



JOLI™ Apple Growing – General Terms (New Zealand Growing)

August 2025 v3

Requirement	Description
Growing / Right To License Agreement	Any grower of these plantings enters into a Growing Agreement with T&G or related company Right to License fees (planting only, refer over page for grafting): \$5,000 per Ha, payable in equal instalments of \$1,000 p.a. plus GST (if any). The first payment is required at the time of signing an RTL agreement and will include the <u>full</u> GST amount up front. These License fees are applicable for plantings up to and including 2026. Tree royalty: \$2.50 per tree payable to the nursery upon tree purchase plus GST (if any). This is also applicable for Grafting. This fee is subject to be adjusted in line with movement in New Zealand CPI on 1st January 2025. AIGN Administration Fee (applicable to grafting only): \$1.25 NZD per grafted tree. Program management fee (which includes intellectual property and breeder royalties): 6% Net Sales Price for Commercial Fruit sold + GST
Supply Agreement	Any grower of these plantings enters into a supply agreement with an Authorised Sales Service Provider. ENZAFruit New Zealand Limited ("ENZIL") is currently the only Authorised Sales Service Provider. The Supply Agreement will be between the Grower and an Authorised Sales Service Provider and will set out the terms (including associated costs) of those arrangements. T&G Apples Limited intends to require the Authorised Sales Service Provider to cap their fee component at 8% of the Net Sales Price for Commercial Fruit sold + GST.
Rootstock/Tree	Trees are to be secured exclusively through allocation of speculative pool stock by T&G for 2025. From 2026 onwards growers are to order directly through nursery. Nursery orders are subject to approval from T&G and trees will not be released until a Growing Agreement has been signed.
Years Open	Expressions of Interest are open for planting in 2025 and 2026.
Planting area	Minimum 1ha per management area, to be GPS located at planting, or pre and post planting
Grafting	Please refer to next page which details the planting settings for in-field Grafting.
Post-harvest	Postharvest management of fruit will be consolidated for the medium term*. All postharvest activities are to be managed by approved Postharvest service providers. Post-harvest management of the fruit from these plantings is as follows, by region: 1. Hawkes Bay: ENZIL Whakatu 2. Nelson/Tasman: ENZIL Nayland Road. 3. Gisborne: ENZIL Whakatu 4. Canterbury: ENZIL Nayland Road * Once volumes increase, T&G will consider other post-harvest options.
Land suitability	Open regions are Gisborne, Hawkes Bay, Nelson, Canterbury, and Central Otago. A land suitability analysis with grower and a T&G Representative should be undertaken as part of this process.

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Note: This information is only intended as a guide and does not remove the requirement of full review of any agreements

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Appendix A: Grafting Policy and Commercial Terms (Updated August 2025)

To ensure alignment with JOLI™'s long-term strategy and protect the integrity of the program ahead of its commercial launch, the following grafting-specific terms apply in addition to the general terms provided:

1. Grafting Approval Policy

- Grafting is only permitted under **T&G Apples Limited approval** and remains subject to a **case-by-case application process**.
- From **2026 onwards**, Grafting is **acceptable on blocks greater than 5ha** to ensure alignment with JOLI™'s growth strategy.
- Grafting will only be approved **if the following planting ratio is met**:
 - A planting ratio of 4:1 (grafted:planted) is required. Using an example of a 5ha area of grafting: this means that for every 4 hectares approved for grafting, an additional 1 hectare must be established as new planting and use approved nursery trees. For example, grafting 4ha would require 1ha of new trees. This ratio (20% planting) is applicable to all areas being grafted.
- All grafting applications must be submitted to the T&G Apples Limited Programme Office and include:
 - Justification for grafting over planting
 - Total number of trees and area proposed
 - Type and support of grafted trees
 - Rootstock and age of existing stock
 - Orchard block performance and history
 - Please refer to Appendix B which outlines further development plan requirements that is part of the Right to License agreement for the variety

2. Commercial Terms for Grafting

- Updated Right to License (RTL) fees apply to **grafted hectares only**:
 - **Grafting area with >5ha total JOLI™ area proposed**: \$10,000/ha + GST
 - **Grafting area with <5ha total JOLI™ area proposed**: \$15,000/ha + GST
 - Above are payable in five equal instalments per year plus GST (if any). The first payment is required at the time of signing an RTL agreement and will include the full GST amount up front. These License fees are applicable for grafting up to and including 2026.
- Tree royalty (\$2.50 per tree + GST) and AIGN grafting fee (\$1.25 per grafted tree) remain applicable.
- The above costs exclude costs of harvesting budwood, additional charges of supplying budwood may apply.
- RTL fees reflect the strategic need to:
 - Recover part of the lost value by bypassing tree sales
 - Manage grafting demand without undermining tree placement
 - Support disciplined scaling of JOLI™ as a premium, controlled variety

3. Grafting Assessment Criteria

Applications are entirely discretionary to T&G Apples and will be assessed based on:

- Region alignment with JOLI™ strategic footprint
- Orchard performance and management capability
- Suitability of proposed grafted block
- Grower participation in JOLI™ program
- Block size and feasibility
- Commercial or strategic value to the program
- Grower partnership alignment

4. Additional Notes

- T&G will generally not support grafting of **poor performing blocks** or **old varieties** unless strong evidence of improvement or alignment with program objectives is provided.
- Clause 9.1 of the Growing Agreement remains in force and prohibits propagation or transfer of plant material without prior written consent.

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Appendix B

Development Plan

A Development Plan is required as part of the Right to License Agreement and will need to address the following points, to the satisfaction of T&G Apples:

- Legal description (including ownership detail)
- Macro environmental description of the site, micro environmental description of the site (temps, rainfall, wind, frost, hail)
- Detailed drought, frost and hail susceptibility analysis
- Detailed soil map and analysis
- Detailed water access plan
- History of apple production
 - on the site
 - grower
 - management capacity
- Sterilisation plan (if applicable)
- Detailed block layout including canopy ha's for Envy (rows orientation etc)
- Pollination plan
- Canopy and Support Structure detail
- Post number and size
- Wire configuration
- Rootstock/tree number/density
- Nursery material procurement plan
- Irrigation plan
- Frost and Hail Protection plan where applicable
- Such other information reasonably requested by T&G Apples

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