

Please read the following terms carefully. They apply to the Account, Goods hired, supplied or arranged to be supplied by Farmlands at the request of the Shareholder, all Farmlands Card and Card Partner Card use from 01.12.2010.

Definitions

“Account” means all accounts (however titled) provided by Farmlands at the request of the Shareholder, to record any transaction, hire of Goods, purchase of Goods or receipt of Goods prior to payment.

“Address for Service” means the Postal/email address or fax number last notified by the Shareholder or Guarantor. Private Bag 9004 Hastings 4156 for Farmlands.

“Application” means the application for the Account/Farmlands Card/Card Partner Card made by the Shareholder.

“Authorised Person” means a person to whom a Card Partner Card is issued or who is otherwise authorised to use that Card Partner Card.

“Card Partner” means an agent, merchant, retailer, supplier, bound by a Farmlands Card/Card Partner agreement with Farmlands.

“Card Partner Card” means the charge card issued by a Card Partner, linked and debited to the Account.

“Card Signatory” means the person/legal entity named on and/or using a Farmlands Card.

“Default Event” means an event where-

- a) the Shareholder fails, or in Farmlands opinion is likely to fail, to comply with the Supply Terms, the Rules of Farmlands or any other contract with Farmlands; or
- b) the Shareholder commits an act of bankruptcy; or
- c) the Shareholder enters into any composition or arrangement with creditors; or
- d) if the Shareholder is a company:
 - aa) does any thing which would make it liable to be put into liquidation; or
 - bb) fails to provide a certificate of solvency within 10 days of receiving a written demand from Farmlands; or
 - cc) a receiver or statutory or official manager is appointed over all or any of its assets; or
 - dd) a resolution is passed or an application is made for liquidation; or
 - ee) the ownership or effective control of the Shareholder or the Shareholder business is transferred or the nature of the Shareholder business materially altered.

“Due Date” means the date notified by Farmlands to the Shareholder by which Sum Owing must be paid and if no date is specified, is by the 20th day of the month following the Statement month closing balance.

“Farmlands” means Farmlands Trading Society Limited and its directors, managers and any duly authorised agent.

“Farmlands Card” means an all purchases credit/discount card linked and debited to the Account.

“Guarantor” means the guarantor(s) signing any Deed of Guarantee and Indemnity required by Farmlands.

“Goods” means equipment hired, goods and/or services provided by Farmlands or arranged through Farmlands at the request of the Shareholder and recorded to the Account or Invoice.

“Invoice” means the business record of Goods.

“Invoice Date” means the date recorded by Farmlands for any Goods debited to the Account.

“Other Account” means any account of a legal entity owned by, related (as defined in the Companies Act 1993) to, or effectively controlled by, the Shareholder.

“PINS” means the confidential personal identification numbers for use with a Farmlands Card.

“PPSA” means the Personal Property Securities Act 1999.

“Recommendation” means the best option for a given situation based on sources believed to be accurate.

“Rules” means the Rules of Farmlands registered under the Industrial and Provident Societies Act 1908.

“Shareholder” means the purchaser of Goods; the Card Signatory; the person/legal entity described in the Application and/or the shareholder/member of Farmlands, who apply for and open the Account, or who operate the Account to record any transaction, hire Goods, buy Goods, from or through Farmlands.

“Statement” means Farmlands business record of Account transactions.

“Statement month closing balance” means the amount specified in the Statement month to be paid by Due Date.

“Sum Owing” means the Statement month closing balance (and subsequent Default Event costs) notified by Farmlands and includes all Card Partner Card use, Farmlands Card use and Goods’ hire.

“Supply Terms” means the terms relating to the operation of the Account and the supply of Goods recorded on Invoice together with the Rules

Sum Owing

1. The Shareholder shall pay the Sum Owing to Farmlands in full without any deductions, whether by way of set off, counter claim, or any other equitable legal claim.
2. The Sum Owing may include:
 - 2.1 goods and services tax and any other taxes, duties and levies payable in respect of the Goods at the date of Invoice;
 - 2.2 the amount of any increase in the cost of the Goods (including any change in rates of currency change affecting the cost of production or supply, prior to the date of supply).

Payment

3. The Shareholder shall pay the Sum Owing to Farmlands by the Due Date. Payment by credit card will not entitle the Shareholder to receive bonus rebates for the month paid or part paid.
4. Farmlands may apply any payment:
 - 4.1 received from or on behalf of the Shareholder;
 - 4.2 due by Farmlands to the Shareholder;
 - 4.3 due by Farmlands to any legal entity owned by, related (as defined in the Companies Act 1993) to, or effectively controlled by, the Shareholder; in reduction of the Sum Owing as Farmlands thinks fit to preserve any purchase money security interest it has in the Goods.
5. The Shareholder acknowledges:
 - 5.1 Farmlands continues to supply and arrange the supply of Goods on condition that all payments received by Farmlands from the Shareholder are valid and made in the ordinary course of the Shareholder business;
 - 5.2 Farmlands receives all payments in the ordinary course of the Shareholder business and in good faith and in the reasonably held belief as to the validity of those payments;
 - 5.3 the understanding of Farmlands towards its business with the Shareholder shall apply until the Shareholder gives notice in writing to Farmlands of the Shareholder inability to pay due debts and that the Shareholder purpose in making further payment is to enable Farmlands to receive more towards satisfaction of the Sum Owing than it would otherwise have received or have been likely to have received in any liquidation/insolvency of the Shareholder;
 - 5.4 Farmlands has, in accepting each Shareholder payment, altered its position in reliance on the validity of each payment:
 - 5.4.1 by delaying revocation of the authority granted to the Shareholder in clause 12.2;
 - 5.4.2 by the continued supply of Goods after the receipt of each payment whether or not the Shareholder pays for the Goods;
 - 5.4.3 if payment is received after Due Date by foregoing its right to commence recovery action against the Shareholder, Card Signatory or Guarantor.

Supply

6. Supply of Goods shall be completed upon:
 - 6.1 despatch from Farmlands premises, or
 - 6.2 despatch/supply from Farmlands supplier or Card Partner if supplied direct to the Shareholder, or
 - 6.3 Invoice Date for Goods held for the Shareholder.
7. Farmlands shall not:
 - 7.1 be liable for either failure to supply, refusal to supply, or defective supply of Goods;
 - 7.2 guarantee a continuing relationship with any Card Partner or supplier of the Goods.

Risk and Security Interest

8. Risk of any loss, damage or deterioration to the Goods passes to the Shareholder upon supply.
9. Ownership of the Goods remains with Farmlands and does not pass to the Shareholder until the Shareholder pays the Sum Owing to Farmlands.
10. Until payment of the Sum Owing the Shareholder shall insure the Goods for their full insurable value with Farmlands interest noted on the relevant insurance policy.
11. The Shareholder grants a security interest in the Goods to Farmlands as security for payment of the Goods, and for any other amounts from time to time owing by the Shareholder to Farmlands, and for the performance by the Shareholder of all the Shareholder other obligations to Farmlands ("Shareholder indebtedness and obligations"). For the purposes of, and to ensure a maximum benefit and protection for Farmlands by virtue of the PPSA (s36), the Shareholder confirms and agrees that the Shareholder intends to, and does grant to Farmlands, a security interest in all of the Shareholder present and after acquired property as security for the Shareholder indebtedness and obligations.
12. While ownership of the Goods remains with Farmlands and the Goods secure the Shareholder indebtedness and obligations:
 - 12.1 the Shareholder must store the Goods separately, not mix them, and identify them as belonging to Farmlands.
 - 12.2 Farmlands authorises the Shareholder in the ordinary course of the Shareholder business to use the Goods or sell them for full consideration.
 - 12.3 the authority in 12.2 is revoked when:
 - 12.3.1 a Default Event occurs;
 - 12.3.2 Farmlands notifies the Shareholder at the Address for Service that the Shareholder authority is revoked.
 - 12.4 if the Goods (for which payment has not been made) are not kept in a manner so as to enable the Goods to be clearly identified as the property of Farmlands, then Farmlands is deemed to be the owner of the quantity of the Goods equivalent to the quantity of the Goods for which payment has not been made.

- 12.5 The Shareholder must advise Farmlands immediately of a Default Event or any action by third parties (including any of the Shareholder creditors) affecting Farmlands security interest in the Goods.
- 12.6 Farmlands (as the Shareholder agent and pursuant to an irrevocable licence granted by the Shareholder) may enter the premises where the Goods are stored and remove them, without being responsible for any damage caused and the Shareholder shall indemnify Farmlands against any claim or costs arising from such action.
- 12.7 Farmlands may resell any of the Goods and apply the proceeds of sale in reduction of the Sum Owing.
13. The Shareholder agrees to promptly do anything that Farmlands reasonably requires to:
- 13.1 ensure that Farmlands has a first ranking perfected security interest in all of the Goods (and any sale proceeds);
- 13.2 enable registration of a financing statement or financing change statement under PPSA.
14. If the Shareholder resells or uses the Goods before ownership in the Goods has passed to the Shareholder, the proceeds of such sale or use shall be received and held by the Shareholder (in whatever form) in trust for both the Shareholder and Farmlands. Farmlands interest as beneficiary under that trust shall be that portion of the proceeds which does not exceed the Sum Owing. The balance proceeds (if any) shall be the Shareholder beneficial interest under that trust.
15. Farmlands may commence an action for the Sum Owing when ownership of the Goods may not have passed to the Shareholder.

Contracting out of the PPSA

16. The Shareholder waives the right to receive a copy of the verification statement confirming registration of a financing statement or financing change statement relating to the security interest under the Supply Terms.
17. The Shareholder:
- 17.1 shall not register a financing statement or a change demand without the prior written consent of Farmlands;
- 17.2 agrees that nothing in sections 114, 117, 133 and 134 of the PPSA shall apply to these Supply Terms, or the security interest under these Supply Terms;
- 17.3 waives and contracts out of the Shareholder rights set out in sections 107, 116 to 132 inclusive of the PPSA;
- 17.4 shall pay all costs, expenses and other charges incurred by Farmlands in relation to:
- 17.4.1 the filing of a financing statement or financing change statement;
- 17.4.2 any disputes or negotiations with third parties claiming an interest in the Goods;
in connection with these Supply Terms.

Claims and Liability Limitation

18. Except as provided in any express warranty given and to the extent permitted by law, Farmlands:
- 18.1 excludes any Recommendation, all warranties, descriptions, representations or conditions whether implied by law, trade, custom or otherwise and whether relating to fitness, merchantability, suitability for purpose, or otherwise and all specific conditions even though such conditions may be known to Farmlands;
- 18.2 excludes liability in any way to the Shareholder or any third party, whether in tort (including negligence), contract, or otherwise, for any loss or damage whatsoever, (including Recommendation, seed premixed with fertiliser; seed description, growth, parity, productiveness, resultant crop; agrichemical/chemical application), whether direct, indirect, special, or consequential, and the Shareholder indemnifies Farmlands against any such claim;
- 18.3 states that any liability in respect of the Goods shall be limited to the price of the Goods;
- 18.4 advises that it does not intend to contract out of the provisions of the Consumer Guarantees Act 1993 except to the extent permitted by that Act.
19. Farmlands may at its complete discretion, replace or give credit for the Goods not supplied, or incorrectly recorded; or supplied/hired and established to be defective provided that:
- 19.1 any claim or dispute of a business record on an Invoice or Statement must be notified to Farmlands within the month following the date of the business record or delivery of the Goods together with all supporting documentation;
- 19.2 all claims must specifically identify the incorrect business record or defect and, where possible in relation to the Goods be accompanied by the defective goods or a sample;
- 19.3 the Shareholder shall take all steps to ensure that Farmlands has every opportunity to investigate the claim.
- 19.4 This clause shall not apply to Goods purchased with a Card Partner Card.
- 19A. Unless Farmlands accepts a correction should be made, the Shareholder acknowledges that excluding a Default Event each Invoice and Statement is the only business record for the Account.
- 19B. The decision by Farmlands in respect of a Shareholder claim shall be accepted as conclusive and binding by the Shareholder, and shall not be removable into any Court or restrainable by injunction. Farmlands shall if necessary be able to apply for enforcement of its decision in accordance with clause 41.
20. If the Shareholder acquires the Goods for business purposes the Consumer Guarantees Act 1993 does not apply to the Goods. (In the absence of express written acknowledgement by Farmlands to the contrary, the Application signed by the Shareholder is determination that the Shareholder acquires the Goods for business purposes.)

21. If the Shareholder on sells the Goods it shall be a term of the sale contract that the Consumer Guarantees Act 1993 does not apply if the Goods are being acquired for business purposes. The Shareholder indemnifies Farmlands against any liability or costs, incurred by Farmlands under the Consumer Guarantees Act 1993, as a result of any breach by the Shareholder of the Supply Terms.

Farmlands Card

22. The Card Signatory must:

22.1 immediately sign the Farmlands Card when it is received and not use it until it is signed;

22.2 not use the Shareholder Account number as a PINS;

22.3 keep the PINS secure;

22.4 not allow others to use the Farmlands Card or PINS, or be party to negotiation for direct "cash" discounts with a Card Partner;

22.5 present the Farmlands Card to Farmlands or the Card Partner when purchasing Goods charged to the Account or Farmlands Card;

22.6 ensure that the listed retail price has been charged;

22.7 where a credit is due from a Card Partner, ensure that the credit is passed in favour of Farmlands for the Shareholder;

22.8 notify Farmlands immediately the Farmlands Card is lost or stolen or the PINS disclosed. Liability for Goods purchased by the unauthorised use of the Farmlands Card (except where it results from fraud or negligence), shall cease upon Farmlands written acknowledgement of this notification;

22.9 return or destroy the Farmlands Card when required to do so, or the Account is closed.

23. Farmlands shall not be responsible for:

23.1 any dispute between the Shareholder and Card Signatory;

23.2 any dispute between the Shareholder, Card Signatory and the Card Partner;

23.3 the actions of any Card Partner;

23.4 any credit due by a Card Partner to a Shareholder until notification of such credit is received from the Card Partner;

23.5 any losses caused by occurrences beyond its control where a Farmlands Card is unable to be used.

24. The Card Signatory shall be jointly and severally liable with the Shareholder to pay for all Goods purchased with a Farmlands Card.

25. The Shareholder and Card Signatory agree that neither of them shall join Farmlands as a party to any claim involving a Card Partner and expressly agree that any breach of this term is a Default Event.

Default

26. Should a Default Event occur Farmlands may at its sole discretion:

26.1 suspend or terminate the Account;

26.2 suspend or terminate any Other Account;

26.3 require immediate payment of the Sum Owing notwithstanding that the Due Date has not arrived;

26.4 charge interest at the rate of 2% per month (or such other rate as shall be notified in its monthly newsletter) in respect of the Sum Owing. Such interest shall accrue on a daily basis from the Invoice Date until payment in full and is charged by way of damages for failure to pay and does not imply the granting of, or extension of, credit by Farmlands to the Shareholder;

26.5 reverse any discounts or credit rebates recorded on the Account invoices and statements;

26.6 debit any Other Account the Shareholder may have to pay the Sum Owing;

26.7 terminate the shareholding of the Shareholder and credit the Shareholder's shares to pay the Sum Owing;

26.8 make demand on the Card Signatory.

26.9 require the Shareholder and the Card Signatory to pay for, and separately indemnify Farmlands against all Farmlands Card and Account transaction fees as may be deemed appropriate by Farmlands, all administration collection costs, legal costs of Farmlands as between solicitor and client, and any collection commissions incurred as a consequence of a Default Event;

27. If required for the continued operation of the Account or upon the occurrence of a Default Event, Farmlands may complete and register an all obligations mortgage (Registrar General of Land approval 1998/2072) or caveat over any property owned by the Shareholder to secure the Sum Owing and all other monies owed by the Shareholder to Farmlands. The Shareholder irrevocably appoints the Credit Manager of Farmlands as the attorney of the Shareholder for the purpose of completing such mortgage or caveat whilst the Sum Owing remains unpaid.

Information Use

28. The Shareholder, Card Signatory, and Guarantor agree that:

28.1 the personal information provided, obtained and retained by Farmlands about them (including personal information about Shareholder/Guarantor directors or trustees) will be held and used for any or all of the following purposes including: determining eligibility for credit; the supply of Goods; enforcing debt and legal obligations under the Supply Terms; the marketing of goods and services including emails and market research by Farmlands, Card Partner, or any other Farmlands supplier;

28.2 the Supply Terms is the Shareholder, Card Signatory, and Guarantor irrevocable authority to Farmlands to:

28.2.1 use any personal information for the purposes in clause 28.1;

28.2.2 provide any personal information (along with details of

any dealings between the Shareholder, Card Signatory, Guarantor and Farmlands) to any third party (including a credit reporter where the personal information is able to be accessed for genuine credit related purposes by other credit inquirers);

- 28.2.3 obtain any information concerning the Shareholder, Card Signatory and Guarantor (including personal information about Shareholder/Guarantor directors or trustees) from any other source for Farmlands business with the Shareholder, Card Signatory and Guarantor.
- 28.3 the Shareholder, Card Signatory and Guarantor must notify Farmlands of any change in circumstances that may affect the accuracy of the information provided by them to Farmlands;
- 28.4 The Shareholder, Card Signatory and Guarantor as a natural person and the Shareholder/Guarantor directors or trustees, have rights of access to, and correction of any personal information held by Farmlands.

Assignment/Cancellation

29. Farmlands shall be entitled to assign to any other person or company all or part of the Sum Owing and the assignee shall be entitled to claim all or part of the Sum Owing and shall have the same rights of recovery as Farmlands.
30. Farmlands shall be entitled to cancel all or any part of the Supply Terms at any time with or without prior notice. Any such cancellation shall be without prejudice to Farmlands rights and remedies including, but not limited to, those which may arise from any breach or non-compliance by the Shareholder.

Other Supply Terms

31. If there is any inconsistency between the Supply Terms and any order submitted by the Shareholder, or any other arrangement between the parties, the Supply Terms shall prevail unless otherwise agreed in writing by the parties.
32. The Shareholder shall not approach any Card Partner for direct discounts, use the name of Farmlands, or reveal Card Partner trading terms in any attempt to obtain personal discounts from businesses not associated with Farmlands. The Shareholder may be immediately expelled from Farmlands for any breach of this term.

Waiver

33. If at any time Farmlands does not enforce the Supply Terms, or grants the Shareholder time or other indulgence, Farmlands shall not be construed as having waived the Supply Terms or its right to later enforce the Supply Terms.

Terms Separately Binding

34. Each term of the Supply Terms is separately binding. Where any provision is void, unenforceable or otherwise ineffective by operation of law the enforceability or

effectiveness of the remaining provisions shall not be affected.

Changing the Supply Terms

35. Farmlands may add, change or remove clauses in the Supply Terms:
- 35.1 Farmlands can change the Supply Terms at any time without obtaining the consent of the Shareholder;
- 35.2 Farmlands may advise when changes to the Supply Terms are to take effect by notice to the Shareholder's Address for Service;
- 35.3 By signing the Application/ Guarantee, using the Account/ Farmlands Card, and/or being a member of Farmlands the Shareholder/Guarantor/Card Signatory acknowledge that the current Rules and Supply Terms apply to the Account;
- 35.4 A copy of the Supply Terms can be obtained from Farmlands at the Address for Service or viewed/downloaded from Farmlands website www.farmlands.co.nz

Sending Bills and Notices and Serving Documents

36. Farmlands will send or deliver its invoices, statements, notices, documents, or newsletters to the Address for Service. The Shareholder, Card Signatory and Guarantor agree and acknowledge any:
- 36.1 invoice, statement, notice or newsletter has been received 4 days after it has been sent;
- 36.2 facsimile has been received upon confirmation of transmission;
- 36.3 document has been served and received on the date of delivery;
- 36.4 email has been received within 1 day after it has been sent.
37. The Shareholder:
- 37.1 must inform Farmlands at the Address for Service giving not less than 21 days prior notice in writing (addressed to the Credit Manager):
- 37.1.1 of any proposed change in the Shareholder name;
- 37.1.2 if the Address for Service, contact phone number/email address is changed, or the Account is to be closed;
- 37.2 remains liable for the Sum Owing, all Farmlands Card and Card Partner Card use, and all invoices debited to the Account where Farmlands has not acknowledged in writing receipt of the Shareholder instructions to close the Account.

Use of Goods

38. The Shareholder/Card Signatory accepts any advice, information or Recommendation provided by Farmlands to the Shareholder/ Card Signatory relating to the Goods, or Recommendation alone, is given in good faith and based on the information provided by the Shareholder/ Card Signatory. The decision to hire the Goods, or order and use the Goods, or follow the Recommendation is that of the Shareholder/Card Signatory.

Returns

39. Where Farmlands at its discretion allows the Shareholder to return the Goods (not defective or non complying). Farmlands reserves the right to charge, in addition to any delivery costs, a return fee. Seed cannot be returned or credited.

Circumstances Beyond Control

40. Farmlands shall not be liable for any failure; during the hire of Goods, to supply the Goods, to meet any other obligations claimed as owed to the Shareholder.

Legal Forum

41. The Shareholder acknowledges that any dispute or legal proceedings between the Shareholder and Farmlands shall be filed in and be heard at either the Disputes Tribunal or the District Court at Hastings, or the High Court at Napier. The parties to the Supply Terms expressly acknowledge that the cause of action or a material part thereof arises within the jurisdiction of the Disputes Tribunal or the District Court at Hastings, or the High Court at Napier.

42. The Supply Terms is subject to and governed by New Zealand law. The language of the Supply Terms shall only be 'English'.

Hire of Goods

43. At the commencement of hire the Goods were received by the Shareholder in good order and condition:

43.1 The hire period is the time agreed; between the date on the Invoice and the time and date to be returned;

43.2 Farmlands is entitled to charge extra on a day basis for any Goods not returned on time;

43.3 The Shareholder shall pay as invoiced for the hire period, loss and damage (if applicable), delivery/removal costs, excess use charges, damage to or loss of the Goods, cleaning costs and default charges;

43.4 Delivery and removal charges are extra;

43.5 The Shareholder hereby authorises Farmlands to bring any vehicle on to the place where the Goods are to be used and to deliver/remove the Goods for whatever reason;

43.6 The Shareholder indemnifies Farmlands against any cost, claim, damage, expense incurred or action commenced against Farmlands directly or indirectly arising from Farmlands delivering or removing the Goods;

43.7 The hire of the Goods is personal to the Shareholder and is not capable of assignment by the Shareholder.

44. The Shareholder shall:

44.1 take proper care of the Goods, use the Goods in the manner it was designed to be used, and return the Goods in good order and condition;

44.2 reimburse Farmlands for any damage or loss to the Goods howsoever arising;

44.3 indemnify Farmlands against any claim made by any person arising directly or indirectly out of the Shareholders use or possession of the Goods.

Card Partner Cards

45. The Shareholder is responsible for:

45.1 ensuring that the Authorised Person complies with the terms and conditions of the Card Partner Card and the Supply Terms;

45.2 any use of the Card Partner Card whether authorised or not.

46. Farmlands shall not be responsible for:

46.1 any dispute between the Shareholder and Authorised Person;

46.2 any dispute between the Shareholder, Authorised Person and the Card Partner;

46.3 the actions of any Card Partner;

46.4 any credit due by a Card Partner to a Shareholder until notification of such credit is received from the Card Partner;

46.5 any losses caused where a Card Partner Card is unable to be used.

47. The Shareholder and Authorised Person agree that neither of them shall join Farmlands as a party to any claim involving a Card Partner, and expressly agree that any breach of this term is a Default Event.