



A BayWa
Company

ANNUAL REPORT
DECEMBER 2017

Grow
with Us

Staying Fresh

The T&G Global (T&G) story and that of its entities began in Auckland, New Zealand in 1897 when English-born Edward Turner Esquire started a fruit auction business which went on to become the city's largest.

Now, we're over 120 years fresh thanks to consistent growing practices, committed growers, valued customers and passionate staff around the world.

We are one of New Zealand's largest vertically integrated growing, packing, shipping and marketing companies. We have the people, structure and brands to further support the global communities in which we operate and provide a return for all stakeholders.

Like you, we're fresh food lovers. We're constantly striving for quality produce while exploring sustainable growing practices to maintain year-round freshness and provide a healthier lifestyle for everyone we share the planet with.

T&G continues to invest extensively in new varieties, technology and innovation, from seed to sale, while supporting our existing brands to fulfil customer demand in the future.

NATALIE SHARPLES AND
MICHELLE SINGH

T&G MARKETERS

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Our core results

The Board of Directors presents the Annual Report for T&G Global Limited and its subsidiary companies ("T&G") for the year ended 31 December 2017.

Undoubtedly, 2017 was a challenging year with increasing disruption from severe weather events in virtually all regions of the world where T&G either grows or sources its produce. This is just one factor driving the need to adopt more sustainable, innovative and smarter best practice in both our own and third-party supplier operations to ensure that grower and customer needs can still be met even during the more challenging seasons.

While these events negatively impacted the financial performance in 2017, it does not alter the positive, underlying trends for T&G. Management has continued to diligently execute T&G's Strategy 2022. As a result, the foundations for long-term sustainable growth continue to be pursued through the investment in new plantings, digital enablement, strengthened operational assets and additional expertise in our global team. The benefits of this investment will become evident as the volumes from T&G's own and third

party licensed growers increase and our customers begin to benefit from the global insights, marketing support and account management provided by T&G's in-market teams.

Serving the needs of our customers

It was a pleasure to share our 120th anniversary celebrations with so many of our growers and customers this year without whom we would not be as strong as we are today.

2017 exemplified how resilient our grower partners must be with increasing severity of floods, drought, heatwaves and frosts around the world. Europe was a prime example, with an estimated 15% of the European apple crop lost due to severe frosts.

In such conditions, the value of a global network of offices and the flexibility of multiple supply regions helps T&G's customers to continue to receive quality fresh produce year-round. T&G recognises the value it can create for its customers from its global intelligence and these insights can help meet the customers' needs depending on varietal trends, grower development and seasonal impacts in one or more territories. The increasing

use of information inherent within the T&G network may become as valuable to the customer as the quality of the produce delivered to the consumer.

Strengthening relationships

I am pleased to report that during 2017 T&G has continued to mature its supply chain as it seeks to get closer to the needs of its customers in key markets and reduce the risk posed by disintermediation.

T&G strengthened its position in existing important markets including the United Kingdom and the United States through the first-time consolidation of Worldwide Fruit Limited and acquiring an equity interest in Grandview Brokerage LLC, which owns David Oppenheimer & Company I, L.L.C. (Oppy US), one of North America's leading fresh produce traders.

The United States is the second largest consumer of fresh produce and one of the fastest growing markets for fresh produce after China. Oppy US and T&G's key produce categories are perfectly aligned and we look forward to working closely with Oppy US to further grow this business and offer grower suppliers access to both US domestic and export markets.

Simplify and focus

T&G has continued to divest of underperforming or non-core assets as it focuses on growth markets and produce categories. Earlier in the year, the non-core business of Floramax flower auction was sold and in October the potential sale or closure of our processed foods business T&G Foods (ENZAFOODS New Zealand Limited) was announced. We hope to conclude this process shortly.

Looking forward

Smart farming is one of the most important developments in primary industry. The benefits, from grower to customer, are numerous and the consequences reach far beyond the industry and deep into the communities and consumers of fresh produce.

The use of technology and information will, among other things, improve grower returns, reduce waste, improve sustainable farming practices, reduce water consumption, provide cost savings, maximise yield and ultimately feed more people from the same resources with less impact on the environment.

T&G is no exception and there are many areas where process and technology improvements are being made to further empower our people and enable the sharing of knowledge across T&G and with our growers and customers. FirstPick™ and OrchardHand™ are two examples of innovation that are driving the business forward. FirstPick™, our digital produce buying platform, continued to grow strongly in 2017 and T&G has already adopted its orchard application OrchardHand™, on its own apple orchards and has extended it to growers in New Zealand and the United States.

T&G strengthened its commitment to 'Growing Green' in 2017 through a number of initiatives including joining New Zealand's Soft Plastics Recycling Initiative which encourages consumers to return soft plastics to supermarkets for recycling.



PROF. KLAUS
JOSEF LUTZ
CHAIRMAN

We also signed a new collaboration agreement with the Energy Efficiency and Conservation Authority (EECA) after formalising our relationship in late 2015. At the time we set an initial target of reducing energy use by two GWh by 2018. However, that target was reached after 12 months with EECA's support.

During 2017 T&G made improvements in high energy areas - its offices, growing sites and market sites across New Zealand. T&G is intent on reducing the cost of food production but also food wastage through enhancements to its growing programmes and donations to organisations such as KiwiHarvest which redistributes excess food to those in need.

Thank you

On behalf of the board, I would like to thank Alastair Hulbert for his leadership as Chief Executive Officer from 2013 to 2017. During his tenure, the strategy and

values that management and staff set for T&G has delivered the most stable and profitable period in T&G's history.

The Board also wishes to thank Sir John Anderson for his significant contribution and leadership and wishes him all the very best for his retirement which he announced in December 2017. We equally appreciate the contribution Rob Campbell made to our Board over six years prior to his resignation in April 2017.

Finally, thank you to the management and employees of T&G who have worked diligently in 2017 to support our growers, customers and each other.

We look forward to continuing this momentum and a positive 2018.

Prof. Klaus Josef Lutz
Chairman



T&G GLOBAL CELEBRATED
120 YEARS FRESH IN 2017



Our Board



PROF. KLAUS JOSEF LUTZ

Chairman & Non-Independent Director

Director since April 2012

Prof. Klaus Josef Lutz has been the Chief Executive Officer of BayWa Aktiengesellschaft (BayWa) since July 2008. He began his career initially as a lawyer but soon assumed managerial positions in a number of different sectors which enabled him to gain extensive experience, above all in the restructuring and development of companies.

He is a member of the supervisory boards of a number of listed and private companies including Euro Pool System International B.V. (chairman), RWA Raiffeisen Ware Austria AG, Unser Lagerhaus Warenhandelsgesellschaft m.b.H and Giesecke & Devrient GmbH (chairman).

In 2013, Prof. Lutz was appointed as an honorary professor of Managerial Economics of Co-operative Societies at the Technische Universität München.



ANDREAS HELBER

Non-Independent Director

Director since April 2012

Board committees: Member of the Finance, Risk and Investment Committee

Andreas Helber has been Chief Financial Officer (CFO) of BayWa since 2010 and began his career as a business graduate at KPMG in Munich. In 2000, Mr Helber joined BayWa as Head of Finance. He subsequently took over as manager of Investor Relations and was appointed Executive Manager in 2007 before his current role as CFO.

Mr Helber is a member of the supervisory boards of a number of listed and private companies including R+V Pensionsversicherung AG, RWA Raiffeisen Ware Austria AG, and Unser Lagerhaus Warenhandelsgesellschaft m.b.H.



JOHN WILSON

B.Agr.Sc
Independent Director

Director since April 2012

Board committees: Chairman of the Human Resources Committee, Member of the Finance, Risk and Investment Committee

John Wilson is currently the chairman of dairy co-operative Fonterra. He is a chartered member of the Institute of Directors in New Zealand and on the Executive Board of the New Zealand China Council.

Mr Wilson lives on his farm near Te Awamutu and jointly owns a dairy farming business based near Geraldine, South Canterbury.



CAROL CAMPBELL

BCom, CA, ChMinstD
Independent Director

Director since June 2010

Board committees: Chair of the Finance, Risk and Investment Committee, Member of the Human Resources Committee

Carol Campbell is a chartered accountant and a member of Chartered Accountants Australia and New Zealand. Mrs Campbell has extensive financial experience and a sound understanding of efficient Board governance.

She holds a number of directorships across a broad spectrum of companies including Kiwibank, New Zealand Post, NZME, NPT and Fisher Listed Investment Companies – Kingfish, Barramundi and Marlin Global where she is Chair of the Audit and Risk Committee.



CHRISTIANE BELL

Non-Independent Director

Director since February 2014

Christiane Bell is the current General Manager Fruit at BayWa and responsible for BayWa's Global Produce. Ms Bell has served as head of fruit, vegetables and baked goods at discounters Penny and as Sales Director Germany / Scandinavia with Dutch company The Greenery.

Ms Bell is currently director of Obst vom Bodensee Vertriebsgesellschaft m.b.H. and TFC Holland B.V.



MAU WAH LIU

Non-Independent Director

Director since April 2017

Mau Wah Liu has more than 30 years of experience in the produce industry and enterprise management. In 1998, he founded Golden Wing Mau Enterprise Development Co., Limited. He is the Chairman of Golden Wing Mau Agricultural Produce Corporation (Joy Wing Mau Group), which he established in 2003.

Mr Liu has won numerous industry honours and awards including receiving the China Fruit Marketing Association Award "Person of the Year" in 2016.



RALF TOBIAS PRISKE

Non-Independent Director

Director since December 2017

Ralf Tobias Priske started working for BayWa in 1998 as member of the legal department providing advice to the various branches of the company and had a leading role in the acquisition of the majority of the shares of T&G by BayWa in 2012.

From 2013 to 2015 he worked for the renewable energy sector of the BayWa Group as Deputy Legal Counsel focusing on establishing the renewable energy business in the USA. In July 2015, Mr Priske was appointed as BayWa's Company Secretary and lives in Rosenheim near Munich, Germany.

Global Presence

NORTH AMERICA

CONTINENTAL EUROPE

UK

SOUTH AMERICA

AUSTRALIA

NEW ZEALAND

ASIA

PACIFIC ISLANDS

WHERE WE GROW, EXPORT FROM OR HAVE A PRESENCE AND SELL TO CUSTOMERS.

GLOBAL BASKET

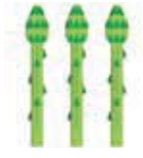
We grow, source, market, distribute and sell produce across the globe.

APPLES



Austria, Chile, France, Germany, Italy, New Zealand, South Korea, Spain, Switzerland, United Kingdom, USA

ASPARAGUS



Australia, Mexico, New Zealand, Peru

BANANAS



Ecuador

BERRIES



Australia, Chile, New Zealand, Peru, USA

CHERRIES



Australia, Canada, Chile, New Zealand, USA

CITRUS



Australia, New Zealand, Peru, USA

DRINKING COCONUTS



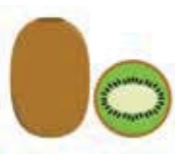
Thailand

GRAPES



Australia, Chile, Mexico, Peru, USA

KIWIFRUIT



Chile, Italy, New Zealand

MANGOES



Australia, Ecuador, Mexico, Peru

PINEAPPLES



Philippines

POTATOES



New Zealand

STONE FRUIT



Australia, Chile, New Zealand, USA

TOMATOES



Australia, New Zealand



T&G EGM New Zealand Andrew Keaney (centre) celebrates Lotatoes™ being named the overall winner of the Ministry for Primary Industries' Primary Sector Award 2017 with T&G potato growers Eamon Balle, Balle Brothers (left) and Pravin Masters, Masters Produce (right).

Snapshot of our results

FINANCIAL YEAR	REVENUE	OPERATING PROFIT	PROFIT AFTER INCOME TAX	NET ASSETS	NET TANGIBLE ASSETS PER SHARE*
2017	\$1,106 MILLION	\$20.8 MILLION	\$22.6 MILLION	\$426 MILLION	\$3.17
2016	\$872 MILLION	\$33.4 MILLION	\$32.4 MILLION	\$347 MILLION	\$2.62

*Total net assets less total intangible assets, divided by number of ordinary shares.

Financial Summary

In 2017, T&G celebrated its 120th year by surpassing a billion dollars of revenue for the first time, growing its global presence with new ventures in the United States (US) and the United Kingdom (UK), and achieving a strong result in its New Zealand Markets business.

The past year was not without its challenges however as poor weather conditions negatively impacted on fruit quality and domestic and international harvests. The lack of quality fruit combined with increasing costs in its businesses saw T&G's net profit after income tax decrease by \$9.8 million from \$32.4 million in 2016 to \$22.6 million in 2017.

Growing a global presence

One of T&G's strategic focuses is to grow and strengthen key markets both locally and overseas. During the year, T&G acquired 39.4% of the shares in Grandview Brokerage LLC, a US company that holds 100% of the shares in David Oppenheimer & Company I, L.L.C. with whom T&G has had a long association. This venture gives

T&G greater access to the US market for T&G's own grown and sourced pipfruit.

In 2017, T&G also consolidated Worldwide Fruit Limited (Worldwide Fruit) into its results for the first time. This consolidation was made possible through the renegotiation of the shareholders' agreement between Worldwide Fruit's two 50% shareholders. By working closely with Worldwide Fruit, T&G further strengthens its presence in the UK market.

Apart from these two significant transactions, T&G also became the licence holder of 16 proprietary blueberry varieties in Australia. This investment enables T&G to work with growers to develop and market a range of varieties in a category that is rapidly growing globally.

Achieving a key revenue milestone

The 2017 financial year saw revenue increase by \$234.7 million from \$871.8 million in 2016 to \$1.1 billion in 2017, marking the first time T&G has recorded a billion dollars of revenue. Most of this revenue growth was through the consolidation of Worldwide Fruit in the UK contributing \$212.6 million of revenue.

In addition, continued strong pricing for T&G's apple varieties and a good result for the New Zealand Markets contributed to organic revenue growth for the Pipfruit and New Zealand Produce divisions.

This landmark revenue result for T&G did not translate to operating profit growth as operating costs increased by \$33.4 million from \$226.8 million in 2016 to \$260.2 million in 2017 and purchases, raw materials and consumables used increased by \$203.9 million from \$630.4 million in 2016 to \$834.3 million in 2017.

The majority of the increase was again due to the consolidation of Worldwide Fruit. The growing maturity of T&G's international operations, inflationary increases in employee wages and salaries, and incentive payments to staff recognising the 2016 result, have also added to the increase in operating costs.

Operating profit was also affected by significant weather events in New Zealand and internationally. In the Pipfruit division, significant unseasonal rain in Hastings, New Zealand in the early part

of 2017 impacted on apple quality and harvests, reducing the amount of quality fruit available for local and international markets.

Adverse weather conditions also impacted on most of the International Produce division's product lines, with the most affected being T&G's key grape and high margin cherry businesses. In Peru, the division's grape growing operations were severely impacted by flooding with extensive damage to the vines resulting in the loss of this season's harvest.

The New Zealand Produce division had an excellent year and outperformed 2016 on an operating profit level. This was possible due to a record result in the New Zealand Markets business which was driven by higher fresh produce prices overall in 2017 and hence higher commissions earned by the business.

Profit after tax for 2017 includes one-off gains of \$15.4 million and \$8.2 million, relating to the acquisition of Grandview Brokerage LLC and first-time consolidation of Worldwide Fruit respectively. These gains were offset by impairments recorded in the business.

Robust financial position

T&G continues to have a solid balance sheet with total net assets of \$425.6 million representing a \$78.8 million increase from 2016. \$56.1 million of the increase was from the revaluations of commercial land and improvements, buildings, and orchard land and improvements in line with T&G's accounting policy for property, plant and equipment.

The consolidation of Worldwide Fruit and the investment in Grandview Brokerage LLC also contributed to the increase in net assets compared to 2016.

2017 saw continued investment in T&G's local infrastructure and growing operations as evidenced by a capital



WOLFGANG LOOSE
CHIEF FINANCIAL OFFICER

investment programme of \$20.4 million. This included the planting of 62 hectares of new apple orchards and 140,000 new apple trees, ensuring a steady future supply of key variety apples for T&G's export programmes.

The increase in net assets has seen net tangible assets per share increase from \$2.62 in 2016 to \$3.17 in 2017, driven in part by a higher asset base from asset revaluations and the first-time consolidation of Worldwide Fruit. Earnings

per share however has declined from 25.1 cents per share in 2016 to 15.8 cents per share in 2017 due to the difficult year experienced by T&G.

Wolfgang Loose
Chief Financial Officer

Our Divisions

Every day, T&G delivers the highest quality fresh produce around the world. We do this by growing and sourcing year-round, from the top of the globe to the bottom, while staying true to our purpose of a Passion for Freshness.

Passion for Everyday. Ev

18

Pipfruit

20

International
Produce

22

New Zealand
Produce

JAMIE LAUFISO AND
WIREMU TAKEREI
T&G NZ PRODUCE

Pipfruit - apples & pears

The North American market was a key focus for T&G's Pipfruit (apples and pears) division in 2017 with greater collaboration between T&G and Oppy's domestic and export account teams. The enhanced partnership is benefiting growers, suppliers, customers and consumers of apples in the region.

T&G increased its previous 15% shareholding in the US produce marketing and distribution business, David Oppenheimer & Company I, L.L.C. (Oppy US), through its acquisition of 39.4% of Grandview Brokerage LLC, which holds 100% of Oppy US.

The two US collaborations have already led to stronger integration between

T&G's and Oppy US's domestic and export account teams for the benefit of growers, suppliers, key customers and the consumers of fresh produce.

T&G and Grandview Brokerage Limited (GBL), a 65% owned subsidiary of Total Produce plc (Ireland), announced a partnership with two US produce businesses in March 2017 to provide their respective grower suppliers with access to both US domestic and international customers.

Despite strengthened ties in all key markets, T&G's Pipfruit division experienced a challenging year overall due to wet weather in the southern hemisphere and frosts in Europe affecting crop health. The division experienced one



DARREN DRURY
Executive General Manager Pipfruit



of the most challenging crops in 25 years but achieved close to budget.

JAZZ™ and Envy™ are now top ten premium varieties in retail in most of T&G's key markets including the USA, Europe, Asia and the UK. Awareness and value continued to rise with quality fruit supported by extensive in-market campaigns including a global JAZZ™ refresh.

Across Europe, demand continues to grow for both JAZZ™ and Envy™ apples, from growers and customers, with JAZZ™ reaching its highest sales price in 2017 since the variety was introduced in 2001.

T&G's expansion in Asia has assisted the business in growing its relationships and opportunities across key markets including China, Thailand, Vietnam and Japan.

Globally, T&G will continue to roll-out new plantings from 523 hectares of JAZZ™ and Envy™ in 2015 to 615 hectares by 2018. A strategic refresh through to 2025 and upweighted marketing activity and brand communications resourcing will ensure continued global growth and awareness.



APPLES

T&G currently markets 10 million crates of apples globally and is on track to achieve our global target of 20 million cartons globally by 2020.



International Produce

T&G's International Produce division was negatively impacted by a range of issues during 2017 including a delay in the harvesting of key category table grapes in Peru due to severe weather. The passing of King Bhumibol of Thailand led to an extended mourning period for Thai people and the cessation of sales and marketing promotions. However consumption of T&G's key apple brands remained steady globally.

In September, T&G announced it was strengthening its relationship with long-term partner, Montague, based in Victoria, Australia. Montague is Australia's leading producer and distributor of stone fruit. The two companies have enjoyed a positive commercial relationship for 15 years with Montague managing T&G's JAZZ™ and Envy™ apples under license for the Australian market. That arrangement has now been extended through a memorandum of understanding that will see T&G become the official export

partner for Montague stone fruit brands – CROC EGGS and the MONTAGUE tree.

Under the agreement, T&G is selling and marketing Montague stone fruit offshore with the support of its in-market offices in Asia.

The strengthened partnership is already opening new export markets for T&G's growing volume of fruit across its global network including China which Australia gained access to for stone fruit in 2017.

The growth opportunities presented by berries is supported by an exclusive licensing agreement with Plant & Food Research which gives T&G access to a suite of 16 proprietary blueberry varieties in Australia. The agreement, confirmed in September, represents one of the biggest collections of proprietary commercial and pre-commercial blueberry varieties in the world.



SARAH MCCORMACK

Executive General Manager International

The arrangement includes varieties developed by Plant & Food Research and a collection of premium varieties from Fall Creek Farm and Nursery in Oregon, USA, for which Plant & Food Research holds the Australian licensing rights. The agreement allows T&G to drive further growth in one of its key categories and key markets through managing the supply chain from plant propagation to plant distribution and marketing.

The varieties T&G has licensed in Australia are high yielding, with a great flavour profile and T&G has received strong interest from growers wanting to plant them. The first plants are expected to be available in early 2018 and T&G will scale up production for commercial plantings from 2019. Australian fresh blueberry production has more than tripled since 2007, when volume was 2,000 tonnes per annum, to 7,660 in 2017.



New Zealand Produce

T&G's New Zealand Produce division is responsible for a range of business units and customer relationships. This includes growing operations for covered crops (tomatoes, capsicums and cucumbers) and diversified produce (citrus, kiwifruit and berries), managing the New Zealand markets, overseeing imports of produce and transport operations.

The division continues to have strong relationships with 1,050 third-party growers across the country who enable T&G to provide our customers with the full range of products and ensure continuity and consistency of supply of quality produce. Those relationships have been formed over 120 years and now extend to over 2,000 retail customers across New Zealand.

A strong driver of success for the division has been the team's focus towards placing the customer at the heart of what we do. This has been achieved through working closer with our customers nationwide and by providing an improved online ordering experience with FirstPick™ which supports purchases from 12 market sites across New Zealand.

During the year T&G was nominated as 'Supplier of the Year 2017' by Countdown, making it to the final three.

T&G's focus on remaining consumer relevant led to the hugely successful launch of Lotatoes™, T&G's first lower carbohydrate and calorie potato, which was named runner up for 'New Product of the Year 2017' by Countdown and was



ANDREW KEANEY
Executive General Manager
New Zealand

T&G PRODUCE SUPPLY & DISTRIBUTION



crowned the overall winner of the Ministry for Primary Industries' Primary Sector Awards at the 2017 Food Awards – an enormous accolade.

Other brands that performed well over 2017 include JAZZ™ and Envy™ apples, as well as Ruby's Jellybean™ tomatoes, now number one fresh produce by value in Countdown. Their sister brand Beekist Angel showed strong growth and is the number one in fresh produce item by value across the Foodstuffs banners.

With ethical sourcing becoming more important to consumers and customers, the continued success of our partnership with All Good Fairtrade bananas remains extremely positive.

The transport division of New Zealand Produce had a difficult year with lower volumes of produce being transported around the country due to roading challenges as a result of the Kaikoura earthquake in November 2016. However, the division finished 2017 strongly. New business development opportunities were realised through diversifying our transport capability, winning new customers and focusing on removing unnecessary cost in the business.

NEW ZEALAND MARKETS

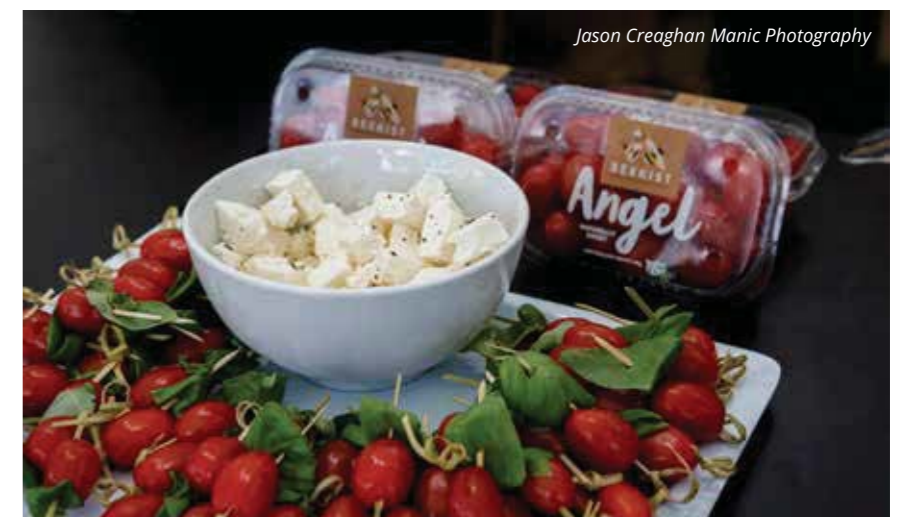
12
MARKET SITES

OPERATING
7 DAYS
A WEEK



ONLINE ORDERING PLATFORM FOR WHOLESALE PRODUCE SECTOR

FirstPick.co.nz was developed in-house by T&G's IT team and enables customers to order fresh fruit and vegetables in real-time from a desktop, tablet or smartphone 24/7.



Jason Creaghan Manic Photography



Global Growth

T&G is proud of the people that work in our business across the globe with a shared passion for freshness. That passion is what enables our continued growth.

Our focus is on strengthening relationships and being adjacent to our customers to better respond to trends and leverage key category opportunities.

Our intention is to be the customer's first choice by understanding their needs, providing valued insights and consistently securing the quality produce they need at the right time and for the right price.

We want to be the benchmark for fresh produce by adopting emerging best practice to support sustainable growth by being an employer of choice known for talented, hardworking employees supported by premium produce, expert systems and processes.

Our Core Brands

T&G grows, sells, and works with passionate growers around the world to deliver the highest quality, trusted and safe fresh fruit and vegetables. We love our food so we're constantly exploring ways to make it more sustainable, fresh, and delicious to help people lead a more healthy, active lifestyle.

Our core consumer brands of JAZZ™, Envy™, Pacific Rose™, and Beekist® are now sold in over 60 countries around the world. Each has a unique story to tell that enables us to connect and add value to our trade customers, growers and consumers' lives and businesses.

The Beekist® Story

At Beekist® our friendly growers are supported by another team of little helpers – in the form of humble, hard-working bumble bees. You see, it takes something of a small miracle to handcraft the perfect flavoursome tomato. Soft rainwater. Gentle encouragement.



Minimal interference. And round-the-clock care. Our friendly bees fly freely between all our specially selected vine varieties, gently visiting each flower to ensure pollination just the way nature intended. The result is a taste sensation that everyday foodies with a fascination for flavour love – just hours after they're hand-picked from the vine.

The Envy™ Story: Bite and Believe

Day-after-day, whether in blazing sun, pouring rain, biting cold or blowing wind, our dedicated growers remain passionate about Envy™ apples. You see, the more we live the way we do, the more of us search for a little parcel of purity. A perfect piece of nature. A time when life was quieter and maybe a little gentler. (And when an ingredients list wasn't 12 lines long.) Envy™



is the antidote – bite and believe! It's an apple grown for our busy, modern lives. A pure and pristine apple that's a genuine work of orchard-growing genius. And one you can enjoy just about anywhere. With its extraordinary crunch and texture, refreshingly sweet palette and beautiful colours – it's nature's passport to a magical moment of indulgent time. Brought to you from the world's most caring growers.

The JAZZ™ Story: The JAZZ™ sensation

In some of the world's most beautiful orchards, a unique apple is proudly grown by an enthusiastic group of passionate growers. The result is a natural work of art that's both sun-kissed and carefully nurtured. Because JAZZ™ apples are, well, just apples. Right? Until you bite into it, that is. For this is an apple that's a true taste sensation. An apple that zigs when others zag. An apple that's zingy, fresh, zesty – an invigorating, always-refreshing flavour explosion that once bitten, is never forgotten. Because the thing about traditional apples, is that they can sometimes be a bit...traditional. (There's a reason they're called Granny Smiths, right?). But this? This little wonder is an all-year-round, super-wholesome, one-way ticket to refreshment nirvana; a flavour hit so good that even we're surprised it's legal. It's the ultimate convenience food that feels good, works wonders, and captures all the best bits of nature into a single snack.

The Lotatoes™ Story

Lotatoes™ have a creamy melt in your mouth taste, and with just 9.8 grams of carbs per 100 grams, they contain at least 40% fewer carbs than the commonly available Rua and Agria potato varieties. Lotatoes™ are a versatile potato that can be enjoyed in many ways; try them boiled, baked or mashed. Virtually fat free, they are best eaten with skin on for added fibre. Naturally bred Lotatoes™ are proudly grown for T&G by Balle Bros and Master & Sons in two of the best growing regions New Zealand has to offer: Ohakune and Pukekohe have fertile soil and ideal



We love our food and are constantly exploring ways to make it more sustainable, fresh and delicious.

climate conditions, perfect for growing flavoursome, healthy potatoes.

The Pacific Rose™ Story: Nature's Perfect Pick-me-up

Life is rosy. Yet it can also be full of surprises. So, just occasionally, it's good to know exactly what you're getting. And with a Pacific Rose apple, we almost guarantee it. For starters, it looks naturally beautiful. Its gorgeous natural blush pink colour is both unique, and a fine example of a sun-kissed apple that's grown with genuine care, and all-year-round expertise. But the real proof is in the eating. With its

fragrant aroma, lush texture and satisfying crunch, your first bite reveals a taste and firmness that's as delightfully juicy as it is enduringly comforting. It's a natural apple sorbet; balanced, hydrating and light. No surprises, then, that it's loved and admired as the perfect pick me up – just the way nature intended.

Engagement

T&G refreshed its website in 2017 keeping content relevant and refreshing for stakeholders.

www.tandg.global



Growing Green

Growing Green is T&G's commitment to the land on which we grow. It leads to healthier, more natural produce.

We're committed to carving our own sustainable path globally, be it riparian tree plantings in New Zealand, good land practices in Europe or water conservation in Peru.

When it came to formalising our best practices, we chose to work with independent experts Global Reporting Initiative (GRI) who we knew would set us high benchmarks. Those benchmarks included guidelines and a framework like that adopted by the OECD, the UN Environment Programme, UN Trade & Development and many others.

From environmental issues like energy, emissions, waste, water, biodiversity and transport to social initiatives like health, safety, community and diversity – it's a big part of who we are and how we exist.

Growing Green

Growing in importance for consumers is the knowledge they're buying ethically sourced and sustainably grown produce. Consumers also want to know where their produce was grown and those that produced it care not just for the environment but the wider community it stems from.

In 2017, T&G joined the Soft Plastics Recycling Initiative which encourages consumers to return soft plastics to supermarkets for recycling. As a major producer, T&G is continually looking for better packaging options for its brands.

As a grower, T&G understands the challenges growers face in producing quality fruit and vegetables year-round.

To support growers T&G is intent on reducing the cost of food production but also food wastage through improvements to growing programmes and donations to organisations such as KiwiHarvest which redistributes excess food to those in need.

Finalist NZI Sustainable Business Network Awards 2017 - Efficiency Champion



JASON GREENE
T&G GROWER
MANAGER

"I'm thrilled our company sees the value in the Grow New Zealand Women group and is willing to show such support."

Magnolia Sonneland, Pipfruit Unit Manager, T&G.



As a grower in its own right, T&G appreciates its biggest business partner is the land on which it grows, hence a commitment to treating it gently. That means balancing what is taken out of it with what is given back. It also means native riparian plantings on T&G land and initiatives centred on reducing energy and water use. These are just a few activities undertaken during 2017 with 2,000 native species planted on Kerikeri and Riwaka orchards.

In 2015, T&G set an initial target of reducing energy use by two GWh by 2018. However, that target was reached after 12 months with EECA's support. An energy saving milestone was achieved in 2017 with T&G signing a new collaboration agreement with EECA centred on energy usage improvements.

Growing Green is T&G's commitment to reducing energy but also sourcing programmes. The ongoing partnership with All Good Fairtrade Bananas by T&G is a living example of the business' decision to work with those that share similar ethics.

Diversity is integral to T&G. The make-up of our workforce reflects not just ethnicity of a global community but also gender with an even split of females and males working across the business.

In 2017, T&G became a partner of Grow New Zealand Women, a group focused on encouraging and supporting women working in the horticulture industry. The business also doubled its financial support of the Young Horticulturalist of the Year and the Young Grower Awards.

The growth of the horticulture industry requires an influx of people which T&G supports through its *Grow your World with T&G* activity. It covers the attraction and retention of people into T&G as well as career development and support.

Working in parallel is T&G's commitment to *Protect and Grow* its people by providing a high standard of health and well-being practices. An education programme to raise awareness of *Protect and Grow* took place over 2017 with updated policies and improvements in operational areas alongside greater support for healthy activity by T&G employees.

ETHICAL SOURCING



Improved sourcing practices
Supplier assessment for labour practice

REPORTING AND COMPLIANCE



Ensure environmental compliance
Mitigate environmental grievances
Encourage environmental investment

ENERGY



Increasing energy efficiency

EMISSIONS AND TRANSPORT



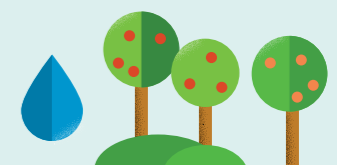
Lower emissions
Efficient transport

WASTE AND MATERIALS



Reduce effluents and waste
Innovative use of materials

BIODIVERSITY AND WATER



Support biodiversity
Better use of water

CORPORATE GOVERNANCE

THE BOARD IS THE GOVERNING BODY OF T&G GLOBAL LIMITED (THE COMPANY) AND ITS SUBSIDIARY COMPANIES (T&G).

Role of the Board

The Board is responsible to shareholders for the performance of the Company, which includes setting the objectives and the strategies for achieving those objectives, identifying significant areas of business risk and implementing policies to deal with those risks, setting the overall policy framework and monitoring the continuing performance of the Company and its management. The Board also ensures that procedures are in place to provide effective internal financial control.

Responsibility for the day-to-day management of T&G is delegated by the Board to the Chief Executive Officer (CEO). The Board is committed to act with integrity and expects high standards of behaviour and accountability from all staff members.

Board membership

There are no executive directors across the Board but a broad mix of skills and industry experience relevant to the guidance of the Company's businesses. Mrs C.A. Campbell and Mr J.S. Wilson are independent directors for the purposes of the NZX listing rules.

Conduct of the Board

The Board has adopted a formal Code of Ethics which sets out the expected standards of professional conduct of its members.

The Board meets at regular intervals and conducts its affairs to ensure matters can be discussed openly, frankly and confidentially. Any potential conflicts of interest relating to directors are identified and disclosed. Affected directors are usually not permitted to vote on any related matter where a conflict exists.

The Board operates a code of conduct that forbids directors and other affected parties to deal in the Company's shares at any time when they are in possession of insider information and during periods which are deemed by the Board to be 'closed' periods. These closed periods customarily include the end of the six and 12 month reporting cycles, and until such time as profit announcements have been publicly disclosed. Closed periods include any additional period when the Board is engaged in matters that are likely to have an impact on the market value of the shares.

Board access to advice

All directors have access to the advice and services of the Secretary to the Board and the Board has established a procedure whereby directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, with the prior approval of the chairman.

Independent professional advice includes professional legal and financial advice, but excludes any advice on the personal interests of a director. The Board regularly invites key managers and executives to attend and present at Board meetings, and interaction with directors is routinely encouraged.

Board committees

The Board has two constituted committees, the Finance, Risk and Investment Committee (FRIC) and the Human Resources Committee (HRC), both of which operate under Board approved charters.

The FRIC meets at least four times per year and is responsible for overseeing compliance with statutory financial regulations and related responsibilities, ensuring that effective systems of accounting and internal control are established and maintained, overseeing internal and external audit, and liaising with T&G's independent auditors. This committee is chaired by Mrs C.A. Campbell, and comprises Mr J.S. Wilson and Mr A. Helber. The FRIC members also meet separately with the auditors as required.

The HRC is responsible for reviewing, approving and monitoring T&G's Health and Safety Policy, Strategy, Annual Plan and programme of work. This ensures the health and safety of all those that work for or come into contact with T&G. Additional responsibilities include ensuring that the remuneration strategy, policies and practices reward fairly and responsibly with a clear link to T&G's strategic objectives and corporate and individual performance; and assisting the Board in succession planning for the CEO and senior management positions which identifies and targets individuals for development. This Committee meets at least four times per year and comprises Mr J.S. Wilson (chair) and Mrs C.A. Campbell.

The Board has not at this stage established a Nominations Committee owing to a belief that director appointments are of such significance that they should be a direct responsibility of the full Board. This matter is kept under review.

Interests register

The Company and each subsidiary of the Company are required to maintain an interests register in which particulars of certain transactions and matters involving the directors must be recorded. The interests registers for the Company and its subsidiaries are available for inspection at its registered office.

Details of all matters that have been entered in the interests register of a company by individual directors during the year are outlined in the statutory information section of this annual report, and should be read in conjunction with the individual directors' profiles.

T&G management structure

T&G's organisational structure is focused on its five business divisions being Pipfruit, International Produce, New Zealand Produce, Processed Foods and Other. These operations are managed separately with direct reporting to the CEO and to the Board which exercises overall control.

Risk identification and management

T&G has adopted a system of internal control, based on written procedures, policies and guidelines. To reinforce this, an internal audit function exists that reports to the Board through the FRIC.

The Board acknowledges that it is responsible for the overall internal control framework. In discharging this responsibility the Board has in place a number of strategies designed to safeguard T&G's assets and interests and to ensure the integrity of reporting.

Procedures are in place to identify areas of significant business risk and to remediate and effectively manage those risks. As required, the Board obtains advice from external advisors.

While the Board acknowledges that it is responsible for the overall control framework of T&G, it recognises that no cost effective internal control system will preclude all errors and irregularities.

Directors' and Officers' insurance

The Company has arranged directors' and officers' liability insurance covering directors acting on behalf of the Company. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for the Company.

The types of acts that are not covered are dishonest, fraudulent and malicious acts or omissions; wilful breach of statute, regulations or duty to the Company; improper use of information to the detriment of the Company; and breach of professional duty.

Tax strategy and governance

T&G operates within a framework of prudent and proactive tax risk management.

T&G's tax strategy is focused on providing high quality management and governance, which results in ensuring that T&G pays the appropriate amount of tax within each market that it operates.

T&G implements this strategy through the tax risk management principles within its Risk Management Framework.

In conducting its activities in New Zealand and offshore, T&G ensures that it:

- Complies with all relevant tax legislation in each tax jurisdiction in which it operates.
- Meets all its tax obligations on time.
- Pays the correct amount of tax that is due.
- Obtains expert advice as required where complex international transactions are involved.

The statutory corporate tax rate in New Zealand is 28% and on average over the five-year period (2013 to 2017), T&G's effective tax rate was 21%. T&G's average effective tax rate is lower than the statutory corporate tax rate in New Zealand due to the different corporate tax rates applicable for T&G's subsidiaries operating in foreign jurisdictions, and the impact of non-deductible and non-taxable items.

STATUTORY INFORMATION

Auditors

Deloitte Limited has continued to act as the principal auditor of T&G and has undertaken the audit of the financial statements for the year ended 31 December 2017.

Directors' loans

No director is in receipt of any loans from T&G.

Directors' remuneration

The following persons held office as director during the year. Remuneration paid or accrued included incentive payments, vehicles, superannuation and other benefits, where applicable. On top of fees, directors also receive an annual travel allowance of \$1,000.

12 months to 31 December 2017

DIRECTORS OF T&G	\$'000
Prof. K.J. Lutz	45
C.U.G. Bell	36
C.A. Campbell (director fees)	93
C.A. Campbell (committee chair person)	10
A. Helber	36
M.W. Liu (appointed on 28 April 2017)	24
R.T. Priske (appointed on 15 December 2017)	1
J.S. Wilson	93
Sir John Anderson (resigned on 4 December 2017)	89
R.J. Campbell (resigned on 20 April 2017)	28

Directors and Officers composition

At 31 December 2017 the gender composition of T&G's directors and officers was as follows:

	MALE	FEMALE
Directors	5	2
Officers	7	2

Employee remuneration

T&G paid remuneration including benefits in excess of \$100,000 to employees (other than directors) during the 12 months. The salary banding for the employees is disclosed in the following table:

12 months to 31 December 2017

\$'000 NZD EQUIVALENT	NUMBER OF EMPLOYEES	
	2017	2016
100-110	48	35
110-120	30	24
120-130	23	20
130-140	17	20
140-150	27	18
150-160	11	10
160-170	16	14
170-180	13	12
180-190	9	7
190-200	7	5
200-210	5	2
210-220	3	5
220-230	5	1
230-240	4	5
240-250	1	1
250-260	-	3
260-270	4	-
270-280	-	1
280-290	3	2
290-300	2	2
300-310	1	1
310-320	2	1
330-340	2	2
340-350	1	-
350-360	1	1
360-370	1	1
380-390	-	1
390-400	1	-
400-410	2	-
420-430	1	-
430-440	1	-
440-450	-	2
460-470	1	1
490-500	2	1
520-530	-	1
530-540	1	-
660-670	1	-
850-860	-	1
1,020-1,030	-	1
1,090-1,100	1	-
Total	247	201

The current year total remuneration spread takes into account the impact of exchange rate movements on employees paid in foreign currencies.

CEO remuneration

According to the NZX Corporate Governance Code (recommendation 5.3), T&G should disclose the remuneration arrangements in place for the CEO.

Details of CEO remuneration have not been disclosed on the basis of privacy issues as Mr Hulbert ceased to be T&G's CEO during the period and thus his consent was unable to be obtained in relation to such disclosure. The Company is currently in the process of appointing a new CEO, whose consent in relation to disclosure of remuneration arrangements will be included as an agreed term in their employment agreement.

Directors' shareholdings

As at 31 December 2017, no current directors or parties associated with current directors held ordinary shares (2016: Sir John Anderson held 30,000 ordinary shares).

There were no share transactions during the year ended 31 December 2017 in which directors held 'relevant interests'.

Indemnification and insurance of directors and officers

The Company indemnifies all directors named in this report, and current and former executive officers of T&G against all liabilities (other than to the Company or members of T&G) which arise out of the performance of their normal duties as director or executive officer, unless the liability relates to conduct involving lack of good faith. To manage this risk, T&G has indemnity insurance. The total cost of this insurance including directors and officers

of offshore companies during the 12 months was \$32,000 (2016: \$32,000).

Information used by directors

No member of the Board of the Company, or any subsidiary, issued a notice requesting to use information received in their capacity as director which would not otherwise have been available to them.

Interested transactions

No directors disclosed the existence of any transactions with T&G during the 12 months in which they held an interest.

NZX waiver from listing rule 5.2.3

During the year, the Company held a waiver from New Zealand Exchange (NZX) listing rule 5.2.3 Spread that was granted in April 2012. NZX listing rule 5.2.3 provides that an issuer's securities will generally not be considered for quotation on the NZX unless those securities are held by at least 500 members of the public holding at least 25% of the number of securities of that class issued, and those requirements are maintained, or the NZX is otherwise satisfied that the issuer will maintain a spread of security holders sufficient to ensure a sufficiently liquid market in the class of securities.

As BayWa Aktiengesellschaft and Wo Yang Limited are not considered members of the public for the purpose of the listing rules, less than 25% of the quoted securities of T&G are held by members of the public and therefore the Company does not meet the requirements of listing rule 5.2.3.

The NZX granted the Company a waiver from listing rule 5.2.3 under the following conditions:

- The waiver, its conditions, and its effect on the Company's shareholders

are disclosed in each annual report for the year upon which it was relied; and

- The Company notifies the NZX if there are any material changes to its spread.

The waiver has the effect of ensuring security holders have a ready market to purchase or sell securities.

Substantial shareholders

The following information is given pursuant to Section 26 of the Security Markets Act 1988.

The following parties are recorded by the Company as at 31 January 2018 as substantial security holders in the Company, and have declared the following relevant interest in voting securities under the Securities Markets Act 1988:

BayWa Aktiengesellschaft	90,671,206
Wo Yang Limited	24,496,386

The total number of voting securities issued by the Company as at 31 January 2018 was 122,543,204.

20 largest shareholders

as at 31 January 2018

NAME	UNITS	% OF ISSUED CAPITAL
BayWa Aktiengesellschaft	90,671,206	73.99%
Wo Yang Limited	24,496,386	19.99%
Bartel Holdings Limited	1,172,997	0.96%
National Nominees New Zealand Limited	900,658	0.73%
HSBC Nominees (New Zealand) Limited	397,016	0.32%
R.J. Turner, C.E. Turner, Redoubt Trustees Limited & Evans Pennell Trustees Limited	202,689	0.17%
S.J. Turner, C.M. Turner & D.H. Turner	174,508	0.14%
FNZ Custodians Limited	150,670	0.12%
H.J. Goodwin	117,986	0.10%
BNZ Paribas Nominees (NZ) Limited	111,414	0.09%
D.W. Browne, J.F. Browne & M.R. Bangma	109,784	0.09%
L.R. Hotham	101,482	0.08%
P.J.S. Rowland	93,507	0.08%
Tribal New Zealand Traders Limited	79,874	0.07%
M.C. Goodson, D.D. Perron, Goodson & Perron Independent Trustee Limited	79,339	0.06%
L.M.Marx-Sheather, W.B. Sheather, P.V.Sheather & S.M.Palmer	70,856	0.06%
TEA Custodians Limited Client Property Trust Account	70,000	0.06%
R.M. Scott	63,494	0.05%
A.E. Waite	63,000	0.05%
L.S. Morales	60,000	0.05%
Total 20 shareholders	119,186,866	97.26%

Spread of security holders

as at 31 January 2018

RANGE	TOTAL HOLDERS	% OF TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 to 499	59	9.93%	14,769	0.01%
500 - 999	85	14.31%	62,589	0.05%
1,000 - 1,999	121	20.37%	170,610	0.14%
2,000 - 4,999	122	20.54%	394,640	0.32%
5,000 - 9,999	93	15.65%	642,205	0.53%
10,000 - 49,999	92	15.49%	1,961,831	1.60%
50,000 - 99,999	10	1.68%	689,764	0.57%
100,000 - 499,999	8	1.35%	1,365,549	1.11%
500,000 - 999,999	1	0.17%	900,658	0.73%
1,000,000 and above	3	0.51%	116,340,589	94.94%
Total	594	100.00%	122,543,204	100.00%

Domicile of shareholders

as at 31 January 2018

LOCATION	TOTAL HOLDERS	% OF TOTAL HOLDERS	UNITS
New Zealand	571	96.13%	7,278,894
Australia	12	2.02%	43,102
Hong Kong	3	0.51%	24,506,341
Germany	2	0.33%	90,693,154
United Kingdom	2	0.33%	5,247
Japan	1	0.17%	1,000
Malaysia	1	0.17%	11,716
Singapore	1	0.17%	1,000
United States of America	1	0.17%	2,750
Total	594	100.00%	122,543,204



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