



30 April 2018

Bounty Holdings New Zealand Limited
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RULE 42A CLASS NOTICE

Tegel Group Holdings Limited (NZX/ASX: TGH, Tegel) advises pursuant to rule 42A of the Takeovers Code that, as at the date of this notice, the only equity securities which Tegel has on issue are:

- 355,906,183 ordinary shares; and
- 1,574,114 performance rights in total issued under Tegel's equity settled share based incentive plan for senior managers and eligible employees established on 20 April 2016 and as described in the Appendix to this notice.

Each ordinary share in Tegel is subject to the rights and restrictions set out in Tegel's constitution (a copy of which can be accessed at: <https://companies-register.companiesoffice.govt.nz/>).

Yours faithfully

Tegel Group Holdings Limited

Phil Hand
Chief Executive Officer

Copy to:

Takeovers Panel
Level 3, Solnet House
70 The Terrace
PO Box 1171
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By email: takeovers.panel@takeovers.govt.nz

NZX Limited
Level 2, NZX Centre
11 Cable Street
Wellington, 6140

ASX Limited
20 Bridge Street
Sydney
NSW, Australia



APPENDIX: PERFORMANCE RIGHTS

Details of performance rights on issue

Share price at grant date	Number of performance rights issued	
	FY2017	FY2018
\$1.63	760,114	-
\$1.26	-	814,000

As at the date of this notice, the issue of the FY2019 performance rights has not been formally approved but Tegel's Governance and Remuneration Committee has (consistent with previous practice) recommended that a further tranche of performance rights be issued. This grant is intended to be formally approved by Tegel's board in July 2018.

Terms of performance rights

Tegel established an equity settled share based incentive plan for senior managers and eligible employees (*LTI Plan*) on 20 April 2016. The LTI Plan is designed to attract and retain senior managers within the business and to align the interests of management with shareholders' interests.

Under the LTI Plan, participants are granted performance rights. Each performance right gives the participant the right to acquire one ordinary share in Tegel, subject to meeting vesting conditions set by the Board. The Board has absolute discretion to invite employees or contractors of Tegel to participate in the LTI Plan and to set the terms and conditions of the performance rights to be granted, consideration for the grant (if any) and the vesting conditions attached to those performance rights.

During each financial year, the Board approves a grant of performance rights. Participants did not pay any consideration for the performance rights and once they vest, participants will not pay any issue price when they elect to acquire ordinary shares in exchange for their vested performance rights.

Vesting of performance rights on issue is conditional on Tegel's total shareholder return over the vesting period (calculated off a base of the share price at the grant date) being positive, ranking above the 50th percentile of total shareholders returns for companies in the S&P/NZX50 and the participant remaining employed by Tegel at the time of vesting. The vesting period for the grants detailed in the table above ends after the announcement of Tegel's financial results for the 2019 and 2020 financial years, respectively.

The number of performance rights that will vest will be calculated on a straight line basis where Tegel's total shareholder return ranks between the 50th and 75th percentile, and all of the performance rights will vest where Tegel's total shareholder return ranks 75th percentile or above. Once vested, the performance rights remain exercisable for a period of six months.