

Silver Fern Farms Backbone Standard Terms of Trade

1. **Completion of Agreement:** You acknowledge that Silver Fern Farms is not bound by any Backbone contract application made by you unless Silver Fern Farms accepts your application in writing. Upon such acceptance, a binding agreement relating to the supply of the Stock (as defined in clause 2 below) by you to Silver Fern Farms will come into effect subject to and on the terms and conditions set out in this document.
2. **Application:** These standard terms ("**Terms**") apply to your supply to Silver Fern Farms, and Silver Fern Farm's purchase of (a) beef and bobby calf; (b) sheep and goat; or (c) deer (each a "**Stock**"), from you:
3. **Warranties:** You warrant that all Stocks supplied by you to Silver Fern Farms are:
 - (a) fit for travel, processing and human consumption and have been managed by you at or above minimum standards imposed by legislation and/or by the Ministry for Primary Industries ("**Minimum Standards**") and you agree that Silver Fern Farms may reject, at your cost, any Stock that fails of meet any of these Minimum Standards.
 - (b) free from all liens, charges, mortgages, encumbrances and other adverse interests and claims of any nature whatsoever and that the Stock will become Silver Fern Farms' absolute property exclusively at the time of purchase by Silver Fern Farms.
4. **Indemnity:** You will indemnify and hold harmless Silver Fern Farms against any losses, costs and expenses whatsoever suffered or incurred by Silver Fern Farms which arise from your breach of any of the above warranties.
5. **Payment:** Stock will be slaughtered as soon as practicable after it is delivered to Silver Fern Farms. Silver Fern Farms will pay you fourteen (14) days after slaughter the price agreed for the Stock (plus GST if applicable), less levies, inspection fees, applicable transport charges payable by you and any other deductions or retentions you have agreed to.
6. **Set Off:** Silver Fern Farms may set off any payments that are payable to you against any amounts payable by you to any member of the Silver Fern Farms Group.
7. **Title and Risk:** Title and risk in the Stock will pass to Silver Fern Farms at the weigh/grade station at the Silver Fern Farms processing plant where the Stock will be processed.
8. **Force Majeure:** Silver Fern Farms shall not be liable to purchase any Stock from you if it is unable to immediately process that Stock at its preferred plant as a result of any government action, embargo, war, insurgence, fire, explosion, flood, strike, lockout, civil and industrial disturbance or any other similar cause beyond the reasonable control of Silver Fern Farms that Silver Fern Farms could not have prevented or overcome by taking reasonable care ("**Force Majeure Event**"). Silver Fern Farms will give you notice of any Force Majeure Event as soon as reasonably possible.
9. **Dispute Resolution:** If any dispute arises in relation to your Stock supply that cannot first be settled through negotiation, then the matter may be referred to an arbitrator to resolve the dispute. The arbitrator shall be a person with experience within the industry agreed between the parties or, if the parties cannot agree upon an arbitrator within 14 days of the dispute being referred to arbitration, the appointment will be made by the President for the time being of the Otago Branch of the New Zealand Law Society (or the President's nominee). The decision of the arbitrator shall be binding on Silver Fern Farms and you. In all other aspects, the provisions of the Arbitration Act 1996 shall apply.
10. **Privacy:** You authorise Silver Fern Farms to collect, use and disclose information about you and your employee and shareholders (if you are an employer and/or a body corporate) in accordance with the privacy policy of Silver Fern Farms. A copy of the privacy policy can be obtained from Silver Fern Farms' website. You expressly consent to Silver Fern Farms providing you with electronic communications from time to time, including newsletters and promotional material. You may unsubscribe at any time.
11. **Variation:** Silver Fern Farms Livestock Representatives do not have authority to vary these Terms whether orally or in writing.
12. **Confidentiality:** All confidential information and any intellectual property provided by Silver Fern Farm Group to you shall remain Silver Fern Farm Group's property and must be kept confidential by you and shall be used by you solely for the intended purposes. All of Silver Fern Farm Group's confidential information and intellectual property shall be returned to Silver Fern Farm Group following the expiry or termination of your agreement with Silver Fern Farms.
13. **Notices.** Any notice to be given under, or in connection with, these Terms must be given in writing to the other party's physical or contact email address and delivered by hand, prepaid post, or by email to the email address for the other party's contact person.
14. **No Assignment:** You must not assign or attempt to assign or otherwise transfer or subcontract any right or obligation under these Terms.
15. **Governing Law.** These Terms will be governed by and interpreted in accordance with the laws of New Zealand. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
16. **Relationship Between the Parties.** Nothing in these Terms creates, constitutes or evidences any partnership, joint venture, agency, trust or employer/employee relationship between you and Silver Fern Farms. Neither you nor Silver Fern Farms shall have the authority to act for, or to incur any obligation on behalf of, the other party.
17. **Waivers; Modifications.** Any modification to or variation or waiver of these Terms must be in writing and signed by the parties. No failure or delay by any party in exercising any rights, power or privilege under these Terms shall operate as a waiver, nor shall any single or partial exercise preclude any other or further exercise of any right, power or privilege.
18. **Entire Agreement. Severability.** These Terms, your Backbone contract application and the applicable Backbone Pricing Schedule and any other terms that we agree with you in writing constitute the entire agreement and understanding between the parties in respect of its subject matter and supersedes any previous written or oral agreement or understanding between the parties in relation to the supply of the Stock. If any of these Terms is held to be invalid, illegal or unenforceable, it shall be severed, and the remainder of these Terms shall remain in full force and effect.
19. **Cumulative Rights:** All of Silver Fern Farms' remedies contained in these Terms shall be cumulative and in addition to any rights or remedies we may have under applicable law.
20. **Definitions:** In these Terms unless the context otherwise requires:
 - (a) "**Silver Fern Farm Group**" includes Silver Fern Farms Co-operative Limited (company number 149713) and Silver Fern Farms Limited (company number 5474064) and subsidiaries;
 - (b) in the case of a supplier who is not a shareholder in Silver Fern Farms Co-operative Limited, **Silver Fern Farms** means Silver Fern Farms Limited for the purposes of these Terms; and
 - (c) in the case of a supplier who holds ordinary or rebate shares in Silver Fern Farms Co-operative Limited, **Silver Fern Farms** means Silver Fern Farms Co-operative Limited for the purposes of these Terms. All Stock supplied by you will be received by Silver Fern Farms Co-operative Limited (company number 149713) and will be immediately sold on to Silver Fern Farms Limited.