

TERMS

1. Overall Terms

This Agreement will apply to all transactions between StockCo and the Farmer described herein. This Agreement will be effective whether communicated directly or by post, email or by facsimile.

2. Provision of Semen and Rearing

- 2.1 StockCo will arrange for Samen www.samen.co.nz to effect delivery of the Semen to your nominated Artificial Breeding Company;
- 2.2 You will pay for each straw of Semen supplied by Samen;
- 2.3 You agree that you shall not during the term of this Agreement, other than in accordance with this Agreement use the Semen to:
 - a) produce any sires for breeding purposes, embryos, Semen or other genetic material from the Semen;
 - b) sell, lease or otherwise dispose of, or in any way encumber or use, the Semen (or permit the same to occur).
- 2.4 You will supply to StockCo or Samen at the time of pregnancy testing a NAIT or MINDA print off, detailing the expected calving date for each Cow that is pregnant from the Semen;
- 2.5 You will rear each Wagyu Cross Calf at all times in accordance with good farming practices and, when requested, make them available for inspection. You acknowledge that each Wagyu Cross Calf will be held at your risk until such time as that Wagyu Cross Calf is collected from you in accordance with the terms of this agreement.

3. Selection of Wagyu Cross Calves

- 3.1 In order to be eligible for purchase by StockCo a Wagyu Cross Calf must meet all Selection Criteria as determined solely by StockCo.
- 3.2 You agree that StockCo has a first option to purchase all Wagyu Cross Calves, and that you cannot sell any Wagyu Cross Calves to another party without StockCo's written permission.
- 3.3 StockCo may at any time on or before the Collection Date arrange for any Wagyu Cross Calf to be inspected by StockCo or its agent to determine whether the Wagyu Cross Calf meets relevant selection criteria, including but not limited to the Selection Criteria. StockCo may in its sole discretion choose not to undertake an inspection in respect of a Wagyu Cross Calf.

4. Purchase

- 4.1 StockCo may purchase (at its sole discretion) any Wagyu Cross Calf which meets the Selection Criteria by giving you notice, notwithstanding that StockCo may have not yet determined whether or not such Wagyu Cross Calf meets the Selection Criteria or will become an Accepted Calf. StockCo will arrange at its cost for each Reared Calf purchased to be collected from you.
- 4.2 Upon StockCo notifying you that it wishes to purchase a Wagyu Cross Calf, you must sell that Accepted Calf to StockCo, free of any charges, encumbrances or security interests, and otherwise on the terms and conditions set out in this agreement.
- 4.3 When we will purchase the Accepted Calves from you, we will create a buyer generated invoice and will pay the Calf Purchase Price to you on the settlement date. The settlement date will be 14 days after we pick up the Accepted Calves from you.
- 4.4 You covenant that the Accepted Calves will be the absolute property of us free from any security interest and other encumbrance. You will do all things necessary and further warrant that pursuant to the transfers contemplated by this clause, clear title to all of the Accepted Calves has been or will be transferred to us, on and from the Settlement Date applicable to the Accepted Calves, free of any security interest or other encumbrance.
- 4.5 If at the time of purchase, we reasonably suspect that any of the calves are not Wagyu Cross Calves, we are entitled to conduct a DNA parentage test. Any cost of this will be yours.
- 4.6 If at any time prior to transfer of title an Accepted Calf no longer meets the Selection Criteria or any other requirements of StockCo, StockCo may, irrespective of any notice given under clause 4.1, reject the Accepted Calf and shall be under no obligation to complete the sale and purchase of that Calf.
- 4.7 If at any time StockCo advises you that StockCo does not wish to purchase a Wagyu Cross Calf, you will be free to dispose of, or otherwise deal with, the Wagyu Cross Calf subject to your marketing the Wagyu Cross Calf as 'Dairy Beef'.
- 4.8 In the event that StockCo (acting reasonably) suspects deliberate intent by you or your staff to mislead StockCo with regards to the Selection Criteria, or any other way, StockCo shall be under no obligation to complete purchase of calves with you.
- 4.9 You will not be entitled to payment of the Wagyu Cross Calf Purchase Price or to any compensation or damages if this Agreement is properly cancelled or withdrawn for any reason, or a condition is not satisfied, or a calf or calves are rejected in accordance with the terms of this Agreement.

5. General

- 5.1 This agreement shall not be binding on StockCo until such time as it is executed by StockCo.
- 5.2 This Agreement shall commence on the date it is executed by all parties and shall continue for one year from that date unless otherwise terminated.
- 5.3 You acknowledge that an actual or threatened breach of this Agreement may cause damage to StockCo that is unable to be adequately compensated for by monetary damages. In such circumstances StockCo may seek any necessary injunctive relief from the Court to prevent such a breach.
- 5.4 You acknowledge that participation in this Agreement and any related activities with all times be at your own risk.
- 5.5 In no circumstances will StockCo be liable in any way to you for any loss arising from an event that may limit, curtail or bring to an end Semen production and/or sale by StockCo of Semen, whether contemplated by this Agreement or not, and whether actionable in contract, tort (including negligence), equity or otherwise.
- 5.6 Nothing shall require StockCo at any time to maintain any form of insurance or cover from risk in respect of any Accepted Calf.
- 5.7 Any modification to or variation of this Agreement must be in writing and signed by an authorised person for each party.
- 5.8 None of the provisions of this Agreement will be considered to be waived by StockCo except when such waiver is given in writing and signed by an authorised person for StockCo.

6. Confidentiality

- 6.1 This Agreement, all documents, all amendments and all information relating to the Semen and Wagyu Cross Calves 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:
 - 6.1.1 In the public domain other than as a result of a breach of this Agreement;
 - 6.1.2 Disclosed by a third-party other than in breach of an obligation of confidentiality, or
 - 6.1.3 Required by any Court, Government, physical or other public body to be disclosed.

7. Notice

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

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

In the case of you to the address and email appearing at the commencement of this Agreement.