

TERMS AND CONDITIONS

The following Terms and Conditions apply to credit facilities and all purchase of goods and services from Morrison Agri as defined in 1.1 below.

1. Definitions

- 1.1 "Morrison Agri" means the Morrison Agri Group, consisting of Ashburton Milking Systems Ltd and any other companies as notified by Morrison Agri from time to time.
- 1.2 In these Terms and Conditions we have used the terms "we", "us" and "our" to refer to Morrison Agri.
- 1.3 "Customer" means the Customer or any person acting on behalf of and with the authority of the Customer.
- 1.4 In these Terms and Conditions we have used the term "you" to refer to the Customer.
- 1.3 "Goods" means all goods and services provided by Morrison Agri to the Customer and without limitation shall include all charges for labour and work, hire charges, or any fee or charge associated with the supply of goods.
- 1.4 "Order" means an agreement between Morrison Agri and the Customer for Morrison Agri to supply Goods and/or services to the Customer.
- 1.5 "Quote" means a written offer from Morrison Agri to the Customer to supply Goods and services for a specified price subject to the Terms and Conditions of such offer.

2. Terms of Sale

- 2.1 Morrison Agri will supply Goods to you the Customer on these terms only unless Morrison Agri agrees otherwise in writing.
- 2.2 Morrison Agri may however amend these terms from time to time.
- 2.3 Morrison Agri are under no obligation to accept all or any of the Customer orders.
3. Orders and Quotes
- 3.1 Unless expressly quoted, the prices contained in any order and any discounts are those applicable at the date of delivery. Morrison Agri reserves the right to vary prices from time to time at its discretion and without notice.
- 3.2 Goods and Services Tax and other taxes and duties on the supply of Goods or services to the Customer and any other expenses resulting from exchange rate fluctuations, customs charges, shortages or such other costs or expenses imposed on Morrison Agri for the supply of Goods or services are not included in the price and shall be the responsibility of the Customer or where the payment of expenses is the legal responsibility of Morrison Agri, the price shall be increased by the amount of such expenses. Any increase in the amount of expenses between the date of any quotation and the date of delivery of the Goods or services shall be the responsibility of the Customer and the price shall be increased accordingly and debited to the Customer's account (if any).
- 3.3 An extra charge may be made where additional work results from lack of precision in the Customer's specifications or the Customer alters the specifications after the date of the order.
- 3.4 The Customer is bound to pay the price from the time that an order is accepted by Morrison Agri, with there being no obligation on Morrison Agri to enquire as to the authority of any person placing an order on behalf of the Customer. No order may be cancelled without Morrison Agri's prior approval, and then only upon such terms as Morrison Agri may specify.

4. Delivery

- 4.1 Risk of any loss, damage or deterioration of or to the Goods passes to the Customer on delivery.
- 4.2 If Morrison Agri fails to deliver all or part of an order, this does not entitle the Customer to cancel the order.
- 4.3 Any time stated for delivery is an estimate only and is not deemed to be of the essence of the contract. Morrison Agri is not liable for any delay in delivery.
- 4.4 If the Customer refuses to accept delivery of any of the Goods Morrison Agri may charge the Customer for any additional costs incurred as a result, including storage and transportation costs.

5. Customer Property

All Customers property supplied to Morrison Agri by or on behalf of the Customer will be held at the Customers' risk.

6. Payments

Payment is due by the 20th of the month following the date of invoice.

7. Interest and Legal Expenses

- 7.1 If you fail to make a payment by the due date you shall be liable to pay Morrison Agri:
- Default interest on the amount outstanding calculated at Principal bank lending rate plus 5% per month and shall accrue after as well as before judgement.
 - All expenses, including collection costs from obtaining the services of a debt collection company and/or legal fees in relation to any overdue amount will be added to your account and you as the Customer are liable for its payment.
- 7.2 Morrison Agri may temporarily or permanently suspend your account.

8. Disputes

In the event that you have a dispute relating to or arising from work completed you must immediately notify Morrison Agri by giving details of the dispute. You agree that Morrison Agri and you, the Customer, acting in good faith will then endeavor to resolve the dispute. If there is a dispute with the invoice you may withhold payment of the disputed amount, but you must still pay the undisputed amount by the payment date whilst the error is being investigated. If it is proven that we have made a mistake, then we will correct the invoice immediately. If we find there is no mistake and the payment date has already passed, you will pay the outstanding amount immediately.

9. Ownership

- 9.1 Ownership of the Goods remain with Morrison Agri and does not pass to the Customer until the Customer has paid all sums owing to Morrison Agri in full.
- 9.2 Morrison Agri can always enter premises to where the Goods are located and take possession of and/or remove them while Morrison Agri remain the owner. Morrison Agri shall not be responsible for any damage caused in entering and removing the Goods. The Customer is liable for all costs incurred by Morrison Agri (including transportation and storage charges) in entering and removing the Goods. Morrison Agri may resell any of the Goods and apply the proceeds of sale in reduction of the Customer's Indebtedness.
- 9.3 If the Customer wishes to resell any Goods before the Customer becomes the owner, the Customer may do so only if the sale is genuine and made in the ordinary course of the Customers business. The Customer must promptly account to Morrison Agri for the proceeds of the sale and will hold any proceeds on trust for Morrison Agri until the Customer does so.

10. Personal Property Securities Act 1999 ("PPSA")

- 10.1 All terms in this clause 10 have the meaning given to them in the PPSA and section references shall be to sections of the PPSA.
- 10.2 Clause 9 creates a security interest in Goods we supply to you as the Customer.
- 10.3 You shall not grant any other security interest or lien over the Goods that we have a security interest in.
- 10.4 At our request you shall promptly sign any documents and do anything else required by us to ensure that our security interest constitutes a first ranking perfected security interest or any lien either in the Goods or in the whole.
- 10.5 If Goods that we have a security interest in are processed, included or dealt with in any

- 10.6 way causing them to become accessions, processed or commingled Goods, our security interest will continue in the whole in which they are included. You shall not grant any other security interest or any lien in either the Goods or in the whole.

- 10.7 You waive any rights you may have under sections 114(1)(a), 116, 120(2), 121, 125, 126, 127, 129, 131, 133, and 134 of the PPSA.

- 10.8 You waive your right to receive a copy of any verification statement.

- 10.9 You will give us prior written notice of a proposed change of your name or address.

11. Our Rights

- 11.1 If a Default Event occurs then;
- Morrison Agri will be entitled to cancel all or part of the Customer's orders which have not been delivered in full; and
 - All amounts the Customers owe Morrison Agri whether due for payment or not will be immediately due and payable; and Morrison Agri may reclaim Goods in the Customers possession or control and dispose of them for Morrison Agri's own benefit as Morrison Agri thinks fit.
- 11.2 For the purposes of this clause a 'Default Event' occurs if
- A payment by the Customer is overdue; or
 - In Morrison Agri's opinion the Customer is unlikely to be able to pay their debts immediately; or
 - In Morrison Agri's opinion the Goods are 'at risk' as that term is defined in section 109(2) of the PPSA; or
 - You have or will commit an act of bankruptcy, or have or are about to have a receiver or liquidator appointed, or are declared insolvent; or
 - You breach your obligations under these Terms and Conditions.

12. Warranties

- 12.1 Morrison Agri warrant that the Goods supplied by them are free from defects.
- 12.2 All other guarantees, warranties and representations in relation to the Goods or their supply are excluded except to the extent that Morrison Agri cannot lawfully exclude them.

13. Consumer Guarantees Act 1993 ("CGA")

When the Customer purchases Goods or services from Morrison Agri for business purposes, then the guarantees and rights expressed or implied in the CGA in the Customers favour do not apply to the Goods or services.

14. Fair Trading Act 1986 ("FTA")

For the Purposes of the FTA the parties agree to contract out of sections 9 (misleading and deceptive conduct generally), 12A (unsubstantiated representations), and 13 (false or misleading representations). You agree that all warranties, conditions, and other terms implied by sections 9, 12A, and 13 of the FTA are excluded to the fullest extent permitted by law and the parties further acknowledge that it is fair and reasonable that the parties are bound by this clause.

15. Limitation of Liability

- 15.1 Morrison Agri will not be liable for any indirect or consequential loss incurred by the Customer as a result of any act or omission by Morrison Agri.
- 15.2 Morrison Agri will not be liable to the Customer for failure to deliver by specified date, or for loss caused by anything which is beyond Morrison Agri's reasonable control.
- 15.3 Morrison Agri's liability to the Customer is otherwise limited to the value of the Goods and or services supplied by Morrison Agri and associated with the Customer's claim.
- 15.4 Morrison Agri may at their option and as appropriate either:
- Replace defective Goods or
 - Pay the Customer the price (excluding GST) the Customer paid Morrison Agri for the Goods and/or services.
- 15.5 Morrison Agri will not however accept responsibility for any defective Goods, unless;
- The Customer notify Morrison Agri of the defect within 14 days of the Customer receiving the Goods, and
 - The Customer allow Morrison Agri to fully investigate their claim
- 15.6 This clause will not apply to the extent that the law prohibits Morrison Agri from limiting their liability.

16. Intellectual Property

- 16.1 You acknowledge and agree that we shall be the sole and exclusive owner of all intellectual property rights everywhere in the world related to any and all Goods and other works supplied to you by us.
- 16.2 We shall retain exclusive worldwide ownership at all times of our artistic styles, methods of working, techniques, ideas, skills and know-how.
- 16.3 This clause 16 shall continue in force as between the parties notwithstanding the termination of these Terms and Conditions.

17. Group Offset

Morrison Agri may at any time in its sole discretion apply any credit balance owing by any Morrison Agri company to a Customer in satisfaction of any amounts owing by that Customer to another Morrison Agri company, whether or not such amount has fallen due for payment.

18. Other Arrangements

If there is any inconsistency between these terms and any order submitted by the Customer (whether in writing or verbally or by Electronic Data Interchange (EDI) or any other arrangement between the parties), these terms prevail unless otherwise agreed in writing by the parties.

19. Privacy of Information

- You authorise us:
- To collect, retain and use information about you from any person for the purpose of assessing your creditworthiness;
 - To disclose information about you:
 - o to any person who guarantees, or who provides insurance, or who provides any other credit support, in relation to your obligations to us; and
 - o to such persons as may be necessary or desirable to enable us to exercise any power or enforce or attempt to enforce any of our rights, remedies and powers under these Terms of Trade.

20. Notices

Any notice may be given by phone, in person, posted, or sent by email.

21. Waiver

If Morrison Agri delay or do not exercise any of their rights or remedies that will not be a waiver of the right or remedy. Waiver of any terms of this agreement must be specified in writing and signed by an authorised officer of Morrison Agri.

22. No Assignment

The Customer must not transfer or assign its rights under this agreement to anyone else without Morrison Agri's prior consent in writing.

23. Jurisdiction

These Terms and Conditions are governed by and construed in accordance with the laws of New Zealand and the parties agree to submit to the non-exclusive jurisdiction of the Courts of New Zealand for any disputes or proceedings arising out of or in connection with these Terms and Conditions.