

NEW ZEALAND RURAL LAND CO.

SUSTAINABLE AOTEAROA

Dividend Reinvestment Plan Offer Document

4 FEBRUARY 2022

www.nzrlc.co.nz



This is an Offer Document in respect of Shares offered under the New Zealand Rural Land Company Limited Dividend Reinvestment Plan. The Plan offers Shareholders the opportunity to directly increase their investment in New Zealand Rural Land Company.

This Offer Document explains how the Plan works. This is an important document. You should read the whole document in full. If you do not understand it or are in any doubt as to how to act, you should consult with your financial or other professional advisor.

This Offer Document has been prepared as at 4 February 2022.

New Zealand Rural Land Company Dividend Reinvestment Plan

New Zealand Rural Land Company Limited (the **Company**) has established a Dividend Reinvestment Plan (**Plan**) which offers Shareholders the opportunity to reinvest the dividends received on their existing Shares into additional Shares, without incurring brokerage fees. Participation in the Plan is entirely optional.

Capitalised terms used in this Offer Document have the meanings given to them as set out in the Glossary section at page 11.

KEY FEATURES

Shares Acquired with the Net Proceeds of Cash Dividends

The Plan gives you the opportunity to reinvest the net proceeds of cash dividends payable or credited on all or some of your Shares by acquiring additional fully paid Shares. This is a convenient method of increasing your investment in the Company free of brokerage charges.

Eligibility

The Plan is open to all Shareholders except Shareholders whose address is in a jurisdiction other than New Zealand where the Company elects not to offer Plan participation into. The Company may exclude jurisdictions outside of New Zealand where it considers, in its reasonable opinion, to be unduly onerous to offer the Plan in that jurisdiction. When the Company announces a dividend on the NZX Market, it will advise the foreign jurisdictions able to participate in the Plan (if any).

If you do not satisfy the criteria above, the Company reserves the right to otherwise determine, in its absolute discretion, that you are eligible to participate on a case by case basis.

Full or Partial Participation

Participation in the Plan is optional. If you do not wish to participate in the Plan, you do not need to do anything and will receive cash dividends paid on all of your Shares.

If you elect to participate in the Plan, you can do so in respect of all or part of your Shares. Participation in the Plan applies to all future dividends on Participating Shares unless you vary your level of participation in the Plan in accordance with the Terms and Conditions.

Joining, Variation and Withdrawal Arrangements

You can choose to participate in the Plan, vary your participation in the Plan or withdraw from the Plan at any time. Notice of joining, variation or withdrawal received after 5:00pm on an Election Date will be effective as at the following Election Date.

Details of your Entitlement

If you are eligible to participate in the Plan and elect to do so, details of your total dividend entitlement and the number of Shares issued or transferred to you under the Plan will be sent to you promptly after each dividend payment date.

Please contact the Company's Share Registrar or email info@nzrlc.co.nz if you need to change your contact details.

Issue Price of Shares

Shares under the Plan will be issued or transferred at the Strike Price. The Strike Price will be calculated as the volume weighted average price for a Share based on all trades of Shares on the NZX Market over a period of 10 trading days preceding the date of setting the Strike Price, less a discount that the Board may apply at its discretion at any time a dividend is declared.

Shares Rank Equally

Shares issued or transferred under the Plan will rank equally in all respects with each other and all other Shares on issue at that date.

Financial Markets Conduct Act 2013

The offer of Shares under the Plan is being made in reliance on clause 10 of Schedule 1 of the Financial Markets Conduct Act 2013. There is no product disclosure statement in respect of the Plan.

Dividend Policy

Details of the Company's dividend policy as amended from time to time are available on the Company's website www.nzrlc.co.nz.

Terms and Conditions

1 Introduction

- 1.1 The Board of the Company has approved the establishment and adoption of the Plan. The Plan is available to you if, subject to clauses 2 and 4, you are the holder of Shares in the Company. Under the Plan, you may elect to reinvest the net proceeds of cash dividends payable or credited on all or some of your Shares by acquiring additional fully paid Shares.
- 1.2 The terms and conditions of the Plan (**Terms and Conditions**) as determined by the Board are set out below. By applying to participate in the Plan, you acknowledge that you have read and agreed to these Terms and Conditions.

2 Eligibility of Participation

- 2.1 You are eligible to participate in the Plan if, as at 5:00pm on a Record Date:
 - 2.1.1 you hold Shares in the Company; and
 - 2.1.2 you are resident in New Zealand or another jurisdiction which the Company has determined to offer Plan participation into; and
 - 2.1.3 you either hold your Shares directly or you hold your Shares indirectly through a nominee whose address is recorded in the Company's share register as being in New Zealand.
- 2.2 If you do not satisfy the criteria above the Company reserves the right to otherwise determine, in its sole discretion, that you are eligible to participate on a case by case basis.
- 2.3 The Company may elect to offer participation under the Plan to Shareholders whose address is outside New Zealand if, in the Board's reasonable opinion, it would not be unduly onerous to offer the Plan into that jurisdiction. If the Board determines that the Plan will be offered to overseas jurisdictions, it will notify the market at the time of announcing the dividend.
- 2.4 If you reside outside New Zealand and hold Shares through a New Zealand resident nominee, you should not allow your nominee to participate in the Plan if participation in respect of your Shares would be contrary to the laws of your country of residence.
- 2.5 If you reside outside New Zealand and elect to participate in the Plan through a New Zealand resident nominee, you will be deemed to represent and warrant to the Company that you can lawfully participate through your nominee.
- 2.6 The Company accepts no responsibility for determining whether you are able to participate in the Plan under laws applicable outside of New Zealand.

3 Participation Options

- 3.1 You may elect to participate in the Plan by exercising one of the following options:
 - 3.1.1 **Full Participation** - If you choose full participation, the Plan will apply to the cash dividends payable or credited from time to time in respect of all Shares registered in your name on the Record Date.
 - 3.1.2 **Partial Participation** – If you choose partial participation, the Plan will only apply to the cash dividends payable or credited from time to time in respect of your nominated percentage (%) of Shares registered in your name on the Record Date.

- 3.1.3 **Non-Participation** – If you choose not to participate in the Plan, you are not required to do anything. Normal cash dividend payments will be paid out to you and will not be reinvested in further Shares.
- 3.1.4 **Specific Participation** – You may contact the Company requesting to enter into an alternative participation option, particularly if you are subject to a mandatory minimum holding requirement under law. Acceptance of such requests will be solely at the Company’s discretion.

4 Excluded Shares

- 4.1 If you hold any Shares over which the Company has a lien or charge, those Shares will not be eligible to participate in the Plan.

5 Participation Election

- 5.1 To participate in the Plan, you must make a Participation Election by providing a Participation Notice in one of the following ways:

- 5.1.1 **Online Election** – by visiting the website of the Share Registrar:

<https://investorcentre.linkmarketservices.co.nz>

- 5.1.2 **Participation Notice** – by completing the enclosed Participation Notice which accompanies this Offer Document and returning it to the Share Registrar in one of the following ways:

Mail

New Zealand Rural Land Company Limited
c/- Link Market Services Limited
PO Box 91976
Auckland 1142

Email

enquiries@linkmarketservices.co.nz (Please put NZL in the subject line for easy identification)

or such other person or address as the Company may determine from time to time.

- 5.2 If your Participation Notice does not indicate your Participation Election, it will be deemed to be an application for full participation provided you have otherwise correctly completed and signed the Participation Notice.
- 5.3 If the Share Registrar receives your correctly completed Participation Notice by 5:00pm on the Election Date, participation in relation to your net proceeds of cash dividends payable or credited will commence on that Election Date, otherwise your participation will commence on the first Election Date after receipt, subject to any termination of the Plan becoming effective before then.
- 5.4 You must provide separate Participation Notices in respect of each parcel of Shares you hold which are identified by a separate CSN or holder number.
- 5.5 You can elect to participate at any time while the Plan is in effect by following one of the steps in clause 5.1. A Participation Notice can be obtained from the Share Registrar at any time.

6 Commencement and Continuity of Plan

- 6.1 By accepting this offer, you direct the Company to apply the net proceeds of cash dividends payable or credited on your Participating Shares to be reinvested in additional Shares from the first Record Date which occurs after receipt by the Company of a properly completed Participation Election or, if your Participation Election is received after a Record Date but before 5:00pm on an Election Date, from the Record Date immediately preceding that Election Date.
- 6.2 Your participation in the Plan shall continue until you or the Company terminate your participation in the Plan in accordance with these Terms and Conditions and shall not apply while the Company suspends the Plan.

7 Formula for Calculation of additional Shares and Strike Price

- 7.1 The number of Shares to be issued under the Plan as fully paid to you in return for a cash dividend will be:
- 7.1.1 based on the net cash proceeds that you would have otherwise received; and
- 7.1.2 calculated on the basis that the issue price of the additional Shares will be the market price of Shares less a discount (if any, that the Board may determine at its discretion), as determined in accordance with the formula set out in clause 7.2 below.

- 7.2 If you choose to participate in the Plan, the number of additional Shares you will be allotted or transferred will be calculated in accordance with the following formula:

$$N = \frac{PS \times D}{\text{Strike Price}}$$

Where:

N is the number of additional Shares you will receive;

PS is the number of your participating Shares;

D is the net proceeds of cash dividends paid or credited per Share by the Company (expressed in cents and fractions of cents, including any applicable supplementary dividends in respect of Participating Shares payable to non-resident Shareholders but excluding any tax credits and after deduction of any withholding or other taxes, if any); and

Strike Price is the volume-weighted average market price in New Zealand dollars (expressed in cents and decimals of cents) for a Share, calculated on all trades of Shares which took place through the NZX Market over a period of ten (10) trading days starting on and including the first trading day after the relevant Election Date, less any discount determined by the Board (in its absolute discretion).

- 7.3 The Board may adjust the period over which the Strike Price is calculated in its discretion (and any such adjustment will be advised to NZX no later than 10 trading days prior to the relevant Record Date).
- 7.4 The Strike Price may be reasonably adjusted by the Company to allow for any bonus issue or dividend or other distribution expectation.
- 7.5 If, in the opinion of the Board, any exceptional or unusual circumstances (including any unusual or irregular trades) have artificially affected the Strike Price, the Company may make such adjustment to that price as it considers reasonable.
- 7.6 Any percentage discount determined by the Board shall be notified to NZX not later than 10 business days prior to the relevant Record Date.
- 7.7 The determination of the Strike Price by the Board, or by some other person nominated by the Board, will be binding on all participants in the Plan.

8 Fractional Entitlements

- 8.1 Where the number of additional Shares you will receive (calculated in accordance with the formula set out in clause 7.2) does not equal a whole number, then that number of Shares will be rounded up or down to the nearest whole number of Shares.
- 8.2 Any residual net proceeds of cash dividends that arise from Participating Shares that cannot be paid or credited to a Share by the Company because, in aggregate, those proceeds are less than the Strike Price will be retained by the Company for its sole benefit and will not be refunded or paid to you nor held by the Company or the Share Registrar on your behalf.

9 Source of additional Shares

- 9.1 Your additional Shares acquired under the Plan may, at the Board's discretion, be:
- 9.1.1 new Shares issued by the Company;
 - 9.1.2 existing Shares acquired by the Company or a nominee or agent of the Company and transferred to you; or
 - 9.1.3 any combination of (a) and (b) above.

10 Terms of Issue

- 10.1 The additional Shares acquired by you under this Plan will be issued or transferred to you on the terms set out in this Offer Document and subject to the same rights as Shares acquired by all other Shareholders who participate in this Plan.
- 10.2 Any new Shares issued or transferred by the Company for the purposes of this Plan will, from the date of allotment or transfer, rank equally in all respects with each other and with all other Shares on issue as at that date.

11 Statement to Participants

- 11.1 If you choose to participate in the Plan, the Company will send to each Participant, as soon as is practicable after each dividend payment date, a statement detailing:
- 11.1.1 the number of your Participating Shares as at the relevant Record Date;
 - 11.1.2 the amount of your cash dividend reinvested in additional Shares and the amount of dividend paid in cash in respect of any of your Shares that are not participating in the Plan (if applicable);
 - 11.1.3 the Strike Price and the number of additional Shares you were allotted and/or transferred under the Plan;
 - 11.1.4 the amount of any tax deductions or withholdings, imputations or other taxation credits in respect of the cash dividend; and
 - 11.1.5 any such other matters required by law or the Listing Rules with respect to dividends, reinvestment, the allotment and/or the transfer of shares.

12 Variation or Termination by a Participant

- 12.1 You may, at any time:
- 12.1.1 increase or decrease the number of your Participating Shares by making a new Participation Election in accordance with clause 5.1; or
 - 12.1.2 terminate your participation in the Plan by written notice to the Share Registrar at the address set out in clause 5.1.
- 12.2 Such variation or termination will take effect on the first Record Date after receipt by the Share Registrar of the new Participation Election or the written termination notice, as the case may be or, if your new Participation Election or written termination notice is received after a Record Date but before 5:00pm on an Election Date, from the Record Date immediately preceding that Election Date.

- 12.3 If a Participant dies, participation by that Participant will cease upon receipt by the Share Registrar of a notice of death in a form acceptable to the Company.
- 12.4 The death of one of two or more joint Participants will not automatically terminate participation by the remaining joint Participant(s).

13 Termination, Suspension and Modification by the Company

- 13.1 The Board may, in its sole discretion, at any time:
- 13.1.1 terminate, suspend or modify the Plan or the Terms and Conditions. If the Plan is modified, your Participation Election will be deemed to be a Participation Election under the modified Plan unless you withdraw or modify your Participation Election in accordance with clause 12;
 - 13.1.2 resolve that some or all of a dividend will be paid in cash only instead of the Plan applying;
 - 13.1.3 resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of shares, your Participation Election will be deemed to be a Participation Election in respect of the Shares as subdivided, consolidated or reclassified unless you withdraw or modify your Participation Election in accordance with clause 12;
 - 13.1.4 resolve that your Participation Election will cease to be of any effect;
 - 13.1.5 resolve that the Plan or any allotment under the Plan may be underwritten on such terms as may be agreed between the Company and an underwriter;
 - 13.1.6 make a determination in respect of any of the matters for which the Board is granted discretion under clause 7.1 (which, for the avoidance of doubt, is not a modification to the Plan which requires notice to be given to you); and
 - 13.1.7 determine that Shareholders in specific jurisdictions outside New Zealand may participate in the Plan.
- 13.2 Notice of any termination, suspension or modification of the Plan under clause 13.1.1 will be given to all Participants via market announcement. No such modification or termination by the Company under clause 13.1.1 will be made during the period commencing on a date 21 days before a Record Date for the purposes of determining entitlement to a dividend and ending on the date of payment of that dividend.
- 13.3 Notwithstanding clause 13.2, the Company may at any time, without the need of any notice:
- 13.3.1 modify, suspend or terminate the Plan to comply with the Constitution, the Listing Rules or any applicable law; and
 - 13.3.2 make minor amendments to the Plan where such amendments are of an administrative or procedural nature.

14 Dispositions

- 14.1 If you dispose of all of your Participating Shares, you will be deemed to have terminated your participation in the Plan from the date the Share Registrar registers a transfer of those Shares.
- 14.2 If you dispose of any of your Participating Shares, you will be deemed to have terminated your participation in the Plan in respect of those Shares from the date the Share Registrar registers a transfer of those Shares.

- 14.3 If you elect partial participation under the Plan and dispose of part of your holding of Shares, unless you notify the Share Registrar otherwise in writing:
- 14.3.1 the Shares disposed of will be deemed to be your non-participating Shares; except
- 14.3.2 if the number of Shares disposed of is more than the number of your non-participating Shares, the balance after the disposal will be attributed to the Participating Shares.

15 Compliance with Laws, Listing Rules and Constitution

- 15.1 The Plan will not operate in relation to a dividend to the extent that the allotment, issue or transfer of additional Shares under the Plan would breach any applicable law, the Listing Rules or any provision of the Constitution.
- 15.2 If the Plan does not operate for such reason and the Company cannot allot or transfer your shares, the relevant dividend on your Participating Shares will be paid or distributed to you in the same manner as to shareholders not participating in the Plan.

16 No Inside Information

At each time the price for the Shares is set in accordance with clause 7.2, the Company is required to and will ensure that it has no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Shares if the information were publicly available.

17 Taxation

The taxation consequences for each Shareholder who participates in the Plan will differ depending on their particular circumstances. You should consult your own tax adviser as to the taxation implications of your participation or non-participation in the Plan. The Company does not accept any responsibility for the financial or taxation effects of your participation or non-participation in the Plan.

18 Costs

There are no charges for the Plan. You will not be charged for participation in or withdrawal from the Plan. You will not incur any brokerage or commissions costs on the allotment or transfer of the Shares you receive under the Plan.

19 Listing Rules

The Plan is subject to the Listing Rules, and in the event of any inconsistency between the Plan and the Listing Rules, the Listing Rules will apply.

20 Governing Law

This Offer Document and the Plan and its operation will be governed by the laws of New Zealand.

21 Available Information

Copies of the Company's most recent Annual Report are available to Shareholders free of charge. The Annual Report contains the Company's most recent financial statements and the auditor's report on those financial statements.

You can download the most recent Annual Report from the Company's website at: www.nzrlc.co.nz.

Alternatively, you can request a hard copy of these documents from:

New Zealand Rural Land Company Limited
Suite B, Level 4
12 St Marks Road
Remuera
Auckland 1050

New Zealand Rural Land Company Limited
PO Box 28053
Remuera
Auckland 1541

Or email: info@nzrlc.co.nz

Glossary

Board means the board of directors of the Company.

Company means New Zealand Rural Land Company Limited (8118739).

Constitution means the constitution of the Company (as amended from time to time).

CSN means Common Shareholder Number.

Election Date means, in respect of each Record Date, the first trading day after that Record Date or such later date as set by the Board and advised to the NZX Market.

Listing Rules means the listing rules of the NZX Market (as amended from time to time).

NZX means NZX Limited.

NZX Market means the equity security market operated by NZX.

Offer Document means this booklet which sets out the Terms and Conditions of the Plan.

Participant means any eligible Shareholder who has validly completed (and has not withdrawn) a Participation Notice that has been accepted by the Board.

Participating Shares means the Shares held by a Participant on a Record Date in respect of which a valid Participation Election has been made.

Participation Election means your chosen participation in the Plan, made in one of the ways specified in clause 5.1 of this Offer Document.

Participation Notice means the form of participation notice accompanying this Offer Document.

Plan means this Dividend Reinvestment Plan established by the Board on the Terms and Conditions, as amended from time to time.

Record Date means 5:00pm on the date fixed by the Company for determining entitlements to dividends payable or credited on Shares.

Share Registrar means Link Market Services Limited.

Shares means ordinary shares in the Company.

Strike Price means the price at which additional Shares will be issued or transferred to you, calculated in accordance with clause 7.2 of this Offer Document.

Terms and Conditions means the terms and conditions of the Plan, as amended from time to time.

NEW ZEALAND RURAL LAND CO.

SUSTAINABLE AOTEAROA

Dividend Reinvestment Plan Participation Form

DO NOT COMPLETE THIS FORM IF YOU WISH TO RECEIVE IN CASH ALL DIVIDENDS DECLARED.

Name: _____

Address: _____

All enquiries to:

Link Market Services Limited
PO Box 91976, Auckland 1142, New Zealand
Tel: + 64 9 375 5998
Email: enquiries@linkmarketservices.co.nz
Web: www.linkmarketservices.co.nz

CSN/Holder Number: _____

Number of Shares held: Balance_NZL _____

The New Zealand Rural Land Company Limited (NZL) Dividend Reinvestment Plan (Plan) allows you to elect to forgo your right to receive dividends on all or any of your fully paid ordinary shares in New Zealand Land Company Limited in cash, and instead to reinvest all or part of the net proceeds of your cash dividends in fully paid ordinary shares in New Zealand Rural Land Company Limited. Full details of the Plan are set out in the accompanying Dividend Reinvestment Plan Offer Document dated 8 February 2022 (Offer Document).

If you wish to participate, or vary an existing participation election, in the Plan, please complete this Participation Form and send it to NZL's Share Registrar at your earliest convenience in the enclosed reply paid envelope. Alternatively, you can do so online by visiting <https://investorcentre.linkmarketservices.co.nz>

Choose One Alternative Only

I/We elect to participate in the Plan at the level of participation nominated below and elect to renounce my/our right to have dividends declared in respect of participating shares paid in cash accordingly:

Full Participation

Include all fully paid ordinary shares from time to time registered in my/our name(s). For full participation please tick (✓) here:

☐

Partial Participation

Include the proportion of fully paid ordinary shares registered in my/our name(s) shown below. For partial participation please tick (✓) here:

☐

Please specify proportion as a percentage:

 %

Note: If you do not complete the above in relation to full participation or partial participation, but have otherwise correctly completed and signed this form, you will be deemed to have elected Full Participation in the Plan.

I/We acknowledge I/we have received and read a copy of the Offer Document.

I/We agree to be bound by the terms and conditions of the Plan as set out in the Offer Document.

I/We acknowledge that this election will continue to apply in respect of any dividend that NZL determines the Plan will apply until varied or terminated by written notice in accordance with the terms and conditions of the Plan.

I/We warrant that if at any time I/we reside outside New Zealand and accept or continue to participate in the Plan, the offer of the Plan and my/our participation in it does not breach any laws in my/our country of residence.

Signature(s)

Dated

This Participation Form is not valid unless duly completed and signed. Joint holders must each sign. Companies must execute by an authorised officer or attorney. If signed by an attorney, the power of attorney must either have been previously produced to New Zealand Rural Land Company Limited or must accompany this Participation Form and a certificate of non-revocation of the power of attorney needs to be enclosed.

This Participation Form may be returned at any time to the Registrar by one of the methods below:

By Post (New Zealand)

New Zealand Land Company Limited
c/- Link Market Services Limited
PO Box 91976
Auckland 1142

Scan and email

enquiries@linkmarketservices.com

(Please put NZL in the subject line for easy identification)

NEW ZEALAND RURAL LAND CO.

SUSTAINABLE AOTEAROA

New Zealand Rural Land Company Limited

The Blade, Level 4
12 St Marks Road
Remuera
Auckland, 1050

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