

# Product Disclosure Statement

**For an offer of ordinary nominal  
value shares in Ravensdown Limited**

Issued by Ravensdown Limited

Dated 17 September 2018

**This document is a replacement product disclosure statement, replacing the product disclosure statement dated 22 September 2017 issued by Ravensdown Limited.**

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose). Ravensdown Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.





# 1 Key Information Summary (KIS)

## What is this?

This is an offer of Ordinary Shares (being ordinary nominal value shares) in Ravensdown Limited (*Ravensdown*). Ordinary Shares give you a stake in the ownership of Ravensdown.

You may receive a return reflecting the performance of the Ravensdown Group (being Ravensdown and its subsidiaries) by way of rebates or other distributions declared by the board of directors of Ravensdown (the *Board*).

If Ravensdown runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

## About the Ravensdown Group

The Ravensdown Group is a supplier of fertiliser, lime, seed, agrochemicals, animal health products and associated application, testing and advisory services to farmers throughout New Zealand.

## Purpose of this offer

The purpose of this offer is to facilitate the offer and allotment of Ordinary Shares to persons who are, or who are intending to be, Transacting Shareholders of Ravensdown (*Transacting Shareholders* has the meaning given to that term in section 4 of the Co-Operative Companies Act 1996). Money raised under the offer will be used as general funds (including for working capital requirements and ongoing investment in infrastructure) rather than for a specific activity.

## Key terms of the offer

<b>Description of the equity securities</b>	Ordinary Shares (being ordinary nominal value shares in Ravensdown)
<b>Price</b>	\$1.00 per Ordinary Share. This is the nominal value of the Ordinary Shares set out in the constitution of Ravensdown (the <i>Constitution</i> ).
<b>Intended date offer opens</b>	27 September 2016
<b>Intended date offer closes</b>	This is a continuous offer of Ordinary Shares. Ravensdown reserves the right to refuse to accept any application or to suspend or to cease offering Ordinary Shares at its discretion.
<b>Liabilities, fees and charges</b>	See the 'Shareholding requirements' section below for details. This includes the obligation to subscribe for further Ordinary Shares in order to reach or maintain the required Quota Shareholding – see part (iii) of that section below. In addition, holders of Ordinary Shares will be required to make payments for products and services purchased from the Ravensdown Group in their capacity as customers.
<b>Shareholding requirements</b>	<p>(i) <i>Minimum Shareholding</i></p> <p>Under the Constitution the Board may set a Minimum Shareholding (being the minimum number of Ordinary Shares required to be held by Transacting Shareholders to be eligible for rebates). The Board may alter the Minimum Shareholding from time to time at its discretion. At the date of this Product Disclosure Statement (<i>PDS</i>) the Minimum Shareholding requirement is 100 Ordinary Shares for all shareholders.</p> <p>(ii) <i>Quota Shareholding</i></p> <p>The Constitution also empowers the Board to set a Quota Shareholding (which is the number of Ordinary Shares required to be held by a Transacting Shareholder, based on that shareholder's co-operative activity with the Ravensdown Group). At the date of this PDS the number of Ordinary Shares required to be held by each Transacting Shareholder as their Quota Shareholding is 234 fully paid Ordinary Shares for each tonne of Ravensdown solid NPKS fertiliser products purchased on average by that Transacting Shareholder during the previous five years.</p> <p>The Board may from time to time vary the number of shares required to be held by each Transacting Shareholder as their Quota Shareholding and alter any method, period or other factor used as the basis (or part of the basis) in calculating the Quota Shareholder from that previously applying.</p> <p>(iii) <i>Allotment of further Ordinary Shares</i></p> <p>The Board may unilaterally allot sufficient further Ordinary Shares to any Transacting Shareholder, where a Transacting Shareholder of Ravensdown does not meet their Quota Shareholding or in order to maintain the Quota Shareholding of that Transacting Shareholder. Transacting Shareholders are required to pay for these further Ordinary Shares.</p> <p>The Board is entitled to apply rebates payable to a Transacting Shareholder towards payment for these further Ordinary Shares before any balance is paid to the Transacting Shareholder.</p>

<p><b>Rebates and other distributions</b></p>	<p>The Constitution gives the Board the discretion to declare or not declare a rebate or other form of distribution from Ravensdown to holders of Ordinary Shares in respect of any Financial Year (being the year commencing on 1 June and ending on 31 May). In this section a reference to a rebate includes other forms of distribution such as bonus Ordinary Shares.</p> <p><i>Calculation of rebates</i></p> <p>Rebates are typically calculated on the basis of the level of transactions between the Ravensdown Group and Transacting Shareholders in respect of the relevant Financial Year. The Board has wide discretion to determine how this calculation is to be made, and is entitled to set different rebate rates for Transacting Shareholders (whether individually or as a group) and/or to exclude certain Transacting Shareholders (whether individually or as a group) having regard to factors considered appropriate by the Board.</p> <p><i>Qualifying products</i></p> <p>Only certain products supplied by the Ravensdown Group qualify for inclusion in rebate calculations. At the date of this PDS solid NPKS fertiliser products qualify for inclusion in rebate calculations, but not agrochemicals, animal health products, lime or seed products.</p> <p><i>Payment of rebates</i></p> <p>Rebates may be paid in cash, bonus Ordinary Shares, or a combination of both. Where Rebates are paid in cash, the Board may require, at its sole discretion, that part or all of the cash is first applied towards ensuring each Transacting Shareholder has reached their Quota Shareholding (see 'Shareholding requirements' section on page 3 for what this means).</p> <p>Rebates (if any) are determined by the Board following the end of each Financial Year.</p> <p><i>Dividends</i></p> <p>In practice Ravensdown does not ordinarily pay dividends in respect of Ordinary Shares. Rebates enable the Board to take into account factors that are relevant to the trading activities of Transacting Shareholders with the Ravensdown Group.</p>
<p><b>Surrender or transfer of Ordinary Shares</b></p>	<p><i>Transfer of Ordinary Shares</i></p> <p>Where you cease to be a Transacting Shareholder of Ravensdown you may be able to transfer your Ordinary Shares to a person who is, or will become, a Transacting Shareholder of Ravensdown. This is subject to the Board's right to delay or refuse to register a transfer of Ordinary Shares under the Constitution. The general method of disposing Ordinary Shares is to surrender the Ordinary Shares to Ravensdown.</p> <p><i>Surrender of Ordinary Shares</i></p> <p>Ordinary Shares may be surrendered at the holder's option in a number of situations. See Section 5 (Key Features of Ordinary Shares) for full details of these.</p> <p>In broad terms these include where the holder:</p> <ul style="list-style-type: none"> <li>• has died and the shares are held by their estate, and their personal representative is not a transacting shareholder of Ravensdown;</li> <li>• has not been a transacting shareholder of Ravensdown for 5 years; or</li> <li>• has disposed of all or part of the holder's interest in their farm.</li> </ul> <p>Ordinary Shares may also be surrendered at Ravensdown's option in certain circumstances. See full details in Section 5 (Key Features of Ordinary Shares).</p> <p>Any surrender is subject to Ravensdown being able to comply with any legal restrictions on surrender, including being able to meet the solvency test under the Companies Act after the surrender.</p> <p>See also the section below entitled 'How you can get your money out' and Section 5 (Key features of Ordinary Shares).</p>

## How you can get your money out

Ravensdown does not intend to quote the Ordinary Shares on a market licensed in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Ordinary Shares.

In general, persons investing in shares in a co-operative company do so in order to transact with the company and to be entitled to rebates based on their trading with the company, rather than to obtain capital gains in the value of the shares. Holders of Ordinary Shares are unlikely to be able to transfer or surrender their Ordinary Shares for more than the nominal value of \$1.00 per share.

See also the "Surrender or transfer of Ordinary Shares" section above for a description of how Ordinary Shares may be surrendered or transferred.

## Key drivers of returns

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Ravensdown considers the following current and future aspects of the Ravensdown Group's business have the most impact on the financial performance of the business:

- *Volume of sales*: Ravensdown's ability to maintain and grow sales volumes of current and new products;
- *Commodity price fluctuations*: movements in the prices of raw materials, which are largely sourced outside New Zealand and are among Ravensdown's largest input costs;
- *Product mix*: various Ravensdown products achieve higher profitability than others;
- *Balance sheet revaluations*: the revaluation of key assets such as inventory and land and buildings.

Section 2 (The Ravensdown Group and what it does) outlines these in more detail, along with the key strategies and plans for these aspects of the business.

## Key risks affecting this investment

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Ravensdown considers that the most significant risk factors that could affect the returns received from holding Ordinary Shares are as follows.

- *Raw materials*: Ravensdown purchases a majority of the raw materials used in its products from overseas suppliers. The price and availability of these raw materials is influenced by global demand, supply and access outside Ravensdown's control. Ravensdown's business may be adversely impacted by material or sudden changes in the price or availability of these ingredients (including shipping rates) and correspondingly the prices at which Ravensdown sells products to its customers. A significant or sudden increase in Ravensdown's prices could result in lower demand for Ravensdown products, and may reduce rebates that are potentially available to the holders of Ordinary Shares.
- *New Zealand agricultural industry*: Levels of sales of Ravensdown products and services are affected by prevailing economic conditions and may also be affected by unforeseeable or extreme events affecting the New Zealand agricultural industry. Economic factors include a downturn in the New Zealand rural economy, while extreme events could include significant climatic events (such as widespread drought) or outbreaks of disease (such as foot-and-mouth disease). These events and circumstances could lower demand for Ravensdown products, and impact on potential rebates available to the holders of Ordinary Shares.
- *Environmental compliance*: Both of the following aspects of environmental compliance may influence the profitability of the Ravensdown Group.
  1. Ravensdown's manufacturing and quarrying sites, and its stores and other activities, require consents to operate. Ravensdown is also subject to regulations that govern the use of particular ingredients in its products. Further changes in environmental policy or laws may impact on Ravensdown's ability to obtain consents for its operations or in Ravensdown's current manufacturing processes.
  2. Recent regulatory changes in the area of nutrient management impact on Ravensdown customers' compliance obligations and have the potential to affect demand for Ravensdown products. Additional changes in environmental policy or laws could therefore impact on the demand for Ravensdown products. This could be exacerbated by new environmental standards being imposed on Ravensdown customers in conjunction with the supply of their products.
- *New scientific developments*: Scientific developments could bring about new products that result in a material reduction in the application of NPKS fertilisers to land in New Zealand. In such a case, this could result in a significant decrease in demand for Ravensdown products and reduce the profitability of the Ravensdown Group.
- *Capital/funding constraints*: As a co-operative, Ravensdown currently has greater limitations on its ability to raise equity capital if it wished to invest in a large-scale project or initiative. This would likely require Ravensdown to rely on raising debt finance if it intended to make such an investment, and therefore more dependent on the availability of debt finance at the relevant time.

This summary does not cover all of the risks of investing in Ordinary Shares. You should also read Section 7 (Risks to the Ravensdown Group's Business and Plans). That section includes the mitigation strategies adopted by Ravensdown in relation to particular risks.

## Where you can find Ravensdown's financial information

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The financial position and performance of Ravensdown are essential to an assessment of this offer. You should also read Section 6 (Ravensdown Group's Financial Information).

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# Letter from the Ravensdown Board Chairman

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On behalf of the Ravensdown Board, I am pleased to offer you this opportunity to subscribe for ordinary nominal value shares in Ravensdown.

The Ravensdown Group provides a wide range of solutions used by New Zealand farmers including fertiliser, lime, agrichemicals, seeds and animal health products.

Our customers also have access to a variety of services from the Ravensdown Group, including expertise in planning and testing. Nutrient management, advice, analysis and environmental consultancy are valued services. The Ravensdown Group is also one of the largest providers of aerial and ground spreading services in New Zealand.

Ravensdown also plays an important role in local communities up and down New Zealand, directly sponsoring or supporting many causes throughout the rural community.

This offer of ordinary nominal value shares in Ravensdown enables those subscribing to become transacting shareholders of Ravensdown. Transacting shareholders of Ravensdown may be entitled to rebates paid by Ravensdown from time to time.

This Product Disclosure Statement provides an overview of the Ravensdown Group and details of the ordinary nominal value shares in Ravensdown being offered. We recommend you read it carefully. If you have any questions, please contact us or your usual professional advisers.

On behalf of the Board, I welcome your interest in becoming a shareholder in Ravensdown or increasing your shareholding in the company.



**John Henderson**

Chairman

Ravensdown Limited

## 2 The Ravensdown Group and what it does

### Overview

#### Ravensdown Group and its operations

Ravensdown is the parent company of the Ravensdown Group and undertakes the majority of activities within the Ravensdown Group. Other activities are undertaken through the subsidiaries and joint ventures identified below.

Products sold by the Ravensdown Group predominantly include fertiliser, lime, agrochemicals, animal health products and seed products. Sales of these products are generally carried out by Ravensdown itself.

The main services provided by the Ravensdown Group comprise planning and advice (including in relation to nutrient management and environmental consultancy), spreading of products (both ground-based and aerial) and testing (including soil, plant, feed and water analysis).

Aerial spreading services are provided by Ravensdown Aerowork Limited, while ground-based spreading services are generally undertaken by one of the spreading subsidiaries or joint ventures noted below or by Ravensdown itself.

Ravensdown provides testing services on behalf of the Ravensdown Group, with Analytical Research Laboratories Limited having been amalgamated into Ravensdown from FY2015 onwards.

The Ravensdown Group has carried on business since 1977 and operates in the agricultural and horticultural sectors within New Zealand.

The Ravensdown Group comprises the following significant subsidiaries and joint ventures as at the date of this PDS.

Subsidiary companies	Place of incorporation	Ravensdown interest	Principal activity
Ravensdown Aerowork Limited	New Zealand	100%	Aerial spreading
C-Dax Limited	New Zealand	100%	Production and sale of on-farm accessories
Ravensdown Australian Holdings Limited	New Zealand	100%	Holding company
Ravensdown Fertiliser Australia Pty Limited	Australia	100%	Not trading
Ravensdown Australia Properties Pty Limited	Australia	100%	Property holding company

Joint venture companies	Place of incorporation	Ravensdown interest	Principal activity
Spreading Sandford Limited	New Zealand	50%	Ground spreading
Spreading Canterbury Limited	New Zealand	50%	Ground spreading
Spreading FBT Limited	New Zealand	50%	Ground spreading
Spreading Northland Limited	New Zealand	50%	Ground spreading
Mainland Spreading Limited	New Zealand	50%	Ground spreading
Ravensdown Shipping Services Pty Limited	Australia	50%	Procurement of shipping services



Ravensdown also holds interests in the following entities.

Company	Place of incorporation	Ravensdown interest	Principal activity
SouthStar Fertilizers Limited	New Zealand	20.0%	Development and manufacture of fertiliser products
Cropmark Seeds Limited	New Zealand	25.62%	Specialist plant breeding and marketing

### Acquisitions and dispositions

In December 2016 Ravensdown sold its 50% shareholding in Ravensdown Windy Point Quarry Limited to its joint venture partner, Waverley Bulk Transport Limited.

In May 2014 the board of Ravensdown Australia announced the planned orderly wind down of the Ravensdown Australia business. At the date of this PDS the business has ceased trading and certain assets of the business are available for sale.

### Key aspects of the business

Ravensdown considers the following current and future aspects of the Ravensdown Group's business have the most impact on the financial performance of the business. The key strategies and plans for these aspects of the business are also included.

Current and future aspects of Ravensdown's business that drive financial performance	Key strategies and plans
<p><i>Volume of sales</i></p> <p>Ravensdown's ability to maintain and grow sales volumes of current and new products and services with its existing customers and new customers is a key driver of revenue and profitability for the Ravensdown Group.</p>	<p>Ravensdown invests in its relationships with existing customers, including through the work of its agri-managers located throughout New Zealand. Ravensdown also identifies and seeks to engage with potential new customers in the New Zealand market.</p>
<p><i>Commodity price fluctuations</i></p> <p>Raw materials such as urea, phosphate and potash are one of Ravensdown's largest input costs. Most of these are sourced from outside New Zealand. Movements in the price of these raw materials are a key driver of the Ravensdown Group's profitability.</p>	<p>Because raw materials are generally paid for in foreign currency, Ravensdown undertakes currency hedging to mitigate the risk of these fluctuations. Ravensdown also endeavours to build long-standing relationships with suppliers of raw materials in other countries.</p>
<p><i>Product mix</i></p> <p>Various Ravensdown products achieve higher levels of profitability than other Ravensdown products. The mix of products offered to, and selected by, Ravensdown's customers are a key driver of the Ravensdown Group's profitability.</p>	<p>Ravensdown continues to develop new products and product mixes in order to provide a range of value-added products to its customers.</p>
<p><i>Balance sheet revaluations</i></p> <p>From time to time Ravensdown may need to revalue its key assets, including inventory and land &amp; buildings. Where this occurs, the Ravensdown Group's profitability may be affected.</p>	<p>Close management of inventory by Ravensdown minimises the need to revalue inventory. Ravensdown also reassesses the recorded value of its land &amp; buildings annually.</p>

## Directors

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Ravensdown's Board comprises the following individuals.

### **John Henderson**

Elected 2004  
LLB

### **Stuart Wright**

Elected 2007

### **Kate Alexander**

Elected 2014  
Diploma in Agribusiness Management  
IOD Company Directors Certificate

### **Jason Dale**

Independent director, appointed 2014  
BCom, FCA

### **Scott Gower**

Elected 2006  
IOD Company Directors Certificate

### **Tony Howey**

Elected 2006  
BComAg (VFM & Bus Mgmt)  
IOD Company Directors Certificate

### **Glen Inger**

Independent director, appointed 2007

### **Peter Moynihan**

Elected 2013  
BAGSci

### **Bruce Wills**

Elected 2015  
BAGCom  
IOD Company Directors Certificate

NOTE: Tony Reilly retired as a Ravensdown director on the date of this PDS (17 September 2018).

## Senior Managers

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Ravensdown's senior managers comprise the following individuals.

### **Greg Campbell** MBA(Dist) FNZIM MIOd

*Chief Executive*

### **Sean Connolly** BCom CA

*Chief Financial Officer*

### **Stephen Esposito** M.A.Sc (Eng), P.Eng

*General Manager Operations*

### **Bryan Inch** BAgSci

*General Manager Customer Relationships*

### **Mark McAtamney** BCom

*Chief Information Officer*

### **Mike Manning** BAgSci CPAg

*General Manager Innovation and Strategy*

### **Katrina Beneditti Forastieri** M.Sc., Dip.Ind.Org.Psyc., Regd.Psyc.

*General Manager People and Culture*

### **Mike Whitty** BComAg CA

*General Manager Supply Chain*

### Substantial shareholders and relevant interests held by directors and senior managers, etc

There are no Ravensdown shareholders that, during the 20 working day period prior to the date of this PDS, held relevant interests in 5% or more of the Ordinary Shares on issue.

All Ordinary Shares held by Ravensdown's directors or senior managers have been acquired by the directors or senior managers in their capacity as Transacting Shareholders of Ravensdown. Their shareholding details are not material information.

### Other equity securities of issuer

The Constitution permits the Board to issue other classes of equity securities that would rank equally with, or in priority to, the Ordinary Shares without a special resolution of the holders of the Ordinary Shares. However, the Companies Act requires the Board to be satisfied that the terms and consideration of any such issue are fair and reasonable to Ravensdown and all existing shareholders. There is no current proposal to issue equity securities of another class.

### Director remuneration and benefits

The table below sets out the total of the remuneration and the value of other benefits received by each director or proposed director of Ravensdown, in respect of Ravensdown or any other member of the Ravensdown Group during the most recent period (being FY2018).

All services provided by each director or proposed director of Ravensdown during the most recent period were provided in their capacity as a director.

Director	Total remuneration and value of other benefits received
John Henderson (Chairman)	\$178,500
Stuart Wright (Deputy Chairman)	\$93,500
Jason Dale (Chair, Audit and Risk Committee)	\$86,000
Tony Howey	\$76,000
Scott Gower	\$76,000
Glen Inger	\$76,000
Peter Moynihan	\$76,000
Kate Alexander	\$76,000
Bruce Wills	\$76,000

### Employee remuneration over \$100,000 per annum

There were 210 employees or former employees of Ravensdown, not being directors of Ravensdown, who, during the most recent period (being FY2018), received remuneration and other benefits in their capacity as employees, that in value was or exceeded \$100,000 per annum.

The table below sets out the number of such employees or former employees in brackets of \$10,000:

Remuneration	Number of employees
\$100,000 - \$109,999	46
\$110,000 - \$119,999	38
\$120,000 - \$129,999	30
\$130,000 - \$139,999	17
\$140,000 - \$149,999	15
\$150,000 - \$159,999	10
\$160,000 - \$169,999	14
\$170,000 - \$179,999	4
\$180,000 - \$189,999	6
\$190,000 - \$199,999	5
\$200,000 - \$209,999	10
\$210,000 - \$219,999	4
\$230,000 - \$239,999	1
\$240,000 - \$249,999	1
\$250,000 - \$259,999	2
\$340,000 - \$349,999	1
\$390,000 - \$399,999	1
\$400,000 - \$409,999	1
\$430,000 - \$439,999	1
\$500,000 - \$509,999	1
\$510,000 - \$519,999	1
\$1,340,000 - \$1,349,999	1

### Material interests in Ravensdown (or any of its subsidiaries)

No director or senior manager of Ravensdown has any direct or indirect material interest in Ravensdown or any of its subsidiaries. All Ordinary Shares held by Ravensdown's directors or senior managers have been acquired by the directors or senior managers in their capacity as Transacting Shareholders of Ravensdown. Their shareholding details are not material information.

No director or senior manager of Ravensdown has any direct or indirect material interest in any agreement entered into on behalf of or in respect of Ravensdown or any of its subsidiaries outside of the senior managers' employment agreements with Ravensdown, which are material to the senior managers.

### Other material governance disclosures

The Constitution sets out the process under which Ravensdown shareholders elect a number of the Ravensdown directors. Directors are elected by area, with there currently being three South Island areas and four North Island areas. The number of South Island areas was reduced in 2018 from four to three, and the areas re-aligned. The Board will undertake a similar exercise within the North Island areas over the next couple of years which will reduce the number of North Island areas from four to three. One director is elected for each area by the Ravensdown shareholders based in that area, with each shareholder elected director required to retire by rotation every three years (subject to limited exceptions). In any one area each Ravensdown shareholder has a cap of 3.5% of total votes available for that area. The Board has the right to appoint up to three further directors as appointed directors. Directors may serve in office for a maximum of 12 years (subject to limited exceptions).

## 3 Purpose of the offer

The purpose of this offer is to facilitate the offer and allotment of Ordinary Shares to persons who are, or who are intending to be, Transacting Shareholders of Ravensdown. There is no specific intended use of the money raised under the offer. Instead funds will be used as general funds (including for working capital requirements and ongoing investment in infrastructure) rather than for specific activities. The use of funds raised under the offer will not change depending on the total amount that is raised.

## 4 Terms of the offer

Description of the equity securities	Ordinary Shares (being ordinary nominal value shares in Ravensdown)
Price	See below
Intended date offer opens	27 September 2016
Intended date offer closes	This is a continuous offer of Ordinary Shares. Ravensdown reserves the right to refuse to accept any application or to suspend or to cease offering Ordinary Shares at its discretion
Liabilities, fees and charges	See KIS (page 3)
Shareholding requirements	See KIS (page 3)
Rebates and other distributions	See KIS (page 4)
Surrender or transfer of Ordinary Shares	See KIS (page 4) and Section 5 (Key features of Ordinary Shares)

### Price of Ordinary Shares

The price of the Ordinary Shares is set at \$1.00 per Ordinary Share. This is the nominal value of the Ordinary Shares set out in the Constitution. The Constitution can be obtained from the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

The nominal value of the Ordinary Shares can only change by way of an amendment to the Constitution by a special resolution of the Ravensdown shareholders and with the prior approval of the Board. No independent or objective mechanism was used to set the price of the Ordinary Shares.

## 5 Key features of Ordinary Shares

Many of the key features of the Ordinary Shares are set out in the KIS or in Section 4 (Terms of the offer).

These include:

- shareholding requirements in Ravensdown – see KIS (page 3);
- entitlements to rebates and other distributions – see KIS (page 4); and
- transfer and surrender of Ordinary Shares – see KIS (page 4) and below.

The key features of the Ordinary Shares not set out in the KIS or Section 4 are outlined below.

### Rights attaching to Ordinary Shares

In addition to the key terms applying to Ordinary Shares already set out in the KIS and in Section 4, each Ordinary Share has the following rights attaching to them.

- (i) The right to an equal share in the distribution of the surplus assets of Ravensdown.
- (ii) The right to an equal share in dividends authorised by the Board. However, in practice Ravensdown does not pay dividends in respect of the Ordinary Shares. See the KIS (page 4).
- (iii) The right to one vote on a poll at a meeting of Ravensdown shareholders (for example in relation to a major transaction under the Companies Act), subject to the following specific provisions on voting under the Constitution.
  - The Constitution contains a process for voting on the election of Ravensdown directors by area rather than by all shareholders as a group. See page 12 for more details. Under this process, a shareholder's voting entitlement is capped at 3.5% of total votes available for that area.
  - The Constitution also contains a process for voting by shareholders of a particular area on issues that are of special significance to that area, rather than by all shareholders generally. Under this process, a shareholder's voting entitlement is capped at 3.5% of total votes available for that area.
  - For shareholder votes on all matters other than area issues and the election of Ravensdown directors, a shareholder's voting entitlement is capped at a number equal to 0.125% of shares held by all transacting shareholders of Ravensdown.

### Surrender of Ordinary Shares

The following outlines the circumstances in which Ordinary Shares may be surrendered at the holder's option or at Ravensdown's option, and when payment for the surrender must be made.

#### Surrender at the holder's option

Ordinary Shares may be surrendered at the holder's option where any of the following three circumstances apply:

- (i) the Ordinary Shares are held by a personal representative of a

deceased shareholder, as part of his or her estate, and the personal representative has ceased to be a Transacting Shareholder of Ravensdown;

- (ii) the holder has not been a Transacting Shareholder of Ravensdown for the immediate preceding five-year period (or such other period determined by the Board); or
- (iii) the holder has disposed of, or changed the use of, the holder's property and other assets with the result that the holder does not have the capacity to continue to be a Transacting Shareholder of Ravensdown.

You may also request the surrender of your Ordinary Shares if you cease to be a Transacting Shareholder of Ravensdown but do not fall within one of the circumstances in (i) to (iii) above. Ravensdown may agree to your request but is under no obligation to do so. In fairness to Ravensdown's other shareholders, in practice Ravensdown rarely approves a request of this nature.

Payment by Ravensdown for the surrender of Ordinary Shares must be made no later than 24 months after a surrender takes effect under the circumstances in (i) or (ii) above, and no later than 5 years after a surrender takes effect in any other case, on a date determined by the Board.

#### Surrender at Ravensdown's option

Ordinary Shares may also be surrendered at Ravensdown's option in the following circumstances:

- (i) the holder has ceased to be a Transacting Shareholder of Ravensdown;
- (ii) the holder has ceased to be a Farmer (as defined in the Constitution);
- (iii) the holder has failed to comply with a material requirement of any transaction or agreement relating to the Ravensdown Group;
- (iv) the Board has formed the view that the holder (or a person having a relevant interest in the holder's Ordinary Shares) is in competition of any form with Ravensdown; or
- (v) the surrender relates to shares held in excess of the holder's Quota Shareholding (under certain conditions).

The Constitution sets out this process in full.

Payment by Ravensdown for the surrender of Ordinary Shares in the above circumstances must be made no later than 5 years after a surrender takes effect, on a date determined by the Board.

Ravensdown is permitted under the Constitution to set off any amounts payable by Ravensdown on the surrender of Ordinary Shares, against amounts due and payable to Ravensdown by the holder of the Ordinary Shares and/or any entity related to the holder.

#### Restrictions on surrender

Any surrender is subject to Ravensdown being able to comply with any legal restrictions on surrender, including being able to meet the solvency test under the Companies Act after the surrender.

## 6 Ravensdown Group's financial information

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Key financial information about the Ravensdown Group, including relevant full financial statements, is available on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose). If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

### Selected financial information

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The offer register contains a table outlining selected financial information for the most recent Financial Year of the Ravensdown Group as well as the two preceding Financial Years.

The selected financial information included in the table comprises:

- Revenue from continuing operations
- Profit before rebate and tax from continuing operations
- Rebates
- Profit after rebate and tax from continuing operations
- Bonus share issue
- Loss after rebate and tax from discontinued operations
- Profit/(loss) for the year attributable to equity holders
- Total assets
- Cash and cash equivalents
- Total liabilities
- Total debt
- Net cash flows from operating activities.

The offer register will be updated from time to time to ensure an up-to-date table outlining this information is available.

### Full financial statements

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The offer register contains full audited financial statements of the Ravensdown Group for the most recent Financial Year of the Ravensdown Group as well as the two preceding Financial Years.

# 7 Risks to the Ravensdown Group's business and plans

This section sets out a description of the circumstances that Ravensdown is aware of that exist or are likely to arise that significantly increase the risk to the Ravensdown Group's financial position, financial performance, or stated plans.

Included in this section are:

- Ravensdown's assessment of the nature, likelihood and potential magnitude of the impact of these circumstances; and
- the strategies that exist, or that have been adopted by the Ravensdown Group, to reduce or manage the risk of this impact arising.

This section is based on an assessment undertaken by the Ravensdown Group at the date of this PDS.

<b>COST AND AVAILABILITY OF RAW MATERIALS</b>	
<b>Description of risk</b>	Ravensdown purchases most of the raw materials used in its products from overseas suppliers. The price and availability of these raw ingredients is influenced by global demand, supply and access factors outside Ravensdown's control.
<b>Assessment of nature, likelihood and potential magnitude of risk</b>	<p>Demand for these ingredients through the rest of the world including in non-agricultural industries, as well as Ravensdown's relationship with key suppliers, both affect the price and availability of these raw materials.</p> <p>Ravensdown's business may be adversely impacted by significant or sudden changes in the price of these materials (including shipping rates) and correspondingly the prices at which Ravensdown sells products to its customers. These could have a material impact on the Ravensdown Group's financial performance.</p> <p>High volatility of input prices, including shipping rates, also makes the timing of procurement and management of inventory levels more critical for Ravensdown's business than in times of low volatility.</p> <p>In the event of international shortages of raw materials or access to any key supplier, there is the potential for reduced supplies of these materials to Ravensdown. This could result in lower volumes of sales for Ravensdown, which could materially impact on profitability.</p>
<b>Mitigation strategies</b>	<p>Ravensdown aims to mitigate this risk in a number of ways, including through the following.</p> <ul style="list-style-type: none"> <li>• Ravensdown purchases raw materials from suppliers throughout the world, including in the Middle East, China, North America, Europe and North Africa. Ravensdown enters into long-term contracts with these suppliers where possible, and seeks to develop strong and positive relationships with suppliers.</li> <li>• Ravensdown has a 50% shareholding in Ravensdown Shipping Services Pty Limited, which procures shipping services for Ravensdown (among others). This gives Ravensdown a degree of control over its shipping arrangements.</li> <li>• Ravensdown undertakes currency hedging to mitigate the risk of fluctuations in the price of raw materials due to shifts in currency exchange rates.</li> <li>• Close management of inventories minimises the risk from falling values of inventory.</li> </ul>
<b>NEW ZEALAND AGRICULTURAL INDUSTRY</b>	
<b>Description of risk</b>	Levels of sales of Ravensdown products and services (and therefore profitability) are affected by prevailing economic conditions affecting the New Zealand agricultural industry, and may also be affected by weather conditions and other unforeseeable extreme events affecting the New Zealand agricultural industry.

<p><b>Assessment of nature, likelihood and potential magnitude of risk</b></p>	<p>Because Ravensdown and its customers operate in the New Zealand agricultural industry, any impact on the industry resulting from economic conditions or extreme events can affect the demand for Ravensdown products and Ravensdown's profitability.</p> <p>The potential magnitude of this risk depends on the type of event. For example, an outbreak of a serious disease such as foot-and-mouth disease could have significant ramifications for the New Zealand agricultural industry as a whole. A prolonged drought affecting one area of the country may have a material but more localised impact.</p> <p><i>Economic factors</i></p> <p>Economic factors that could result in lower sales of Ravensdown products and services include a downturn in the rural sector arising from a reduction in commodity prices.</p> <p><i>Extreme events</i></p> <p>Drought and poor agricultural conditions could drive lower demand for Ravensdown products and services in particular areas of New Zealand or across the country more generally.</p> <p>Demand for Ravensdown products and services might also be affected by outbreaks of disease affecting crops or livestock, or other biosecurity risks in New Zealand.</p>
<p><b>Mitigation strategies</b></p>	<p><i>Economic factors</i></p> <p>Ravensdown's customer base broadly represents different agricultural sectors. This helps mitigate this risk if only some sectors are affected by an economic event such as low commodity prices for particular commodities, but this risk may not be avoided if the New Zealand agricultural industry is affected more generally by economic factors.</p> <p><i>Extreme events</i></p> <p>Ravensdown's business operates across New Zealand. This reduces the risk of adverse climatic events having an overall material effect on Ravensdown's performance. This risk is not eliminated if such events impact on a substantial area of New Zealand or there are multiple weather events in New Zealand in a short period of time.</p> <p>The New Zealand Government identifies the high importance of keeping diseases that may affect the New Zealand agricultural industry out of New Zealand. Measures taken to assist with this include the biosecurity measures and policies of the Ministry for Primary Industries.</p> <p>Ravensdown's manufacturing operations are located at three sites throughout New Zealand. Ravensdown also imports products and ingredients into New Zealand via a number of ports, and operates a network of stores across the country. This reduces the possibility of an extreme event affecting Ravensdown's overall production or supply capability.</p> <p>Ravensdown maintains insurance of types and to an extent it considers appropriate for the industry in which it operates. This does not fully insure Ravensdown against all extreme events that could adversely affect Ravensdown's business.</p>
<p><b>ENVIRONMENTAL LAWS AND COMPLIANCE</b></p>	
<p><b>Description of risk</b></p>	<p><i>Affecting Ravensdown's operations</i></p> <p>Changes in environmental policy or laws may impact on Ravensdown's ability to obtain consents for its operations.</p> <p>There is also a risk of Ravensdown incurring liability or claims against Ravensdown arising as a result of environmental matters or incidents, including in relation to the manufacture and storage of products.</p> <p><i>Affecting Ravensdown's customers</i></p> <p>Changes in environmental policy or laws affecting Ravensdown's customers could have a bearing on the demand for Ravensdown products from its customers.</p>



<p><b>Assessment of nature, likelihood and potential magnitude of risk</b></p>	<p><i>Affecting Ravensdown's operations</i></p> <p>Ravensdown's manufacturing and quarrying sites, and its stores and other activities, require consents to operate. Its ability to obtain consents is influenced by its environmental performance. Ravensdown is also subject to regulations that govern the use of particular ingredients in its products.</p> <p>Ravensdown must follow relevant environmental laws (including the Resource Management Act 1991) and the requirements of consents issued to Ravensdown in order to carry out its activities. Such activities include the manufacture and storage of products and the operation of quarries and stores. A failure to comply with these obligations could adversely affect Ravensdown's financial performance (such as through the imposition of fines or other penalties) and/or cause damage to Ravensdown's brand and reputation.</p> <p><i>Affecting Ravensdown's customers</i></p> <p>Regulatory changes, especially in the area of nutrient management, impact on Ravensdown customers' compliance obligations and have the potential to affect demand for Ravensdown products in a material way.</p>
<p><b>Mitigation strategies</b></p>	<p><i>Affecting Ravensdown's operations</i></p> <p>Ravensdown has systems in place to monitor compliance with the consents required for its manufacturing operations. In addition it has a legislative compliance programme, aimed at identifying Ravensdown's legal compliance obligations and enabling Ravensdown personnel to take steps to follow these. This programme includes compliance with environmental laws.</p> <p><i>Affecting Ravensdown's customers</i></p> <p>Ravensdown also operates a science-based approach to its technical and environment-related services using a combination of systems and processes. These include the following.</p> <ul style="list-style-type: none"> <li>• Ravensdown's Analytical Research Laboratories division offers a modern approach to testing in its testing laboratory.</li> <li>• Ravensdown Environmental (a business division of Ravensdown) has been established to provide specialised advice and assistance to Ravensdown customers on environmental matters affecting their own businesses.</li> <li>• Ravensdown's agri-managers provide farmers with technical assistance on farm.</li> <li>• Ravensdown has invested in application technology and precision mapping.</li> </ul>
<p><b>EXCHANGE RATE</b></p>	
<p><b>Description of risk</b></p>	<p>Raw materials purchased by Ravensdown are generally paid for in currencies other than NZD. Ravensdown is therefore exposed to movements in exchanges rates that cannot be reliably predicted.</p>
<p><b>Assessment of nature, likelihood and potential magnitude of risk</b></p>	<p>Ravensdown acquires the majority of the raw materials used in its products from offshore suppliers, and must generally pay these suppliers in USD or other currencies. There is a risk of movements in the exchange rates of these currencies against the NZD having a material adverse impact on the profitability of the Ravensdown Group. Because of the relative volatility of the NZD, this risk has a reasonable likelihood of materialising.</p>
<p><b>Mitigation strategies</b></p>	<p>Ravensdown's objective is to manage its foreign exchange risk by minimising the impact of currency fluctuations on its financial performance and cash flows. To assist in achieving this objective, Ravensdown utilises hedging instruments against these fluctuations. These instruments help reduce this risk but do not alleviate it entirely.</p> <p>Ravensdown is also able to adjust the prices of its products where this risk cannot be managed using the tools identified above, although upwards movements in prices could impact on the demand for Ravensdown products.</p>

<b>OPERATIONS</b>	
<b>Description of risk</b>	The Ravensdown Group's business is reliant on its information technology system and the continued operation of major plant and equipment.
<b>Assessment of nature, likelihood and potential magnitude of risk</b>	<p>Any significant outage could adversely impact Ravensdown's business operations for a period of time. Operational hazards for Ravensdown's manufacturing operations include equipment failure, site services disruption or health and safety incidents.</p> <p>As Ravensdown's customers need to be able to apply its fertiliser products on farm within particular seasonal windows, if Ravensdown's operations are affected at a point or points within the year which have an adverse affect on its ability to meet the supply demand of its customers in those seasonal windows, then Ravensdown's profitability could be adversely affected.</p> <p>In addition, if Ravensdown customers are unable to obtain Ravensdown products during these seasonal windows, they may be forced to obtain equivalent products from other suppliers. This could lead to these customers continuing to purchase from other suppliers even after Ravensdown's operations have resumed in full, which could in turn affect Ravensdown's long term profitability and growth.</p>
<b>Mitigation strategies</b>	<p>Ravensdown has implemented information technology protection measures that it considers to be appropriate for the nature of its business, which aim to reduce the possibility of this interruption occurring.</p> <p>Ravensdown deploys its manufacturing operations at three sites throughout New Zealand, as well as importing products via a number of ports and operating a network of stores across the country. Ravensdown also has in place a workplace health and safety management system which is designed to identify, assess and manage health and safety issues arising from operational activities.</p> <p>Together these aim to reduce the possibility of an interruption at one site affecting Ravensdown's overall production and supply capability.</p>
<b>CAPITAL/FUNDING CONSTRAINTS</b>	
<b>Description of risk</b>	As a co-operative, Ravensdown currently has greater limitations on its ability to raise equity capital if it wished to invest in a large-scale project or initiative.
<b>Assessment of nature, likelihood and potential magnitude of risk</b>	This would likely require Ravensdown to rely on raising debt finance if it intended to make such an investment, and therefore more dependent on the availability of debt finance at the relevant time.
<b>Mitigation strategies</b>	<p>Ravensdown has a degree of flexibility to raise additional equity capital while maintaining its co-operative status. The company also aims to keep debt levels at manageably low levels to improve this flexibility.</p> <p>In the event that Ravensdown sought to invest in a major project, the company would adopt strategies at that time which enabled it to finance the investment in a sustainable manner.</p>

## 8 Tax

Tax can have significant consequences for investments. If you have queries relating to the tax consequences of investing in Ordinary Shares, you should obtain professional advice on those consequences.

## 9 Where you can find more information

Further information relating to Ravensdown and the Ordinary Shares is available on the offer register (for example, the Constitution and Ravensdown's financial statements). The website for the offer register is [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

A copy of the information on the offer register is available on request to the Registrar of Financial Service Providers.

Further information relating to Ravensdown is available on the New Zealand companies register (administered by the Companies Office) at [www.companies.govt.nz](http://www.companies.govt.nz).

In addition, further information relating to Ravensdown is available free of charge on Ravensdown's website at [www.ravensdown.co.nz](http://www.ravensdown.co.nz).

## 10 How to apply

Applications to subscribe for Ordinary Shares should be made by completing the shareholder application form available at [www.ravensdown.co.nz](http://www.ravensdown.co.nz)

If you are not able to access the shareholder application form online, you may contact the Ravensdown Customer Centre on 0800 100 123 and they will send you a copy.

Completed forms can be returned to the Ravensdown Share Registry by post or email. Please see the contact information below in Section 11 (Contact information).

## 11 Contact information

<b>Issuer (Ravensdown Limited)</b>	Address: PO Box 1049 Christchurch 8140 Telephone: 0800 100 123 Email: <a href="mailto:customer.centre@ravensdown.co.nz">customer.centre@ravensdown.co.nz</a>
<b>Ravensdown Share Registry</b>	Address: Ravensdown Limited PO Box 1049 Christchurch 8140 Telephone: 0800 100 123 Email: <a href="mailto:sharereg@ravensdown.co.nz">sharereg@ravensdown.co.nz</a>

## Glossary

In this PDS the following defined terms have the meanings set out next to them, except where the context requires otherwise.

Defined term	Meaning
<b>Board</b>	Board of directors of Ravensdown.
<b>Companies Act</b>	Companies Act 1993 (as may be amended or replaced from time to time).
<b>Constitution</b>	Constitution of Ravensdown (as may be amended or replaced from time to time). A copy of the current constitution is contained in the online register available at <a href="http://www.companiesoffice.govt.nz/disclose">www.companiesoffice.govt.nz/disclose</a> .
<b>Co-operative Companies Act</b>	Co-operative Companies Act 1996 (as may be amended or replaced from time to time).
<b>FY20xx</b>	Ravensdown Group financial year for the 12 months ending 31 May 20xx.
<b>Minimum Shareholding</b>	The minimum number of Ordinary Shares required to be held by a Transacting Shareholder to be eligible for rebates.
<b>Ordinary Shares</b>	Ordinary nominal value shares in Ravensdown.
<b>Quota Shareholding</b>	The number of Ordinary Shares required to be held by a Transacting Shareholder of Ravensdown based on that Transacting Shareholder's co-operative activity with the Ravensdown Group.
<b>Ravensdown</b>	Ravensdown Limited (NZ registered company 138517).
<b>Ravensdown Australia</b>	Ravensdown Fertiliser Australia Limited (ACN 137 397 712).
<b>Ravensdown Group</b>	The Ravensdown group of companies, comprising Ravensdown and its subsidiaries as at the date of this PDS.
<b>Transacting Shareholder</b>	Has the meaning given to that term in section 4 of the Co-operative Companies Act.

**ravensdown** 

0800 100 123  
[ravensdown.co.nz](http://ravensdown.co.nz)

September 2018