

New Zealand Honey Producers Co-operative Limited
INVESTMENT STATEMENT FOR ORDINARY SHARES

DATED: 23 August 2010

This is an Investment Statement for the purposes of the Securities Act 1978, prepared as at 13 August 2010 for New Zealand Honey Producers Co-operative Limited which is a company incorporated under the Companies Act 1993, and under the Co-operative Companies Act 1996.

The purpose of this Investment Statement is to provide certain key information that is likely to assist a prudent but non-expert person to decide whether or not to acquire new Ordinary Shares in New Zealand Honey Producers Co-operative Limited and to bring to the attention of prospective investors the fact that other important information about the Ordinary Shares in New Zealand Honey Producers Co-operative Limited is available in other documents.

This Investment Statement relates to a Prospectus dated 13 August 2010, registered under the Securities Act 1978. The Prospectus contains further details of the Offer to which this Investment Statement relates.

Every applicant for Ordinary Shares in New Zealand Honey Producers Co-operative Limited that did not receive a copy of this Investment Statement prior to applying for the Ordinary Shares may, within 10 working days of the date on which the Investment Statement is sent to it, withdraw its application by written notice to New Zealand Honey Producers Co-operative Limited.

❖ **Important Information**

(The information in this section is required by the New Zealand Securities Act 1978.)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

❖ **Choosing an Investment**

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information in this document, important information can be found in the current registered Prospectus for the investment. You are entitled to a copy of that Prospectus on request.

❖ **Engaging an investment adviser**

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an advisor.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including-

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include-

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

❖ **What sort of investment is this?**

The securities being offered are nominal value ordinary shares (Ordinary Shares) in New Zealand Honey Producers Co-operative Limited. The Ordinary Shares are being offered to Transacting Shareholders of the Company in a pro rata proportion to the Transacting Shareholders' Rebate Share holdings. The maximum number of Ordinary Shares which the Company will issue under this Offer is 1,600,000.

The Ordinary Share will not grant a right to supply honey to the Company. The Ordinary Shares will entitle the Shareholder to a dividend and other distributions if declared by the Board for Ordinary Shares.

An Ordinary Share will confer a right to vote at meetings of shareholders of the Company. A Shareholder who holds Ordinary Shares shall have the right to cast one vote where there is a show of hands or voices and for any matter for which there is a poll a Shareholder present in person or by proxy shall have one vote for each Ordinary Share held.

An Ordinary Share will rank equally with Rebate Shares on the liquidation or winding up of the Company.

A Transacting Shareholder who increases its supply of honey to the Company and is required by the Company to subscribe for additional Rebate Shares under the Constitution of the Company may apply to the Company to convert some or all of its Ordinary Shares for Rebate Shares on a one for one basis. The Company shall have discretion whether to allow the conversion.

A Transacting Shareholder who ceases to supply honey to the Company will be entitled to surrender its Ordinary Shares.

The Board may determine that the Ordinary Shares are not surrendered but are reclassified as Deferred Shares with the rights and obligations of Deferred Shares as provided for in the Constitution.

If a Transacting Shareholder dies then the deceased Shareholder's personal representative shall be entitled to request that its Ordinary Shares are surrendered and in such case the Company shall redeem the Ordinary Shares within one year after receiving notice of such request.

Following the issue of the Ordinary Shares, the Company will make a bonus share issue of one fully imputed Ordinary Share for every four Ordinary Shares held by a Shareholder.

This Offer is open from 16 August 2010 ("Opening date") and will close on 29 October 2010 ("Closing date"). The Opening date and Closing date may be changed by the Company at its discretion. Applications must be received by the Company no later than 5pm on the Closing Date.

The Company may withdraw this Offer if the Board receives applications for less than 80% of the Ordinary Shares on issue by the Closing Date.

❖ **Who is involved in providing it for me?**

The offer of Ordinary Shares is being made by New Zealand Honey Producers Co-operative Limited, 39 Laughton Street, Washdyke, Timaru.

There are no promoters of the issue.

The Company is a Co-operative company which packs honey and other products derived from the honey supplied to it by its shareholders and sells those products in New Zealand and overseas. The Company has been carrying on these activities since 1981.

❖ **How much do I pay?**

The amount payable for each Ordinary Share is one dollar (\$1.00). Payment is due in cash, in full to the company (PO Box 2075, Washdyke 7941), upon application for the Ordinary Shares.

The Ordinary Share is a nominal value share.

A Transacting Shareholder may, but is not required to, make payment for the Ordinary Shares by allocation of Retentions owed to the Transacting Shareholder by the Company to the purchase price of the Ordinary Shares.

For every four Ordinary Shares to which a Shareholder subscribes the Company will issue one fully imputed bonus Ordinary Share.

❖ **What are the charges?**

There are no entry, administration, termination or other charges payable in respect of the Ordinary Shares.

❖ **What returns will I get?**

New Zealand Honey Producers Co-operative Limited has the power to pay dividends on Ordinary Shares, and will attempt to do so annually, but has no obligation to do so.

Following the issue of the Ordinary Shares, the Company will make a bonus share issue of one fully imputed Ordinary Share for every four Ordinary Shares held by a Shareholder.

Shareholders are unlikely to realise any capital gains in the value of the Ordinary Shares. The Ordinary Shares have a nominal value of \$1.00.

The Ordinary Shares may only be transferred to Transacting Shareholders and any transfer will be subject to the Constitution of the Company.

The value of Ordinary Shares may decline if the value of the Company's assets is reduced to a level at which the Ordinary Shares would not be repaid in full on a

liquidation. Further information is set out below under the heading “What are my Risks?”

The Company does not guarantee the capital or the amount of returns (if any) in relation to an investment arising from this Offer.

❖ **What are my risks?**

You will not be required to pay more in respect of the Ordinary Shares than disclosed below or under “How much do I pay?” above.

The principal risk of you not recovering the value of your Ordinary Shares and not receiving the returns described under “What returns will I get?” is that the Company goes into liquidation or is wound up.

The Company may require a Shareholder to surrender or transfer its Ordinary Shares in particular circumstances as detailed in the Constitution, including where the Shareholder ceases to be or is not a Transacting Shareholder.

The Company must not accept or require the surrender of Ordinary Shares unless the Board has resolved that immediately after the surrender the Company will satisfy the solvency test.

While the price paid for the surrender of Ordinary Shares will in most cases be the nominal value of the Ordinary Share or the amount paid up on the Ordinary Share whichever is the lesser, the Board may pay a lesser price if that lesser price is fair to the Shareholders of the Company.

If the Company is put into liquidation or wound up, you as a Shareholder will rank after all creditors of the Company. If you hold fully paid Ordinary Shares in the Company you will be under no obligation to pay further amounts to any person should the Company become insolvent. If you hold any Ordinary Share which is partly paid, then you will be liable to pay the balance of the value of the Ordinary Share in the case of insolvency of the Company.

❖ **Can the investment be altered?**

The rights and obligations attached to the Ordinary Shares may be altered by a special resolution of Shareholders whose rights are affected in the same way. A special resolution is one passed by a majority of 75% or more of the votes of those Shareholders entitled to vote and voting on the question.

Under certain circumstances set out in the Companies Act 1993 a Shareholder whose rights are affected by a special resolution may require the Company to purchase his or her Ordinary Shares.

❖ **How do I cash in my investment?**

If you cease to supply honey to the Company you may surrender the Ordinary Shares to the Company by agreement with the Company. You may require the Company to accept the surrender of the Ordinary Shares where you:

- a) Have not been a supplying shareholder during the immediately preceding 5 years; or
- b) Have disposed of your beekeeping business and other assets with the result you do not have the capacity to continue to be a Transacting Shareholder.

While the price paid for the surrender of Ordinary Shares will in most cases be the nominal value of the Ordinary Share or the amount paid up on the Ordinary Share whichever is the lesser, the Board may pay a lesser price if that lesser price is fair to the Shareholders of the Company.

The Board may determine that the Ordinary Shares are not surrendered but are reclassified as Deferred Shares with the rights and obligations of Deferred Shares as provided for in the Constitution.

You may sell the Ordinary Shares to a Transacting Shareholder, subject to the restrictions in the Constitution of the Company on transfers of Shares.

❖ **Who do I contact with enquiries about my investment?**

Any enquiries can be directed to:

Warren Reynolds *General Manager*

New Zealand Honey Producers Co-operative Limited
PO Box 2075,
Washdyke,
Timaru 7941

Telephone: (03) 688 7380
Fax: (03) 688 7385
Email: warren@nzhoney.co.nz

❖ **Is there anyone to whom I can complain if I have problems with my investment?**

Complaints about shares covered by this Investment Statement can be directed to:

Warren Reynolds *General Manager*

New Zealand Honey Producers Co-operative Limited
PO Box 2075,
Washdyke,
Timaru 7941

Telephone: (03) 688 7380
Fax: (03) 688 7385
Email: warren@nzhoney.co.nz

There is no Ombudsman to whom complaints can be made.

❖ **What other information can I obtain about my investment?**

Other information relating to the Company can be found in the Prospectus and in the financial statements of the Company.

A copy of the Prospectus, the latest annual report of the Company, the Constitution of the Company, the terms and conditions of supply and other information relating to suppliers are all available free of charge to Shareholders, and to prospective Shareholders, on request from Warren Reynolds, General Manager, New Zealand Honey Producers Co-operative Limited, PO Box 2075, Washdyke, Timaru 7941. The Prospectus, financial statements and other documents of, or relating to, the Company are filed on a public register at the Companies Office of the ministry of Commerce.

Each Shareholder will be sent a notice of general meetings of the Company and all notices, accounts and other documents required to be sent to Shareholders under the Constitution of the Company or the Companies Act 1993, including the annual report.

Shareholders may also request, at any time, free of charge:

- A copy of the Company's most recent Annual Report and Financial Statements, together with all documents that are required to be registered with those financial statements under the Financial Reporting Act 1993;
- A copy of the most recent Prospectus relating to Ordinary Shares in the Company;
- A copy of the most recent Investment Statement relating to Ordinary Shares in the Company.

Shareholders are also entitled to inspect and, subject to certain restrictions and payment of the Company's reasonable costs, to take copies of the following:

- The Certificate of Incorporation of the Company;
- Constitution;
- The Share Register;
- The full names and residential addresses of the Directors;
- The registered office and the address for service of the Company;
- Minutes of all meetings and resolution of Shareholders;

- Copies of written communications to Shareholders during the preceding ten years, including Annual Reports, Financial Statements and Group Financial Statements;
- Certificates given by Directors under the Companies Act 1993;
- The Interests Register of the Company;

Such a request should be made in writing to:

Warren Reynolds *General Manager*

New Zealand Honey Producers Co-operative Limited
PO Box 2075,
Washdyke,
Timaru 7941

Telephone: (03) 688 7380
Fax: (03) 688 7385
Email: warren@nzhoney.co.nz