

Policies to apply in accordance with the proposed new constitution

- **Minimum Holding**
- **Maximum Holding**
- **Policies applying to the issue of Shares**
- **Surrender Policy**
- **Minimum Business**
- **Standard Terms**



(updated with effect from 20 February 2020 (notified on 20 November 2019))

Constitution provision	Minimum Holding determined by the Board
Minimum Holding determined by the Board under clause 7.1;	1,000 "A" shares

Constitution provision	Maximum Holding determined by the Board
Maximum Holding determined by the Board under clause 8.1;	No Maximum Holding has been determined by the Board.

Constitution provision	Policies applying to the issue of Shares
Policies applying to the issue of Shares determined by the Board under clause 9.9.	<p>The following are the criteria against which applications for a shareholding will be considered by the Board. This process is designed to ensure that growers / entities that become shareholders support the direction and needs of the co-operative.</p> <ol style="list-style-type: none"> 1. No Producer is entitled to become a shareholder by virtue of the fact that they are a Producer. 2. The Producer must currently supply, or be projected to supply, MG in excess of \$100,000 of Produce per annum. The value of the sales is determined excluding GST and hire equipment (crates and bins etc) and measured on a period of 12 months ending on a date determined by MG for the purpose for which the determination is made (normally being MG's financial year). Exceptions may be made for key niche growers (be it seasonal, transitional between regions etc), those required to ensure MG's continuous supply requirements, and those that mitigate MG's supply risk (be it by product, region, season, etc). 3. The Producer must be NZ GAP programme approved or have an equivalent certification. 4. The Producer must, or be prepared to, participate in / utilise the TAG quality grading system.

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	<p>5. Producers must also have:</p> <ul style="list-style-type: none">• if required by MG, the ability to assist MG in the development of brands through the supply of quality product in appropriate volumes;• a willingness to continually improve their operation, production and quality assurance; and• the ability to supply product in quantities and at times to meet MG’s customer requirements. <p>6. The Producer must meet MG’s own business objectives, e.g. the type and quantity of product/location of the Producer.</p> <p>7. MG may request financial and any other relevant information from the Producer to be taken into account in assessing any application to become a shareholder.</p> <p>Notwithstanding the above - the Board may, from time to time, accept shareholding applications that do not fully meet the above criteria if, in the Board’s opinion, it is in the best interests of the Company to do so.</p> <p>The Board shall in its absolute discretion determine whether or not to issue shares to any Producer applying to become a shareholder.</p> <p>MG’s shares are issued to applicants to enable the applicant to become a shareholder and participate in the co-operative business of MG. The Board will only consider applications for the Minimum Holding.</p> <p>An exception to this policy can be given where the Board considers it to be in the best interests of the company given the particular circumstances that have arisen.</p>
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Constitution provision	Surrender Policy determined by the Board
<p>Surrender Policy determined by the Board under clause 12.1.</p>	<p>Shareholdings under 100,000 shares to be surrendered in total after Board approval.</p> <p>Shareholdings between 100,000 and 1,000,000 shares shall be surrendered in instalments of 100,000 shares, and then any balance that is less than 100,000, on Board approval and then on each anniversary of the Board approval (for example: a holding of 350,000 shares would be surrendered in instalments of 100,000 on Board approval, 100,000 on the first anniversary of the Board approval, 100,000 on the second anniversary of the Board approval, and 50,000 on the third anniversary of the Board approval);</p> <p>Shareholdings over 1,000,000 shares shall be surrendered in 10 equal instalments, on Board approval and then on each of the first to the ninth anniversaries of the Board approval (for example a: a holding of 1,500,000 shares would be surrendered in instalments of 150,000 shares on Board approval and 150,000 shares on each of the first to the ninth anniversaries of Board approval);</p> <p>All surrenders are subject to Companies Act 1993, Co-operative Companies Act 1996 and any banking requirements / limitations / solvency tests.</p> <p>The Board may accelerate any of the above payment programmes at its discretion.</p> <p>Note that the shareholder remains a shareholder until the full amount is paid out (albeit with a reducing shareholding i.e. part of the shareholding surrendered each time).</p> <p>An exception to this policy can be given where the Board considers it to be in the best interests of the company given the particular circumstances that have arisen.</p>

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Constitution provision	Minimum Business determined by the Board
<p>Minimum Business determined by the Board under clause 13.12</p>	<p>\$10,000 of Produce sold to MG and/or supplied to MG and sold on consignment either:</p> <ul style="list-style-type: none"> • in any one year in a rolling three year period; or • on average over a rolling three year period. <p>Amount is calculated excluding GST and hire equipment (crates and bins etc.)</p> <p>Applies to all Produce.</p> <p>Periods for the purposes of an annual meeting or determining a rebate to be a 1 July to 30 June year (being MG’s financial year). Periods for the purposes of a special meeting shall be the 12 month period ending on the 40th working day before the date of the meeting in accordance with clause 21.32 of the constitution.</p>

Constitution provision	Standard Terms
<p>Standard Terms determined by the Board under clause 20.1</p>	<p>Company’s standard terms entitled “Full terms and conditions with buyers – effective 28 May 2012” and the Company’s standard terms entitled “Full terms and conditions with suppliers – effective 28 May 2012”.</p>