

20 February 2018

ZESPRI GROUP LIMITED SPECIAL MEETING OF SHAREHOLDERS

Dear Shareholder,

Zespri Group Limited will hold a Special Meeting of Shareholders on Wednesday, 14 March 2018, commencing at 1.00pm. The Special Meeting will take place at the ASB Arena, 81 Truman Lane, Mount Maunganui.

The Special Meeting is a uniquely important moment for our industry. The meeting's objective is to strengthen grower ownership and control of Zespri through improving the alignment between production and Zespri shareholding.

The recommended changes are vital for the longevity of our industry structure, which underlines the delivery of sustainable value to growers over the long-term. The Board of Directors therefore recommends that this full set of changes be approved by shareholders.

The need is significant. A growing number of New Zealand kiwifruit growers do not own Zespri shares - today, over 18 million shares are held by people who have left the industry.

We have been committed to a fair and respectful process in developing these recommendations, beginning in 2014 with the Kiwifruit Industry Strategy Project. We received overwhelming support from growers in the 2015 referendum for proposals to improve alignment. This was followed by engaging the New Zealand Government to make changes to the Kiwifruit Export Regulations to enable the amendments that are now before you.

It has been important to recognise the significant diversity of shareholder positions throughout the process, including the rights of non-producer shareholders. The changes we propose would come into effect over a number of years, with a substantial transition period in place.

The Notice of Meeting enclosed sets out the shareholder resolutions, together with explanatory notes and a guide to the voting process. The voting process is relatively complex, with certain votes required under the Zespri Constitution and the Kiwifruit Export Regulations, and separate votes for shareholder interest groups under the Companies Act.

The recommendations include two key aspects:

- A share cap to improve alignment between production and shareholder, with a maximum shareholding of four shares for each tray of production. A requirement to sell would only apply to currently overshared producers after a transition period. Similarly, a voting cap would be introduced with one voting share for each tray of production.
- Dividend restrictions on shareholders who are no longer producing shareholders. A dividend would not be paid to a shareholder that is not a producer as at the record date for that dividend. This would also only apply after a transition period.

I strongly encourage you to vote, either in person at the meeting, online, through postal voting or through appointing a proxy.

Yours sincerely,



Peter McBride

Chairman, Zespri