

notice of meeting
2010



PUMPKIN PATCH LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of Shareholders of Pumpkin Patch Limited ("Company") for the year ended 31 July 2010 will be held in the Great Northern Room at the Ellerslie Convention Centre, Auckland, New Zealand on Tuesday, 23 November 2010, commencing at 1.00pm.

ITEMS OF BUSINESS

- A. The Chairman's introduction
- B. Addresses to shareholders
- C. Shareholder discussion
- D. Receive and consider the financial statements for the year ended 31 July 2010 together with the Directors' and auditors' reports
- E. Resolutions
To consider and, if thought fit, to pass the following ordinary resolutions.
 1. That PricewaterhouseCoopers be re-appointed as auditors of the Company and that the Directors are authorised to fix the auditors' remuneration.
 2. That Greg Muir be re-elected as a Director of the Company.
See explanatory notes.
 3. That Maurice Prendergast be re-elected as a Director of the Company.
See explanatory notes.
 4. That the appointment of Brent Impey as a Director of the Company be confirmed.
See explanatory notes.
 5. To approve the Company giving financial assistance to enable the following Directors:
 - Maurice Prendergast (Chief Executive Officer); and
 - Chrissy Conyngham (Group General Manager / Design Director),to acquire fully paid ordinary shares in the Company where such financial assistance is given on the terms and conditions of the Pumpkin Patch Long Term Incentive Share Scheme (LTI Scheme). See explanatory notes.
- F. General Business
Consider any other business that may properly be submitted to an annual meeting.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on Resolution 5 (relating to the Pumpkin Patch Long Term Incentive Share Scheme (LTI Scheme) by a Director of the Company who is intended or likely to benefit from the issue referred to in the resolution or any person who is an associate or an associated person of such a person.

However, the Company will not disregard a vote if the person is acting as a proxy for a person who is entitled to vote and the proxy votes in accordance with the express voting instructions of the person as set out on the proxy form.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'G. Muir', written in a cursive style.

Greg Muir
Chairman
21 October 2010

VOTING BY PROXY

Any shareholder who is entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote instead of him or her. A proxy need not be a shareholder of the Company. A shareholder may appoint the Chairman of the Annual Meeting as his or her proxy.

To appoint a proxy you should complete and sign the enclosed Proxy Form and return it by mail to the Company's Share Registrar, Link Market Services Limited, 138 Tancred Street, PO Box 384, Ashburton, New Zealand, or by facsimile to +64 3 308 1311.

The completed Proxy Form must be received by Link Market Services Limited no later than 1.00pm on Saturday, 20 November 2010.

All shareholders now have the opportunity to lodge their Proxy Vote online. Please view the Link Market Services website www.linkmarketservices.com and click on the Pumpkin Patch Voting banner on the screen. Online proxy voting must be completed by 1.00pm on Saturday, 20 November 2010.

APPROVAL BY NZX

NZX Limited (NZX) has approved this Notice of Annual Meeting.

EXPLANATORY NOTES

RESOLUTIONS 2 AND 3: RE-ELECTION OF DIRECTORS

Rotation of Directors

Under NZSX Listing Rule 3.3.11 (Listing Rules), two Directors must retire at the annual meeting each year, but shall be eligible for re-election at that meeting. Greg Muir and Maurice Prendergast, are required to retire under Listing Rule 3.3.11 as the two Directors longest in office but, being eligible to do so, are both seeking to be re-elected. A short biography of each of these two Directors seeking re-election is set out on pages 18 & 19 of the annual report.

Nominations being called for Directors in the period 23 August 2010 to 27 September 2010, and no other nominations have been received.

RESOLUTION 4: RE-ELECTION OF DIRECTOR

Confirmation of Director Appointment

Brent Impey was appointed as a Director of the Company by the board of Directors on 2 July 2010.

Under Listing Rule 3.3.6, a Director appointed by the Board of Director's must retire at the next annual meeting but shall be eligible for re-election at that meeting. Brent Impey, being eligible to do so, is seeking to be re-elected. A short biography of Brent Impey is set out on pages 18 & 19 of the annual report.

RESOLUTION 5: FINANCIAL ASSISTANCE TO THE EXECUTIVE DIRECTORS TO ACQUIRE SHARES IN THE COMPANY UNDER THE LTI SCHEME.

Overview of LTI Scheme

The Company proposes to continue the long term incentive share scheme (LTI Scheme) which was approved at the 2009 Annual Meeting of Shareholders. The LTI Scheme seeks to reward senior employees of PPL for meeting certain performance targets, and incentivise those employees to remain with PPL on a long term basis. The Company expects approximately 75 employees to be eligible for participation in the LTI Scheme in 2011, including two executive directors (although actual participation will depend on eligible employees meeting relevant performance criteria). Non-executive directors will not be eligible to participate.

The Company will reward those employees with shares in the Company. The shares will be issued at the average volume weighted market price calculated over the 10 business days prior to the date of issue. The shares, once acquired, will be held in trust for the employee for three years (although the employee retains the beneficial interest in the shares for that period). If the employee is still with PPL at the end of that three year period, the shares will be transferred to the employee outright. If the employee leaves PPL before the end of the three year period, PPL will repurchase the shares at the issue price (and the employee will no longer have any interest in those shares).

The Company expects to issue shares under the LTI Scheme in 2011. The LTI Scheme will run annually, and has replaced the Company's Option Scheme and Partly Paid Share Scheme.

Shares will be issued under the LTI Scheme in accordance with Listing Rule 7.3.6, which permits the Company to issue a small proportion of its shares to employees, including directors, without shareholder approval (subject to certain restrictions).

Financial Assistance

The LTI Scheme involves PPL giving financial assistance for the purposes of the acquisition of shares issued by it and, under the LTI Scheme, such assistance will be given to two Executive Directors of the Company. The financial assistance will be in two parts. Firstly, PPL will provide participants with a loan to fund the subscription price payable for the shares they acquire under the LTI Scheme. Secondly, participants will also receive a cash bonus (in recognition of their continued contribution to PPL's performance) to allow them to repay the loan.

Listing Rule 7.6.4 prohibits PPL from giving financial assistance to its directors (or their associated persons) unless shareholders have approved precise terms and conditions of the proposed financial assistance.

The terms of the financial assistance are as follows:

- Participants in the LTI Scheme will be lent the amount required to subscribe for the shares awarded to them. This loan will be interest free.
- The shares, once acquired on behalf of the participant, will be held by a trustee for three years for the benefit of the employee. Participants will, during that period, be entitled to receive dividends and to exercise voting rights in respect of the shares issued to them under the LTI Scheme.
- The Trustee will transfer the shares (outright) to the participant after that three year period. The loan must be repaid before the legal title to the shares can be transferred to the participant.
- The employee is entitled (three years after the shares are issued under the LTI Scheme) to receive a bonus equal to the amount of the initial loan. The bonus may only be applied to discharge the amount of the loan.
- PPL will repurchase the shares if the participant leaves PPL before the three year period expires. The consideration for the purchase of the shares, will be provided by extinguishing the amount of the initial loan.

PPL does not yet know the number of shares that will be issued, or the amount of the financial assistance that will be provided when the shares are issued, under the LTI Scheme (in 2011, or in future years).

Currently, however, the Company expects that the maximum number of shares that will be issued under the LTI Scheme in 2011 will be approximately 0.5% of the Company's current issued share capital. (Listing Rule 7.3.6, under which these shares will be issued, permits the Company to issue shares to employees (under the LTI Scheme) provided that the total number of shares issued under it, and all other securities issued to employees in other circumstances in the preceding 12 month period, is no more than 3% of the Company's total issued ordinary shares at the beginning of the period, aggregated also (generally speaking) with that number of securities issued to non-employees in that 12 month period.) The maximum amount of financial assistance provided to the two executive directors under the LTI Scheme will be the amount that represents 65% of the respective director's fixed remuneration.

The details of the financial assistance provided under the LTI Scheme will be described in the disclosure document that PPL will issue to shareholders pursuant to the Companies Act 1993. This will include:

- the total number of shares offered under the LTI Scheme;
- the total number of shares that will be offered to each of the Executive Directors; and
- the manner in which the issue price of the shares is calculated.

PPL will issue this disclosure document before any financial assistance is given.

The actual total amount of the financial assistance (being the loans granted and the related bonuses paid to enable the loans to be repaid) shall be disclosed on the issue date.

The key terms of the LTI Scheme are set out below.

KEY TERMS OF THE PUMPKIN PATCH LONG TERM INCENTIVE SHARE SCHEME

The key terms of the LTI Scheme are set out below.

1. Offers to Participate in the LTI Scheme

The LTI Scheme seeks to allow certain senior employees (including Executive Directors) who have met specified performance targets to participate in the long term success of the PPL Group, and to incentivise those employees to remain employed by the PPL Group. The Board will determine performance targets annually. Such targets will require employees to perform to a specified standard against a set of key performance indicators, including earnings targets.

Each year, senior employees (including Executive Directors) who have met the pre-determined performance targets will be invited to acquire fully paid ordinary shares in the Company up to a certain value (Bonus Shares). Employees who accept this invitation will be entitled to participate in the LTI Scheme (Participants).

2. Issue of Shares

The Company will issue Bonus Shares under the LTI Scheme following release of the Company's full year financial results to the market. The issue price of the Bonus Shares will be the volume weighted average market price of PPL ordinary shares over the 10 business days prior to the date of issue.

The Bonus Shares will be fully paid ordinary shares of the Company, carrying all rights applicable to other ordinary shares on issue.

3. Loan to Pay Issue Price of Bonus Shares

Participants will be lent the amount required to pay the issue price of their Bonus Shares, and this will be the sole purpose of the loan. The loan amount will be paid directly to the Trustee who will pay the subscription price on behalf of Participants.

The amount of the loan must be repaid in full before the Trustee may transfer the legal title to the Bonus Shares to the Participant (at the end of the holding period). The Participant is entitled to receive a cash bonus (grossed up by the Participant's income tax rate) equal to the amount of the outstanding loan, conditional on the Participant remaining employed by PPL for the three year holding period. The cash bonus is paid for the sole purpose of allowing the Participant to repay the loan, and the loan must be repaid using the cash bonus. The Participant will not be able to repay any of the loan using his or her own funds.

4. Trustee Will Hold Bonus Shares

The Bonus Shares will be issued to a trustee (Pumpkin Patch Nominees Limited) (Trustee) who will hold the legal title to those shares for and on behalf of Participants until the Bonus Shares are transferred to the Participant absolutely, in accordance with the LTI Scheme rules. While the Bonus Shares are held by the Trustee, Participants will be entitled to receive dividends issued in respect of their Bonus Shares. The Trustee will vote the Bonus Shares in the manner specified by the Participant.

5. Transfer of Bonus Shares

The Trustee will transfer the legal title to the Bonus Shares to Participants after three years provided that, at the end of the three year period, the employee is still employed by the PPL Group. If a Participant resigns (or is dismissed) before the end of the three year period the Company will buy back that Participant's Bonus Shares at the same price at which those shares were issued, and the Participant will no longer have any interest in the Bonus Shares. The Participant will be entitled to keep amounts he or she received as dividends in respect of those shares during the time the shares were held by the Trustee. The Participant will not be paid any cash for their shares on any such buy-back. The consideration for the repurchase will be provided through the Participant's loan (as it relates to the Bonus Shares being bought back) being extinguished. The shares, once acquired by the Company, will be held as treasury stock.

If, before the end of the three year period, a Participant ceases to be a full time employee of PPL by reason of redundancy, retirement, illness or death (or if the Board considers a Participant is suffering unusual hardship), then the Board may, in its discretion, permit that Participant to remain in the LTI Scheme, or permit their Bonus Shares to be transferred to the Participant early.

6. Adjustment to Rights

If, after the Bonus Shares are issued, and before they are transferred in full to the Participant any Adjustment Event occurs, the Board may make, and cause or require PPL and/or the Trustee to make (notwithstanding anything in the LTI Scheme rules), such arrangements, or adjustments to the rights of Participants as, in the opinion of the Board, are necessary to ensure that Participants are treated fairly relative to other PPL shareholders, and (so far as possible after the occurrence of the Adjustment Event) Participants, PPL and other shareholders of PPL are left in the same overall economic position as if the Adjustment Event had not occurred. Those arrangements may, without limitation, include the issue of further shares by PPL to the Trustee and/or permitting legal title to Bonus Shares to be transferred to Participants earlier than otherwise provided for under the rules.

An Adjustment Event will occur if:

- (a) the Company makes or announces a bonus issue of shares or other securities, or makes or announces a rights issue or other offer to holders of shares to take up shares or other securities;
- (b) any offer is made for the acquisition of PPL shares, or any merger or amalgamation of PPL is effected or announced; or
- (c) any consolidation or sub-division of shares, share buy-back, or other reconstruction of, or adjustment to, the shares or share structure of PPL of any nature occurs or is announced.

ORDINARY RESOLUTIONS

The resolutions proposed to be passed at the 2010 Annual Shareholders Meeting are all ordinary resolutions of the Company. An ordinary resolution is a resolution passed by a simple majority of votes of those shareholders entitled to vote and voting on the question.



pumpkin patch®