

Information Memorandum

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MHV Water Limited (*the Company*)

Tender Offer of 650 V Shares and 2,450 M Shares together with 104,950 MG Shares

Dated: 11 February 2019

Tenders for shares will only be considered from Tenderers who are Eligible Investors and provide a certificate signed by an independent solicitor, authorised financial adviser or qualified statutory accountant.

Warning: The law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you give this certificate, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Make sure you understand these consequences.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence: it is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

WARNING STATEMENT

This is an offer by the Company of V, M and MG Shares (*the Shares*). The M and MG Shares are offered to existing property owners in the Mayfield Hinds Zone (see map attached). The V Shares are offered to existing property owners in the Valetta Zone. These shares give you a stake in the ownership of MHV Water Limited. You may receive a return if dividends are paid. It is not likely that either dividends or rebates will be distributed.

If MHV Water Limited runs into financial difficulties and is wound up, as a holder of Shares you will be paid only after all creditors have been paid. M and V shareholders will take priority over holders of MG Shares after payment of all creditors and liabilities. As between V, M and MG Shareholders the net amount available for distribution from the sale of assets in the Mayfield Hinds Zone will be paid to the holders of M Shares and then MG Shares. The net amount available for distribution from the sale of assets in the Valetta Zone will be paid to holders of the V Shares. You may lose some or all of your investment. New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made to you as an Eligible Investor. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The Shares are not quoted on any market, and the trading market for the investment is likely to be limited and you may not be able to sell any of the classes of shares. The Shares are subject to restrictions on transfer. The MG Shares have limited voting rights being one (1) vote for every 10 MG Shares held, while M and V Shares have voting rights of one (1) vote for every one (1) M or V Share held.

The arrangements under which you may transfer your investment and the restrictions on your ability to do so, are set out in detail in this Information Memorandum.

Documents / Financial Statements

As a Tenderer for Shares and holder of those shares you will receive each of the following:

- (a) A copy of the Company's latest annual report prepared under any enactment or overseas law (if any);
- (b) A copy of the relevant financial statements and, if those statements are not audited or reviewed by an auditor, a statement to that effect;
- (c) A copy of the auditor's report on those financial statements (if any).

You have the right to receive or obtain from the Company, free of charge:

- (a) a copy of those documents referred to in paragraphs (a) to (c) above if the investor makes a request to the Company to receive a copy of those documents; and
- (b) a copy of those documents by electronic means;

by contacting the Company via its website (www.mhvwater.nz) or by contacting the office on phone 03 307 8389.

Note:

- 1 Holders of MG Shares receive water after all holders of M Shares have received water and scheme storage is refilled.
- 2 Tenderers for M and MG Shares must be within the Mayfield Hinds Zone (see glossary).
- 3 Tenderers for V Shares must be within the Valetta Zone (see glossary).
- 4 Tenderers must be an Eligible Investor (see glossary) and page 15.
- 5 The first criteria for the issuing of Shares will be the price tendered for the Shares.
- 6 Subject to the price offered for the Shares preference will then be given to those in the Ruapuna Area for M Shares and then to existing holders of MG Shares who tender the highest prices for the M Shares.

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1 Key Information Summary

1.1 What is this?

This Information Memorandum contains an offer of:

- (a) 2,450 M Shares
- (b) 650 V Shares
- (c) 104,950 MG Shares

in the Company. Each Tenderer for shares is required to provide a certificate to the Company that they are an Eligible Investor (see page 15).

Water provided to holders of MG Shares (previously called Growth Shares) has a lower reliability as it is only available if water is available after all holders of M Shares have received the water requested by them and scheme storage is refilled.

The new M and V Shares are offered for tender because Rangitata Diversion Race Management Limited has advised that a further 31 litres per second of water is available to MHV. This is allocated under the merger protocols as to 6.5 lps to the Valetta Zone and 24.5 lps to the Mayfield Hinds Zone. The MG Shares are offered because surplus MG Shares are available as these were not taken up under the previous offer of MG Shares.

Currently all holders of M and MG Shares of the Company can hold shares to allow delivery of irrigation water at a rate of 4.2 mm/day for each hectare of land irrigated, being 0.487 lps per hectare. Historically the maximum allocation was 3.5mm/day which was increased in 2017 by 20% to 4.2mm. All holders of V Shares can hold shares to allow delivery of irrigation water at a rate of up to 5 mm/day for each hectare of land being 0.58 lps per hectare.

M and V Shares give the opportunity, subject to reliability, to receive water at 0.01 l/s for 1 share (or 1 l/s for every 100 shares held). After the holders of M Shares have received their water, and any scheme storage has been refilled, the holders of MG Shares receive water, also at the rate of up to 0.01 l/s for 1 share.

1.2 About MHV Water Limited (*the Company*)

The Company owns and operates irrigation distribution networks in the areas shown on the attached map. There are two areas within which water is distributed being:

- (a) the Mayfield Hinds Zone to which the M and MG Shares relate.
- (b) The Valetta Zone to which the V Shares relate.

Each Zone is shown on the map attached.

The shares in this offer apply:

- (a) As to M and MG Shares to the Mayfield Hinds Zone.
- (b) As to V Shares to the Valetta Zone.

The Company supplies irrigation water to an area of approximately 50,000 hectares.

MHV Water Limited distributes water to service defined areas of farm land between the Ashburton River and Rangitata River in mid Canterbury known as the MHV Water Scheme area, by taking water from the Rangitata Diversion Race and distributing that water for irrigation within those areas. The Board of MHV Water Limited may extend or amend the area to be supplied with irrigation water but will only do so if surplus water is available and it is economical to provide a distribution system to the extended area.

MHV Water Limited has rights to take 21.343 cumecs from the Rangitata Diversion Race with the resource consents to take that water being held by Rangitata Diversion Race Management Limited. This water is allocated between the Mayfield Hinds and Valetta Zones as per the merger protocols, with 16.8705 cumecs allocated to the Mayfield Hinds Zone and 4.4725 cumecs to the Valetta Zone.

MHV Water Limited recently extended the Scheme Area to include the Ruapuna Area where a piped irrigation distribution system was constructed and completed in September 2017.

In addition, existing shareholders and property owners who require additional volumes of water and farmers within the Mayfield Hinds Zone and Valetta Zone not currently supplied with water are also being given the opportunity to apply for M Shares and MG Shares within the Mayfield Hinds Zone and V Shares within the Valetta Zone. This may extend the activities of MHV Water Limited into new geographic areas within the two zones.

The Company has on issue:

1,412,842 M Shares which have a priority right over MG Shares to water in the Mayfield Hinds Zone, subject to water being available.

449,629 V Shares which have the first right to water in the Valetta Zone, subject to water being available.

100,389 MG Shares which rank after the M Shares for entitlements to water in the Mayfield Hinds Zone.

This Information Memorandum offers M Shares, MG Shares and V Shares. MG Shares only receive irrigation water after the holders of M Shares have received their requirement for water and scheme storage has been refilled.

1.3 **Current Activities**

The Company has recently completed a project to pipe water in the Ruapuna Area so that water can be delivered under pressure to shareholders in that area holding M and/or MG Shares.

The Company is currently considering constructing a new pond to hold water for the Valetta Zone and automating offtakes and equipment on the Mayfield Hinds races. This is subject to the Board approving the feasibility and costs of these projects.

The Company is carrying out a feasibility study focusing on the ability to build infrastructure and deliver water into the Hackthorne area of the Valetta zone. This project would be utilising existing water from the Valetta Zone if it proceeds.

The Company, together with other entities, is investigating the construction of a water storage dam at Klondyke. This is in the resource consent stage at the present time.

The Company holds a resource consent permitting the discharge of nutrients for farming to those properties to which water is supplied. As this consent expires in May 2019, an application for a replacement resource consent has been lodged.

1.4 Purpose of this Offer

The purpose of this offer is to enable Eligible Investors who wish to access irrigation water the opportunity to do so. Eligible Investors are invited to tender for M and MG Shares if the property is in the Mayfield Hinds Zone and for V Shares if the property is in the Valetta Zone. The MG Shares offer a lower level of reliability to property owners in the Mayfield Hinds Zone.

The tender offer will also raise moneys to provide working capital, meet the cost of capital projects and to reduce debt.

1.5 Key Terms of the Offer

Issuer	MHV Water Limited
Pricing	Separate prices can be tendered for the M, MG and V Shares. On tenders being accepted 10% of the price will be payable immediately. Within 10 working days after the tender becomes unconditional the balance of the tender price is payable.
Tender Opening Date	11 February 2019
Tender Closing Date	Friday 1 March 2019 unless extended by the Company.
Water Available	1 May 2019, subject to infrastructure capability
First Charging date	Monthly in arrears. First payment invoiced 31 May for payment on 20 June 2019 by direct debit.
Number of Shares Offered for Tender	104,950 MG Shares 650 V Shares 2,450 M Shares
Fees payable	There are no fees or other charges payable except water charges under the Water Supply Agreement and charges for connection to the Scheme Infrastructure.

	V Shares	M Shares	MG SHARES
Classes of Shares	V Shares are held by shareholders in the Valetta Zone.	M and MG Shares are, or will be, held by shareholders in the Mayfield Hinds Zone.	
Rights to Water	Each V Share has the right to 0.01 l/s of	Each M Share has the right to 0.01 l/s of	The holders of the MG Shares must own

	water to be delivered in the Valetta Zone (see attached map).	water to be delivered in the Mayfield Hinds Zone (see attached map). Before the holders of the MG Shares receive any irrigation water the entitlement of the M Shares must be met.	property in the Mayfield Hinds Zone and only receive water after the Company has met the entitlements of the holders of the M Shares. After this occurring the holders of the MG Shares have entitlements to 0.01 l/s of water for every one MG Share held.
Water Charges	Annual water charges for every 100 V Shares held are \$295. This charge is likely to increase for the 2019/2020 year when the servicing for the debt on the Valetta assets of approximately \$11m begins.	Annual water charges for every 100 M and MG Shares held are \$210 for open race water and \$852 for piped water. The piped water charge includes the cost of servicing a capital charge for the pipeline. Charges are different for those utilising the Harris Drain infrastructure.	
Water Supply Terms	The right to take water is not required to be exercised. It is a right, not an obligation. Water charges are assessed and payable on a per share basis notwithstanding the full right to water is not exercised. Notwithstanding this, new shareholders are required to be committed to take water and have complied with all nutrient and environmental requirements prior to 8 May 2019.		
Reliability of Supply	For water available in the Valetta Zone the holders of V Shares receive that water in proportion to the number of V Shares held. If there is a shortage of water, then all shareholders only receive their portion of water based on the number of shares held.	For water available in the Mayfield Hinds Zone the holders of M Shares receive that water in proportion to the number of M Shares held. If there is a shortage of water, then all shareholders only receive their portion of water based on the number of shares held. M class shares also have access to water stored in the Carew Ponds.	Where there is a shortage of water to supply holders of MG Shares allocations of water are reduced in proportion to the number of MG Shares held. If there is insufficient water for holders of M Shares the holders of MG Shares receive no water. MG shares only have access to water available in the Mayfield Hinds Zone. MG shares have no rights to access water stored in the Carew Ponds.
Maximum Holding	The maximum holding is 58 V shares per hectare which allows a supply of water of 0.58 l/s per hectare.	The maximum holding is 48.7 M and MG shares/hectare which allows a supply of water of 0.487 l/s per hectare. The maximum holding was increased in 2017 from 0.406 litres per hectare or 3.5 mm application by 20% to 0.487 litres per hectare or 4.2 mm application. Additional shares are required to obtain this increase in volume of water.	

		Additional surplus water may also be available	
Minimum Holdings	All new shareholders and existing shareholders taking water for a new property or parcel of land must hold a minimum number of shares that gives an entitlement to at least 16 lps of water. The Board may at its discretion waive this requirement.		
Rebates and Distributions	All shares share equally in proportion to the number of shares held for any distributions. The Board of the Company (<i>the Board</i>) may pay rebates or make distributions on a different basis to different class of shares.		
Voting Rights	One vote for each V Share held subject to 10% voting cap. At a separate class meeting of holders of V Shares one vote for each V Share with a 10% voting cap.	One vote for each M Share held subject to 10% voting cap. At a separate class meeting of holders of M Shares one vote for each M Share with a 10% voting cap.	One vote for every 10 MG Shares held subject to 10% voting cap. At a separate class meeting of holders of MG Shares one vote for every 10 MG Shares with a 10% voting cap.
Transfer Rights	All shares are transferable with the property owned by the shareholder. When shares are transferred with a farm the shareholder and the purchaser of the farm determine the transfer price for shares. Shares and the water rights attached to shares cannot be transferred to another property in another area or between the current Valetta and Mayfield Hinds Zones. All transfers require the consent of the Board to ensure that the operational, environmental, legal and any other relevant considerations have been appropriately addressed.		
Surrender of Shares at Nominal Value	If a shareholder breaches the terms of the Water Supply Agreement the Company can stop supplying water and surrender any Shares at \$1.00 each.		
Unallocated Water	Any unallocated water made available to the Valetta Zone is used in the Valetta Zone.	Any unallocated water made available to the Mayfield Hinds Zone is used in the Mayfield Hinds Zone.	
Allocation of Shares	On tenders being received for the shares the Board will allocate the different classes of shares taking into account the following factors: (a) The price tendered for the shares. (b) Preference for eligible investors in the Ruapuna Area. (c) For existing MG Shareholders their rights to convert to M Shares provided the price tendered is acceptable. (d) The ability for existing M and V Shareholders to obtain additional shares. (e) The ability to deliver the water within the existing infrastructure. (f) Such other factors as the Board considers appropriate including, but not limited to environmental impacts and the economies of delivering water to the shareholder's property. The Board may decline applications at its discretion, acting in the best interests of the Company.		

1.6 How you can get your money out

The Shares being offered cannot be sold except with the prior consent of the Board. Any share transfers must meet the necessary environmental, infrastructure and legal considerations prior to approval by the Board. There is no market on which the Shares can be sold. (See page 13)

1.7 Key Drivers for returns

There is no return on the Shares. The Company usually operates on a recovery of costs basis so as to keep the annual water charges at a reasonable level.

1.8 Key Risks Affecting this investment

Investments in shares are risky. You should consider if the degree of uncertainty about MHV Water Limited's future performance and benefits are suitable for you. The only benefit from holding MG, V or M Shares is the potential supply of water. The price for the MG Shares should reflect the potential benefits from receiving less reliable water for irrigation and the particular risks of the MG Shares which have a lower priority to water. MHV Water Limited considers that the most significant risk factors that could affect the benefits from the Shares are:

Risk	Risk Identification	Mitigating Factors
Water Delivery Risk	<p>There is a risk water will not be available from the Rangitata Diversion Race (<i>RDR</i>) due to a number of factors:</p> <ul style="list-style-type: none">• Seasonal water flows not permitting delivery.• Change in resource consents held by Rangitata Diversion Race Management Limited (<i>RDRML</i>).• Failure of plant and equipment.• Contagion of water source	<p>The Company mitigates this risk by requiring shareholders to construct on farm storage in the Mayfield Hinds Zone and a regular testing regime.</p>
Resource Consent / Nutrient Risk	<p>ECan has required that all shareholders comply with certain nutrient discharge limits. ECan has indicated that from 2019 there will be a requirement to reduce nutrient discharge. These are included in the resource consents. Failure to comply could result in land use consents being withdrawn.</p> <p>The Company holds a resource consent CRC183851 which permits the discharge of nutrients from farming for properties to which the Company supplies water. This consent expires in May 2019.</p>	<p>The Company addresses this by requiring all shareholders to provide a Farm Environment Plan, including an Overseer™ nutrient budget, to manage nutrients.</p> <p>A resource consent application has been lodged with the Canterbury Regional Council to replace the existing consent on its expiry.</p>

Design and Operating Risks	The delivery of water to shareholders depends on the pipes, races and other equipment operating properly. Failure of pumps, pipes and other equipment can result in no water being available or only limited water. This can create economic risk for shareholders who depend on the water to operate farming businesses.	Continued maintenance, inspection and upgrading of pipes, races, ponds and equipment plus a structured maintenance programme is implemented to reduce these risks.
Construction Risks	The Company lets contracts to build or modify its infrastructure from time to time.	The Company engages competent contractors to build its system and has a monitoring programme for contracts to contain risks.
Borrowing Risks	The Company has a requirement for material bank funding to implement capital projects. These loans create an interest rate and repayment risk for the Company.	This risk is managed through being able to adjust charges to shareholders. In addition, interest rate hedging can mitigate any increase in interest rates.
Payments from Shareholders of Water Charges	The Company depends on its shareholders paying water charges on time to fund the cash outflows of the Company. This can be affected by major changes in commodity prices affecting farm incomes.	The Company can have a measure of control over this risk by not providing water if payment is not made on due date.
Water and or Nutrient Royalties	The Government may impose a levy on the use of water for irrigation or other purposes or on nutrient losses. MHV Water Limited may be required to pay these levies and pass this cost onto all Shareholders. The cost for any given user may be higher than the government levy due to system losses and/or averaging across the scheme.	The Company has no control over changes in Government policies.

This summary does not cover all of the risks of investing in V, M or MG Shares.

1.9 Upgrading of MG Shares

When MG Shares were issued the holders of those shares were to be given the opportunity to apply for shares that gave full rights to water if the Company had further water allocated to it. This would enable the holders of the MG Shares to upgrade to M Shares. This was subject to the price for the M Shares being offered being at a competitive level.

Accordingly, all holders of MG Shares are given the opportunity to tender for the M Class Shares. If the price tendered is at a price point that is competitive and acceptable to the Board then the holder of MG Shares can request the Company to:

- (a) Redeem the same number of MG Shares as the M Shares allocated to that holder with those MG Shares being redeemed at their original issue price.
- (b) Apply the redemption moneys payable for the MG Shares so redeemed as a part payment for the amount payable for the M Shares to be issued to that shareholder with the balance to be payable by that holder for the M Shares.

The above only applies where holders of MG Shares are requesting the redemption of MG Shares when tendering for M Shares under the tender so that there is no change in the volume of water to be supplied to that holder. For the avoidance of doubt, existing holders of MG Shares can apply for M Shares without requesting the redemption of any MG Shares.

1.10 **Where you can find the Company's financial information**

On the website of the Company www.mhvwater.nz you can find copies of:

- The audited financial statements of the Company to 31 May 2018.
- Policies of the Company.
- The latest water supply terms and conditions.

2 Summary of Offer

2.1 Background

The Company operates an irrigation network in the area shown on the attached map (*Scheme Zones*) with infrastructure comprising races, ponds, pipelines, gates, and other plant and equipment to enable irrigation water to be distributed to approximately 200 shareholders within the Scheme Zones.

There are conditions attached to the MG Shares and M Shares requiring a minimum volume of water storage for shareholders taking water from the open race (see page 11 for further details). All Tenderers for M Shares, MG Shares and V Shares will need to provide to the Company a proposed Farm Environment Plan (FEP) for the property of the Tenderer that outlines the proposed farming activities. The successful tenderers for the Shares will then have a period of 4 weeks to provide the necessary Environmental Information. This will include nutrient discharges to ground water calculated using the latest version of Overseer™ in accordance with the Company's consistency standards. If there is any potential increase to nutrient discharge a Farm Activity Variation Application will be required and will need to be approved by the Board.

If the FEP is not provided prior to tendering for shares, or with the share tender, the Company may not be able to allocate shares to that Tenderer, and if the Environmental Information is not provided within the 4-week period the Company may not be able to allocate shares to that Applicant.

There are different charges for water based on the method of delivery. Water delivered through pipes and under pressure is charged at a higher rate than water delivered through open races.

2.2 Who is Providing it to Me?

The name and address of the Company is:

MHV Water Limited

Ground Floor, Irrigo Centre
326 Burnett Street
Ashburton 7700

The current directors of the Company are:

- John Richard Nicholls (Chair)
- Evan Keith Chisnall
- Phillip Graham Everest
- Benjamin Lewknor Johnson
- Vincent John Lobb
- Craig Ernest Osborne
- Mark Andrew Saunders
- Richard David Wilson

Prospective Tenderers should be aware that the persons acting as directors of MHV Water Limited, and the address of the Company, may change. The names of the current directors of the Company,

and the current address of the Company, may be obtained by searching the public register website maintained by the Companies Office: [www.companiesoffice.govt.nz /companies](http://www.companiesoffice.govt.nz/companies).

2.3 **Water / Shares Available**

The Company is offering for tender:

- (a) 2,450 M Shares
- (b) 650 V Shares
- (c) 104,950 MG Shares

(*the Shares*) to shareholders and other property owners in the Scheme Areas including properties that may be connected to the Company's water distribution infrastructure. M and MG Shares can only be issued to persons who are Eligible Investors and hold properties in the Mayfield Hinds Zone. V Shares can only be issued to persons who are Eligible Investors and hold properties in the Valetta Zone. The Shares are offered for tender.

The Shares are offered for tender on the following terms:

- (a) The maximum rate of supply of water for holders of M and MG Shares is 0.487 l/s per hectare or 4.2mm application rate and V Shares at 0.58 l/s per hectare or 5.0mm application rate (see earlier details on pages 3 to 5). Each V Share and M and MG Share gives an allocation of 0.1 l/s per share.
- (b) Each Tenderer will be required to be a party to a Water Supply Agreement with the Company.
- (c) Every Tenderer and the Company must be satisfied that the water available with those Shares can be delivered to the property of the Tenderer.
- (d) The costs of connection to the Company's infrastructure must be paid for by the Tenderer where there are additional costs to upgrade offtakes or extend delivery infrastructure to deliver water.
- (e) For every one hundred (100) Shares applied for the Tenderer will be entitled (subject to reliability) to receive 1 litre per second of water. Holders of MG Shares only receive water in the Mayfield Hinds Zone after holders of M Shares have received full entitlements to water.
- (f) There are requirements imposed under resource consents, and by regulatory and statutory bodies as to the maximum volume of water, including both irrigation scheme and bore water, that can be taken and used for irrigation. Tenderers should make themselves aware of any restrictions on the use of water.
- (g) Every Tenderer shall provide to the Company a Farm Environment Plan along with their application and the successful tenderer(s) have a period of 4 weeks to provide Environmental Information including, but not limited to, a current Overseer™ nutrient budget and Farm Activity Variation Application if applicable and must satisfy the Company that the nutrient policies of the Company will be met.

- (h) Holders of M Shares and MG Shares must comply with the company policy on water storage. The holders of MG Shares have no rights to water from the Carew Ponds or to storage in those ponds. The stored water policies of the Company are currently being reviewed with a new policy likely to apply in the near future.
- (i) The application for the Shares may be accepted or declined by the Board at its discretion.
- (j) Shares may be proportionately reduced if there are over applications or otherwise allocated as the Board determines.
- (k) Subject to the price tendered for the shares being competitive, if there are over applications for shares those Eligible Investors in the Ruapuna Area will have priority to be allotted the M and MG Shares.
- (l) Upgrading MG Shares

Under the Constitution of MHV Water Limited and the Water Supply Agreement the Directors can determine how many shares in MHV Water Limited must be held for the volume of water which is required for irrigation. The current requirement for all Shares is that for every 1 share held (subject to priority right to M Shares and V Shares) water is available at a rate of 0.01 litres per second (or 1 litre per second for every 100 Shares held) to obtain water. The Directors can also issue shares with differing priorities to access water. V Shares rank equally with each other for accessing water in the Valetta Zone. M Shares rank equally with each other for accessing available water in the Mayfield Hinds Zone. The MG Shares rank behind the M Shares so that if there is a shortage of water for the holders of the M Shares in the Mayfield Hinds Zone or water is required for Company storage the amount of water available to the holders of the MG Shares may be reduced or suspended. Within the Mayfield Hinds Zone, holders of M Shares have the first priority rights to available water.

2.4 **Water Storage in Mayfield Hinds Zone**

The current MHV Water Limited storage policy is detailed in clause 2.6.

The Water Supply Agreement provides for the Company to set policies and guidelines on the requirements for shareholders to hold stored water.

The Water Supply Agreement has covenants and provisions relating to the requirement for Stored Water. The provisions and restrictions are as follows:

All new Tenderers for M and MG Shares must satisfy the Company that within such period as may be specified by the Company they will have water storage facilities on the property of that Tenderer or have secured access to Stored Water that will enable compliance with the policy on water storage.

If a shareholder has entered into an agreement to purchase stored water from MHV Water Limited or another provider that stored water may be applied in satisfaction in part or in whole of the obligation of that shareholder to construct or have on farm stored water as set out above.

2.5 Storage in Valetta Zone

Currently there are no requirements for the storage of water in the Valetta Zone.

2.6 Policies of Company on Water Storage

- The Company has on its website (www.mhvwater.nz) a paper called “Water Delivery Policy” which sets out the requirements of the Company relating to the storage of water in the Mayfield Hinds Zone. The design and construction of all storage ponds must comply with the requirements of the Company which requirements are on that website.
- A minimum storage volume of 20,000m³ is the current policy of the Company and requirement of the Company for shareholders taking water from the open race of the Mayfield Hinds Zone.
- In the future the Company may require an increased minimum storage volume for all shareholders within a specific zone or area of the scheme or holding a specific class of share.

2.7 Future Availability of Water

In the event that at a future date more reliable water becomes available from storage, piping or other improvements or enhancements to the MHV Scheme the Company has the right to allocate any more reliable water as it thinks fit. The shares of this offer carry no rights to that water.

2.8 Charges for Water

The entitlement of all shareholders to water, is subject to payment of water charges levied by the Company on a monthly basis. All shareholders are required to pay water charges based on the number of shares held by each shareholder. Water charges are payable notwithstanding that the full volume of water may not be taken or be available from the Company.

The policy of the Company is to ensure water delivery charges are struck at a level where the Company can meet all of its operating costs, administration costs, bank debt, interest and capital reductions and any other costs of the Company. This ensures the water supply charges made and levied against the shareholders cover all costs but do not seek to make a profit for the Company.

2.9 Valetta Zone Annual Charges

The charges on V Shares will be a total charge of \$2.95 per share

When the bank debt attributable to Class V Shares is required to be repaid an additional charge will be levied. This is expected to be required for the next financial year of the Company.

2.10 Mayfield Hinds Zone Annual Charges

The annual charges on M and MG Class Shares will be, for every M and MG Share:

- For open race delivery of water \$2.10 per share (\$210 per annum for every 100 shares).
- For pressurised pipe delivery of water \$8.52 per share (\$852 per annum for every 100 shares).

For every 100 shares held, on a per annum basis:

	M Shares	MG Shares	V Shares
Piped Water	\$852	\$852	\$295

Open Race Water	\$210	\$210	N/A
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Shareholders on the Harris Drain Infrastructure incur an additional infrastructure charge.

2.11 **Difference in Annual Charges**

Water charges are set on a divisional basis so that:

- Divisional financial information is prepared for each of the Valetta Zone and the Mayfield Hinds open races and the Ruapuna Area.
- The operating and other costs of delivering water in each of the scheme zones are kept separate from administration overheads so these costs can be recovered as water charges from each of the holders of the M and MG Shares (for the Mayfield Hinds Zone costs) and from the V Shares (for the Valetta Zone costs).

The above is to ensure that holders of V Shares will not have to pay the operational and funding costs within the current Mayfield Hinds Zone and the holder of M and MG Shares will not pay as water charges any of the above costs for the Valetta Zone.

2.12 **Stored Water**

If stored water is available and a shareholder elects to enter into an agreement with MHV Water Limited, or a third party, to take stored water then there may be additional fixed and variable charges relating to the taking of stored water. MHV Water Limited may be required to incur costs in accessing stored water and it is intended to pass these costs on to those shareholders who take stored water. The cost may be payable whether or not that stored water is taken in any year. Stored water is usually available on an annual basis and the allocation cannot be carried over into the next irrigation season.

2.13 **Connection Costs**

If a new dedicated offtake is required for a property, the Company can recover from the relevant property owner the costs of installing a new offtake.

If new infrastructure is required to connect a property, then the costs of that infrastructure can be recovered by the Company from the shareholders benefitting from that expenditure.

Every Tenderer shall seek confirmation from the Company as to whether there will be additional charges and costs to connect to the Company infrastructure and to clarify the operational charges.

2.14 **Right to Transfer / Sell Securities**

Board may Restrict Access

There is no right to transfer shares in the Company except if a transfer is permitted by the Board. The transfer of Shares policies are available on the website www.mhvwater.nz. The Board can impose conditions in approving a transfer of shares and will consider the environmental, legal and infrastructure implications of any request. Proposed new shareholders will be required to provide the Environmental Information for approval by the Company. However, the terms of the Water Supply Agreement and Constitution of MHV Water Limited permit the Board to approve transfers of shares and rights to water:

- (a) when transferred with a property;
- (b) on a subdivision of a property;
- (c) by transfer to another property. Shareholders in the piped areas may not be able to transfer water to another property and in other areas there may be other issues preventing that transfer;
- (d) under a licensing agreement;
- (e) only if the Environmental Information is provided and the requirements of the Company are complied with and met.

Transfer of Shares with Farm

Shares are normally transferable with the farm land to which they relate as they are issued to persons who have the potential to become connected to the distribution system and when a shareholder sells a farm the shares are transferred at the same time to the purchaser. A shareholder may not transfer the shares issued under this Information Memorandum and rights to water to another property owner in the Scheme Area except if approved by the Company.

Transfer of Shares where Farm Sold to Trust

Transfers can also arise when an existing farm which at the time has the right to take supply from the distribution system is transferred to another member of the same family or a new owner or where the shares are transferred by a shareholder to a trust or company and at the same time the shares in MHV Water Limited and rights to water will be transferred.

Transfer of Shares issued under Offer Document

Shares issued under this Information Memorandum may not be transferred to another property except if approved by the Company. That approval can be withheld without giving reason. This restriction is required because where water is being delivered under pressure that facility may not be available on another property or may result in stranded and redundant infrastructure.

Transfer of Shares in Piped Area and Harris Drain Area

Shares in the above areas cannot be transferred out of that area. As these shares only receive water because they are connected to a dedicated system the shares and water rights attached to them cannot be transferred to another area.

2.15 Voting Cap

The constitution of the Company includes a voting cap so that if a group of associated shareholders hold shares which carry the right to more than 10% of the aggregate votes available any shares held above that 10% voting cap cannot vote on a shareholder resolution. If there is a requirement to have a separate class meeting of the holder of any class of shares (being M, V or MG Shares) then the above voting restriction will also apply to that class meeting of shareholders.

2.16 Enquiries about Securities

The name of the employee of MHV Water Limited to whom enquiries about the shares can be made, and the address and business telephone number of that person is:

Melanie Brooks
MHV Water Limited

Ground Floor, Irrigo Centre
326 Burnett Street
Ashburton 7700
Phone: 03 307 8389
Email: mel@mhvwater.nz

3 Who can apply for Shares?

Only persons who are 'Eligible Investors' can tender for the Shares. To be an Eligible Investor the Tenderer must:

- (a) Meet the criteria in the Financial Markets Conduct Act 2013 under which the Tenderer for the shares has previous experience in acquiring or disposing of financial products that allows that person to assess:
 - (i) The merits of the service or services to be provided including assessing the value and risks involved.
 - (ii) That person's own information needs in relation to the service or services.
 - (iii) The adequacy of the information provided by the company offering those services.

The Tenderer must also:

- (b) Understand the consequences of certifying himself, herself or itself to be an Eligible Investor.
- (c) State in the certificate the grounds for the certification.

AND

- (d) An authorised financial adviser, qualified financial accountant or lawyer signs a written confirmation of that certification.

Unless a tender for Shares is accompanied by an Eligible Person Certificate from the Tenderer certified by an independent chartered accountant, solicitor or financial adviser that application cannot be accepted by the Company.

In addition, only property owners who own property in:

- (a) the Mayfield Hinds Zone can apply for M Shares and MG Shares;
- (b) the Valetta Zone can apply for V Shares.

4 Tender for Shares

Every Eligible Investor wishing to tender for Shares under the Offer must:

- Complete the tender for shares form setting out the shares for which a tender is being made.

- Confer with the Company to ensure water will be available for delivery to the property of the Tenderer at the required volume.
- Pay a deposit of 10% of the amount payable within 5 working days from the date on which the Tenderer is advised by the Company that a tender has been accepted.
- Pay the further 90% payable for the shares within 10 business days from the date the Tenderer has been advised of the allocation of shares to that Tenderer.
- Have provided to the Company a Farm Environment Plan for the property of the Tenderer.
- Provide a direct debit form to the Company to enable all charges under the water supply agreement to be directly debited to the bank account of that Tenderer.

The Company will advise all Eligible Investors who lodge a tender for shares whether that tender has been successful in whole or in part, or on conditions, within 5 business days after the Closing Date at which time they will be required to provide the Environmental Information including, but not limited to a proposed Overseer™ nutrient plan showing the impact of the additional water and a Farm Activity Variation Application, if required. These must be provided within 4 weeks of the closing date.

5 How to Apply

5.1 How to Apply

The process to make a tender for shares under this Information Memorandum is:

- (a) A Tenderer for M and MG Shares must be an owner of property in the Mayfield Hinds Zone. A Tenderer for V Shares must be an owner of property in the Valetta Zone.
- (b) A Tenderer must complete the tender for shares form stating the total number of M and / or MG Shares, or V Shares, for which the tender is submitted. That tender form and payment can be made or returned as follows:
 - (i) by hand delivering the tender form to the office of the company at Ground Floor, 326 Burnett Street, Ashburton 7700; or
 - (ii) posting the tender form to MHV Water Limited, Ground Floor, 326 Burnett Street, Ashburton 7700; or
 - (iii) posting your tender form to the above address; and
 - (iv) sending to the Company a direct debit form providing for payment of all charges to be deducted from the Tenderer's bank account. The bank account of the Company for this purpose is 03-0162-0009307-090.

All tender forms must be received by the Company on or before the Closing Date which is 4pm on Friday 1 March 2019 or such extended date as the directors may determine.

- (c) The directors of the Company have an absolute discretion on the allocation of shares and may take into account if it is economical to deliver water to the relevant property, and if water can be made available to the Tenderer.

- (d) All Tenderers should discuss with the Company how they can satisfy the nutrient discharge policy requirements of the Company. If the Tenderer cannot provide a Farm Environment Plan or other information to the Company to enable the Company to be satisfied that the property to which water is to be supplied has the appropriate environment planning in place, then the tender will be declined.
- (e) A Tenderer for shares must be satisfied, from discussions with the Company, any charges that may be incurred in connecting the property of that Tenderer to the infrastructure.

5.2 Conditions of Tenders for Shares

The following sets out the conditions for the tender of shares:

- (a) M Shares and MG Shares are only available to Tenderers who require water in the Mayfield Hinds Zone.
- (b) V Shares are only available to Tenderers who require water in the Valetta Zone.
- (c) Tenderers must state the price they are prepared to offer for the separate class(es) of shares for which the tender is made; any tender price that is by reference to other tender prices will be rejected. Tenderers may not include additional conditions in any tender for shares.
- (d) Tenders must be received by the Company on or before 4pm on Friday 1 March 2019. On receipt the Board of the Company will assess the tenders and advise by email on or before Friday 8 March 2019, the results of the tender. A tender may be accepted for all or part of any shares for which a tender has been lodged.
- (e) All tenders will remain open for acceptance by the Company until 9 May 2019 being the last date on which the shares offered can be allotted to allow nutrient allocations to be concluded.
- (f) On or before Friday 8 March 2019 the Company will advise all successful tenders that they must carry out the following as a condition of the shares applied for being issued by the Company:
 - (i) Pay a deposit of 10% of the amount tendered to the Company within 5 working days. The Company's bank account for payment is Westpac Banking Corporation, Account Number: 03-0162-0009307-090.
 - (ii) Immediately provide such information as required by the Company on the land on which the water available for the shares being allocated to determine the nutrient discharge load for that land based on the use as notified by that Tenderer so that the Company can determine the impact of an issue of shares to that Tenderer on the nutrient discharge cap for the land in the relevant area.
 - (iii) Sign a Water Supply Agreement with the Company within 10 working days subject to the Company approving the issue of the shares for which a conditional acceptance of the tender has been notified to that Tenderer.
- (g) All information under f(ii) must be provided to enable the Company to make a final decision on whether to confirm the issue of shares by no later than Wednesday 10 April 2019.
- (h) If a tenderer is advised by the Company on or before Wednesday 10 April 2019 that the tender has been accepted, then within 10 working days the Tenderer will pay the balance for the shares for which the tender has been accepted and sign a Water Supply Agreement. The Company will then issue the relevant shares.
- (i) If the conditional tender so accepted is not confirmed the relevant Tenderer will be advised and any deposit paid by that Tenderer will be refunded within 5 working days. No interest will be paid on those moneys.

- (j) If conditional tenders are not confirmed the shares affected by that tender may be reallocated by the Company by accepting a tender that has been held by the Company and the same process as set out above shall then apply to the Tenderer whose tender has been accepted and that Tenderer shall be required to immediately comply with the provisions of (f) above by dates as specified by the Company.

5.3 Allocation of Shares

In allocating shares for which a tender has been received the Board will allocate the shares at its discretion but following to the extent possible the following principles:

- All tenders will be assessed by first taking into account the amount tendered for the relevant class of shares.
- Those in the Ruapuna Area tendering for M or MG Shares will then be given priority if the price tendered is also acceptable.
- For holders of MG Shares the opportunity to upgrade to M Shares will be available and is encouraged within the Mayfield Hinds Zone again provided the price tendered is acceptable.
- Existing holders of M Shares and V Shares who apply for the same class of shares will be given priority to those not holding shares.
- All other Tenderers for the shares who can meet the nutrient discharge requirements will then be considered.

5.4 Privacy Policy

If you apply for Tender Shares you will be asked to provide personal information to the Company, the Share Registrar, and their respective agents who will collect and hold the personal information provided by you in connection with your Application.

Your personal information will be used:

- For considering, processing the corresponding with you about your Tender;
- In connection with your holding of Shares, including sending your information concerning the Company, your Shares and other matters your Company considers may be of interest to you by virtue of your holding of Shares; and
- For conducting an audit or review of the activities contemplated above.

To do these things, the Company or the Share Registrar may disclose your personal information to:

- each other;
- their respective related companies; and
- agents, contractors or third party service providers to whom they outsource services such as mailing and registry functions.

However, all of these parties will be bound by the same privacy policy as the Company and the Share Registrar.

In addition, if you elect to pay by one-time direct debit, the Share Registrar will communicate with your nominated bank (including providing your personal information) for the purposes of processing your payment.

Failure to provide the required personal information may mean that your application form is not able to be processed efficiently, if at all.

Where the Company and the Share Registrar hold personal information about you in such a way that it can be readily retrieved, you have a right to obtain from the Company and the Share Registrar confirmation of whether or not they hold such personal information, and to access and seek correction of that personal information under the Privacy Act 1993 by contacting the privacy officer of the Company and the Share Registrar at their respective addresses shown in the Directory.

6 Contact Information

MHV Water Limited	Ground Floor, Irrigo Centre 326 Burnett Street Ashburton website: www.mhvwater.nz Phone: 03 307 8389
Directors of MHV	John Richard Nicholls (Chair) Evan Keith Chisnall Phillip Graham Everest Benjamin Lewknor Johnson Vincent John Lobb Craig Ernest Osborne Mark Andrew Saunders Richard David Wilson
Chief Executive Officer of MHV Water Limited	Melanie Brooks Ground Floor 326 Burnett Street Ashburton, 7700 email: mel@mhvwater.nz
Securities/Share Registrar	MHV Water Limited
Legal Adviser for this Offer	David Stock Level 3, White Fox and Jones House 22 Moorhouse Avenue Christchurch Phone: 03 353 1036
Auditor	Crowe Howarth 173 Spey Street Invercargill
Accountant / Registered Office	KPMG Chartered Accountants 151 Burnett Street Ashburton
Privacy Officer	Melanie Brooks Ground Floor 326 Burnett Street Ashburton email: mel@mhvwater.nz

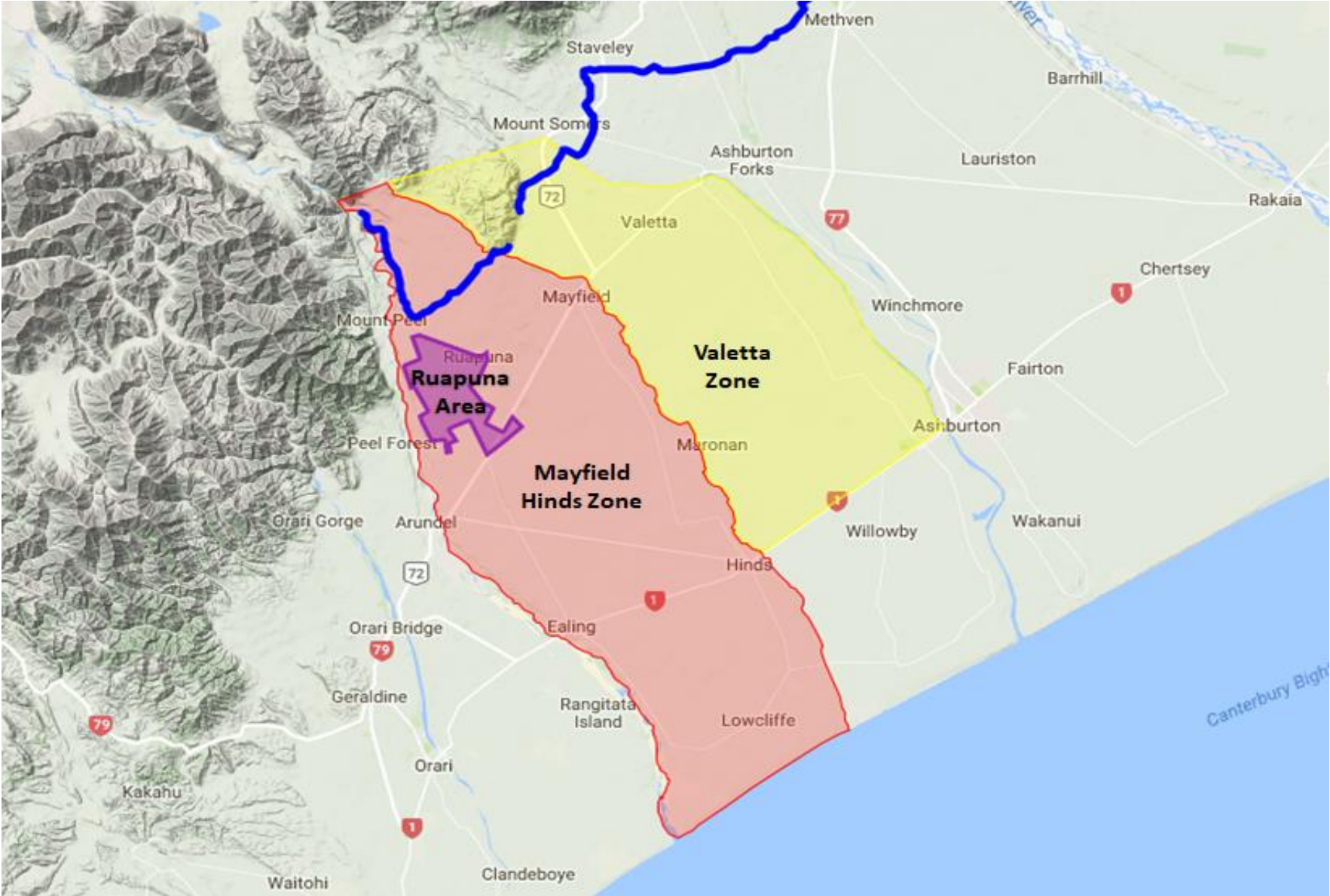
7 Glossary

Applicant and Tenderer	means an Eligible Investor whose tender for Shares has been received by the Company prior to the Closing Date.
Application Moneys	The moneys payable on Application.
Board or Board of Directors	The Board of Directors of MHV Water Limited.
Business Day	A day on which the banks are open for general banking business in Ashburton, New Zealand.
Closing Date	1 March 2019
Director	A Director of MHV Water Limited.
EBITDA	Earnings before interest, income tax, depreciation and amortisation.
Eligible Investor	<p>Means a person owning property in the Mayfield Hinds Zone who requires water for irrigation who can provide an Eligible Person Certificate and tenders for M and / or MG Shares.</p> <p>Also means a person in the Valetta Zone who requires water for irrigation who can provide an Eligible Person Certificate and tenders for V Shares.</p>
Eligible Person Certificate	Means a certificate provided under clause 41 of the First Schedule to the FMC Act.
Environmental Information	<p>Means:</p> <ul style="list-style-type: none">• An Overseer™ budget and nutrient plan prepared in accordance with the last version of Overseer™;• A Farm Activity Application or a variation to the approved farm activity plan;• Such other information reasonably required by the Company.
FMC Act	Financial Markets Conduct Act 2013
FMC Regulations	Financial Markets Conduct Regulations 2014
Glossary	This glossary of key terms.
Harris Drain	Piped infrastructure connected to drain in the vicinity of Lowcliffe used to distribute water for irrigation.
‘Information Memorandum’ or ‘Offer Document’	Means this Information Memorandum and all attachments.
Mayfield Hinds Zone	The area set out on the attached map.
‘MHV Water Limited’, the ‘Company’	MHV Water Limited
MG Shares	The shares in the Company classified as MG Shares and which rank after the M Shares for entitlements to water in the Mayfield Hinds Zone.

M Shares	The shares in the Company classified as M Shares and which have a priority right over MG Shares to water in the Mayfield Hinds Zone, subject to water being available.
V Shares	The shares in the Company classified as V Shares and which have the first right to water in the Valetta Zone, subject to water being available.
NZD or NZ\$ or \$	New Zealand Dollar
Offer	The offer of M, V and MG Shares under this Offer.
Ruapuna Area	The area shaded purple on the attached map.
Scheme Area	The area between the Rangitata and Ashburton River, Mid Canterbury as set out on the attached map.
Share Registrar	MHV Water Limited
Tender	A tender applying for Shares under the Offer.
Tender Form	The Tender for Shares Form attached to this Information Memorandum to subscribe for the relevant class of Shares under the Offer.
Valetta Zone	The area set out on the attached map.

This Information Memorandum is dated 11 February 2019.

MAP OF SCHEME AREA



Note: Areas shown on the map are indicative only and Tenderers should contact the Company to confirm which area their property is located in.

MHV WATER LIMITED

(the Company)

TENDER FOR SHARES FORM

(Tenderers for M and MG Shares must own land in the Mayfield Hinds Zone)

(Tenderers for V Shares must own land in the Valetta Zone)

This tender form is important. If you are in any doubt please contact your professional adviser. You should read the Information Memorandum before signing this form.

Name(s) of Tenderer(s):

_____	_____
Surname	Given Name
_____	_____
Surname	Given Name
_____	_____
Surname	Given Name

Note: *If the trustees of a trust are applying for shares all of the names of the trustees should be included above.*

Name of Company

Address

_____	_____	_____
Email	Telephone	Cellphone

Address of farm to which water is to be supplied

_____	_____
Legal Description	

_____	Title References
-------	-------------------------

I/we hereby tender for the number of the relevant class of Shares set out below which shares shall be allotted on the terms and conditions set out in the Information Memorandum of which this Tender for Shares Form forms part. I/we confirm that the information provided by me/us is correct.

	Tender Price Per Share	Total
Number of MG Shares applied for: _____	_____	\$ _____
Number of M Shares applied for: _____	_____	\$ _____
Number of V Shares applied for: _____	_____	\$ _____
Number of MG Shares to redeem: _____	_____	\$ _____

Initial Payment (10% of Tender Amount)	\$ _____
Remaining Payable (90% of Tender Amount)	\$ _____
Less MG Shares redeemed (if any)	\$ _____
Total Balance Payable	\$ _____

A payment of ten percent (10%) of the Total Amount Payable is required to be paid within 5 working days from acceptance of a Tender, with the balance of ninety percent (90%), less the value of any MG Shares redeemed, within ten (10) business days of the date on which the Tenderer is notified by the Company that the tender for shares has been unconditionally accepted.

Payment can be made by direct credit to the nominated bank account of MHV Water Limited, Bank Account No.:

03-0162-0009307-090

with the Tenderer's name as the reference.

The options for returning your form are:

- (a) Hand Delivering this form by leaving this form with MHV Water Limited, Ground Floor, 326 Burnett Street, Ashburton 7700; or
- (b) Posting this form and your cheque to MHV Water Limited, Ground Floor, 326 Burnett Street, Ashburton 7700; or

Tenders close at 4.00 pm on Friday 1 March 2019 and must be received by this date or such extended Closing Date as determined by the Board.

Signature

Signature

Signature

Signature

Date:

MHV WATER LIMITED (the Company)

TENDER FORM FOR SHARES

TERMS AND CONDITIONS OF TENDER

1.1 By signing this Tender Form the Tenderer:

- Tenders to subscribe for Shares on the terms and conditions set out in the Information Memorandum dated 11 February 2019, this Application Form and the application instructions in respect of the Application Form;
- acknowledges that this form was distributed with the Information Memorandum;
- acknowledges that he/she/it has read and understood the Information Memorandum;
- agrees to be bound by the Constitution;
- provides the certificate under the Financial Markets Conduct Act 2013.

1.2 Tenderers must pay ten percent (10%) of the Total Amount Payable for their shares within 5 business days after being notified of conditional acceptable of a tender, with the balance of ninety percent (90%), less any MG Shares redeemed, payable in full within ten (10 business days after the date on which the Tenderer is notified that the tender has been accepted unconditionally.

1.3 A tender cannot be withdrawn or revoked. They are open for acceptance by the Company until 9 May 2019.

1.4 The Company reserves the right to decline any tender, in whole or in part, without giving any reason. Unless otherwise expressly agreed to by the Company in its absolute discretion, Tender Forms received after the Closing Time will not be accepted.

1.5 Tenderers must conform with the tender instructions in the section of the Information Memorandum entitled "Conditions for Tender of Shares and How to Apply".

1.6 Joint tenders must be signed by all Tenderers. Only the address provided on the Tender Form will be recorded on the register for Shares and all notices and communications will be sent to that address.

1.7 If the Tender Form is signed by an attorney or an agent, the relevant non-revocation form below must be completed.

1.8 Terms defined in the Information Memorandum have the same meaning in the Tender Form. This Tender Form, the offer of Shares by the Company and any contract arising out of its acceptance is governed by New Zealand Law.

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

(Complete this section if you are acting on behalf of someone for whom you have a Power of Attorney)

NAME OF ATTORNEY

ADDRESS AND OCCUPATION OF ATTORNEY

I _____ of _____

hereby certify that:

DATE OF POWER OF ATTORNEY

NAME OF PERSON FOR WHOM ATTORNEY IS SIGNING

By Power of Attorney Dated: _____

ADDRESS AND OCCUPATION OF PERSON FOR WHOM ATTORNEY IS SIGNING

(The Donor) appointed me his/her/its attorney on the terms and conditions set out in that Power of Attorney.

- I have completed and executed this application for Shares as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me.
- At the date of this certificate I have not received any notice or information of the revocation of that Power of Attorney, whether by the death or dissolution of the Donor or otherwise.

SIGNATURE OF ATTORNEY

Signed at _____ this _____ day of _____ 2019

APPLICATION INSTRUCTIONS

1 Complete Details.

- Insert your title, full name(s), address and telephone numbers.
- Tenders must be in the name(s) of natural persons, companies or other legal entities.
- Tenders from a minor, trust, fund, estate, business, firm or partnership, club or other unincorporated body cannot be accepted unless they are made in the individual name(s) of the person(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s) (as appropriate).

2 Signing.

- Read the Tender Form carefully and sign (and date) the form.
- The form must be signed by the Tenderer(s) personally, or by two directors of the Company (or one director if there is only one director), or (in either case) by an attorney.
- If the Tender Form is signed by an attorney, an original or certified copy of the relevant Power of Attorney must be lodged with the Tender Form (originals will be returned). The attorney must complete the certificate of non-revocation below.

3 Checklist for Tenderers

Before making a tender for shares every Tenderer should:

- Check with the Company to confirm the Tenderer's property can be provided with a water connection from the Scheme infrastructure.
- Provide to the Company a Farm Environment Plan report for the property to be irrigated and check with the Company that the nutrient policy will be met. Approval for a land use change may be required. If the Tender is accepted an Overseer™ budget and farm activity variation application will be required.
- Check the water storage that each Tenderer will be required to provide and ensure you as the Tenderer can satisfy this requirement.
- Check you have signed the Certificate and has this certified by an independent authorised financial adviser, solicitor or qualified statutory accountant.

4 Closing Date

The closing date for the tender offer is 1 March 2019 or such extended date as determined by the Company.

MHV WATER LIMITED
(the Company)

**CERTIFICATE UNDER SCHEDULE 1 OF FINANCIAL MARKETS CONDUCT
ACT 2013 (FMCA) FOR ELIGIBLE INVESTOR**

WARNING

The law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you give this certificate, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Make sure you understand these consequences.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

Background

- A The Company has determined that it has water available for irrigation in the distribution areas of the Company shown on the attached map, being the Mayfield Hinds Zone and Valetta Zone.
- B The M, MG and V Shares are being offered for tender on the terms and conditions set out in the Information Memorandum prepared by the Company and dated 11 February 2019 (*the Shares*).
- C Tenders will only be accepted by the Company for the relevant class of Shares if the Tenderers have provided this form signed by the Tenderers for the shares and certified by an independent authorised financial adviser, qualified statutory accountant or solicitor (see Note 1).
- D The Company has referred potential Tenderers to the information contained in the Information Memorandum and to the further information on the website of the Company including the water supply agreement every shareholder of the Company is required to sign (*the Information*).
- E The Tenderers having considered the Information has agreed to tender for certain of the classes of Shares in the Company as set out in the Information Memorandum.
- F The Tenderer is required to provide a certificate required under schedule 1 of the FMCA that the Tenderer has previous experience in acquiring or disposing of financial products that allows the Tenderer to assess:
 - (a) the merits of the transaction, including assessing the value and risks of the shares for which a tender is made by the Tenderer;

- (b) the Tenderer's own information needs in relation to the proposed investment and the proposed transaction;
- (c) the adequacy of the information provided to the Tenderer in the Information.

Certificate by Investor

The undersigned Tenderer(s) (*the Tenderers*) hereby certify as required by clause 41(2) of the First Schedule to the FMCA that the Tenderer(s):

- (a) has/have previous experience in acquiring or disposing of financial products; and
- (b) has/have the ability to assess:
 - (i) the merits of the transaction, including assessing the value and risks of the shares which will be issued to the Tenderers;
 - (ii) the Tenderers own information needs in relation to the proposed investment;
 - (iii) the adequacy of the information provided to the Tenderers under the Information.

The experience of the Tenderer(s) is set out in the schedule to this certificate.

I understand the consequences of certifying myself as an '*eligible investor*' for the purposes of clause 3(3) and clause 41 of Schedule 1 of the FMCA.

The grounds and reasons why I/we can sign this certificate are:

Dated:

Signed by proposed Tenderer(s):

SCHEDULE

Name of Issuer **MHV Water Limited**

Details of shares applied for _____ MG Shares

_____ M Shares

_____ V Shares

_____ MG Shares to be redeemed

The Tenderer will also be required:

- (a) to sign and be a party to a water supply agreement with the Company;
- (b) provide a Farm Environment Plan
- (c) if the tender is accepted, provide an Overseer™ nutrient budget to the Company and Farm Activity Variation Application if applicable

Full Name of Tenderer(s):

Address of Tenderer(s):

Email Address:

Phone Number:

**CONFIRMATION OF CERTIFICATE
Clause 43 of First Schedule to FMCA**

I, _____ being a qualified statutory accountant / solicitor / authorised financial adviser¹ hereby confirm that having considered the proposed tenderers grounds for certifying as set out:

- (a) I am satisfied that the Tenderer (s) have been sufficiently advised of the consequences of the certification as above; and
- (b) I have no reason to believe that the certification is incorrect or that further information or investigation is required as to whether or not the certification is correct.

Dated _____ 2019

¹ The person giving this certificate must be a qualified statutory accountant / solicitor / authorised financial adviser and must not:

- (a) within the two years prior to the date of the above certificate, have provided professional services to the Company, provider, or other relevant person, or a related body corporate of the Company, provider or relevant person. The 'provider' is a person giving financial advice on the shares being offered for application;
- (b) be an associated person of the Company making the offer, provider or other relevant person. This includes a relative, director or senior manager of the Company or a person acting jointly or in concert with that Company.

Signature of Confirming Person:

Details of Confirming Person: