

SUPPLIER TERMS

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

1. EFFECT OF THESE TERMS

- 1.1 These Terms apply to all Products and Services ordered by or supplied to Farmlands. 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). Changes are only effective if they are recorded in a signed "Variation" of these Terms.
- 1.2 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

2. TERM & REVIEW

- 2.1 These Terms commence on the commencement date as stated in the agreement with Farmlands and continue for the Initial Term stated.
- 2.2 The parties agree to review these Terms at least 2 months before the expiry of the Initial Term. Any variations to the Agreement will commence on the first Business Day following the expiry of the Initial Term.
- 2.3 In the event that on the expiry of the Initial Term the Parties:
 - a. do not review the Agreement in accordance with clause 2.2; or
 - b. are unable to agree on any proposed changes on any reviews in accordance with clause 2.2, then unless otherwise agreed by both Parties, these Terms continue for another period of at least the Initial Term, terminable by us with 60 days' written notice.
- 2.4 Notwithstanding the term of the Agreement:
 - a. the Agreement may be terminated by mutual written agreement between you and us; or
 - b. either of us may immediately terminate this Agreement without notice if the other:
 - i. fails to comply with these Terms and that failure is incapable of remedy or (where capable of remedy) is not remedied within 10 working days of notice of the failure being given; or
 - ii. become Insolvent; or
 - iii. ceases to carry on business.
- 2.5 In the event of termination:
 - a. any provision of these Terms which is intended to survive the termination or expiry of these Terms shall continue to apply (including without limitation the provisions relating to risk and title, indemnity, limitations and insurance and confidentiality);
 - b. the parties will continue to perform any obligations arising prior to termination;
 - c. any claims arising prior to termination will not be prejudiced;
 - d. each Party shall determine any amounts outstanding to each other as at the date of termination; and
 - e. each Party will pay all money owed to the other (if any) after taking into account any adjustments.

3. SUPPLY

- 3.1 You agree to supply Products and Services to us in accordance with these Terms.
- 3.2 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.
- 3.3 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:
 - a. Any estimate we give of the quantity or volume of goods or services likely to be purchased is accurate; or
 - b. You will be given subsequent business after any agreement between us expires.

4. PURCHASE ORDERS

- 4.1 Orders from us will be by system generated purchase order, produced electronically and provided to you via fax/email or Electronic Data Interchange. 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.
- 4.2 Before processing a Purchase Order, you shall ensure it contains a designated Farmlands Purchase Order number, the Farmlands Originator's details and the quantity, price and delivery details. Where your intended invoice price is greater than the "order" price, Farmlands will pay the price specified on the order. The Purchase Order may specify other details (e.g. specification requirements for Products or Services).
- 4.3 If any Products or Services you supply 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 otherwise breach these Terms, we will notify you and may (without limiting our rights) return the Products to you at your cost and deduct the price of the Products and all our costs from any amount that is payable to you.

5. PRODUCTS/DELIVERY

- 5.1 You shall deliver Products by the delivery date and to the location set out in the Purchase Order. We may nominate any Branch or Farmlands customer's address as the delivery location. If a Purchase Order does not specify a delivery date then you shall deliver within 5 working days of the date of the Purchase Order. You shall notify the order creator within 1 working day of receiving the Purchase Order if you cannot meet these requirements, in which case Farmlands may choose to cancel the Purchase Order.
- 5.2 Products will not be deemed to be delivered unless a suitably authorised person at the relevant Branch or other delivery location has signed to acknowledge receipt. Signing shall not be deemed to be acceptance of those Products by Farmlands. Acceptance cannot occur until a complete and thorough Product inspection has taken place, within 24 hours of delivery. Where delivery is to a Farmlands customer's address, the customer is deemed to be a suitably authorised person to sign to acknowledge receipt on behalf of Farmlands.
- 5.3 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. If you fail to deliver Products or Services that were committed to by Farmlands more than six weeks prior to the stated delivery date, a late delivery fee of 1% of the value of the Purchase Order will be charged. We may (at our sole discretion) accept Products earlier than the delivery date.
- 5.4 If any delivery is not received within 10 working days of the required delivery date, we may cancel the Purchase Order and/or return the Product in question to you at your cost.
- 5.5 All Products delivered must:
- a. be accompanied by a numbered packing slip (one Purchase Order per packing slip) which records the Branch name, all Product items delivered (listed in the same sequence as the relevant Purchase Order), the number of cartons delivered (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.), the expiry date, the best by date and the batch number details for all Products containing any such details;
 - b. unless the relevant Farmlands Category Manager agrees otherwise in writing, 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 the relevant Farmlands Category Manager 4 weeks before delivery of Products containing the change using Farmlands' price change template; and
 - c. comply with our Purchase Order, be of acceptable quantity for retail 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.
- 5.6 You shall not invoice us for (or shall issue a credit note for the full amount of) any Products short delivered, lost or damaged in transit.

- 5.7 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.
- 5.8 If Products are advertised in any Farmlands 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 into our Branches (e.g. by airfreight) at your cost; or
 - b. cancel the Purchase Order.

6. PRODUCT CLAIMS AND RETURN OF PRODUCTS

- 6.1 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.
- 6.2 Any Products received that do not comply with these Terms may be returned by us and shall be accompanied by a Farmlands request for a credit note (or, any Return Authority that you have advised the Farmlands Category 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.
- 6.3 Products written off by you and left to us to dispose of will be disposed of at your cost.
- 6.4 Visits to Farmlands Branches to inspect faulty Products must occur within 5 working days of notification.
- 6.5 Any defective Products returned to a Branch by a Farmlands customer 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.
- 6.6 Our policy is not to have consignment stock, unless the relevant Category Manager agrees otherwise in writing.
- 6.7 You shall not provide stands, point of sale material or specific promotions directly to a Branch without the relevant Category Manager's prior written approval.
- 6.8 As new Products are introduced you shall provide training material and expertise along with financial assistance (where agreed in writing) that can be used to update existing or develop new Farmlands staff training modules.
- 6.9 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.
- 6.10 You shall notify us in writing as soon as practicable if you are or will soon become out of stock of any Products or they will no longer be available. 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.
- 6.11 Farmlands reviews its inventory from time to time. As a result, Farmlands may return saleable Products for, at Farmlands' election, a full credit or in exchange for faster selling Products. Farmlands will meet the cost of returning the Products, but the return shall otherwise be at no penalty to Farmlands. Risk in and title to returned Products passes to you when the Products are delivered to you

7. RISK AND TITLE

- 7.1 When Products are delivered directly to a Farmlands customer, risk in those Products passes directly from you to the relevant Farmlands 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.
- 7.2 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.

- 7.3 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.
- 7.4 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.

8. COMPLIANCE WITH LEGISLATION AND POLICIES

- 8.1 You shall comply with all laws at all times, including the Health and Safety at Work Act 2015 ("Act"), the Hazardous Substances and New Organisms Act 1996 (HSNO Act), 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.
- 8.2 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.
- 8.3 For any hazardous substance or chemical, you shall provide Material Safety Data Sheets to accompany the Products and publish them on your website.
- 8.4 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.

9. INDEMNITY, LIMITATIONS AND INSURANCE

- 9.1 Subject to clause 9.3, 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:
- a. which is in breach of these Terms; or
 - b. as a result of or in connection with:
 - i. the Products and Services;
 - ii. 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
 - iii. referring our customers to you for performance of the Services, advice, training or instruction.
- 9.2 Subject to clause 9.3, 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 9.2 is intended to be enforceable by our directors, officers and employees for the purposes of the Contracts (Privity) Act 1982.
- 9.3 Despite anything to the contrary in these Terms, you will not be responsible for any loss or liability incurred by Farmlands or its 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.
- 9.4 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.

10. PRICING

- 10.1. All pricing is Free Into Store (FIS).
- 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, insurance and freight to the delivery location.
- 10.3. Price decreases are effective immediately.
- 10.4. You shall give at least 90 days' written notice to Farmlands of any impending price increase setting out the requested effective date and giving reasons for the price increase. Farmlands 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 Farmlands. 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 pricelists@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 Farmlands 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 Rebate for Products or Services will be agreed in advance between you and us and recorded in writing. Any base Rebate shall be deducted by us from the amount due for payment of your invoice with any excess paid by you to us monthly.
- 10.7. For each month you shall pay us **x%** of the total amount invoiced (excl GST) for that month, as a marketing fund for business development with us. Once we receive an invoice from you, we will issue you an invoice for the marketing contribution payable for that month. We may offset that amount against the amount payable to you. The marketing fund is in addition to any rebates that will be agreed between you and us. On expiry or termination of the Agreement, you shall not be entitled to a refund of any unspent contribution to the marketing fund.
- 10.8. Any sample products and display stock shall be supplied free of charge.
- 10.9. The invoice price agreed with Farmlands is to be lower than the invoice price you offer to anybody and everybody in the market.
- 10.10. The price, net of all rebates, agreed with Farmlands is to be lower than the net price offer to anybody and everybody in the market.
- 10.11. If Farmlands is able to source its requirements from another supplier on more competitive terms, then you will match or better that offer, both at:
 - a. invoice price; and
 - b. net of any rebates.

11. PAYMENT

- 11.1 Farmlands will pay your invoices by direct credit no later than the last day of the third 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. Your invoices shall identify:
 - a. the Products that were delivered to us;
 - b. the date of order and date and place of delivery;
 - c. the Branch from which, or in respect of which, the Purchase Order was made;
 - d. a unique invoice number per invoice;
 - e. the invoice date;
 - f. in respect of any charges on a time and rate basis, the relevant times and rates; and
 - g. separately for each charged item, sums due in respect of GST.
- 11.3 Invoices/credit notes shall each relate to one Purchase Order only. Any that relate to multiple Purchase Orders will be returned to you unpaid.
- 11.4 Invoices and statements are to be sent to us marked "Attention Accounts Payable", by PDF e-mailed to payables@farmlands.co.nz or to such other email address as we notify you on the relevant Purchase Order. You agree to send statements by Electronic Data Interchange (or similar) at our request.
- 11.5 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.
- 11.6 You shall process all credit notes within 7 days of receiving a request for an approved credit note from Farmlands.
- 11.7 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.

12. SALES AND PROMOTION

- 12.1 We require any joint promotional effort with you to be agreed separately and the annual plan documented alongside these Terms.
- 12.2 Suppliers should be aware that Farmlands operates a strict gift policy. If in doubt check with the Head of Category.

13. DATA AND DATA PROCESSING

- 13.1 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.
- 13.2 We rely on the information you provide as being correct at all times. It is your responsibility to provide Farmlands with your information in the agreed Farmlands layout.
- 13.3 You will provide us with a report of the previous month's trading activities by the 10th working day of the following. The report shall:
- a. Be in the electronic format agreed with Farmlands; and
 - b. Contain all the details relating to any goods and/or service sold to or supplied to us in the last month and YTD aligned to Farmlands Financial Year (July – June) or to this agreement. As a minimum it should contain:
 1. Total \$ Farmlands Purchases TY v LY, % Change
 2. Total Product Performance QTY and Value TY v LY, % Change
 3. Total \$ Branch by Branch Purchases TY v LY, % Change.

14. NOTICES

- 14.1 Every notice or other communication given under or in connection with these Terms shall either be in writing to the address or sent by email to the address of that party. Each party shall advise the other party in writing or email of any change of address.

15. GENERAL

- 15.1 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.
- 15.2 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.
- 15.3 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.
- 15.4 You shall keep confidential and not use or disclose these Terms or 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).

- 15.5 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.
- 15.6 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.
- 15.7 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.
- 15.8 The relationship between you and us is buyer and seller. There is no partnership, joint venture, employment or agency relationship between us.
- 15.9 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).
- 15.10 New Zealand Law governs these Terms.
- 15.11 You will supply goods and/or services to us in accordance with the agreed service levels ("Service Levels").