

Memorandum

To: Market Participants
From: NZX Product Operations
Date: Friday, 13 July 2018
Subject: Livestock Improvement Corporation Limited (LIC) – Share Simplification

Message:

Livestock Improvement Corporation Limited (**LIC**) announced that, at the special shareholder meeting held on Wednesday 14 March 2018, shareholders approved the proposal to simplify its share structure.

At the close of business on Monday, 16 July 2018 LIC will be placed in to a trading halt. The halt will remain in place until the commencement of trading on Monday, 23 July 2018.

At close of business Thursday 19 July 2018, Livestock Improvement Corporation Limited (NS) Investment Shares will be reclassified as Livestock Improvement Corporation Limited (NS) Ordinary Shares, following the Co-operative Control Share annual update.

LIC will move from having two classes of shares, being Co-operative Control Shares (unlisted) and Investment Shares (Listed), to a single class of Ordinary Shares. The existing Shares will be reclassified as Ordinary Shares after adjustment for their relative rights and values.

Because the Investment Shares are worth more than Co-operative Control Shares, Co-operative Control Shareholders will need to invest additional capital over time to bridge this gap. This will be done by way of an issue of additional Co-operative Control Shares on a nil paid basis (**Nil Paid Shares**). Co-operative Control Shareholders will meet their additional investment obligation from dividends paid on all Nil Paid Shares and other Ordinary Shares held to meet the Share Standard, although they may also choose to pay up the Nil Paid Shares earlier if they wish.

For each Co-operative Control Share, holders will receive three Nil Paid Co-operative Control Shares. Each fully paid Co-operative Control Share will be reclassified as a fully paid Ordinary Share, and each Nil Paid Co-operative Control Share will be reclassified as a Nil Paid Ordinary Share.

Holders of Investment Shares will have each Investment Share they hold on Record Date subdivided into four Investment Shares. Each Investment Share will then be reclassified as a fully paid Ordinary Share.



The number of shares displayed on nzx.com will not include Nil Paid Ordinary Shares. LIC's registry will maintain the number of Nil Paid Ordinary Shares on issue and the conversions to fully paid Ordinary Shares separately.

LIC is expected to provide monthly updates to the market with respect to the number of Nil Paid Ordinary Shares which are converted to fully paid Ordinary Shares.

A timetable of events is detailed below:

Event	Date
Trading halt placed on LIC:	5.00pm Monday, 16 July 2018
Ex-Date:	Tuesday, 17 July 2018
Record Date:	Wednesday, 18 July 2018
Annual Update and Implementation of Share Simplification:	Thursday, 19 July 2018
Name change of LIC Investment Shares to LIC Ordinary Shares:	COB Thursday, 19 July 2018
LIC Ordinary Shares commence trading on the NZAX Board	Monday, 23 July 2018

For further information regarding the share structure, please refer to the announcement made by LIC on 9 February 2018, or see LIC's website at <https://www.lic.co.nz/shareholders/welcome-lic-shareholder-centre/>

Please contact NZX Product Operations on +64 4 496 2854 or productoperations@nzx.com with any operational queries.

ENDS