21 November 2012

Dear Shareholder

THE 2012 PUMPKIN PATCH LONG TERM INCENTIVE EMPLOYEE SHARE SCHEME

In 2010 the Company established a long term incentive share scheme (Scheme) to reward the Company’s employees for meeting Board determined financial and non-financial objectives and to incentivise those employees to remain with the Company on a long term basis.

The Board has determined that to create a long term retention incentive 492,500 ordinary shares will be offered to 21 employees under the Scheme in 2012. No directors of the Company are participating in the Scheme. Employees participating in the Scheme must remain employees for a period of three years to receive full benefit of the shares offered under the Scheme.

The issue price of these shares will be the average selling price of all of the Company’s shares traded on the NZSX during the 10 business days prior to the issue date of the shares (Issue Price).

Under the Scheme the Company will:

- Provide a loan to Pumpkin Patch Sharetrust Management Limited (PPSML), which will in turn be used by PPSML to make individual loans to each employee participating in the Scheme, and each of those employees will use their loan to subscribe for their shares.

- Ensure PPSML is funded in relation to certain cash bonuses that will be provided by PPSML to employees participating in the Scheme at a future point (approximately three years away), which bonuses are used by each employee to repay their loan and in turn the loan from the Company to PPSML.

The maximum value of the assistance at any time that the Company provides to PPSML is the aggregate Issue Price of all shares issued under the Scheme.

The text of the Resolution of Directors is set out on the reverse of this document.

We are delighted to make this share offer to our employees, who play such an important part in the success of our organisation and the implementation of the strategies that will generate long term benefits for shareholders.

Yours faithfully
Pumpkin Patch Limited

Jane Freeman
Chairperson
EXTRACT from the Minutes of a Meeting of the Board of Directors of Pumpkin Patch Limited held on 20 November 2012.

It is resolved that:

"Financial Assistance

1. **Provision of Financial Assitances**: The Company:

   1.1 advance to PPSML an amount:

   1.1.1 not exceeding the aggregate Issue Price of all of the Shares to be offered to the Participants and

   1.1.2 equal to the aggregate Issue Price of all of the Shares allotted to Participants who accept the offer under the LTI Scheme,

   on the terms set out in the LTI Trust Deed; and

   1.2 indemnify PPSML in relation to the cash bonus that may be paid to each Participant under the Rules to the LTI Scheme,

   (together referred to as the **Financial Assistance**).

2. **Terms of the Financial Assistance**:

   2.1 Giving the Financial Assistance is in the best interests of the Company.

   2.2 The terms and conditions under which the Financial Assistance is given are fair and reasonable to the Company.

   2.3 The giving of the Financial Assistance is of benefit to those shareholders who are not receiving it.

   2.4 The terms and conditions under which the Financial Assistance is given are fair and reasonable to those shareholders who are not receiving it.

   (On the basis that the Financial Assistance will minimise the risk of loss of personnel which would have an impact on the performance of the Company; and that the benefits of the LTI Scheme in maintaining key personnel will outweigh the costs of the financial assistance in relation to the LTI Scheme.)

3. **Solvency Test**: The Board, having made due and proper inquiry, is satisfied that the Company will, immediately after the provision of the Financial Assistance, (represented as the time at which the Company issues Shares to each of the Participants accepting the offer under the LTI Scheme, and so is bound to provide the Financial Assistance), satisfy the solvency test set out in the Act (being that set out in section 4 of the Act as modified by section 77(6)) such that at the relevant time:

   3.1 the Company is able to pay its debts as they become due in the normal course of business; and

   3.2 the value of the Company's assets is greater than the value of its liabilities including contingent liabilities.

4. **Disclosure Document**: The Company will send the Disclosure Document (that complies with section 79 of the Act) to each shareholder in the Company prior to the giving of the Financial Assistance and the Financial Assistance may only be given not less than 10 working days and not more than 12 months after the Disclosure Document has been sent to each shareholder in the Company. The Company approve the Disclosure Document."