

1. ABOUT THIS CONTRACT

- 1.1 You acknowledge that these Terms apply to the purchase of the Wool described in the Forward Contract agreed to in writing or by electronic communication between you and us ("Forward Contract").
- 1.2 These Terms, the Forward Contract and any amendments agreed to in writing or by electronic communication (together "the Contract") form the entire contract between you and us.
- 1.3 The Contract is legally binding on you and us.

2. DEFINITIONS

- 2.1 **"Acceptance"** means our acceptance of the test results and confirmation of compliance of the Wool sample to the wool specifications recorded in the Forward Contract.
- 2.2 **"Cents per kg (clean)"** refers to a test method approved by the International Wool Textile Organisation ("IWTO").
- 2.3 **"Contract Quantity"** means the quantity in bales specified in the Forward Contract.
- 2.4 **"Costs"** means the contract, handling and wool testing fees and insurance, charged at PGG Wrightson Wool's current rate applicable to the Wool Grower at the time of delivery.
- 2.5 **"Delivery Due Date"** means the final due date for delivery specified in the Forward Contract.
- 2.6 **"Delivery Location"** means the location where you are to deliver the Wool specified in the Forward Contract.
- 2.7 **"PGG Wrightson Wool"; "we"; "us" or "our"** means PGG Wrightson Ltd trading as PGG Wrightson Wool and includes its authorised agents and Bloch & Behrens Wool (NZ) Ltd.
- 2.8 **"Purchase Price"** means the purchase price specified in the Forward Contract.
- 2.9 **"Specifications"** means the wool specifications set out in the Forward Contract and the conditions and warranties in part 3 of the Contract and Commercial Law Act 2017.
- 2.10 **"Testing Agency"** means a wool testing organisation accredited by the IWTO.
- 2.11 **"Wool"** means all wool purchased by us in accordance with the Contract.
- 2.12 **"Wool Grower"; "you" or "your"** means the person, persons or legal entity that is the seller of the Wool.

3. WOOL SPECIFICATIONS

- 3.1 The Wool delivered by you will comply with the Specifications.
- 3.2 Immediately upon delivery of the Wool to us, we will weigh the Wool and forward a sample of it to a Testing Agency for testing at your cost. We will also visually assess the Wool to ensure compliance with the Specifications. Our appraisal along with the test result will determine whether the Wool complies with the Specifications and will be final and binding on you and us.

4. DELIVERY AND TESTING

- 4.1 You will deliver the Wool to the Delivery Location on or before the Delivery Due Date. Time will be of the essence in respect of delivery.
- 4.2 We will accept the Wool under the Contract if:
 - a. You deliver the agreed quantity of Wool stated in the Specifications on or before the Delivery Due Date;
 - b. We approve the Wool by visual assessment; and
 - c. We receive test results from the Testing Agency which confirm that the Wool complies with the Specifications.
- 4.3 We may, at our sole discretion, elect to accept the Wool if:
 - a. You deliver less or more than the agreed quantity of Wool; and/or
 - b. The Wool does not meet the Specifications and/or is delivered late.
- 4.4 Within five days of our visual assessment and the receipt of the test results, we will either:
 - a. Confirm our Acceptance of the Wool; or
 - b. If the Wool varies from the Specifications, advise you whether or not we will take any steps outlined in clause 5 "Variation to Specifications".
- 4.5 We reserve the right to alter our intended end purchaser of the Wool at our sole discretion.

5. VARIATION TO SPECIFICATIONS

- 5.1 You agree that if the Wool varies from the Specifications or is delayed in delivery or is not delivered for any reason, we may at our election:
 - a. Attempt to accommodate the Wool against another PGG Wrightson Wool sales contract to

- another end purchaser;
 - b. Sell, on your behalf, your excess wool or wool that does not meet the Specifications and reimburse you for the sale proceeds of such wool, after deducting the sale costs; and/or
 - c. Purchase replacement wool from any source to meet the Specifications and/or agreed quantity and invoice you for the costs of such wool.
- 5.2 Where we are required to take any of the steps outlined in clause 5.1, any costs and/or proceeds will be netted off as required and you will be credited or invoiced for the balance.
 - 5.3 As a result of entering into the Contract we may enter into forward contracts for the on-sale of the Wool and, accordingly, you may be liable for costs and expenses incurred and loss suffered by us as a result of you not complying with your obligations under this Contract including any failure to deliver the Contract Quantity or meet the Specifications and all other terms of this Contract. Without limiting any of our other rights, you agree that we may set off or deduct any amounts you owe to us (or any associated or related company) from money held by us (or any associated or related company) on your behalf in relation to any transaction whatsoever.

6. PRICE AND PAYMENT

- 6.1 The Purchase Price shall be calculated on the basis of Cents per kg (clean), as set out in the Forward Contract.
- 6.2 Unless otherwise specified, the Purchase Price and Costs are exclusive of Goods and Services Tax.
- 6.3 We will deduct the Costs from the Purchase Price.
- 6.4 Any variation from the Specifications and/or Delivery Due Date will result in us managing the variation as specified in clause 5 "Variation to Specifications".
- 6.5 We will pay the Purchase Price, less the Costs, to you by crediting your nominated bank account on the payment date specified in the Forward Contract. We may elect to withhold payment to you of the Purchase Price until we have received payment for the Wool from our customer purchasing the Wool from us. If our customer purchasing all or part of the Wool from us fails to pay us all or any part of any sum that they owe us in respect of the Wool within six months of the due date, we may cancel this Contract in respect of all or part of the Wool and will not be required to purchase any Wool from you.

7. INSURANCE

- 7.1 We will insure the Wool from the time the Wool is shorn from the sheep. This will incur the charge for insurance specified in the Forward Contract or if no charge is specified then insurance charges will be included in the Costs.

8. TITLE AND RISK

- 8.1 Title to the Wool will pass from you to us upon our Acceptance of the Wool. Risk in the Wool will pass from you to us from the time the Wool is shorn from the sheep.
- 8.2 We have no liability to you or any other person, whether in contract, tort (including negligence), equity, at law or otherwise, for any costs or expenses incurred, or loss (eg direct, indirect, consequential, and loss of profits) suffered, as a result of any loss arising under the Contract. We exclude all warranties to be made by us which may be implied into the Contract by law, to the extent permitted by law.
- 8.3 You will not part with possession or dispose of in any way any part of the Wool to any person other than us. You will not sell, lease, licence or otherwise part with the possession of the sheep on which the Wool is being grown without our prior written consent (which may impose as a condition of giving that consent such conditions such as we may reasonably require to protect our interests in the Wool).
- 8.4 You indemnify us for any cost or expense incurred, or loss suffered, by us as a consequence of you breaching any term of the Contract or us relying on any information provided to us by you that is incorrect.

9. YOUR RIGHT TO SELL THE WOOL

- 9.1 You agree that as at the date of the Contract and until and as at the dates that we receive and accept the Wool:
 - a. You have the right to sell the Wool to us; and
 - b. The Wool is unencumbered and you have not granted any security interest or charge of any nature in the Wool, or in the sheep from which the Wool is to be clipped, to any third party without our prior written consent.

- 9.2 You agree to grant us a Security Interest (as defined in the Personal Property Securities Act 1999 (the PPSA) in our favour in the Wool and its proceeds, for all current and future payments/obligations owing by you to us under this Contract. You will do all things necessary for us to register a financing statement and to ensure the security interest is a first ranking perfected security interest over the Wool and its proceeds. Nothing in sections 114(1)(a), 117(1)(c), 133 or 134 of the Personal Property Securities Act 1999 (PPSA) applies. Your rights in sections 116, 119, 120(2), 121, 125 to 127, 129, 131 and 132 of the PPSA do not apply. You waive your right to be given a copy of any verification statement in relation to any financing statement or financing change statement that we may register.

10. OTHER INFORMATION

10.1 Enforcement

You will pay us on demand all costs (including legal costs on a solicitor/client basis) incurred by us in connection with any default by you or enforcement action taken by us.

10.2 No Waiver

We will be deemed not to have waived any right to do anything unless that waiver is in writing and signed by us.

10.3 Severability

If any part of the Contract is illegal, unenforceable or invalid, that part is to be treated as modified or removed to the extent required to make it effective. The remainder of the Contract will not be affected.

10.4 Typographical Errors

We reserve our right to correct any typographical or clerical errors in any prices quoted or contained in any order or quotation.

10.5 Governing Law

The Contract is governed by the laws of New Zealand.

10.6 Disputes

Any dispute relating to the Contract will be discussed in good faith and sought to be resolved between the parties by an informal dispute resolution technique.

10.7 Force Majeure

Neither party will be required to perform its obligations under the Contract in the event of fire, accident, earthquake, industrial dispute, act of war, outbreak of disease, government act or any other event of any kind beyond the control of either party which materially affects either party's ability to perform its obligations under the Contract, for as long as that event continues.

10.8 Confidentiality

Both parties agree to keep confidential any information about the business affairs of the other party and to take all appropriate steps which are necessary or desirable to ensure that such confidential information is not disclosed without the prior written consent of the other party. This clause shall not apply to information that is already in the public domain, or information that is required to be disclosed by law or by the listing rules of any applicable recognised stock exchange.

10.9 Intellectual Property

We own the exclusive right, title and interest in or to our intellectual property and you acknowledge that you do not have any rights in our intellectual property.

10.10 Relationship

The relationship between us and you is as buyer and seller. There is no partnership, joint venture, employment or agency relationship.

10.11 Assignment

Neither party may assign or subcontract any of its rights or obligations under the Contract without the other party's prior written consent (such consent not to be unreasonably withheld).

10.12 Termination

We are entitled to cancel the Contract if you (being a company or body corporate) are placed in liquidation or receivership, or being a person becomes bankrupt.

10.13 Variation

We may in our absolute discretion change these Contract Terms at any time by publication on our website www.pggwrightsonwool.co.nz, and the change will take effect from the time specified. However a completed Contract may only be varied by agreement between the parties in writing.