



ZESPRI

PRODUCER
VOTE

2024

Protecting New Zealand Grower
Returns Through 12-Month Supply





CONTENTS

Introductions from Chairman and CEO	04
What is ZGS?	08
The resolution	12
Reporting	18
Risks and mitigations	21
Regulations	24
Voting	26
Contact	28

Introductions from Chairman and CEO



Dear Producers,

Industry discussions regarding the potential expansion of Zespri Global Supply (ZGS) have been

underway since June 2024 and we'd like to thank everyone who has participated in the process. We've now finalised the resolution and confirmed a Producer Vote will be going ahead. The voting period begins on 11 November 2024. This pack provides the information you need to make an informed decision and cast your vote.

An extensive engagement programme has brought us to this point. We've spoken to you at Shed Talks, Roadshows, at your kitchen tables, underneath your vines, on the phone, and through our regular *Kiwiflier* and Canopy updates. The resolution reflects grower feedback captured along the way. Your questions and concerns have also informed the reporting structure to be put in place if the vote is successful.

For nearly 25 years, ZGS has supported New Zealand grower returns. It strengthens our position in market, increasing our ability to negotiate the best prices with the best retailers for the best shelves on your behalf. That helps get us in front of the right consumers who see value in Zespri Kiwifruit at a level which delivers the returns our growers expect.

ZGS fruit is held to equivalent Zespri standards with robust processes that ensure it meets quality and taste requirements. Many of our ZGS growers have been with us since day one. They have earned our trust

over decades because of their commitment to the Zespri brand.

We've built a lot of demand for kiwifruit and the category is increasingly competitive. When customers who want kiwifruit can't buy from us they'll buy from our competitors. Zespri's strong view is having 12-month supply with key customers in key markets will deliver stronger returns to New Zealand growers. Without more ZGS fruit we will be under pressure to maintain our premium and therefore your returns for both SunGold and Green.

Planting more SunGold hectares in Italy, France, Greece, Japan, and South Korea will enable us to keep working towards 12-month supply with our key customers, in our key markets across Europe, Asia, and the USA. Based on the benefits we can quantify, the estimated value at stake of this expansion is between \$0.63 and \$1.32 per tray for SunGold and between \$0.47 and \$0.96 for Green (in 2033).

Zespri was created by New Zealand growers, for the benefit of New Zealand growers; and this proposal is in the best interests of us as New Zealand growers. A managed expansion will enable us to keep building for the future and delivering strong grower returns.

Regards,

A handwritten signature in black ink, appearing to read 'Nathan Flowerday', written over a white background.

Nathan Flowerday
Chairman



Dear Producers,

Our job at Zespri, and my priority as CEO, is to create value for New Zealand growers. I will always

prioritise your returns and your businesses. We create campaigns and strategies to build our brand and sell your trays for maximum returns. This involves listening to the market and meeting its demands.

Since starting in this role earlier this year, it's been clear to me that our markets want more of our fruit and that they want 12-month supply. I've also seen the intensifying competition first-hand and heard about it from our international retailers and supply chain partners. I know those growers and industry leaders who've been to the market have seen the same.

The expansion of ZGS in line with growing demand is critical if we are going to meet this demand and respond to the challenge. Based on current modelling, if we release the maximum 420 hectares per year for the next six years as proposed in the resolution, we'll be meeting 60 percent of demand in 2034.

Our customers are very clear that they want more of our kiwifruit but if they can't buy from us, they'll buy fruit from our competitors that are investing to fill the gap, building their own supply and brands, improving their own value proposition and taking market share. This puts the premium we can attract at risk over time.

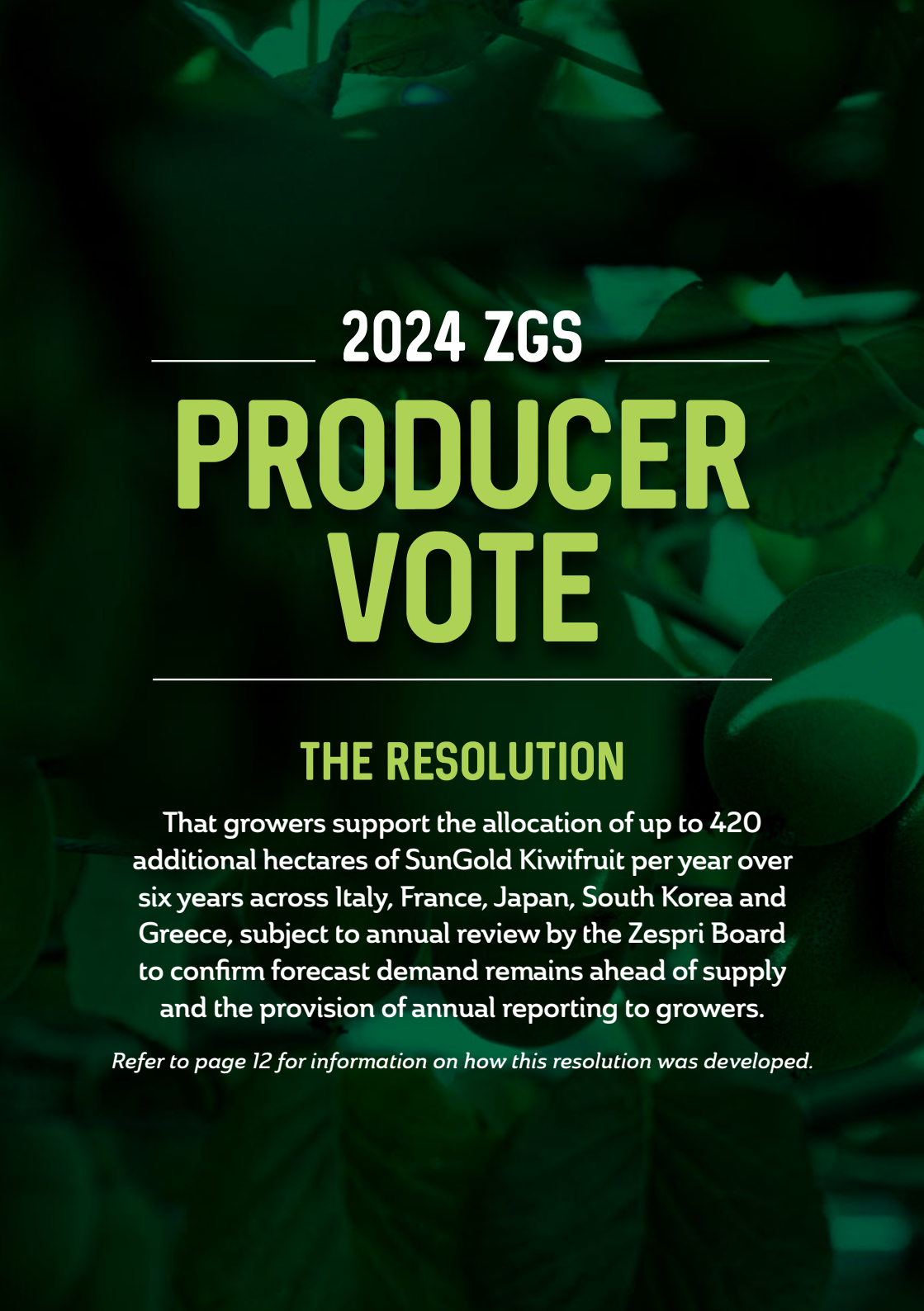
To address this, we've put forward a resolution that will see us fill more of the supply-demand gap in the non-New Zealand season. Not only will this expansion of ZGS help us maintain our current position as leaders in the category, it will support grower returns into the future.

Operating ZGS is not without risk; however, we have managed these risks for almost 25 years and have mitigation plans in place, as detailed in this brochure. Our firm belief is that given the increasingly competitive and dynamic nature of the category, the risk of expansion is far outweighed by the risk of inaction.

We need to back ourselves and take advantage of the global demand we have invested in and worked so hard to create. If we don't take the opportunity, others will fill that gap. I encourage you to support the proposal to give us the strongest ability to create value for you in the market.

Regards,

Jason Te Brake
Chief Executive Officer



2024 ZGS

PRODUCER VOTE

THE RESOLUTION

That growers support the allocation of up to 420 additional hectares of SunGold Kiwifruit per year over six years across Italy, France, Japan, South Korea and Greece, subject to annual review by the Zespri Board to confirm forecast demand remains ahead of supply and the provision of annual reporting to growers.

Refer to page 12 for information on how this resolution was developed.



"This is a turning point; it is a decisive moment. Missing it would mean damaging Zespri's future development in Italy and the Northern Hemisphere to the advantage of Zespri's competitors. Other companies are waiting, they are ready to invest."

Andrea Contarino -

Growing kiwifruit since 1980 and proud SunGold producer in Italy

What is ZGS?

The Zespri Global Supply (ZGS) business was set up by growers nearly 25 years ago to support our efforts to build the Zespri brand and New Zealand grower returns by delivering 12-month supply to key customers in key markets when New Zealand fruit is not available. Being able to offer 12-month supply helps us secure the best shelf space with retailers and remain in front of consumers who see the premium value of Zespri Kiwifruit in an increasingly competitive category. We work with growers in Italy, France, Japan, South Korea and Greece – many of whom have been with Zespri since ZGS started.

While the fruit is grown offshore, it's held to equivalent Zespri standards to New Zealand fruit with robust processes to ensure it meets our quality and taste expectations.



"We'll achieve the best outcome for New Zealand growers by using 12-month supply to support our strategy. Strong relationships with our international partners are an essential part of this ambition, and expanding ZGS will not only provide these partners with confidence and certainty, it will also signal to the market that we are invested in the future and in maintaining our position as leaders in the kiwifruit category."

Nick Kirton - Executive Officer Northern Hemisphere Supply

We've had ZGS for almost **25 YEARS** since around the time Zespri was established

We have around **1,800 ZGS GROWERS** some of them have grown for Zespri since the beginning

We have **5,000 HA OF SUNGOLD** currently approved, with all of those either planted or allocated to be planted

The average SunGold yield across our ZGS locations is around

6,520 TRAYS PER HA

for mature orchards compared with around 14,500 trays per ha

FOR NZ SUNGOLD

Our target is

9,250 TRAYS

for ZGS locations by 2033

We sold 27.2 million trays of ZGS fruit in the 2023/24 season

19.5M SUNGOLD **7.7M GREEN**

Projections suggest that gold kiwifruit competition will continue expanding production at a rate of

15% per year over the next three-to-five years

Based on Zespri projections, the unmet forecast demand gap for SunGold will be

63M TRAYS, OR 60%

in 2034 if we don't plant more hectares

In the 2023/24 Financial Year,

ZGS CONTRIBUTED \$23.6M

to Zespri's corporate profit

Why do we need more ZGS SunGold hectares?

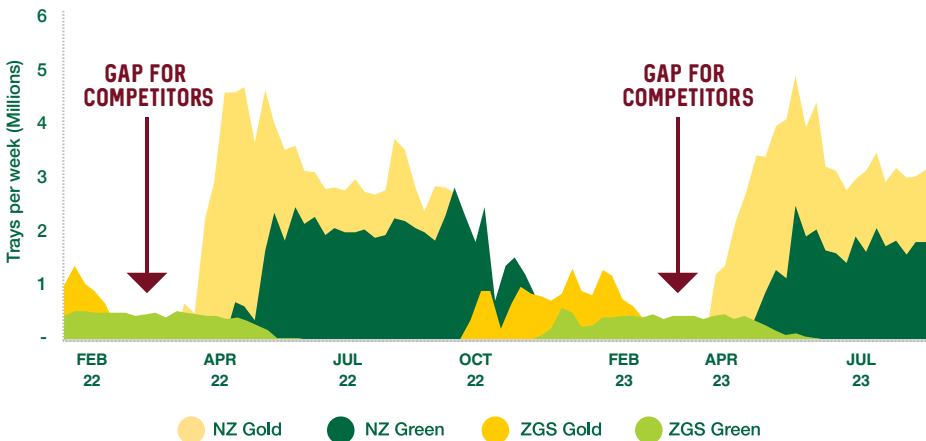
We're leaving a large and growing gap in the market because of our lack of SunGold supply in the ZGS season and that gap will increase if we don't expand our offshore production. At the moment, all 5,000 hectares previously approved by producer vote are allocated. Our competitors are investing to fill the gap, building their own supply and brands, improving their own value proposition and taking market share. In other cases, the gap is being filled by lower quality fruit, eroding value and turning consumers off the category. They're growing at about the same rate as us, but their fruit is typically priced for the consumer at least 20 percent less than ours during the ZGS season (noting that consumer prices are at the sole discretion of retailers). This puts the premium we can attract at risk over time. This risk to our pricing – or the potential for value erosion over time if we do not expand in response to increasing demand – is the most significant financial impact of the proposed expansion that we can quantify. See page 15 for an overview of the estimated value at stake for New Zealand OGRs, should the vote be successful.



"It's important to have strong alliances between the New Zealand and Italian growers. We are not competitors, we are complementary. My sister, my brother, and all our organisation is committed to Zespri. We have invested in this partnership for nearly 25 years, a lot of money and time. The Zespri brand is very important to us."

Marco Salvi - President of the Salvi Group: growers, distributors, and marketers of fruit since 1891 and Zespri partners since 1999

Zespri Global Weekly Sales Rates - NZ & ZGS



"If we want to remain relevant and of value, we need to continue to supply our brand and have consistent quality and consistent supply."

Rob Humphries - Whakatāne grower



What have growers been asking?

Throughout 2024, the industry has been discussing the planting of more SunGold hectares in our current offshore production and procurement locations of Italy, France, Japan, South Korea and Greece (not China or Chile) in line with forecast demand and in response to this increasingly competitive environment.

The resolution is a result of these industry discussions, and the feedback captured along the way. The main themes of this feedback have been:

How will New Zealand growers benefit financially from the expansion of ZGS SunGold hectares?

The total estimated value at stake for the grower pool is \$0.63 - \$1.32 per tray for SunGold and \$0.47 - \$0.96 for Green (in 2033 and based on 2520 hectares):

- The value at risk if we don't expand is between \$0.57 and \$1.26 per tray for SunGold, and between \$0.41 and \$0.90 per tray for Green. Expansion enables us to maintain our volume share and therefore our value proposition, supporting our price premium. If we don't expand supply, this may be at risk therefore negatively impacting grower returns.
- The estimated financial gain of the proposed expansion is \$0.06 per tray in the SunGold and Green pools. This is based on the benefits we can quantify (efficiency of advertising/promotional spend; rebalanced overheads).

Further detail behind the estimated value at stake is on page 15 of this brochure.

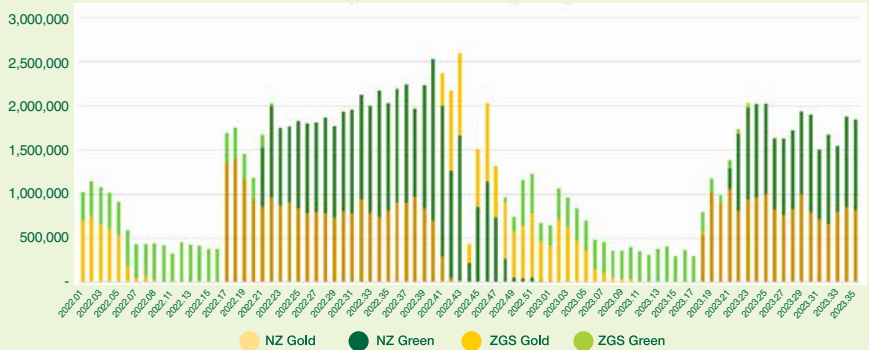
How does Zespri manage the season transition window to make sure that New Zealand supply is prioritised?

ZGS was established to support Zespri's efforts to maximise New Zealand grower returns. The transition to and from New Zealand fruit is always transacted so that the market returns for New Zealand fruit in the transition window are maximised.

We ensure we sell out New Zealand fruit as our first priority, then we use our business planning tools to ensure we have a smooth transition with customers as we switch to ZGS fruit.

Further, regulator Kiwifruit New Zealand (KNZ) monitors the season transition as part of its monitoring function. Should the vote be successful, the season transition will be reported to growers each year.

Europe Green and SunGold - Weekly Phasing



This chart shows the season transition in Europe in 2022 and 2023 seasons. It shows ZGS fruit leaving the market, New Zealand fruit returning, and vice versa. New Zealand fruit will always be prioritised. A larger version of this graph is available on the ZGS section of Canopy.

How do we ensure ZGS fruit is the same quality as New Zealand fruit and doesn't undermine the brand?

We have a huge amount of control over ZGS quality – who grows it, where they grow it, what goes on the fruit and, when it's harvested, when it's loaded out, where it's sold and how. We also set and enforce the quality and grade standards, and audit facilities and suppliers.

ZGS 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 in the same way they are in New Zealand.

We also measure consumer perception via our annual brand tracker which includes feedback on fruit quality.

How will we prevent oversupply?

The resolution has allowed for an annual release of hectares, guided by the annual review of demand and supply, a review that is conducted by a dedicated strategy team and our in-market teams.

Based on current modelling, if we release 420 hectares per year for the next six years, we'll be meeting 60 percent of demand in the 2034/35 ZGS season.

THE RESOLUTION

That growers support the allocation of up to 420 additional hectares of SunGold Kiwifruit per year over six years across Italy, France, Japan, South Korea and Greece, subject to annual review by the Zespri Board to confirm forecast demand remains ahead of supply and the provision of annual reporting to growers.

The resolution reflects the need to maintain our market position as well as New Zealand grower feedback around key areas such as ensuring demand remains ahead of supply. As part of the proposal we will provide annual reporting on the following areas in response to grower requests for more transparency and information about:

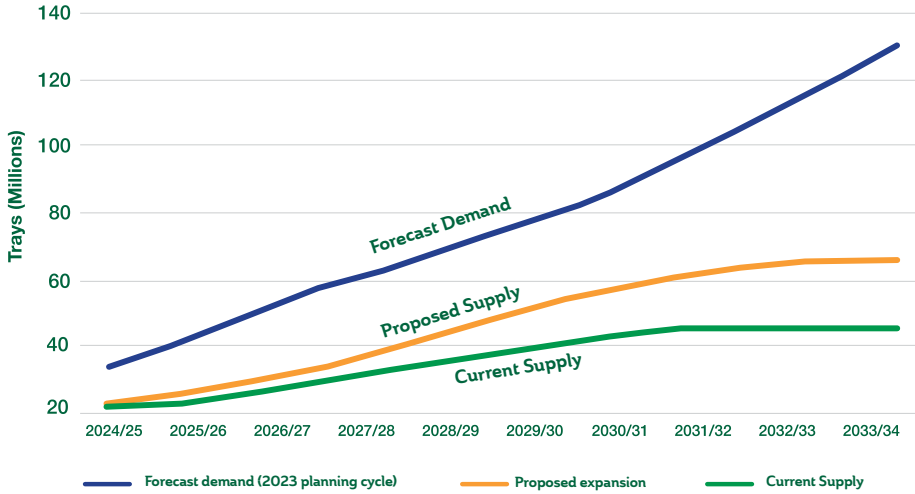
- The transition between New Zealand and ZGS supply and ensuring New Zealand fruit is always prioritised
- Market analysis of the kiwifruit category
- ZGS SunGold performance
- Consumer perception

See page 18 for information on the reporting structure that will be implemented if the vote is successful.

If we do plant the maximum number of additional hectares requested in the resolution, we are forecast to meet 60 percent of demand in 2033/34. This includes an increase in average yields from around 6,250 now to a target ambition of around 9,250 by 2033/34.

Zespri will work with our ZGS partners and New Zealand post-harvest and grower leaders to improve ZGS production and deliver on the target.

Forecast demand and supply for ZGS SunGold



Breaking down the resolution – key definitions

- Allocation** refers to the process whereby the number and distribution of hectares assigned to approved ZGS countries is determined. Following the annual supply and demand confirmation by the Zespri Board, allocation plans for the additional hectares will be agreed between Zespri and approved suppliers throughout the following year and reported on a country level by December, commencing in 2025 for year one. 420 is the maximum number of hectares that can be allocated each year and unallocated hectares cannot be transferred to, or allocated in, a later year. Zespri may amend allocations between suppliers and approved ZGS countries at any time.
- Allocated hectares must be **planted within three years** of allocation being reported in December (irrespective of when allocation plans are agreed or whether allocations are amended within that time).
- Additional hectares** means SunGold hectares on top of the existing 5,000 SunGold hectares approved under the 2019 Producer Vote. For clarity, replacement plantings are covered by the approval for the original planting or allocation.
- The **six-year** period will begin on 1 January 2025 and end on 31 December 2030 and refers to the time period during which approved allocations are agreed and reported.

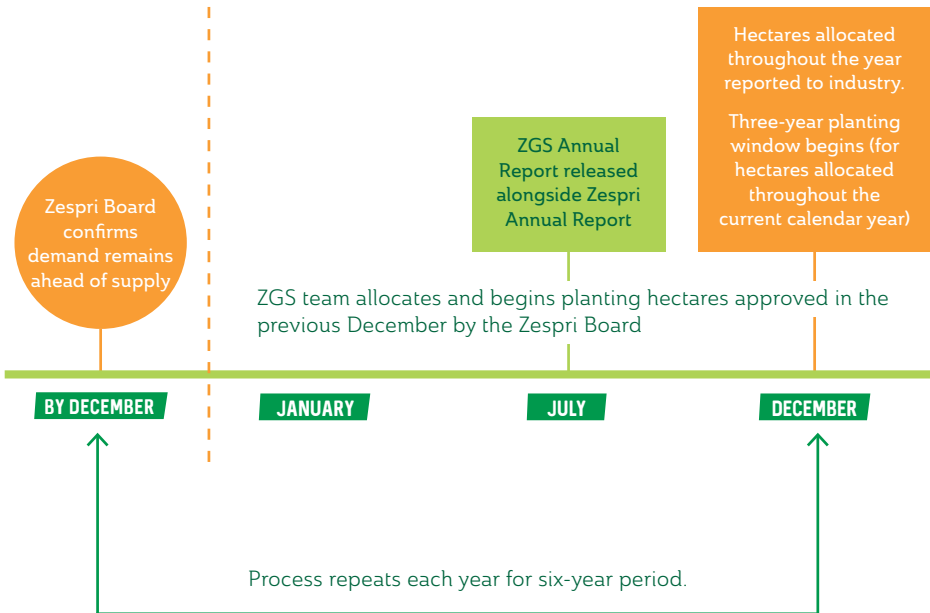
- The allocation of additional hectares **across Italy, France, Japan, South Korea and Greece** means that hectares may only be allocated in those countries, which are the approved ZGS countries under this resolution. In any year, hectares may be allocated in any one or more of those countries. It is also possible that, in any year, one or more of those countries may not be allocated any additional hectares.
- The **annual supply and demand confirmation** means the process where the Zespri Board will confirm that, for the following five years, forecast SunGold

demand will remain ahead of supply in order to enable the allocation of additional hectares. The confirmation will be based on the annual *Five-Year Outlook* document, released to the industry by 31 December each year, with the first confirmation to occur in 2024.

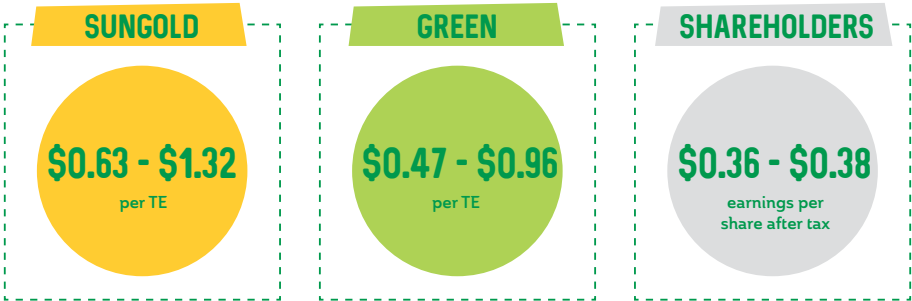
Each Outlook will assume the maximum allocation of additional ZGS hectares for each year of the six-year period.

- Details of the **annual reporting** to be provided to growers are provided on page 18.

Allocation and reporting timeline



The value of the resolution



The estimated value of the resolution for New Zealand growers – in 2033/34 and based on full production of the total 2,520 hectares. Refer to the table on page 16 for the detail behind these numbers.

ZGS is a critical value driver for the industry and a huge part of how we maintain our market position and deliver strong returns.

Based on the benefits we can quantify (our ability to maintain our pricing; efficiency of advertising/promotional spend; and rebalanced overheads), the estimated value at stake is between \$0.63 and \$1.32 per tray for SunGold and between \$0.47 and \$0.96 for Green in 2033. The impact on the Green OGR is because we know that we achieve a premium for Green because of fruit quality and also due to leveraging the premium we achieve with SunGold. Without enough SunGold supply, we will not be able to maintain the current premium that we have for Green (currently 22 percent above the competition for Green in the New Zealand season - excluding Greater China – noting that consumer prices are at the sole discretion of retailers).



"Our strategy is not about selling more fruit at any cost, it's about selling the most fruit at a premium price and ensuring the consumer is willing to pay for it. This means we deliver strong, ongoing returns to New Zealand growers and build enduring relationships with retailers and consumers who feel like they get good value from us, even at premium prices. Being able to do that year-round is critical."

*Jiunn Shih - Chief Marketing,
Innovation and Sustainability officer,
Zespri*

As the table below shows, the key driver is maintaining our value proposition to support our pricing premium. If we don't expand supply, our value proposition will erode over time and our price premium may be at risk therefore having a negative impact on grower returns.

Impact in 2033/34 vs. current plan

		SunGold NZS Pool (in NZD per TE)	Green NZS Pool (in NZD per TE)	Shareholder earnings in NZD per share ¹
PROTECT VALUE	Protected value-proposition: Losing market share, best shelf space, price premium erodes returns (conservative case/high impact case ²).	0.57 - 1.26	0.41 - 0.90	0.09 - 0.11
	VALUE AT RISK IF NO EXPANSION			
OPTIMISE COSTS	Optimised costs: A&P spend is more efficient due to not having to restart sales when NZ fruit returns.	+0.04	+0.04	
	Rebalanced overheads: NZS overhead costs would decrease as a result of a reduced relative share of NZS vs ZGS.	+0.02	+0.02	-0.02
INCREASE VOLUME	Increased Shareholder Returns: Earnings on more sales deliver additional dividends.			+0.29
TOTAL VALUE AT STAKE BASED ON 2,520 HECTARES <i>(sum of expected gains and value protection)</i>		SUNGOLD \$0.63 - \$1.32 PER TE	GREEN \$0.47 - \$0.96 PER TE	SHAREHOLDERS \$0.36 - \$0.38 EARNINGS PER SHARE AFTER TAX

¹ Earnings per share after tax

² Conservative Case: 10% price impact on ZGS season and 10% on NZS on 20% of NZS season; High-Impact Case: 10% price impact on ZGS and 15% impact on NZS on 30% of NZS season

A summary of the full ZGS benefits is as follows:



Supports strong pricing: ZGS supports our price premium by maintaining our market position and space with key retailers.



Builds the brand: Being on shelves year-round keeps Zespri in front of consumers, helping to build loyalty, recognition, and value.



Ensures positive consumer experiences: Having Zespri-quality fruit available means consumers have a consistent, positive experience of kiwifruit. Inferior fruit can turn consumers off kiwifruit and erode the value of the category for all brands.



Strengthens relationships with retailers: Retailers want kiwifruit all year; if they can't get it from Zespri they'll look elsewhere. Having consistent supply keeps them committed to Zespri.



Strengthens relationships with growers: We can keep the best ZGS growers growing for Zespri, rather than growing competitor varieties or other fruits.



Enhances partnerships: Having local production means more support from communities and regulators. ZGS was a key reason why the 8.8 percent tariff on our exports to the EU was removed. New Zealand growers paid \$50m in tariffs there in 2023.



Supports market access: Having strong local relationships and growing presence supports our ability to maintain our market access, including resolving challenges that can arise.



Leverages research: Zespri's Northern Hemisphere footprint means year-round, global research on issues of critical importance including biosecurity and production.



Reporting

The resolution refers to the provision of annual reporting to growers.

If the vote is successful, this reporting structure will be put in place from 2025. The first ZGS report will be delivered alongside Zespri's Annual Report around July 2025, and annual reports will be provided around July of each subsequent year of the six-year period. Details of the information in each annual report is set out below.

Forecast demand and supply, and actual allocations of additional hectares, will be reported via the annual *Five-Year Outlook* document, with a dedicated ZGS section added to this document. The *Five-Year Outlook* will be published by 31 December each year.

Reporting Structure

The following information will be compiled into an annual ZGS report, prepared alongside Zespri's Annual Report around July each year and made available on Canopy.

The transition between New Zealand and ZGS supply

Weekly phasing of Zespri Kiwifruit supply from prior calendar year to be published, with a further detailed breakdown to be provided to Kiwifruit New Zealand and NZKGI.

Market analysis of the kiwifruit category

Overview of:

- The competitive environment
- Growth/movement in the kiwifruit category as part of the total fruit category
- Zespri's position within the category including brand metrics
- Insights from Zespri's core markets.

ZGS SunGold performance

Reports on the following:

- Taste and dry matter
- Planted hectares
- Yields
- Harvested hectares and trays per-hectare
- Class 1 packed trays
- Total trays supplied

Perception of ZGS fruit

Report on:

- Consumer perception of ZGS fruit.

The following information will be published in a dedicated section of the annual *Five-Year Outlook* document by 31 December each year.

Forecast demand and supply

Annual review of forecast ZGS SunGold demand and supply to ensure forecast demand remains ahead of forecast supply for the following five years. From 2025, this will include reporting on the allocation of any additional SunGold hectares that year.



"The collaboration throughout this ZGS discussion has shown the strength of our industry and single desk structure. Our conversations and your questions have directly informed the resolution and reporting. Should the Vote be successful, it will be another milestone in New Zealand kiwifruit history when growers have come together as a collective to look to the future and secure Zespri's position in the global market."

Tracy McCarthy - Executive Officer, Grower and Industry Engagement



Risks and mitigations

We know that kiwifruit growers understand business risk and there are risks involved in global supply. Zespri has been successfully operating the ZGS business for almost 25 years. There are well-established systems in place to manage risks and ZGS has an excellent track record.

Zespri is required under Regulation 11 of the Kiwifruit Export Regulations to show it has *“minimised, as far as is reasonably practicable, the risks (arising from carrying out the proposed activities) for the producers who have not agreed (whether or not those producers voted)”*.

KNZ will continue to monitor ZGS activities to ensure they comply with approved Producer Vote resolutions. This includes monitoring actions to minimise (or mitigate) the risks arising from those activities.

Risk	Mitigation
<p>Brand reputation and customer perception</p> <ul style="list-style-type: none"> • Risk of food safety breach which causes brand reputation damage • Risk of sustainability/environment and/or social responsibility issues 	<ul style="list-style-type: none"> • ZGS fruit has equivalent Zespri quality standards and auditing systems in place to NZ fruit • ZGS growers must comply with Zespri’s crop protection programme and residue testing checks compliance like in NZ • We have robust selection criteria to ensure that we are partnering with the best growers and suppliers in our ZGS locations to grow our variety • Reinforcement of protocols through grower training and education • Zespri oversight of growers and post-harvest facilities with experienced staff on the ground
<p>Financial risks</p> <ul style="list-style-type: none"> • Risk of ZGS and NZ fruit competing in the same market during season cross-over • Risk of markets being over-supplied • Risk of cost to NZ growers from operating the ZGS business • Risk of Zespri focus on ZGS over New Zealand supply 	<ul style="list-style-type: none"> • Prioritising NZ fruit sales is the key principle as international seasons change. The aim is always to ensure that NZ fruit sales are not disadvantaged by the presence of ZGS fruit • Market allocations are planned based on this principle and we review plans regularly based on seasonal circumstances and transit times • The season cross-over is monitored and reported to industry • The risk of over-supply due to the allocation of the additional hectares is mitigated by the requirement that the Zespri Board confirms annually that forecast demand exceeds forecast supply, and reporting this information to industry • ZGS covers its own overheads and contributes to wider Zespri costs on a user-pays basis (by volume or time) • As ZGS grows, it will contribute more to the costs of running Zespri • We seek to ensure we find the right balance between extending the NZ season and minimising fruit loss to maximise NZ grower returns • We will ensure adequate resourcing to allow for growth in the ZGS business without affecting New Zealand supply

Risk	Mitigation
<p>Intellectual property</p> <ul style="list-style-type: none"> · Risk that Zespri knowledge and techniques are used by competitor growers · Risk of unauthorised production of SunGold 	<ul style="list-style-type: none"> · All growers agree to confidentiality provisions when signing contracts and growers are reminded of this with disclaimers on all documents. Only authorised growers can attend Zespri SunGold technical events · Zespri applies for Plant Variety Rights protection in all ZGS production countries. Unauthorised production will be investigated and actioned in line with Zespri’s enforcement strategy · ZGS creates opportunities for overseas growers to plant SunGold Kiwifruit in ZGS production countries which reduces the risk of unauthorised planting · ZGS has been operating for almost 25 years and provides growers with the opportunity to be part of a growing community of authorised Zespri partners which creates additional incentive for growers and the community to report unauthorised planting activity, as well as creating a network of people that improve Zespri’s ability to become aware of unauthorised activity early · Zespri has skilled staff in place in approved ZGS countries who are part of the local growing community and are able to identify potential unauthorised plantings · Only Zespri authorised growers can access SunGold nursery stock and grow SunGold Kiwifruit · All planting is audited and recorded · Zespri accredits only reputable nursery partners and monitors plant material development



“We create value by investing in innovation so we can deliver the world’s leading varieties under the guardianship of some of the world’s best kiwifruit growers who are dedicated to producing top-quality kiwifruit and to the Zespri brand. As a result, consumers around the world are willing to pay more for Zespri than any other kiwifruit, and that brand premium enables us to continue investing in developing our portfolio to keep winning new customers and growing into new markets, so more households have access to Zespri Kiwifruit and it is available to them every week, becoming a staple in their fruit bowls. We need to protect this position, while focusing on building for the future.”

Tim Clarkson - Executive Officer, Strategy



Regulations

New Zealand’s kiwifruit industry is regulated. The Kiwifruit Industry Restructuring Act 1999 (Act) and the Kiwifruit Export Regulations 1999 (Regulations) set out the current industry structure. The Act and the Regulations establish Zespri as the primary exporter of New Zealand-grown kiwifruit to all countries other than Australia. This arrangement is commonly referred to as the Single Point of Entry (SPE).

The Regulations were amended in 2017 in response to grower feedback on the direction of their industry. One of the changes was to the definition of Zespri’s core business – as well as the purchase and export of New Zealand-grown kiwifruit; this was updated to cover marketing and market development of New Zealand-grown kiwifruit, and R&D relating to kiwifruit.

To undertake activities not covered under core business, Zespri must either provide prior notice to Kiwifruit New Zealand (KNZ) before carrying out an activity that supports core business or seek approval from growers in a producer vote under Regulation 11 for activities that fall outside the “support core business” definition in the Regulations.

To gain approval, a producer vote needs at least 75 percent support from those producers who vote, calculated by both (a) number of voters, and (b) volume (weight) of production.

Where producers approve an activity by the required majority, Zespri must also minimise, as far as is reasonably practicable, the risks that arise from carrying out the proposed activities, for the producers who voted against this activity or did not vote. Once an activity is approved by producers, any

changes to that activity which take it outside the scope of the approval must be approved by a further producer vote.

Previous Producer Votes

2019

Zespri’s global supply activities were approved by producer vote in early 2019, following amendment of the Regulations. This enabled Zespri to continue our 12-month supply business, which includes growing, procuring and selling kiwifruit grown in overseas countries (except for Chile and China).

More specifically, the scope of Zespri’s existing approved ZGS activities includes: use in overseas countries of plant varieties of kiwifruit owned by Zespri, managing growing practices by overseas growers, managing the supply chain from overseas growers to market, and marketing and market development for Zespri Kiwifruit grown overseas.

Examples of these activities include entering into contracts for nursery propagation, production and distribution of plant material, proof of concept for early stage locations, granting PVR licences and entering into supply agreements with overseas growers.

The 2019 Producer Vote approved Zespri’s 12-month supply activities up to the following limits:

- 5,000 hectares of SunGold Kiwifruit planted offshore
- 20 million trays of green procured per year
- 1,000 hectares of any new variety.

KNZ has been monitoring Zespri's compliance with the parameters of the 2019 Producer Vote, including ensuring that Zespri has not exceeded any of the above limits.

2022

The 2022 Producer Vote set out to increase the 2019 approval for growing SunGold Kiwifruit in overseas countries by up to an additional 10,000 hectares and the 2019 approval for new varieties by up to an additional 1,000 hectares, by putting forward two separate resolutions. No extension of the approval for green kiwifruit procurement was proposed.

The resolutions achieved just under 68 percent and 70 percent support (by producer count) respectively but were not successful as the required 75 percent thresholds were not achieved. Accordingly, the approval caps obtained in the 2019 Producer Vote have remained in place.

2024

The voting period for the 2024 Producer Vote will begin at 9am on Monday 11 November 2024 and close at 12 noon on Thursday 5 December 2024. Zespri may follow up with producers to remind them that the voting period is underway.

If the resolution does not achieve the required 75 percent threshold for both number of producers and fruit weight count, then the existing limit approved in 2019 remains in place.

Voting

How does the vote work?

This is a grower (or “producer”) vote, not a shareholder vote. Each producer votes once. A producer is a landowner or a lessee (with a lease of at least one year’s duration as at 30 September 2024) of land on which kiwifruit is grown for supply to Zespri. If a producer owns multiple KPINs under different entities, each separate entity will have one vote. Each entity’s vote will count in the total.

Each vote is counted in two ways:

Producer Count

The first count of votes is a simple count of the landowners and lessees who voted, and the number of those that vote in favour. This is referred to as the ‘Producer Count’.

Fruit Weight Count

The second count is of the production weight in kilograms (not trays) of those who vote. It is based on an average of the last two completed seasons – in this case that is the 2022 season (ending 31 March 2023) and the 2023 season (ending 31 March 2024) – and includes all fruit supplied to Zespri (less any supplier liability fruit loss). This is referred to as the ‘Fruit Weight Count’.

Owners and lessees of orchards which have not yet reached production can exercise their vote for the Producer Count but there is no Fruit Weight Count allocated to their vote.

For leased orchards (with a lease of at least one year’s duration), the vote of the landowner is counted by default for that orchard’s production weight unless the landowner notified Zespri by the applicable deadline before the voting that the lessee’s vote will be counted for the Fruit Weight Count.

The resolution **must be passed** by 75 percent of those who vote (the ‘Producer Count’), **and** by at least 75 percent of the production in kilograms of those who vote (the ‘Fruit Weight Count’) to be approved.

How to Vote

The voting period opens at 9am on Monday 11 November 2024 and closes at 12 noon on Thursday 5 December 2024.

The vote is administered by Electionz.com, a third party, independent provider.

A voting pack is sent to each eligible producer. **If you have multiple production entities, you will receive multiple voting papers and you need to cast your vote in relation to each entity, whether voting online or by post. Each entity's vote will count in the total.** The pack includes:

- This Producer Vote brochure
- Voting paper and explanatory notes
- KNZ information paper
- Freepost return envelope

You can vote online, by post, or in person at the Zespri Grower Roadshows. There is also a ballot box in the Zespri reception where you can drop your completed paper.

Before voting, read the Explanatory Notes document.



Option one: Internet voting

Go to www.electionz.com/zespri24. Follow the link to the voting site. You will be asked to enter your unique PIN and password as shown on your voting paper. Once logged into the voting site, follow the voting instructions to cast your vote. **If you have more than one production entity i.e. different legal entities that supply to Zespri, then remember to vote for each entity.**



Option two: Postal voting

To vote, place a tick in the circle to indicate whether you support the Resolution or not. After voting, carefully detach along the indicated perforation and place the bottom portion in the freepost envelope and post it so it is received by the Returning Officer before the close of voting. Again, if you have more than one production entity i.e. different legal entities that supply to Zespri, then remember to vote for each entity.



Option three: Drop to Zespri

Complete your voting paper as you would for Option 2, and instead of returning via post, drop it to the ballot box in Zespri Head Office Reception, 400 Maunganui Road, Mt Maunganui 3116 before the close of voting.



Option four: Vote at Zespri Grower Roadshows

Electionz.com representatives will be present at each Grower Roadshow taking place between 21 November 2024 and 4 December 2024. They will have iPads available for you to cast your vote using your unique PIN and password.

Voting enquiries

For voting enquiries, including requests for replacement voter packs, please contact the election helpline on 0800 666 028 (New Zealand residents) or 00 64 3 377 3530 (overseas residents) or email iro@electionz.com.

CONTACT US

The Zespri Grower Relations Team

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If you have further questions please contact a member of the Zespri Grower Services team:

Freephone: 0800 155 355

Email: producer.vote@zespri.com

For more information, head to Canopy:

canopy.zespri.com

