

MASTER LIVESTOCK AGREEMENT TERMS AND CONDITIONS 19 03 17

1. Overall Terms and Purpose

- 1.1 These Terms will apply to all transactions between StockCo and The Farmer, along with and any terms in any applicable Master Livestock Agreement and Supplementary Agreements. We reserve the right to vary these Terms at any time. A copy of our most recent Terms is available on our website at www.stockco.co.nz, with such Terms to apply between us from the date on which they are uploaded. If there is any inconsistency between these Terms and any other arrangement between us, these Terms shall prevail unless otherwise agreed between the parties.
- 1.2 The Parties agree and covenant with each other that you will:
 - (a) Procure on behalf of StockCo Stock as may be agreed from time to time on these Terms and with the prior approval of StockCo.
 - (b) Graze and manage the Stock on behalf of StockCo.
 - (c) Deliver the Stock to StockCo's nominated processing plant or plants in the condition and not later than the date(s) specified by StockCo in any subsequent amendment thereto.
 - (d) Agree the term of this Agreement is 12 months plus one day from the date of the most recent transaction or amendment and thereafter until either party gives to the other not less than one month's written notice.
 - (e) Be liable to StockCo for the aggregate cost price of all Stock including all Stock subsequently acquired, interest on that amount until it is repaid, and the costs and charges and any other money due under this Agreement.

2. General Terms

- 2.1 The Master Agreement and these Terms will apply to all transactions between StockCo and you described herein. The Master Agreement is executed on terms that a separate agreement or agreements containing specific details of Stock and Schedules, may be added at later dates and may be effected by separate documents signed by you and then communicated to StockCo. These Terms are in any event binding and provided on terms that you acknowledge the Agreement is binding AND that the Terms will apply to any separate agreement containing supplementary terms including detail and Schedules although completed separately and communicated directly or by post or by facsimile or by email AND you covenant to produce the original signed Master Agreement and any/or separate agreements upon request by StockCo.
- 2.2 **Special Terms:** It is agreed by StockCo and the Farmer that the Special Terms (if any) attached to the Master Agreement form part of the covenants, conditions, terms, reservations and restrictions contained in this Agreement and are binding on both parties.
- 2.3 **Definitions:** In this Agreement:

"Agreement" means the Master Livestock Agreement, these Terms, any Supplementary Agreement, and any special terms agreed in writing between us.

"Farmer", "you" or "your" means the person or persons specifically described as the "Farmer" on the signature page, including in their capacity as a partner of any partnership and/or a trustee of any Trust whether or not known to StockCo. If there is more than one "you" it means each of you separately and every two or more of you jointly;

"Guarantor or Guarantor/s" means any guarantor under this Agreement;

"Land" means the land on which the Stock is located as specified herein and/or in a Schedule and any additional or alternative land agreed in writing by StockCo;

"Master Livestock Agreement" means the Master Livestock Agreement between StockCo and the Farmer, in which you agree to be bound by these Terms.

"PPSA" means the Personal Property Securities Act 1991. The expressions "at risk", "attach" and "security interest" have the meanings given to them under or in the context of the PPSA;

"Purchase Price" means the cost shown in any Schedule or in the Master Agreement and in any Supplementary Agreement or amendment;

"Schedule" means the specific details of Stock, and may include the number of head, stock type, average liveweight at purchase, identification, delivery dates, required weight at slaughter, finance rate, fees and charges as contained in the Agreement or any Supplementary Agreement or amendment. Capitalised terms defined in any Schedule shall have the same meaning where used in the Master Agreement and these Terms.

"Settlement Date" means the agreed date shown in any Schedule or in this Agreement and in any Supplementary Agreement or amendment for the purchase of Stock

"Stock" means all livestock specified in the Schedule and in any Supplementary Agreement and in any subsequent amendment and includes all livestock of whatever description AND includes any born and unborn progeny of that livestock together with any existing or additional livestock that may be included with the Stock from time to time;

"StockCo" "us", "we" or "our" means StockCo Limited and its successors and assigns;

"Supplementary Agreement" means any supplemental or further agreement between StockCo and the Farmer.

"Terms" means these Master Livestock Agreement Terms and Conditions.

Any reference to "these Terms", "this Agreement", "Schedule", and Supplementary Agreement" means these Terms, this Agreement, any Schedule, and any Supplementary Agreement, as subsequently amended from time to time as set out in clause 1.1 or otherwise by agreement between StockCo and You. Each of those documents and each amendment thereto including the signature page, these Terms, are all part of this Agreement.

3. Stock Procurement and Ownership

- 3.1. You will acquire the Stock for StockCo as agent for StockCo and strictly in accordance with instructions given by StockCo or its nominated livestock buyer from time to time.
- 3.2. You shall arrange for a tax invoice for payment of the Stock to be sent to StockCo for payment. Provided that the Stock acquired meets the description of Stock strictly in accordance with StockCo's instructions and is purchased by you strictly as agent for StockCo then StockCo will pay on receipt of the tax invoice. You will permit StockCo or its nominated agent or officer access to Stock at all reasonable times for inspection and verification of description.
- 3.3. You must arrange for identification of all of the Stock by:
 - (a) the separate identification of the Stock from any other livestock that may be depastured on the Land;
 - (b) the preparation, completion and maintenance of up to date records and details of each animal which forms part of the Stock;
 - (c) identification of all cattle by means of the Animal Health Board (AHB) Identification System or any other identification system that is approved in its place under the Bio Security (Animal Identification Systems) Regulations 1999 in the same manner as required in relation to any cattle being moved from the herd of origin to another herd;
 - (d) You will supply to StockCo a list of AHB or NAIT herd numbers relating to any cattle; and
 - (e) You authorise StockCo to access to your NAIT account as an information provider to monitor your movements of the Stock only.
- 3.4. You covenant that the Stock upon acquisition will be StockCo's absolute property exclusively and that the same are free and unencumbered.
- 3.5. StockCo appoints you to act as its agent for the purchase of acquisition of the Stock within the price and within the time and according to the strict specifications specified by StockCo.
- 3.6. You indemnify StockCo against any cost, loss or liability or expense whatsoever incurred by StockCo as a result of you acting in any manner except in strict accord with the authority hereby given.
- 3.7. Where you supply Stock to StockCo for purpose of this Agreement:
 - (a) then the same provisions apply except in respect of clauses 3.1 and 3.5 of this clause 3;
 - (b) ownership of the Stock will pass from you to StockCo at time of execution of this Agreement by StockCo or upon the execution of subsequent amendments or Supplementary Agreements or Schedules from time to time as the case may be.

4. Term

Term means a period of 12 months plus one day from the date of the most recent transaction, Schedule or amendment and thereafter, until either party gives to the other not less than one month's notice in writing.

5. Purchase and Ownership of Stock

- 5.1. Title and property in all Stock will pass to and remain at all times with StockCo.
- 5.2. You will do all things necessary and further warrant that pursuant to the transfers contemplated by this clause clear title to all of the Stock has been or will be transferred to us, on and from the Settlement Date applicable to that Stock, free of any security interest or other encumbrance.
- 5.3. You will not represent the Stock as being your property and will not use the Stock as security for any loans or credit or sell or part with possession of the Stock otherwise than in accordance with this Agreement and will not register, attempt to register or allow to be registered any financing statement on the Personal Property Securities Register in respect of the Stock (other than by us).
- 5.4. You will procure a Deed of Covenant and Right of Access for us from any Mortgagee so that no right of execution will be levied against the Stock, in such form as we may require.
- 5.5. For the purposes of the Personal Property Securities Act 1999 but without limiting any other term of this Agreement, by executing this Agreement or any subsequent amendment or Schedule You grant a security interest in the Stock to us. For the avoidance of doubt this clause does not in any way limit or reduce the absolute exclusive title to the Stock held by us. You covenant that the Schedule is accurate, the Stock will, on and from the Settlement Date, be located on the Land and all of the Stock are healthy and free from disease.

6. Grazing – Management – Inspection

- 6.1. The Stock shall be located and grazed on the Land without cost to us and, except as provided in this Agreement or in another agreement in writing between us, will not be removed without our prior written consent.

- 6.2. You will farm the Stock in accordance with the best farming practice for the district where the Stock is grazed with the intent that the Stock should, within the time frame specified in any Schedule or Supplementary Agreement or in any subsequent amendment, reach the weight and general condition referred to in any Schedule or Supplementary Agreement or in any subsequent amendment and any legal inspection requirements at the time of delivery for sale.
- 6.3. You will at your expense meet all farm management and animal health (including veterinary expenses) needs required to maintain the Stock. You will allow representatives of StockCo access to the land upon which the Stock is being grazed for inspection of the Stock.
- 6.4. If at the time when Stock is transferred pursuant to this Agreement, that Stock is not already situated on the Land, then you are liable for all of the costs of transport and delivery of the Stock to the Land.
- 6.5. If the Land is leased by, or otherwise not owned by you, then you must obtain an acknowledgement from the owner of the Land and any lessee or sublessee that they have no right, title or interest in the Stock, and that they each consent to us, or any agent or assignee of ours, entering upon the Land to inspect and/or take possession of the Stock at any time.
- 6.6. In the event that the Land is subject to a mortgage then you must procure from the mortgagee a Deed of Covenant and right of access for us and our assignees and agents.
- 6.7. You will report to us any deficiency in feed, or disease, or some other factor which will or may place in jeopardy the attainment of the number and weight targets (as specified in any Schedule or Supplementary Agreement or amendment) on the due delivery date. Upon receiving such a report, or if We otherwise become aware that the Stock may or will not achieve such targets, then You will consult with us to the intent that You will take proper steps required by us to remedy the situation. In the event that it is decided that the Stock are to be moved to better pasture and feed off the Land, all related costs shall be paid for by You. We shall be entitled to remove the Stock from Your property and carry out a sale of the Stock either by auction or private agreement. You agree to co-operate fully with the identification, rounding up and removal of the Stock. The proceeds of the sale will be paid direct to us. If requested by us, You shall pay to us as liquidated damages, the shortfall between the price received from such a sale and the greater of:
- 6.7.1 An amount equal to the aggregate cost price of the Stock paid by us plus interest calculated at a rate of 6% in excess of the interest rate specified in the Schedule and any fees due to us until payment is made.
- 6.7.2 The costs and expenses of ours incurred as a result of the application of clause 6.4.
- 6.7.3 In the event there is any excess money from the proceeds of sale after payment to us then such excess shall belong to you.
- 6.8 You will in addition at all times:
- 6.8.1 Maintain suitable pasture for the proper development and growth of the Stock and will not carry any more Stock on the Land than is normal custom in the ordinary course of pastoral farming.
- 6.8.2 Ensure that at all times an adequate supply of water is available for the Stock and on the Land.
- 6.8.3 Arrange for such veterinary care and carry out such drenching and other animal health measures as are required by the best principles of animal husbandry.
- 6.8.4 Comply with all requirements of any notice or requisition relating to the Land served on you by any local body, governmental or other proper authority.
- 6.8.5 Pay all outgoings at any time payable in respect of the Land and all other costs incurred in respect of keeping the Stock in terms of this Agreement including all farm management and veterinary expenses required to maintain the Stock.
- 6.8.6 Arrange for all Stock to be tested on the Land at regular intervals for such disease testing as may be required by law.
- 6.8.7 Pay all levies payable on the Stock.
- 6.8.8 Comply with all proceedings specified by lawful authorities whenever required in respect of hormonal growth promotants or other obligations under relevant legislation.
- 6.8.9 Accept liability for any failure to comply with procedures specified by government authority in respect of any hormonal growth promotant treatment and/or for any failure to comply with residue withholding periods to satisfy the Agricultural Compounds and Veterinary Medicines Act 1997.
- 6.9 We may, at any time, determine whether you are in compliance with this clause and may employ such consultants or persons as in its absolute discretion we think fit to assist in making that determination. You must reimburse us for any fees paid to any such persons upon receipt of a written demand, and will pay any fees due direct to any such persons upon request by us. Any determination by us that you are not in compliance with this clause will in the absence of manifest error be final and binding on you.
- 7. Reports**
Upon request by us at any time you will provide to us reports in writing at regular intervals and no less frequently than monthly intervals concerning:
- (a) Condition of all the Stock;
- (b) Condition of the Land and its continued suitability for pastoral grazing of the Stock.
- 8. Stock Losses**
- 8.1 If requested by us, You will, following the death or loss of any Stock, immediately notify us of such death or loss, setting out the circumstances in which such death or loss occurred, and whether remedial steps have been taken to protect the remainder of the Stock
- 8.2 When Stock die or are lost during the term of this Agreement, you are responsible for the value thereof and shall pay to us by way of liquidated damages an amount calculated by reference to the actual aggregate cost for the Stock paid by us, plus interest and fees calculated on that amount at the rate specified in the Schedule or amended subsequently compounded monthly from the date of payment, provided that we may elect whether You shall make payment for Stock losses by way of deduction from the net Processing Price payable by us to you, or by sending to You an invoice which is payable by you immediately upon receipt thereof.
- 9. Delivery of Stock and Payment**
- 9.1 You shall on the date or dates set in the Schedule or such other date as we advise in writing and is agreed to by you, deliver the Stock to the processing plant or sale venue nominated by us.
- 9.2 It is a term of this Agreement that all Stock delivered to the nominated plant or plants:
- 9.2.1 Meet the number, type, and weight criteria set out in the Schedule.
- 9.2.2 Pass the Ministry of Agriculture export inspection requirements applying at the time of delivery and slaughter.
- 9.3 You will arrange for the Stock to be processed in our name and at your expense.
- 9.4 We shall apply the slaughter price of the Stock received by us from the processor to the purposes of the Agreement (the "Processing Price").
- 9.5 We will pay to you the balance (if any) of the Processing Price less the aggregate StockCo payment calculated under clause 9.6 within two (2) days after payment by the Processor to us.
- 9.6 A sum shall be calculated and payable to us which includes:
- 9.6.1 The Cost Price for the Stock paid by us plus interest calculated at the rate specified in the Schedule or any subsequent amendment compounded monthly from the date of the payment, plus
- 9.6.2 Slaughter charges and related levies normally payable by You if You were presenting your own stock; and
- 9.6.3 Any fees agreed by us and specified in any Schedule or Supplementary Agreement or amendment; and
- 9.6.4 For any of the Stock failing any Ministry of Agriculture requirement any payments made by us in respect of that Stock failing to pass the said requirements, and
- 9.6.5 Any other costs incurred by us which ought to have been incurred by You under this Agreement including, for the avoidance of doubt, amounts due under clauses 6, 8 and 9. ("StockCo Payment").
- 9.7 If the Processing Price is less than the StockCo Payment then the deficiency shall be a debt payable forthwith by you to us together with interest at the rate of 18% p.a. until payment is made.
- 10. Assurances by Farmer**
You covenant with us that:
- (a) Your business is financially solvent and has good sound property and pasture able to support our rearing requirements and has adequate ability and capacity and facilities available to carry out the work specified; and
- (b) Financial statements and information will be promptly supplied upon request by us; and
- (c) All financial statements and information provided to us at any time before or during the term of this Agreement are and will be true and accurate; and
- (d) All rentals and rates on the Land (or other grazing property approved in writing by us for the purpose) where the Stock is held will be paid up to date and you will keep the Stock from being taken under any legal process; and
- (e) Should the Stock be seized by a third person or taken out of your possession, you will notify us immediately (no later than 2 hours after becoming aware of the seizure or removal) and all other relevant information in Your possession will be provided to assist recovery.
- (f) You are and will remain a Registered Person for any tax legislation, including any goods and services tax, for the duration of this Agreement.
- (g) All necessary consents and approvals required under any partnership agreement, or constitution or otherwise have been obtained.
- 11. Default and Remedies**
- 11.1 You will be considered to be in default if any one or more of the following events occur:
- 11.1.1 You fail to deliver any of the Stock in accordance with this Agreement;
- 11.1.2 You do not pay all payments due to us on time and in accordance with this Agreement;
- 11.1.3 You or any Guarantor becomes insolvent or bankrupt or enters receivership, liquidation, external administration or becomes subject to any arrangement or composition of creditors;
- 11.1.4 You cease to carry on farming the Land or a substantial portion of it, on which the Stock are being grazed unless you have first obtained our written consent to move the Stock;
- 11.1.5 You attempt to sell, dispose, sublease, encumber, create any security interest or otherwise deal with any of the Stock except in accordance with this Agreement;

- 11.1.6 You breach any terms of this Agreement and have not remedied the same;
- 11.1.7 Any representation, warranty or statement made by you is or was untrue when made and delivered;
- 11.1.8 You change your name without first notifying us of your new name at least 21 days before the change takes effect;
- 11.1.9 Any situation arises under which any of the Stock is at risk of being seized, or a mortgagee takes possession of the whole or part of the Land or any of your assets or there is any default under any mortgage, charge or other security over the Land or any of your assets;
- 11.1.10 You breach any of the covenants contained in clause 7;
- 11.1.11 You part with possession of any of the Stock except pursuant to this Agreement;
- 11.1.12 At any time you sell or dispose of any of the Stock in any way;
- 11.1.13 You dispose of a substantial portion of the Land without giving to us at least 21 days prior written notice and first obtaining our written consent to move any Stock;
- 11.1.14 Any execution or other similar proceedings are levied or issued against the Land.
- 11.2 If you are in default of this Agreement then we are entitled as of right without prior notice to enter the Land or any other property where we believe the Stock may be located and repossess the Stock AND at our discretion and without prejudice to the foregoing rights we may elect to give you notice at any time:
- 11.2.1 to remedy the default to our satisfaction within 14 days in cases where we deem the default is capable of remedy and failing your remedying such default to our satisfaction to immediately deliver up possession of the Stock to us
- AND** you must indemnify us for any costs, loss, expense or liability in exercising our rights under this clause.
- AND** we are entitled in any event as of right to terminate this Agreement with effect from any date specified by us as a result of default under clause 11.1.
- 11.3 In the event of termination pursuant to clause 11.2 above, and without detracting from any rights We have to recover any outstanding debts or to seek remedies or damages against You then:
- 11.3.1 We shall no longer be required to make any payments to you.
- 11.3.2 All Stock then shall forthwith be removed from you and delivered to the property or properties nominated by us. All costs associated with the removal of the Stock shall be paid by you.
- 11.3.3 We shall in any event be entitled to remove the Stock from the Land or such other place as it may be situated and carry out a sale of the Stock either by auction or private agreement. You agree to co-operate fully with the identification, rounding up and removal of the Stock.
- 11.4 In the event of termination pursuant to clause 11.2 and without diminution of any or all the remedies provided by virtue of clause 11.2, in the event that you have sold or disposed or otherwise parted with the possession of any of the Stock then we at our option are entitled to elect to make demand upon you a sum equal to all the aggregate of the sums set forth in clause 10 insofar as they are applicable together with penalty interest at a rate 6% above the rate set out in the Schedule calculated from the date of purchase together with the costs and expenses and You shall be bound upon receipt of such notice to make payment immediately to us.
- 11.5 In the event that we in our discretion consider the Stock is at risk, or any situation arises under which the Stock is at risk of being seized or a mortgagee takes possession of whole or part of the Land or any of your assets or there is any default under any mortgage charge or other security over the land or any Farmer's assets then we are immediately entitled to remove the Stock in the manner set out in clause 11.2. All costs of or arising from such removal are to be paid by You.
- 11.6 In the event that the Stock is at risk as defined in section 109(2) of the PPSA, then and in those circumstances we are also entitled as of right without notice to enter the Land (or any other property) where we believe the Stock may be located and repossess the Stock and you indemnify us for any cost, loss, expense or liability in exercising our rights under this clause.
- 12. Fencing**
You will maintain all fences and gates on the Land in good order and condition and in sufficient state of repair to properly contain all Stock at all times and so they are adequate fences within the meaning of the relevant fencing legislation.
- 13. Indemnity**
You will keep us indemnified against distress, execution or other claim upon any of the Stock and in respect of any other outgoings in respect of the Stock or the land which are not specifically the responsibility of us in terms of this Agreement.
- 14. Arbitration**
If any dispute or difference arises between You and us in connection with this Agreement that cannot first be settled between them by reference for conciliation by us then the matter will be referred to an arbitrator to resolve the dispute or difference. The arbitrator shall be a person with experience within the industry and if one cannot be agreed upon within 14 days, each party will choose its own experienced arbitrator and the two arbitrators will choose an umpire. The decision of the two arbitrators and umpire shall be binding on us and You. In all other respects, the provisions of the Arbitration Act 1996, or any statutory re-enactment thereof shall apply.
- 15. Assignment, Transfer and Agreement: You agree that:**
- (a) we may, without giving you or any guarantor notice or obtaining your consent or the consent of any guarantor, at any time, sell, assign, transfer or otherwise dispose of or deal with our interest in this Agreement, any related document and any Stock, progeny or other property the subject of this Agreement or any related document;
- (b) notwithstanding any privacy laws or other requirement of confidentiality, you and any guarantor consent to our disclosing information about you and any guarantor and otherwise in connection with this Agreement and any related document for this purpose;
- (c) neither you nor any guarantor may assign any of your rights or purport to assign or transfer any of your obligations under this Agreement or any related document or any Stock, progeny or other property the subject of this Deed or any related document without our prior written consent;
- (d) you and any guarantor continue to be bound by this Agreement and any related document in all respects following any sale, assignment, transfer or other disposal or dealing by us;
- (e) following any sale, assignment, transfer or other disposal or dealing by us that the assignee or transferee of those rights will have the same rights, powers, discretions and remedies against you and any guarantor that we have under this Agreement and any related document as if it were named as StockCo Limited in this Agreement and those related documents; and
- (f) following any sale, assignment or other disposal or dealing by us that each reference to "we", "us" or any other reference to StockCo Limited in this Agreement and any related document shall include the assignee or transferee (including, for the avoidance of doubt, under and in respect of any indemnity granted by you).
- 16. Statement of Account**
Statements of account and calculations of payment issued by us will in the absence of manifest error, be conclusive as between us and you.
- 17. Severability**
If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any aspect, that illegality, invalidity or unenforceability will not affect the enforceability of the remaining provisions of this Agreement.
- 18. Information**
You agree to provide us from time to time with such information about your business, assets or the Stock as We reasonably request including, without limitation, if requested by any bank pursuant to banking facilities provided to us.
- 19. Privacy of Information**
19.1. You authorise us, for the purposes of our business, to collect and use information about you and/or your business, including but not limited to personal and default information, and to disclose such information to any person or credit reporting agencies. You understand that in order to fulfil the purposes of our business, if you default in payment obligation to StockCo, you have authorised us to give your personal and default information to credit reporting agencies and those credit reporting agencies may give such information to other credit reporting agency customers. The Privacy Act 1993 may entitle you to have access to and, if necessary, to request the correction of any personal information about you held by us.
- 19.2. You authorise us to take all reasonable steps to verify your identity information, including using credit reporting agencies, to enable StockCo to meet its compliance requirements under the Anti-Money Laundering and Counter Financing of Terrorism Act 2009.
- 20. Power of Attorney**
20.1. For the purpose of enabling us to obtain the full benefit of this Agreement and any Supplementary Agreement/s and variation thereof, you irrevocably appoint us, including any of our directors or duly appointed agents jointly and severally, to be your attorney.
- 20.2. As your attorney, we may:
- (a) in your name, at Your act and deed, and at Your expense in all things, do anything which you agreed to do under the provisions of this Agreement or which, in our opinion, is necessary or expedient to give effect to any right, power or remedy conferred on us by this Agreement, by law or otherwise (including executing deeds and instituting, conduct and defending legal proceedings) or any act which ought to be done by you or which we consider necessary to protect our interest in the Stock or our rights under this Agreement;
- (b) do all acts necessary or proper to perfect or improve the rights and powers afforded or created or intended to be afforded or created by this Agreement or any Supplementary Agreement;
- (c) delegate your powers (including this power of delegation) to any person for any period, and revoke a delegation; and
- (d) exercise or concur in exercising our powers even if we have a conflict of duty in exercising our powers or has a direct or personal interest in the means or result of that exercise of powers.
- 20.3. You hereby ratify anything done by us as your attorney appointed pursuant to this clause or any delegate in accordance with this clause.
- 20.4. In the event that the powers conferred by this clause are to be exercised at any time prior to the occurrence of an event of default, we shall use all reasonable endeavours to notify you of any exercise by us as your attorney of your rights under this clause before such rights are exercised, and shall, as soon as practicable after such exercise, use all reasonable endeavours to notify you of the action taken by us as Attorney in exercising such rights.
- 20.5. This Power of Attorney shall in any event remain in full force and effect until all moneys owed by you pursuant to this Agreement have been paid in full

AND will not merge or be cancelled by termination of this Agreement.

21. Further assurance in respect of Property

21.1. Legal mortgages

You agree and covenant that if you are in default of this Agreement or any livestock and/or financial arrangement [between us, you and/or a Guarantor] at any time (or in any event if you consent in writing) THEN you will upon request by us:

- (a) grant to us legal mortgages over all or any land that you own now or in the future including (but not limited to) any land described in this Agreement or in any Schedule to the intent that a caveatable interest in the Land is created in favour of StockCo; and
- (b) execute and deliver to us all such transfers, assignments, securities, instruments and other deeds in such form as we direct for us to perfect, register or otherwise obtain those legal mortgages over part or all of such Land; and
- (c) consent to the lodgement of a caveat and/or registration of such other charge/s as we deem expedient.

21.2. General Security Agreement.

You agree and covenant that if you are in default of this Agreement or any livestock and/or financial arrangements [between us, you and/or a Guarantor] (or in any event if you consent in writing) THEN at any time you will upon request by us, and whether or not we have made a request pursuant to clause 21.1 above:

- (a) grant to us a Security Interest over all or any part of your present and after acquired personal property belonging to each and every one of the persons described as Farmer including all livestock which is not already secured by this Livestock Agreement; and
- (b) execute and deliver to us a General Security Agreement granting, and giving effect to, the Security Interest in clause 21.2(a) and all such transfers, assignments, securities, instruments and other deeds in such form as we direct for us to perfect, or otherwise obtain such Security Interest over part or all of such property.

21.3. Further Assurances. Whenever we request you to do anything:

- (a) for purposes of obtaining legal mortgages over part or all of the Land, or for more satisfactorily mortgaging, assuring or securing such Land to us; or
- (b) for the purpose of ensuring that we have a first ranking Security Interest in the Stock;
- (c) for the purpose of obtaining a Security Interest over all or any part of your personal property including livestock not already secured by this Agreement;
- (d) for the purpose of perfecting any such Security Interests, under the PPSA or otherwise;
- (e) for aiding in the execution or exercise of any right, power, remedy or authority conferred by this Agreement or any collateral security, you shall do it immediately at your own cost. Compliance with this clause may include the execution or registering of any other document, agreement or financing statement, the delivery of documents or evidence of title to the Land or other personal property and/or livestock and the execution and delivery of transfer.

22. Consumer Guarantees Act 1993

You acknowledge that you are acquiring the supply under this Agreement for the purpose of a business.

23. Personal Property Securities Act 1999

23.1. For the purposes of the PPSA but without limiting any other term of this Agreement, by executing this Agreement or any subsequent amendment you grant a security interest in the Stock and Progeny and any products derived from the Stock including without limitation all carcasses, meat, and any other products or by-products to us. For the avoidance of doubt, this clause does not in any way limit or reduce the absolute exclusive title to the Stock held by us.

23.2. You acknowledge that it is the intention of the parties that Part 9 of the PPSA will not apply to this Agreement. However, if at law this is not the case for any reason, You:

23.2.1 agree that if at any relevant time, our security interest in the Stock does not have priority over all other secured parties in respect of the Stock, then the parties for the purposes of section 109(1) of the PPSA are deemed, in accordance with the entitlement to do so under section 107(1) of the PPSA to have contracted out of that section but specifically on the basis that for the purposes of this Agreement and the operation and application of the PPSA that section 109(1) (but amended only by deletion of the words "with priority over all other secured parties") is reinstated and contracted back into;

23.2.2 agree that nothing in sections 114(1)(a), 133 and 134 of the PPSA shall apply to this Agreement;

23.2.3 waive:

- 23.2.3.1 your right to receive the amount of any surplus under section 117(1) of the PPSA;
- 23.2.3.2 your right to redeem the Stock under section 132 of the PPSA.

23.3 You will waive the right to receive a copy of the verification statement confirming registration of a financing statement or a financing change statement relating to our interest in the Stock.

23.4 You waive any rights in respect of section 162 of the PPSA.

24. Entire Agreement

24.1. The entire agreement between us and You consists of these Terms, the Master Livestock Agreement (including any special terms), and all Supplementary Agreements and any agreed amendments. You are unconditionally obligated to pay all Payments and other amounts due under this Agreement unless We agree in writing to the contrary. This Agreement cannot be cancelled or terminated except as expressly provided herein.

24.2. In the event that any ambiguity arises upon interpretation of this Agreement and any Supplementary Agreement then the terms of any Supplementary Agreement will prevail.

24.3. Supplementary Agreements, although completed separately and communicated directly or by post, or by email or by facsimile, shall be binding on the parties in accordance with this Agreement.

25. No Set-off

You agree that any amount payable by you under this Agreement may not be set-off against any other amount owing by us to you under this Agreement or any other agreement (whether written or otherwise) between you and us. You further agree that we are expressly entitled to set-off any amount owing to us under this Agreement against any other amount owing by you to us under any other agreement.

26. Confidentiality

This Agreement, all Supplementary Agreements, all documents, all amendments and all information relating to the Stock are secret, proprietary and confidential to us. You must keep such information secret and confidential and ensure that employees, advisers and agents maintain such confidentiality. This clause does not apply to any information which is:

- 26.1. In the public domain other than as a result of a breach of this Agreement;
- 26.2. Disclosed by a third party other than in breach of an obligation of confidentiality; or
- 26.3. Required by any Court, Government, physical or other public body to be disclosed.

27. Counterparts

The Master Agreement and any Supplementary Agreement/s and variation/s may be signed in counterparts which together shall constitute one agreement binding on the parties, notwithstanding that either the parties and/or the signatories of one or more of the parties do not sign the original or same counterpart.

28. Further Acts

Each party to this Agreement including any Guarantor shall sign and deliver any documents and undertake any acts, matters and things which are reasonably required or requested by the other party to carry out and give effect to the intent and purpose of this Agreement and any Supplementary Agreement/s and variation/s. Whenever We request you to do anything:

- 28.1 for the purpose of ensuring that we have a first ranking Security Interest in the Stock;
- 28.2 for the purpose of perfecting any such Security Interests, under PPSA or otherwise;
- 28.2 for aiding in the execution or exercise of any rights, power, remedy or authority conferred by this Agreement or any collateral security,

You shall do it immediately at your own cost. Compliance with this clause may include the execution or registering of any other document, agreement or financing statement, the delivery of documents or evidence of title to the Stock and the execution and delivery of transfers.

29. Notice

29.1 All notices and other communications in connection with this Agreement shall be sent by mail, hand delivery or facsimile message or email as follows:-

- (a) In the case of us:
StockCo Ltd
The Village Exchange
5 Havelock Road
PO Box 8050
Havelock North, 4157
Phone 06 873 7260
Fax 06 878 5785
Email: info@stockco.co.nz
- (b) In the case of you to the address, facsimile number and email appearing at the commencement of this Agreement.

29.2 StockCo and you may alter the above details in writing to the other. All notices and communications shall be deemed to have been received:

- 29.2.1 Three days after being posted;
- 29.2.2 On delivery when delivered by hand; or
- 29.2.3 If sent by facsimile or email, on the opening of business on the business day following the date of dispatch.

29.3 The parties agree that email communication (and/or any associated electronic communication/s) shall be the standard agreed form of communication by and between the parties and any Guarantors.

30. Facsimile or Email

The parties may sign a counterpart copy of the Master Agreement, any Schedule and any Supplementary Agreement, as subsequently amended from time to time by agreement between StockCo and you ("Document/s") by photocopying a facsimile or scanned copy of any such Document/s and signing that copy. The transmission by facsimile or by email by a party to the other of a counterpart copy of any Document/s, which is signed by that party, shall be deemed proof of the

signature of the original and the signed facsimile or scanned signed email copy so transmitted shall be deemed to be an original PROVIDED that in the case of email such transmission is acknowledged by the recipient.

31. Email Acceptance to Supplementary Agreement

31.1 StockCo may send Supplementary Agreement/s to the Farmer by email and it is expressly agreed by the parties that (unless the Farmer specifically notifies StockCo by email forthwith that if any matters included therein are not correct) then the parties agree that such Supplementary Agreement/s are deemed to constitute agreement by the Farmer and any Guarantors to be bound by the Terms and Conditions of the Supplementary Agreement and these Terms.

31.2 StockCo and You agree that such Supplementary Agreement/s are deemed to take full legal effect two (2) business days after StockCo has sent the Supplementary Agreement/s by email.

32. Authority to Date

Each party who signs or is otherwise bound or deemed to be bound by the Master Agreement, any Schedule and any Supplementary Agreement, as subsequently amended from time to time by agreement between StockCo and you ("Document/s"), expressly authorises StockCo to complete and make fully effective any Document/s, and any instrument, direct debit authority, certificate or other document relating in any way to any Document/s, and which the signatory has any time signed and/or executed as the case may be, by dating such Document/s and also inserting the Commencement Date (if applicable).

33. Electronic Signatures

In any document executed by or on behalf of StockCo, the Farmer and/or any Guarantor/s hereby consents to receiving an electronic signature or signatures from StockCo or its authorised representatives together with an electronic signature of a witness to such signatures as the case may be, for the purposes of sections 22 and 23 of the Electronic Transactions Act 2002.