

SUPPLIER TERMS

In these **Terms** we have used "**we**", "**us**" and "**our**" for Farmlands and "**you**" and "**your**" for our supplier.

1. EFFECT OF THESE TERMS

- 1.1 These Terms apply to all Products and Services ordered by or supplied to us. By supplying Products or Services to us, you are deemed to have accepted these Terms. They apply instead of any other terms (e.g. any standard terms you have).
- 1.2 We may separately negotiate a National Supply Agreement (NSA) with you. The NSA may document changes to these Terms.
- 1.3 These Terms may be modified from time to time; the most up-to-date version is always accessible on our website by visiting www.farmlands.co.nz. Notice of any variation in these Terms will be provided to you in a reasonable timeframe.

2. SUPPLY

- 2.1 You agree to supply Products and Services to us in accordance with these Terms.
- 2.2 Our relationship is not exclusive:
 - a. We may purchase Products or Services from other suppliers at any time; and
 - b. You may supply Products or Services to other purchasers.
 - c. We are not required to purchase any particular or minimum quantities of any of the Products or Services, apart from the appropriate units of measure multiples. We do not guarantee or imply that any estimate we give of the quantity or volume of goods or services likely to be purchased is accurate

3. PURCHASE ORDERS

- 3.1 Orders from us will be by system generated Purchase Orders, produced electronically and provided to you via email or Electronic Data Interchange (EDI). We are not bound by, and you should not accept, any order that does not comply with this clause. We will not pay for any Products or Services provided in breach of this clause.
 - 3.2 Before processing a Purchase Order, you shall ensure it contains a designated Farmlands Purchase Order number, the Farmlands Originator's details and the items, quantity, price and delivery details you are accepting and therefore agreeing to contractually commit to.
 - 3.3 If the products, quantity, price or delivery dates are not accepted by you, then this must be notified to us within 1 working day of you receiving the Purchase Order. The Purchase Order must be updated and reissued by us before being processed by you.
 - 3.4 Purchase Order changes requested by you may result in the Purchase Order being cancelled
 - 3.5 If there are products on the Purchase Order that you do not have in stock:
 - a. if you are able to fully supply the ordered quantity within 5 working days after the requested delivery date, the purchase order can be confirmed and we do not consider this a backorder.
 - b. if you are unable to fully supply the ordered quantity within 5 days after the requested delivery date, we must be notified of this before the products go onto backorder. Based on the delivery timeframes, we may then update the Purchase Order:
 - i. with an adjusted order quantity and/or
 - ii. with multiple delivery dates
 - iii. cancel the purchase order or relevant purchase order line
- The purchase order must not go onto backorder without our prior approval.
- 3.6 Product substitutions require our prior approval.
 - 3.7 The Purchase Order may specify other details (e.g. specification requirements for Products or Services).
 - 3.8 Any requested changes to the Purchase Order must be communicated to us through:
 - a. the ProAgrica EDI platform or
 - b. email to order-confirmation@farmlands.co.nz

4. DELIVERY

- 4.1 You shall deliver Products by the delivery date and to the location set out in the Purchase Order. We may nominate any of our locations or our customer's address as the delivery location.
- 4.2 If after accepting the Purchase Order, the Products cannot be delivered by the delivery date set out in the Purchase Order or within 5 working days of the date of the Purchase Order, we must be notified. We then reserve the right to either cancel the Purchase Order or accept any revised delivery date.
- 4.3 Products will not be deemed to be delivered unless a suitably authorised person at the delivery location has signed to acknowledge receipt. Signing shall not be deemed to be acceptance of those Products by us. Acceptance cannot occur until a complete and thorough Product inspection has taken place, within 24 hours of delivery. Where delivery is to our customer's address, the customer is deemed to be a suitably authorised person to sign to acknowledge receipt on our behalf.
- 4.4 If you attempt to deliver Products contrary to any instructions in a Purchase Order or outside a delivery window agreed in writing, we may refuse to take delivery and you shall arrange another suitable time to deliver at your cost.
- 4.5 Multiple deliveries per Purchase Order are permitted. Deliveries covering multiple Purchase Orders must have a separate packing slip for each Purchase Order in the delivery
- 4.6 All Products delivered must be accompanied by a Packing Slip (delivery note). The Packing Slip must not:
- a. be handwritten,
 - b. include product price details
 - c. include your GST number
 - d. have the words "Tax Invoice" on it.
- 4.7 The packing slip must include:
- a. your trading name and address
 - b. a clearly identified, unique reference number which is the same as, or is referenced on, the relevant invoice
 - c. the Purchase Order number the delivery relates to.
 - d. the delivery address,
 - e. a list of all Product items delivered listed in the same sequence as the relevant Purchase Order,
 - f. the number of cartons delivered (only when applicable and when a number of loose cartons are delivered for the same packing slip, they shall each be identified by '1 of 3', '2 of 3', '3 of 3' etc.),
 - g. the expiry date, the best by date and the batch number details for all Products containing any such details;
- Failure to provide Packing Slips with the required information or in the correct format may lead to delays in invoice processing by us and payment to you.
- 4.8 Delivered Products must comply with our Purchase Order, be of acceptable quality for sale, correspond with any description you have given, be fit for any specified purpose, be acceptable in appearance and finish, be safe, durable and free from defects and comply with all laws, standards, policies and rules.
- 4.9 If Products are short delivered, lost or damaged in transit and you have already invoiced us then you shall issue us a credit note for the full amount. In all other circumstances you shall not invoice us for such Products.
- 4.10 If Products are delivered to a location other than the delivery address on the Purchase Order, we will advise you and give you the opportunity to redeliver them to the correct address at your cost. If you fail to do so within 2 working days you shall pay us for any costs we incur redelivering them to the correct address.
- 4.11 If Products are advertised in any of our promotional materials in accordance with a marketing plan agreed with you, and you are unable to deliver the Products by the specified delivery date, we may (at our sole discretion and without limiting our other rights):
- a. require you to ensure timely delivery (e.g. by airfreight) at your cost; or
 - b. cancel the Purchase Order.

5. PRODUCT CLAIMS AND RETURN OF PRODUCTS

- 5.1 All Products carry a minimum 12 months warranty from you (unless the appropriate Farmlands Category Manager authorises otherwise in writing). You shall meet all guarantee and warranty claims on Products where they are defective or fail to comply with these Terms. You indemnify us, and our agents and employees, in relation to any warranty or guarantee claim made against any of us in respect of the Products.
- 5.2 Any Products received that are faulty, damaged, defective, not as ordered (in terms of type, model, colour, condition etc.), not fit for any specified purpose, have a shelf life of less than 12 months or do not comply with these Terms may be returned by us and shall be accompanied by our Return Purchase Order or request for a credit note (or, any Return Authority that you have advised the relevant Farmlands Manager in writing must be provided) detailing the Products and the reason for the return. You shall immediately replace or provide a refund for returned Products.
- 5.3 Products written off by you and left to us to dispose of will be disposed of at your cost.
- 5.4 Visits to us to inspect faulty Products must occur within 5 working days of notification.
- 5.5 Any defective Products returned to us by our customer's within one month of the purchase date may be replaced by us and claimed against you. After the one month period, we will request authority from you to replace the item and claim against you.
- 5.6 You shall not provide stands, point of sale material or specific promotions to us without the relevant Category Manager's prior written approval.
- 5.7 As new Products are introduced you shall provide training material and expertise that can be used to update existing or develop new training modules for our staff.
- 5.8 Either of us may recall any Products or Services that fall below quality or safety standards, are not fit for purpose or where a safety issue has been identified. If Products or Services are recalled you shall pay the freight, insurance, distribution, destruction, advertising, public notification and staff time costs directly incurred in the recall. We shall receive a credit note for the Products and those costs within 7 working days of demand from us or, at our request, a refund for the recalled Products in full.
- 5.9 You shall notify us in writing as soon as practicable of any Products or they will no longer be stocked or available for supply. If you fail to notify us or are unable to supply out of stock Products for more than 2 weeks we may return all Products of that nature supplied to us but not sold, and you shall provide a full refund to us.
- 5.10 We review our inventory range from time to time. As a result, we may return saleable Products at our election, for a full credit or in exchange for faster selling Products. We will meet the cost of returning the Products, but the return shall otherwise be at no penalty to us. Risk in and title to returned Products passes to you when the Products are delivered to you.

6. RISK AND TITLE

- 6.1 When Products are delivered directly to our customer's, risk in those Products passes directly from you to our customer on delivery. In all other cases, risk passes to us when the Products are delivered to the delivery location specified in the Purchase Order.
- 6.2 Title to Products passes to us when the Products are delivered and paid for in full. However we may resell Products in the ordinary course of our business before title has passed.
- 6.3 You may not repossess any Products without our prior agreement unless we have not paid for the Products within the timeframes specified in clause 11.
- 6.4 All Products must be supplied to us free of any security interests, liens, charges or other encumbrances. You shall not register against us on the PPSR.

7. COMPLIANCE WITH LEGISLATION AND POLICIES

- 7.1 You shall comply with all laws at all times, including the Health and Safety at Work Act 2015, the Hazardous Substances and New Organisms Act 1996, and all applicable policies and regulations, including our hazard identification and other Health and Safety in Employment policies and any hazard regulations. You shall comply with our reasonable directions, policies and requests while accessing our premises or outlets and shall immediately notify us of any event or relevant matters relating to such obligations.

- 7.2 You shall hold all necessary licences, registrations, permits and approvals required to comply with your obligations under these Terms and ensure that all packaging of Products meets all safety standards.
- 7.3 For any hazardous substance or chemical, you shall provide Safety Data Sheets to accompany the Products and publish them on your website.
- 7.4 The Consumer Guarantees Act 1993 does not apply to the sale of Products and Services by you to us, but will apply in relation to your obligations to our shareholders/customers.

8. INDEMNITY, LIMITATIONS AND INSURANCE

- 8.1 Subject to clause 8.3, you indemnify us against all direct loss and liability incurred by us, to the extent that it arises from any negligence or an act, error or omission by you or your employees, contractors or agents:
 - h. which is in breach of these Terms; or
 - i. as a result of or in connection with:
 - a. the Products and Services;
 - b. our advising or representing to our customers about the use, performance, storage or installation of the Products and Services in accordance with your written or oral instructions, advertising manuals or literature including Product specifications; or
 - c. referring our customers to you for performance of the Services, advice, training or instruction.
- 8.2 Subject to clause 8.3, we exclude all liability we may have to you under or in connection with these Terms. This exclusion also applies for the benefit of our related companies and all of our officers, employees, contractors and agents and related companies. This clause 8.2 is intended to be enforceable by our directors, officers and employees for the purposes of the Contract and Commercial Law Act 2017.
- 8.3 Despite anything to the contrary in these Terms, you will not be responsible for any loss or liability incurred by us or our contractors or agents as a direct result of its or their failure to install your Products in accordance with your written installation product specifications provided by you with the Products.
- 8.4 You shall maintain at your cost adequate insurance cover in respect of your potential liability under these Terms, including product and public liability insurance. Upon request, you shall provide us with a certificate of insurance confirming you have current insurance cover complying with this clause.

9 PRODUCTS

- 9.1. Unless the relevant Farmlands Category Manager agrees otherwise in writing, all products must have a GS1 verified barcode displayed on or affixed to each Product to GS1 standards including size, colours and position. All new Products must have the barcode verification documentation submitted to us along with the form specified by us from time to time for the introduction of new Products. All barcode changes are to be notified to product.pricing@farmlands.co.nz 2 weeks before delivery of Products containing the change using our price change template.
- 9.2. You shall provide us with any information reasonably requested by us from time to time including measurement (height, width, depth in centimetres), features and benefits information and digital images of the Products and Services in order to assist us in planogramming the product range and marketing the Products and Services. All new Products and Services will only be accepted in our preferred format, as advised by us from time to time.
- 9.3. We rely on the information you provide as being correct at all times. It is your responsibility to provide us with your information in the agreed Farmlands layout.

10. PRICING

- 10.1. All pricing is Free Into Store (FIS) unless otherwise agreed on the Purchase Order or in a National Supply Agreement.
- 10.2. The price payable for each Product or Service ordered and delivered to us is exclusive of GST and levies but inclusive of packaging and insurance.
- 10.3. Price decreases are effective immediately.
- 10.4. You shall give at least 90 days' written notice to us of any impending price increase setting out the requested effective date and giving reasons for the price increase. We will give written notice of our acceptance or rejection within 7 working days of receipt of the notice. Sending the notification does not

deem acceptance by us. If we accept the price increase, you must complete the standard Farmlands price template and email it in Microsoft Excel to the relevant Category Manager and pricelist@farmlands.co.nz. The price increase will only be effective from the later of:

- a. 3 months from the date of your notice issued under this clause; and
- b. 7 days from the date we receives the properly completed price template.

- 10.5. Until a price increase becomes effective, all ordered Products and Services will continue to be supplied to us at the lower existing price.
- 10.6. Any sample products and display stock shall be supplied free of charge.

11. PAYMENT

11.1 We will pay your invoices by direct credit no later than the last day of the first month following the date of invoice unless agreed otherwise.

11.2 Your invoices shall be valid tax invoices for GST purposes and shall be received no later than the 2nd working day of the new month following delivery of the Products.

11.3 Invoices for the delivery of Products must:

- a. relate to one Purchase Order only
- b. relate to one packing slip only

Invoices must include the following information:

- a. In the invoice header section:
 - i. your trading name and address
 - ii. your GST number and the words " Tax Invoice"
 - iii. date of invoice
 - iv. the Purchase Order number the invoice relates to,
 - v. the Packing Slip number the invoice relates to,
 - vi. any (agreed) freight or other invoice charges
- b. In the invoice details section
 - i. the Products that were delivered to us (as per the Packing Slip) including quantity and price
 - ii. any product specific charges such as levy, pallet or other returnables
 - iii. in respect of any charges on a time and rate basis, the relevant times and rates; and
 - iv. separately for each charged item, sums due in respect of GST.
- c. Invoices should be sub totalled, GST content added as a separate amount, and the invoice totalled to include GST.

Failure to provide invoices with the required information or in the correct format will be returned to you for amendments and resubmission.

11.4 Invoices shall relate to one Purchase Order and one Packing Slip (delivery) only. Any invoices that relate to multiple Purchase Orders or multiple Packing Slips will be returned to you for amendments and resubmission.

11.5 Where your invoice price is greater than the "order" price, we will pay the price specified on the Purchase Order.

11.6 Invoices can submitted either by:

- a. the ProAgrica EDI platform
- b. a PDF emailed to payables@farmlands.co.nz

11.7 If we have a genuine dispute in relation to all or any portion of an invoice, we will notify you and may withhold payment of the amount subject to the dispute. We will pay the undisputed amount when it becomes due and payable in accordance with these Terms and you will continue to perform your obligations under these Terms while the dispute is being resolved.

11.8 Credit Notes are issued by you for pricing or delivery errors, stock and pallet returns, or damaged stock. They must have the same details as listed above for GST invoices as well as:

- a. a unique Credit Note Number
- b. the Farmlands Return Purchase Order Number (RPO) or Credit Note Request (CNR)

Credit notes shall be processed within 7 days of receiving a Return Purchase Order or Request for Credit from us and must be issued separately from any other invoices

- 11.9 You shall send us a written statement, preferably in electronic format, detailing all invoices due for payment no later than the 5th working day of each month. You shall send us a statement for any account that is in credit balance. Failure to supply statements may result in the account being unpaid. Statements should be emailed to payables@farmlands.co.nz

12 ELECTRONIC DATA INTERCHANGE (EDI)

- 12.1 Sending Purchase Orders by email and receiving PDF invoices by email will not be supported by us from March 2021. The ProAgrica EDI platform will be the only accepted means of processing Product purchases between us and you.
- 12.2 The ProAgrica EDI platform covers the following electronic messages:
- a. Purchase Order – We create Product Purchase Orders and send them to you
 - b. Purchase Order Confirmation – You must either accept the Purchase Order or request a change (quantity, price, delivery date)
 - c. Shipment Notice (ASN) – You must advise the products have been shipped
 - d. Invoice – You submit the invoice
- 12.3 These electronic messages can be fully/partially integrated with your back office systems or fully/partially processed manually through the ProAgrica WebSupplier portal
- 12.4 You are responsible for the initial setup and then ongoing processing costs of connecting to the ProAgrica EDI platform.

13 NOTICES

- 13.1 Every notice or other communication given under or in connection with these Terms shall either be in writing to the address and sent by email to the address as specified on the supplier application form or as updated to us by you. Each party shall advise the other party in writing or email of any change of address or contact details.

14 GENERAL

- 14.1 In these Terms:
- a. Agreement means the contract for supply of Products or Services between you and us, including all relevant Purchase Orders, these Terms, any documents referred to in these Terms as being applicable, and any attached Schedules signed by the parties.
 - b. Farmlands means Farmlands Co-operative Society Limited including its subsidiaries and related companies.
 - c. Intellectual Property means all forms of intellectual property and includes patents, registered designs, licences, trade-marks, trade names, inventions, trade secrets, formulae, copyright works, specifications and know-how.
 - d. Products mean the products in a Purchase Order and may include any services relating to those Products.
 - e. Purchase Order means our current Purchase Order form for Products or Services or both, which we may amend from time to time, submitted in accordance with these Terms.
 - f. Rebate means any rebate, discount, advertising subsidy (or any similar type of discount or contribution) agreed for the Products or Services.
 - g. Terms means these terms (as varied from time to time) and includes any Variation.
- 14.2 In these Terms references to a statute includes references to regulations, orders or notices made under that statute, to all amendments, and a statute, regulation, order or notice passed in substitution.
- 14.3 If any of these Terms are unenforceable, such unenforceability will not affect any other terms. However, we will negotiate in good faith to agree any other means by which the effect of that term can be retained.
- 14.4 You shall keep confidential and not use or disclose any information about our business without our prior written consent. You shall ensure that your employees and contractors comply with the same confidentiality obligations and do not disclose such confidential information to any third party including

any of our employees whom are not directly involved in purchasing from you. This clause will not apply to information that is in the public domain, or information that is required to be disclosed by law (provided you give us reasonable prior notice of the disclosure).

- 14.5 No failure or delay by a party in insisting on the strict performance of any obligation under these Terms or to exercise any right under these Terms, will operate as a waiver of those matters. A waiver will not be effective unless it is in writing. A waiver of any breach will not be a waiver of any other breach.
- 14.6 We retain the exclusive right, title and interest in our Intellectual Property. You acknowledge that you do not have any right in our Intellectual Property. You will not use our Intellectual Property without our prior consent. You warrant that your Products and Services will not breach the Intellectual Property rights of any third parties and you will not knowingly breach any third parties' Intellectual Property rights in your dealings with us.
- 14.7 We may set off any amounts that you owe us in any capacity (whether under these Terms or otherwise) against amounts owed by us. To the maximum extent allowed by law, you give up any right to set off any amounts we owe you.
- 14.8 The relationship between you and us is buyer and seller. There is no partnership, joint venture, employment or agency relationship between us.
- 14.9 You should be aware that we operate a strict gift policy. If in doubt check with the Head of Category.
- 14.10 You shall not assign or subcontract any of your rights or obligations under these Terms without our prior written consent (which may be withheld at our sole discretion).
- 14.11 New Zealand Law governs these Terms.