available for Zespri to sell, and therefore Zespri Group's financial performance.</p>
Assessment of likelihood, nature, and potential magnitude of the risk	<p>Environmental risks affect Zespri indirectly as they primarily impact growers in terms of how much kiwifruit they can produce and its quality. The environmental factors that can impact kiwifruit production vary widely from growing conditions (rainfall, temperature, and sunshine hours) to acute impacts like the increased frequency and severity of extreme weather events (such as storms, frost, and hail) to severe geological events (such as the spread of volcanic ash, earthquakes, and flooding). They can happen over a period of time or be one-off events.</p> <p>The effects of climate related events on Zespri Group's financial performance may be adverse for a number of reasons. Growing conditions may impact the quality and taste of kiwifruit, and therefore the price at which Zespri can sell that kiwifruit into its preferred markets. More severe weather events (such as cyclones, frost, hail, and heavy wind or rain in growing areas) will impact the quantity of kiwifruit that exists to be sold. Given the geographic concentration of kiwifruit growing areas in New Zealand (particularly in the Bay of Plenty), the impact of such climate-related events may be increased.</p> <p>Climate change is impacting how kiwifruit are grown and the suitability of certain cultivars for traditional growing regions, as well as supply chains and consumer expectations.</p> <p>The Zespri Group is undertaking a number of actions to manage this risk including investing in understanding climate risks for the kiwifruit industry and publishing its <i>Climate Risks and Opportunities Report</i> aligning with the best-practice standard, the Taskforce for Climate-Related Financial Disclosure. Zespri has also developed a climate change strategy and a climate change adaptation plan which it reviews on a regular basis.</p>

7.10 Foreign exchange risk

Description of the risk and its significance	The Zespri Group operates internationally, and so it is exposed to foreign exchange risk in multiple currencies from various activities conducted in the normal course of business.
Assessment of likelihood, nature, and potential magnitude of the risk	<p>The Zespri Group procures and exports fruit, incurs selling, marketing, and administrative costs, and carries cash denominated in foreign currencies. As a result of these transactions, exposures to fluctuations in foreign currency exchange rates occur. The foreign currencies in which the Zespri Group primarily deals are Euro, Japanese Yen, United States Dollar, Chinese Renminbi, and Korean Won.</p> <p>The Zespri Group's primary objective in managing foreign exchange risk is to mitigate excess volatility in the New Zealand Dollar return to Shareholders and the New Zealand kiwifruit industry arising from foreign currency movements.</p> <p>The Zespri Group's Treasury Management Policy provides guidelines within which Zespri Group enters into contracts to manage the expected net exposures. The Treasury Management Policy is reviewed by the Board of Directors and is approved bi-annually. As part of the foreign currency hedging strategy, the Zespri Group has entered into forward foreign exchange contracts and foreign exchange options, so as to manage the above risks as appropriate. The Treasury Management Policy contains counterparty exposure limits with respect to banking and foreign exchange currency partners, and these limits are actively monitored and reported.</p>

7.11 IT systems and infrastructure risk

Description of the risk and its significance	Zespri is reliant on the performance of its and its suppliers' technology infrastructure to manage its global business including for loading and unloading kiwifruit. If Zespri Group's information technology was interrupted, compromised or damaged, Zespri could suffer fruit loss, revenue loss, damage to its reputation, and/or significant financial expenditure to restore functionality.
Assessment of likelihood, nature, and potential magnitude of the risk	<p>The frequency and sophistication of cyber-attacks on businesses is growing. Like many businesses, Zespri experiences attempted attacks on its systems daily. There is a risk that a successful cyber-attack or other event could result in a data breach or loss of systems.</p> <p>If Zespri suffered a major cyber-attack, data security breach, or system loss, Zespri's reputation could be damaged and its inability to access its systems could result in a temporary loss of revenue. Zespri may also incur fines, penalties, or claims as a result of any privacy breach.</p> <p>Zespri continues to invest in its information technology infrastructure to try and ensure its systems are robust and secure. Operational disruptions and cost-overruns are further risks that may arise in connection with any IT system upgrade or significant maintenance event.</p>

7.12 Reliance on particular suppliers/distributors

Description of the risk and its significance	<p>Zespri relies on certain key suppliers / distributors with contracts that are either short-term, seasonal or can be terminated for convenience.</p> <p>If distributors in key markets were lost Zespri may be unable to efficiently reallocate that supply or find an alternative distributor in market. Supply chain challenges could impact Zespri's ability to get fruit to market in a timely and cost-effective manner.</p>
Assessment of likelihood, nature, and potential magnitude of the risk	<p>The impact of the loss of a key distributor is dependent on how much notice is received. If the supply cannot be redirected to another distributor (in the same or different market) at the same price, Zespri Group's financial performance could be materially adversely affected, depending mostly on the amount of kiwifruit that needs to be redirected and the market where the issue arises.</p> <p>Zespri believes its current business split of distributors is appropriate and has proven no significant risk for many years. Zespri relying on a larger number of distributors would create risk, with Zespri being unable to allocate sufficient proportion of total business to distributors and therefore causing distributors to have less attraction and lower confidence for investing in the long term business of Zespri.</p> <p>To manage distributor risk, Zespri has been working to reshape its relationships with distributors from traders to strategic partners through joint business planning, longer term contracts, and by joint value creation to develop stronger loyalty and certainty with its distributors.</p> <p>With a specialised supply chain (including picking, packaging, storage, use of ports and shipping), various events including capacity issues, natural disasters, industrial disputes or failure to agree acceptable contractual arrangements could impact Zespri's ability to get fruit to market in a timely and cost-effective manner.</p>



Zespri™

GREEN
NEW ZEALAND
4030

9400 8203

A close-up photograph of kiwi fruit. The top half of the image shows the brown, fuzzy skin of several whole kiwis. The bottom half shows a cross-section of a kiwi, revealing its bright green flesh, white core, and numerous small black seeds arranged in a circular pattern.

8

TAX

Tax can have significant consequences for investments.

If you have any queries relating to the tax consequences of investing in Shares, you should obtain professional advice on those consequences.

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WHERE YOU CAN FIND MORE INFORMATION

Further information relating to Zespri and the Shares (including the Constitution and its most recent financial statements) is available free of charge on the Offer Register, at disclose-register.companiesoffice.govt.nz, offer number OFR13848. A copy of information on the Offer Register is available on request to the Registrar of Financial Service Providers.

Further information relating to Zespri is also available free of charge on the New Zealand Companies register (administered by the Companies Office) at companies-register.companiesoffice.govt.nz, by searching the company name, number or NZBN of Zespri.

Shareholders of Zespri also receive annual reports and audited financial statements for the

Zespri Group. Such information and other further information relating to Zespri is available free of charge on Zespri's website at www.zespri.com.

As a company listed on USX, Zespri has certain ongoing disclosure obligations. You can obtain the information disclosed as a result of those obligations free of charge by searching the 'Recent Announcements' page under Zespri's stock code "ZGL" on the USX website.

Information on the LaS Scheme and DaS Scheme, including the LaS Scheme Terms and DaS Scheme Terms from time to time, will be available to growers free of charge on the Industry Portal and on the Offer Register, at disclose-register.companiesoffice.govt.nz, offer number OFR13848.

10 HOW TO APPLY

Producers wishing to subscribe for Shares must opt-in to the LaS Scheme and/or the DaS Scheme. This can be done by completing and submitting an online application form to Zespri through the Industry Portal during the offer period prescribed in the LaS Scheme Terms and the DaS Scheme Terms (as applicable). The cut-off date for opting-in changes every year in accordance with the LaS Scheme Terms and the DaS Scheme Terms (as applicable), but is generally expected to be:

- in the case of the LaS Scheme, around one to two weeks prior to the final annual cash payment under the Loyalty Agreement; and
- in the case of the DaS Scheme, around one month prior to a dividend payment.

If you are not able to access the opt-in forms on the Industry Portal, please email Zespri's Grower Support Services team at contact.canopy@zespri.com or phone on 0800 155 355 for further information.

Please also see the contact information for Zespri, the Share Registrar, and Legal Advisers in Section 11 (*Contact information*).

11 CONTACT INFORMATION

Zespri

Zespri Group Limited

400 Maunganui Road

Mount Maunganui, New Zealand

Phone: +64 (7) 572 7600

Email: shares@zespri.com

<https://www.zespri.com/en-NZ/contactusnz>

Share Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road

Takapuna

Auckland 0622, New Zealand

Phone: +64 (9) 488 8777

Email: enquiry@computershare.co.nz

Legal Advisers

Buddle Findlay

Level 18, HSBC Tower

188 Quay Street

Auckland 1010

Phone: +64 9 358 2555

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GLOSSARY

BMSB

Brown Marmorated Stink Bug

Board or Board of Directors

The Board of Directors of Zespri

Business Day

A day on which the USX is open for trading

Class B Share(s)

The share(s) referred to in clause 22 of the Constitution

Companies Act

Companies Act 1993 (as amended or replaced from time to time)

Constitution

The constitution of Zespri (as amended or replaced from time to time)

DaS Scheme

Dividends as Shares scheme

DaS Scheme Terms

The terms and conditions of the DaS Scheme, as amended by Zespri from time to time and when released available on the Industry Portal and at disclose-register.companiesoffice.govt.nz offer number OFR13848

Deemed Production

Has the same meaning as in the Constitution

Director

A director of Zespri

Disqualifying Relationship

Has the same meaning as in the Constitution

EBIT

Earnings before interest and tax

Employee Share

The shares referred to in clause 4.5 of the Constitution

Enduring Funding Agreement

An agreement entered into between Zespri and a Registered Supplier which provides a mechanism for determining Zespri's fruit return margin

Existing Long Term Lease or ELTL

Has the same meaning as in the Constitution

FOBS

Stowed on board the ship or aircraft on which the kiwifruit is exported

FMC Act

Financial Markets Conduct Act 2013 (as amended or replaced from time to time)

FMC Regulations

Financial Markets Conduct Regulations 2014 (as amended or replaced from time to time)

FY20XX (e.g. 2024)

A financial year ending 31 March 20XX (e.g. 2024)

GIA

Government Industry Agreement

Glasgow Lease

Has the same meaning as in the Constitution

Grandfathered Shareholder

Has the same meaning given in Section 1.1

Green

Zespri Green™ Kiwifruit grown from the Hayward Kiwifruit cultivar

Greenfield

Has the same meaning as in the Constitution

Gold

Zespri Gold Kiwifruit grown from the Hort16A Kiwifruit cultivar, or used when referring to both Hort16A and SunGold

Historical Production

Has the same meaning as in the Constitution

Independent Director

Has the same meaning as in the Constitution

Industry Portal

Zespri's online industry portal available via its Canopy website

Kiwifruit Act

Kiwifruit Industry Restructuring Act 1999 (as amended or replaced from time to time)

Kiwifruit Regulations

Kiwifruit Export Regulations 1999 (as amended or replaced from time to time)

KBC

The Kiwifruit Breeding Centre Limited

KNZ

Kiwifruit New Zealand

KPIN

Kiwifruit Property Identification Number

KVH

Kiwifruit Vine Health Inc.

LaS Scheme

Loyalty as Shares scheme

LaS Scheme Terms

The terms and conditions of the LaS Scheme, as amended by Zespri from time to time and when released available on the Industry Portal and at disclose-register.companiesoffice.govt.nz offer number OFR13848

Lease

A lease over all or part of a Property leased by a Lessee

Lessee

Has the same meaning as in the Constitution

Loyalty Agreement

A Three-Year Rolling Grower Contract between Zespri and a Producer

New Cultivars (as a revenue segment)

All pre-commercialised activities related to any Zespri PVR Kiwifruit, activities related to the selling and administration of PVR licences, and the associated ongoing royalty income

New Entrant

Has the same meaning as in the Constitution

New Zealand Kiwifruit (as a revenue segment)

All activities related to the production and sale of New Zealand-grown kiwifruit varieties, other than activities included in the new cultivars segment

Non-New Zealand Supply (as a revenue segment)

All activities related to the production and sale of non-New Zealand-grown kiwifruit varieties, other than activities included in the new cultivars segment

Offer

The offer of Shares under this PDS

Offer Register

The entry for the Offer in the register of offers of financial products required under the FMC Act and FMC Regulations available at disclose-register.companiesoffice.govt.nz offer number OFR13848

Orchard

Has the same meaning as in the Constitution

Organic Green

Zespri™ Organic Green Kiwifruit

Organic SunGold

Zespri™ Organic SunGold™ Kiwifruit

Overshared

Has the same meaning as in the Constitution

Owner

Has the same meaning as in the Constitution

PDS

This Product Disclosure Statement

PFR

The New Zealand Institute for Plant and Food Research Limited

Producer

Has the same meaning as in section 2 of the Kiwifruit Regulations

Property

Has the same meaning as in the Constitution

Psa

Pseudomonas syringae pv. *Actinidiae*

PVR

Plant Variety Right

RubyRed

Zespri RubyRed™ Kiwifruit grown from the ZES008 kiwifruit cultivar, and other red cultivars as they are developed and commercialised

Share(s)

Convertible ordinary share(s) in Zespri

Share Cap

Has the same meaning as in the Constitution

Share Registrar

Computershare Investor Services Limited

Shareholder

The holder of a Share or a Class B Share

SPE

Single Point of Entry or single desk. The arrangement where the Kiwifruit Act and the Kiwifruit Regulations give Zespri the exclusive right (subject to collaborative marketing arrangements) to export New Zealand kiwifruit to all countries other than Australia.

Standard Property

Has the same meaning as in the Constitution

SunGold

Zespri SunGold™ Kiwifruit with the ZESY002 kiwifruit cultivar, and other gold cultivars as they are developed and commercialised

Sweet Green

Zespri Sweet Green™ Kiwifruit grown with the ZESH004 PVR

Tray

A tray equivalent of kiwifruit as determined by Zespri

USX

The share trading platform known as “Unlisted Securities Exchange” or the acronym “USX” operated by Efficient Market Services Limited

Zespri

Zespri Group Limited

Zespri Kiwifruit

Zespri-branded Kiwifruit comprising Zespri Green™, Zespri SunGold™, Zespri™ Organic Green, Zespri™ Organic SunGold™, Zespri Gold™, Zespri Sweet Green™, and Zespri RubyRed™ Kiwifruit, and other Zespri varieties as they are developed and commercialised

Zespri Group

Zespri and its wholly owned subsidiaries (as defined in the Companies Act) as at the date of this PDS

ZGS

Zespri Global Supply

\$

New Zealand Dollar





INFORMATION INCORPORATED BY REFERENCE IN PRODUCT DISCLOSURE STATEMENT FOR AN OFFER OF ORDINARY SHARES IN ZESPRI GROUP LIMITED

DATED 21 MARCH 2025

SECTION 2 ZESPRI GROUP AND WHAT IT DOES

Substantial shareholders (relevant interest in 5% or more of a class of shares)

For the purposes of clause 20(1)(a) of Schedule 3 of the FMC Regulations, as at 24 October 2024, Zespri has no product holders that have relevant interests in 5% or more of a class of shares in Zespri.*

*As at 24 October 2024, Paul Jones a Director of Zespri, has relevant interests in 12,912,301 Shares (being as at 24 October 2024 7.11% of all Shares on issue) by virtue of being the beneficial owner of Shares and/or having the power to exercise, or to control the exercise of, a right to vote attached to Shares and/or the power to acquire or dispose of, or to control the acquisition or disposal of, Shares.

Relevant Interests in shares held by Directors and senior managers

As at 24 October 2024, the following Directors of Zespri are holders of relevant interests in Shares as set out in the table below for the purpose of clause 20(1)(c) of Schedule 3 of the FMC Regulations. As at 24 October 2024, no senior managers of Zespri hold, or have, any relevant interests in any class of shares in Zespri.

Name of Director	Legal ownership or other nature of the relevant interest held	Shares in which the person has a relevant interest	
		Shares	% of Shares on issue
Paul Jones	Beneficial owner of Shares and/or power to exercise, or to control the exercise of, a right to vote attached to Shares and/or power to acquire or dispose of, or to control the acquisition or disposal of, Shares.	12,912,301	7.11%
Andrew Dunstan	Beneficial owner of Shares and/or power to exercise, or to control the exercise of, a right to vote attached to Shares and/or power to acquire or dispose of, or to control the acquisition or disposal of, Shares.	6,302,290	3.47%
Sally Gardiner	Beneficial owner of Shares and/or power to exercise, or to control the exercise of, a right to vote attached to Shares and/or power to acquire or dispose of, or to control the acquisition or disposal of, Shares.	3,965,867	2.18%
Craig Thompson	Beneficial owner of Shares and/or power to exercise, or to control the exercise of, a right to vote attached to Shares and/or power to acquire or dispose of, or to control the acquisition or disposal of, Shares.	1,752,395	0.97%
Nathan Flowerday	Beneficial owner of Shares and/or power to exercise, or to control the exercise of, a right to vote attached to Shares and/or power to acquire or dispose of, or to control the acquisition or disposal of, Shares.	1,335,984	0.74%



SECTION 5 KEY FEATURES OF SHARES

Dividends paid by Zespri on the Shares since 1 April 2021 are as follows:

Date Dividend Declared	Type of Dividend	Amount of Net Dividend per Share (\$NZ)	Amount of Gross Dividend per Share (\$NZ)
26 July 2021	Final	0.27	0.38
26 July 2021	Interim	1.44	2.00
23 November 2021	Interim	0.05	0.07
23 June 2022	Final	0.29	0.29
23 June 2022	Interim	0.89	1.17
24 November 2022	Interim	0.10	0.13
4 July 2023	Final	0.18	0.24
4 July 2023	Interim	0.66	0.84
26 June 2024	Final	0.19	0.24
26 June 2024	Interim	0.56	0.68

SECTION 6 ZESPRI GROUP FINANCIAL INFORMATION

Selected financial information

All figures in the below table are in \$000s unless otherwise indicated and are determined in accordance with GAAP.

	FY2024	FY2023	FY2022
Operating revenue	4,128,658	4,069,688	4,335,434
Net profit before taxation	253,420	331,248	505,125
Net profit after tax	173,314	238,748	361,501
Dividends on all equity securities of Zespri	153,086	234,173	322,495
Total assets	1,181,466	1,019,383	1,350,709
Cash and cash equivalents	442,563	424,986	443,965
Total liabilities	831,263	696,184	1,028,621
Total debt	27,000	27,000	30,000
Net cash flows from operating activities	141,320	223,370	377,991

Full Financial Statements

Full financial statements of the Zespri Group for the most recent financial year of the Zespri Group as well as the two preceding financial years are also contained in the Offer Register.