

Supplier Terms of Trade

1. INTRODUCTION

- 1.1. These Supplier Terms of Trade apply when AIS places a Purchase Order with you as the Supplier of Products and Services to AIS. They do not apply to the supply of goods to any other division of PGW.
- 1.2. By accepting a Purchase Order from AIS and/or signing a Terms of Trade Amendment, you accept these Supplier Terms of Trade. These are binding on you even if not signed, and take precedence over any other supplier terms including your terms of supply. You should read them carefully and contact AIS if you have any queries.
- 1.3. Any specific terms agreed between us are contained in the Terms of Trade Amendment which, when signed by both of us, forms a binding part of these Supplier Terms of Trade.
- 1.4. Where there is conflict between documents, the following apply in order of precedence:
 - 1.4.1 Any Terms of Trade Amendment between us,
 - 1.4.2 These Supplier Terms of Trade, and
 - 1.4.3 A Purchase Order.
- 1.5. In these Supplier Terms of Trade and any Terms of Trade Amendment;

AIS means Advanced Irrigation Systems, a division of PGG Wrightson Limited.

Delivery Depot means the place designated by AIS for delivery of the Products, which includes an AIS branch or customer address.

PGW means PGG Wrightson Limited and each of its subsidiaries and trading entities, both separately and all together as part of the PGG Wrightson Limited group.

Products mean the products in a Purchase Order and includes any Services relating to those Products.

Purchase Order means any authorised purchase order for the Products and/or Services in AIS's current standard form issued to you.

Services mean the services described in a Purchase Order.

Supplier means you.

Supplier Terms of Trade means these Terms of Trade and any Terms of Trade Amendment, as may be varied from time to time.

Terms of Trade Amendment means any Terms of Trade Amendment signed by you and AIS. Any special conditions relating to the supply of Products or Services under these Supplier Terms of Trade, including product specifications, agreed price, rebates or variations in pricing dependent on volume, will be set out in the Terms of Trade Amendment.

2. SUPPLY

- 2.1. You agree to supply the Products and Services to AIS in accordance with these Supplier Terms of Trade. Your primary point of contact in AIS is the NZ Sales Manager – Golf who has the authority for managing and overseeing all matters relating to these Supplier Terms of Trade.
- 2.2. AIS may obtain products in the nature of those supplied by you from other suppliers at any time. You are not required to exclusively supply us, nor is AIS required to exclusively purchase from you, unless specified otherwise in a Terms of Trade Amendment. AIS is not required to, nor should you expect that we will, purchase or continue to purchase any particular or minimum quantities of Products or Services.

3. PURCHASE ORDERS

- 3.1. All Purchase Orders will be in writing. The Purchase Order must be signed by AIS, unless impractical for electronic communications in which case the AIS originator must be able to be identified. AIS will send Purchase Orders to you by our preferred option and which could be either facsimile or email.
- 3.2. The Purchase Order may specify the quantity, price, delivery date and place and other relevant details including specifications relating to the Product or Services. These Supplier Terms of Trade apply to each Purchase Order, and the supply, purchase and delivery of the ordered Products for the purposes of on-sale, and the ordered Services.
- 3.3. AIS is not bound by, and you should not accept from us, any order not in the form of a Purchase Order or without an allocated purchase order number, or any Purchase Order that is not signed or, if electronic, a Purchase Order where the AIS originator unable to be identified. You must not accept and AIS will not be bound by any verbal orders. If you deliver Product without a Purchase Order complying with the requirements set out in these Supplier Terms of Trade, AIS may return the Product and reject the Services and any invoice will not be paid.
- 3.4. If AIS wishes to vary an order, AIS will send you a new Purchase Order which becomes a binding replacement Purchase Order provided that it complies with the requirements set out in these Supplier Terms of Trade unless you advise us in writing that you cannot meet the replacement Purchase Order. If you deliver Product or perform Services pursuant to a variation that has not been recorded in a new Purchase Order, AIS may return the Product and reject the Services and any invoice will not be paid.
- 3.5. It is your responsibility to confirm that all of the requirement in the Purchase Order are able to be met. Any variation must be agreed to by AIS prior to delivery being made and must be in the form of a new Purchase Order. This includes but is not limited to variations of quantity, price, type of goods to be delivered, variations to service specifications and substituted product. Your failure to comply with this clause may result in the invoice not being paid.

4. DELIVERY

- 4.1. Unless otherwise agreed in writing, you will deliver the Products:
 - 4.1.1 to the Delivery Depot specified in the Purchase Order; and
 - 4.1.2 on the date specified in the Purchase Order, or if no date is specified or otherwise agreed, within 10 working days after the date on which AIS issued that Purchase Order (Delivery Date).
- 4.2. Unless otherwise agreed in writing, you will deliver all Products specified in the Purchase Order. We only accept back orders or split shipments in exceptional circumstances where AIS has approved the back order or split shipment in advance.
- 4.3. If:
 - 4.3.1 the ordered Products have been damaged during transit; or
 - 4.3.2 the Products or Services delivered or performed do not comply with the relevant descriptions or specifications supplied; or
 - 4.3.3 there is any shortage or divergence from the Purchase Order that has not been agreed by AIS,

then either:

- 4.3.4 the Purchase Orders (or part of those orders) for such Products may be cancelled at AIS's discretion; or
 - 4.3.5 if AIS has paid for the Products and/or Services, AIS may return the Products to you at your cost and/or reject the Services and you must produce a credit note within 7 days or at AIS's request supply a full refund and pay any associated costs within 5 working days.
- 4.4. You will include Product batch numbers and any expiry dates on delivery documents that accompany the Products.
 - 4.5. You agree to provide normal supply and delivery services on the days AIS is open for business.

5. RISK AND TITLE

- 5.1. If you have organised the freight of the Products from your depot to AIS:
 - 5.1.1 Risk passes to AIS when the Products are delivered to the Delivery Depot.
 - 5.1.2 Delivery is deemed to have been made immediately after the Products have been unloaded at the Delivery Depot and signed for by an authorised representative of AIS as being received in good condition.If AIS has organised the freight of the Products from your depot to AIS, risk passes to AIS and delivery is deemed to have been made on signed collection of the ordered Products by AIS' carrier.
- 5.2. Title to Products will pass to AIS when AIS has paid for those specific Products in full.
- 5.3. AIS may resell the Products before title has passed to it in the ordinary course of its business.
- 5.4. You may not take possession of any Products which have been delivered to AIS without AIS' prior approval in writing.
- 5.5. All Products will be supplied to AIS free of any security interests, liens, charges or other encumbrances.
- 5.6. You acknowledge and accept that these Supplier Terms of Trade do not create a "security interest" (as that term is defined in the Personal Property Securities Act 1999) and, accordingly, you will not register a financing statement in relation to the supply of the Products on the Personal Property Securities Register. You will immediately upon AIS's request remove any financing statement registered against AIS or PGW on the Personal Property Securities Register.

6. PRODUCTS

- 6.1. You guarantee and warrant that all Products:
 - 6.1.1 all Products are of acceptable quality, fit for their purpose and for retail sale and acceptable in appearance and finish;
 - 6.1.2 all Products are safe, durable and free from defects and all packaging will meet all statutory safety standards;
 - 6.1.3 all Services, will be performed in a professional and workmanlike manner in accordance with normal industry standards and the requirements specified in Purchase Order;
 - 6.1.4 and the Services comply with all Acts, standards, regulations, policies, rules, laws and specifications relating to those Products and Services.All packaging must meet all statutory safety standards.

You will meet all valid guarantee and warranty claims on the Products and Services. You indemnify AIS in relation to all costs, losses and expenses incurred by AIS as a result of the failure of any Goods or Services to comply with any warranty. All Products and Services will carry a minimum 12 months guarantee and warranty under clause 6.1.
- 6.2. AIS will notify you if any Product or Service is faulty, defective or otherwise in breach of these Supplier Terms of Trade. At your option, AIS will return the Product to you or destroy the Product (in either case, at your cost) and if you do not make an election, AIS will return the Product to you (at your cost). You will provide a credit note for the product or at the request of AIS a refund in full, within 5 working days of request by AIS. Otherwise AIS reserves the right to deduct the price of the relevant Products and Services and all our costs from any amount that is payable to you and if these amounts exceed the amount that is payable to you, you must refund the balance remaining in full within 5 working days of receipt of a written request from us.
- 6.3. If for any reason you or we (only after extensive discussion and consultation with you) recall any Product (whether because the Product is dangerous, defective, in breach of any law or for any other reason), then you must pay us for all our direct costs associated with recalling the Product, including freight and insurance; distribution costs including staff time; advertising and public notification costs; and the cost of destroying the recalled Product (if we decide). Your obligation to pay our costs if we have recalled the Product only applies if our decision to recall was reasonable and justifiable in the circumstances. You will provide a credit note for the Product and all costs or, at the request of AIS, a refund in full, within 5 working days of request by AIS.

7. COMPLIANCE WITH LEGISLATION AND POLICIES

- 7.1. Health and Safety – If you operate in New Zealand, you will comply with the Health and Safety in Employment Act 1992 and any amended or replacement workplace health and safety legislation, including the Health and Safety at Work Act 2015 ("the Act"). When operating in any of AIS's premises, you will comply with all policies and regulations affecting or implemented by AIS, including but not limited to its hazard identification policy and other Health and Safety in Employment policies notified to you, or of which you are aware, from time to time. You will immediately:
 - 7.1.1 notify AIS if any person employed or engaged to perform any activity for the purposes of these Supplier Terms of Trade is harmed in any way;
 - 7.1.2 notify AIS if AIS will or is likely to be in breach of the Act as a result of your failure to comply with the Act; and
 - 7.1.3 do all acts and things as AIS reasonably directs to ensure that both you and AIS continue to comply with the Act and/or to remedy any breach of the Act, including, if so directed, carrying out in good faith and with all due diligence, any safety procedures.
- 7.2. **Employment Practices** – you must treat your employees fairly and comply with internationally recognised standards and/or applicable legislation relating to voluntary employment, child labour, minimum wages, reasonable working hours, harsh or inhumane treatment, discrimination, and freedom of association.

- 7.3. **Compliance with Laws** - You will comply with all relevant laws and regulations applying to your manufacture, supply and/or delivery of the Products and performance of the Services from time to time, including but not limited to governing protection of the environment, occupational health & safety, and labour and employment practices wherever you do business. You will indemnify AIS for all costs, expenses and losses AIS incurs as a result of your failure to comply with such laws.
- 7.4. **Access to AIS Premises** - You (including any of your employees, agents or nominees) may enter any of AIS's premises or outlets in the ordinary course of business under these Supplier Terms of Trade only. Without limiting any other provision in this clause 7, you must comply with AIS's reasonable directions, policies and requests while present at its premises or outlets.
- 7.5. **Supply for Business Purposes** - The supply of Products and Services is between two businesses and the Consumer Guarantees Act 1993 does not apply to your sale of the Products to and performance of the Services for AIS. However, that Act will continue to apply in relation to your obligations to consumers.
- 7.6. **Hazardous Substances** - For any substance or chemical recognised as hazardous, you will provide Material Safety Data Sheets (MSDS) to accompany the Products and additionally publish them on your website. If this requirement cannot be met you will advise the AIS NZ Sales Manager - Golf in writing immediately advising how your responsibilities are being met.
- 7.7. **Corporate Social Responsibility** - The "PGG Wrightson Corporate Social Responsibility Policy Statement" is available on our website www.advancedirrigation.co.nz. AIS expect its suppliers to be a community provider of services and products which contribute to a sustainable quality of life for all our stakeholders. AIS requires its suppliers to likewise hold, meet and report on their own Corporate Social Responsibility and sustainability policies, and AIS will undertake regular audits of your compliance with this requirement.
- 7.8. **Anti-Bribery** - You must not give any payments, incentives or gifts directly to employees engaged in AIS's business without the prior agreement of the AIS NZ Sales Manager - Golf, nor undertake any action in relation to these Supplier Terms of Trade which a reasonable person would otherwise consider to be unethical, illegal or improper.

8. INDEMNITY AND INSURANCE

- 8.1. You will keep AIS indemnified against all costs, claims, demands, expenses and liabilities of whatsoever nature, including, claims for personal injury, damage to property and consequential loss (including loss of profits), which may arise from your acts, errors, omissions, negligence, default or breach of these Supplier Terms of Trade, or which may be suffered or incurred by AIS as a result of or in connection with:
- 8.1.1 the Products or Services; and/or
- 8.1.2 AIS advising or representing to its customers about the use, performance, storage or installation of the Products in accordance with your written or oral instructions, advertising or manual or literature; and/or
- 8.1.3 AIS referring its customers to you for performance of the Services, advice, training or instructions;
- unless such cost, claim, demand, expense or liability is directly and solely attributable to the negligence of AIS or any of its duly authorised employees or agents.
- 8.2. AIS excludes all liability for any losses or claims that you may incur. AIS has no liability for and does not endorse any content, advertising, Products or Services you provide.
- 8.3. AIS is at no time liable in any way whatsoever for any services it performs in respect of any Products supplied by you, if it performs the services strictly in accordance with your or a third party manufacturer's oral or written instructions or Product manual, or if it performs the services in conjunction with your personnel. You indemnify AIS in respect of all costs, losses and expenses incurred by AIS as a result of the performance of those services, if they are performed in accordance with your or a third party manufacturer's oral or written instructions or Product manual, or if it performs the services in conjunction with your personnel
- 8.4. You will maintain at your own cost adequate insurance cover acceptable to AIS in respect of your potential liability under these Supplier Terms of Trade, including product and public liability insurance, and professional indemnity insurance and public liability insurance where Services are provided, and on any terms set out in the Terms of Trade Amendment. Upon request, you will provide AIS with a certificate of insurance confirming that the insurance cover is current and complies in all other respects with this clause 8.4.

9. PRICING

- 9.1. You must notify AIS of an impending price change at least 60 days prior to the proposed effective date. Communications can be directed to sales@advancedirrigation.co.nz addressed to the NZ Sales Manager - Golf. Sending the communication does not deem acceptance or receipt by AIS.
- 9.2. The cost price of any Products may only be increased if the NZ Sales Manager - Golf agrees to the price change in writing. Any price increase will take effect on a date that is not less than 60 days after the date AIS has agreed in writing to the price increase, rounded out to the next 1st day of the month. Until the price change becomes effective, all ordered Products will continue to be supplied to AIS at the price current when you provided notice to AIS under clause 9.1. Further:
- 9.2.1 No price increases can take effect during December or January in any year.
- 9.2.2 The 60 day time period begins once the AIS price template (completed by you with the new cost pricing) is received back by the NZ Sales Manager - Golf in AIS format.
- 9.2.3 The price agreed with AIS is to be the lowest within the industry and cannot be increased for at least twelve months.
- 9.3. Price decreases are effective immediately.
- 9.4. All prices will be free into store, free to customer and free to distribution centre. The price payable for each Product ordered and delivered to AIS is exclusive of GST and levies.
- 9.5. You are responsible for the accuracy of your prices supplied to AIS. AIS will not be required to agree to a price change to correct any errors, or to pay an additional amount to compensate you for any error in pricing for Products already supplied. It is your responsibility to submit cost books with pricing updates in AIS's specified format.
- 9.6. You agree not to set or publish market retail pricing for your Products supplied to AIS.
- 9.7. All samples of goods and display stock will be supplied free of charge.
- 9.8. You agree that all price item rounding is limited to 2 decimal points.

10. PAYMENT

- 10.1. AIS will pay your invoices by direct credit on the 20th of the month following date of invoice unless agreed otherwise in a Terms of Trade Amendment, subject to your invoice meeting the requirements set out in clause 10.2.
- 10.2. All invoices and credit notes will contain all the information that is necessary to enable us to match and pay or process your invoice or credit note as the case may be. It must state that it is a "Tax Invoice" or "Credit Note", specify AIS's relevant Purchase Order number; your GST number (if any), and bank account details. Invoices and credit notes must relate to one purchase order only.
- 10.3. Invoices/Credit Notes and statements are to be sent to AIS, c/o PGG Wrightson, Private Bag

1961, Dunedin 9054, attention Accounts Payable, or e-mailed to apinvoice@pggwrightson.co.nz.

- 10.4. If AIS is unable to match your invoice to a Purchase Order or where there is a discrepancy between an invoice and the corresponding Purchase Order, AIS will, within ten working days of receipt of the invoice, notify you of the discrepancy or our reason for disputing the invoice. AIS may withhold payment for any disputed invoices until the discrepancy or dispute (as the case may be) is resolved.
- 10.5. You will process all credit notes within 5 working days of receiving a request for a credit note from AIS.
- 10.6. You will provide AIS with a written statement detailing all invoices due for payment and all credits no later than the 5th working day of each month, where the balance due from or to AIS is not nil. Failure to supply a statement may result in any invoice being unpaid.
- 10.7. You authorise AIS to apply (without prior notice) any moneys payable to you or held or received by AIS for or on your behalf on any account in or towards payment of any amount owing to AIS or PGW. AIS may at any time (including when amounts are owing in respect of more than one transaction) apply or appropriate any moneys received from or on behalf of you or owing to you in any manner and in any order and to any amounts owing to or by AIS or PGW that AIS thinks fit (despite any direction to the contrary and whether before or after any default by you).

11. SALES AND PROMOTION

- 11.1. AIS requires any joint promotional effort with you to be agreed separately with you, or set out in a Terms of Trade Amendment.
- 11.2. You agree to AIS using your Product images and logos in AIS's catalogues, marketing material and websites. It is your responsibility to ensure that AIS has your up-to-date images and logos. You will provide digital images upon request. The resolution will be a minimum of 300dpi based on the size requested in either Jpeg or tiff file. A higher resolution may be requested from time to time. The cost of any third party to provide such images will be met by you. Any images that require photo shop or cropping will be charged at \$50.00 plus GST per hour.
- 11.3. You agree to keep AIS informed in writing of all activities for the promotion of existing products and the introduction of new products at least 60 working days in advance of such activity to enable leverage to mutual advantage.

12. REVIEW

- 12.1. You agree to meet AIS in good faith on a regular basis to review any Terms of Trade Amendment, and to discuss sales and promotional opportunities as necessary.
- 12.2. AIS may at any time discontinue purchasing any or all of your products, whether quantities or particular products, for any period of time, at our sole discretion. AIS has no obligation to provide you with reasons for its decision or to provide you with reasonable notice of the discontinuation. If AIS exercises its discretion to discontinue, you will not make any claim against AIS for any damages or otherwise.

13. MISCELLANEOUS

- 13.1. **Severability** - If any part of these Supplier Terms of Trade is illegal, unenforceable or invalid, the remaining terms are not affected. However, we will negotiate in good faith to agree any other means by which the effect of that condition can be retained.
- 13.2. **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. You are responsible and accountable to ensure that all your employees and contractors do not disclose any detail of the Terms of Trade Amendment to any third party including any AIS employees who are not directly involved in purchasing from you. This clause will not apply to information that is already in the public domain other than as a result of a breach of this clause, or information that is required to be disclosed by law or by the listing rules of any applicable recognised stock exchange.
- 13.3. **Waiver** - If either you or AIS fail to require performance of any obligations by the other under these Supplier Terms of Trade, that will not affect the right to require that obligation to be performed at a later time, nor will a waiver by either you or AIS of a breach of any part of these Supplier Terms of Trade amount to a waiver of any subsequent breach.
- 13.4. **Intellectual Property** - AIS has the exclusive right, title and interest in or to its intellectual property and you acknowledge that you do not have any rights in AIS's Intellectual Property. You will not use AIS's intellectual property without its prior approval. You warrant that the Products and Services do not breach the intellectual property rights of any third parties, and you indemnify AIS fully in respect of any loss, cost or expense incurred by it as a result of such breach, or any other breach by you of this clause. You agree that you will not knowingly breach the intellectual property rights of any third parties in your dealings with AIS, or in respect of the Products and Services.
- 13.5. **Force Majeure** - neither party is liable for any failure to perform or delay in performance of its obligations caused by circumstances beyond its reasonable control, including but not limited to fire, storm, flood, earthquake, landslide, explosion, accident, war, rebellion, insurrection, riot, civil commotion, protest, sabotage, epidemic, quarantine restrictions, labour disputes, labour shortages, transportation embargoes, acts of God, acts of government or any agency thereof or judicial action. If a party is unable to fulfil its obligations due to circumstances beyond its reasonable control that party must as soon as reasonably possible notify the other party in writing of the circumstances. The performance of each party's obligations will be suspended to the extent affected by such delay or failure and each party will be granted an extension of time for performance equal to the period of such delay or failure, except that if the delay or failure continues for more than 10 working days, either party may terminate the affected Purchase Order without penalty or payment, if the relevant Goods and Services have not yet been supplied.
- 13.6. **Variation** - AIS may in its absolute discretion change these Supplier Terms of Trade at any time by publication on our website www.pggwrightson.co.nz. The change will take effect from the time specified. A written Terms of Trade Amendment between AIS and you may only be varied by written agreement between us both.
- 13.7. **Typographical Errors** - AIS reserves the right to correct any typographical or clerical errors contained in a Purchase Order or payment advice.
- 13.8. **Disputes** - If a dispute arises, we will meet in the spirit of goodwill to attempt to resolve it.
- 13.9. **Relationship** - The relationship between AIS and you is as buyer and seller. There is no partnership, joint venture, employment relationship, or agency (unless agreed for specific Products separately or in a Terms of Trade Amendment).
- 13.10. **Assignment** - You must not assign or subcontract any of your rights or obligations under these Supplier Terms of Trade without our prior written consent (which may be withheld at our sole discretion). AIS may transfer its rights and obligations under these Supplier Terms of Trade by notifying you in writing.
- 13.11. **Governing Law** - New Zealand law governs these Supplier Terms of Trade and the parties submit to the exclusive jurisdiction of the New Zealand courts.