



78 Waterloo Road, Hornby  
Christchurch 8042  
PO Box 8581  
Christchurch 8440

1 June 2023

Dear Shareholder,

I am writing to you about this year's election of directors.

At each annual meeting, two current directors retire automatically by rotation. The retiring directors can stand for re-election (if eligible). Other eligible nominees can also stand for election.

Mark O'Connor and Robin Oakley retire as Directors by rotation at the 2023 Annual Meeting. Both Mark O'Connor and Robin Oakley are offering themselves for re-election.

We now invite shareholders to put forward their director nominations for the 2023 election. Nominees must meet the following eligibility criteria:

- (a) The nominee must be a qualifying Current Producer Shareholder as at the date of their nomination and as at 48 hours before the annual meeting;
- (b) The nominee must be nominated by two other qualifying Current Producer Shareholders (joint shareholdings (more than one person) are considered to be a single shareholding and a Shareholder cannot nominate themselves).
- (c) A Current Producer Shareholder is a Producer who has transacted more than the Minimum Business (\$10,000 in Produce sold to MG and / or supplied to MG and sold on consignment either: in any one year in a rolling three-year period; or on average over a rolling three-year period. The amount is calculated excluding GST and hire equipment (crates and bins etc.).
- (d) Nominees and nominators are disqualified if they are in default of any payment obligation to the company.

The above is a summary of the relevant clauses of the Constitution – please refer to the full constitution for complete details.

**Board Capability Framework:** Attached to this notice is a copy of MG's current Board capability framework (this applies to the Board as a whole). The MG board has developed this framework to assist shareholders in selecting a board of directors with the range of skills and experience needed by the company from time to time. The voting information provided to shareholders will explain the importance of this. We recommend that prospective nominees formally assess themselves against the framework and describe the skills that they will bring to the MG Board when making their personal statement that will be provided to shareholders. Shareholders will take this into consideration when deciding how to vote.

**Results will be reported:** Prospective nominees need also to be aware that the number of votes that each nominee receives will be formally / publicly reported at the AGM and in the post AGM letter to shareholders.

**Nominations** - Any nominations for the office of Director of Market Gardeners Limited must be received by 5.00 pm on Friday 30 June 2023 and must be:

Mailed to:                   **OR**   Emailed to:                   **OR**   Delivered to the Company's  
registered office:  
  
The Company                   dpryor@mgroup.co.nz                   78 Waterloo Road, Hornby,  
Secretary,                   With originals to follow by mail                   Christchurch 8042.  
P O Box 8581,                   or delivery.  
Christchurch 8440

**Nominations must be in writing using forms provided by MG.** Should you wish to make a nomination or require any further information please do not hesitate to contact Duncan Pryor at MG's Support Office on (03) 343 1794 or email on dpryor@mgroup.co.nz.

Yours sincerely  
MARKET GARDENERS LIMITED



Duncan Pryor  
*Company Secretary and  
Chief Financial Officer*

## Market Gardeners Limited trading as MG (MG)

### – Capability framework

MG is a grower co-operative and as such it is primarily governed by grower directors who are appointed by the shareholders. Special Directors are also able to be appointed by the Board.

Under MG's constitution there are a number of requirements around the appointment of a Director which, amongst other things, primarily relate to the Director being a Current Producer. In addition, Shareholder appointed Directors must retire by rotation every three years and a majority must be Current Producers.

The Board acknowledges and confirms the Shareholders rights to appoint the Directors in accordance with the constitution. In doing so it is understood that such appointees will come to MG with a background in growing, running such businesses and other skills / abilities.

Whilst recognising the individual skills, strengths and weaknesses of those appointed as Directors, the Company and Board as a whole has a desire that there is a wide range of capabilities, competency, diversity and skills around the Board table to meet the company's needs.

Diversity can be achieved by a number of means and covers many elements - MG is looking to achieve a diversity of thought, experience and an appropriate skill base / capabilities around the board table in the context of those that the shareholders elect to the Board.

As such the Board has not set prescriptive rules for matters such as product knowledge, geography, cooperative knowledge, tenure, gender, ethnicity or other diversities but is working within the generic principle - that in order to optimise the Board capabilities, gaps will be filled through the appointment of special directors and through tailored training and development of all directors.

The desired core capabilities for the MG Board are as detailed in the table below which will be considered in the context of the Institute of Directors "Four Pillars of Governance Best Practice – key competencies for non-executive directors".

This framework forms part of and is to be read in conjunction with the Board Charter (which can be found on MG's website [www.mggroup.co.nz](http://www.mggroup.co.nz)).

Capability Area	Capability Definition
Governance Experience	Experience and knowledge in governing a significant commercial entity. Including an understanding of key aspects of the governance processes, boardroom dynamics, decision-making, liability and shareholder representation.
Governance Aptitude	Potential for operating as an effective director including logical thought processes / reasoning, a decision making approach, interpersonal skills and an ability to deal with a range of communication styles, personality traits, and relevant business expertise in order to contribute to board discussions, give direction to and mentor management.
Business Strategy and Transformation	The development, planning and execution of a wide range of strategies to meet specific organisational objectives. Includes the development of a long- term strategy framework and business transformation including people and culture change.
Finance/Commercial	An organisation's processes, procedures, controls, and records for the conduct and management of all aspects of financial transactions, events, and situations. This may include financial planning and analysis, risk, audit, tax, accounts payable, accounts receivable, general ledger and accounting. Involves direct professional applications of knowledge of regulations, related principles and tactics to the conduct of the organisation's commercial affairs. This may include compliance, contracts, legal counselling, insurance / risk management and / or real estate / property transactions.

Grower Operations	<p>Experience in horticultural farm systems and management, farm ownership (from hands on hard work to strong leadership skills), managing financial and physical short and long-term farm performance, maximising sustainable productivity and profitability.</p> <p>Expertise in shaping profitable and sustainable agricultural economics including global and local markets, drivers of supply and demand, and commodity prices. Knowledge and appreciation of the economics of various agri business models including cooperatives.</p>
Sales and Trading (domestic and international)	This area involves driving successful sales and trading both on a domestic and an international basis - sales capability development, sales analytics and delivering customer solutions. It involves developing, maintaining, and exploiting relationships with prospective and existing buyers and users to stimulate and control demand and terms of sale for products or services of the organization.
Customer and Consumer Insight	Involves processes and procedures for fulfilling customer needs related to the purchase of goods and services, from placement of order through to delivery and / or after sale usage. Understanding of links between customer service, sales, supply chain / logistics, and processing.
Supply Chain	Involves understanding the dynamics of supply chain management with an emphasis on consumer products including perishables and the cool chain.
Supplier and Shareholder Relations	Expertise in protecting, maintaining, and enhancing an organisation's reputation and interests amongst shareholders and suppliers by communication and by providing an interface for the organisation with various individuals and relevant industry / governmental bodies.

In addition to the above, the Board will, from time to time on an as required basis, look for other skills such as: technology, Government / Industry relationships, Mergers and Acquisitions etc.

