

## SILVER FERN FARMS BACKBONE® STANDARD TERMS OF TRADE (BEEF AND BOBBY CALVES)

1. Silver Fern Farms (see paragraph 17) is not bound by any Backbone® contract application made by you unless it accepts that application in writing to you. These standard terms apply to any Backbone® contract that relates to the supply of beef and bobby calf livestock to Silver Fern Farms.
2. Stock supplied to Silver Fern Farms must be fit for travel and fit for processing for human consumption. Silver Fern Farms may reject, at your cost, any stock failing to meet these criteria.
3. Stock will be slaughtered as soon as practicable after it is delivered to Silver Fern Farms. Silver Fern Farms will pay you fourteen days after slaughter the price agreed for the stock (plus GST if applicable), less levies, applicable transport charges payable by you and any deductions or retentions relating to Silver Fern Farms' Backbone® Performance Premium Programme.
4. Silver Fern Farms may set off any payments that are payable to you against any amounts payable by you to the Silver Fern Farms group.
5. Title and risk in the stock will pass to Silver Fern Farms at the weigh / grade station at Silver Fern Farms' slaughter plant.
6. You warrant that the stock you supply to Silver Fern Farms is free from all liens, charges, mortgages, encumbrances and other adverse interests and claims of any nature whatsoever and that the stock is Silver Fern Farms' absolute property exclusively at the time of purchase by Silver Fern Farms. You indemnify Silver Fern Farms against any losses, costs and expenses whatsoever suffered or incurred by Silver Fern Farms which arise from your breach of this warranty.
7. 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 event outside of Silver Fern Farms' reasonable control (including strikes, lockouts or any other industrial disturbance).
8. You must supply the number of stock you have agreed to supply unless otherwise subsequently agreed in writing by Silver Fern Farms.
9. If any dispute or difference arises between us in connection with this agreement that cannot first be settled through negotiation, then the matter will be referred to an arbitrator to resolve the dispute or difference. 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 District 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. You may not transfer or assign any or all of your interest under this agreement without the prior written consent of Silver Fern Farms (which shall be given or withheld at Silver Fern Farms' absolute discretion).
11. You authorise Silver Fern Farms to collect and use information about you for the purposes of the Silver Fern Farms group's business.
12. The terms contained in these terms of trade, your Backbone® contract application and the applicable Backbone® Pricing Schedule, and any other terms we agree with you in writing, constitute the entire agreement between us in respect of its subject matter and replaces all earlier related negotiations, representations, warranties, understandings and agreements between us (whether oral or written). Silver Fern Farms Livestock Representatives do not have authority to vary our agreement whether orally or in writing.
13. In the event that any term of our agreement is subsequently found to be unenforceable, invalid or illegal for any reason whatsoever, the other terms will remain in full force and effect as if the agreement had been executed without such provision.
14. You acknowledge that Silver Fern Farms may vary these terms of trade by 30 days notice in writing to you or by agreement with you.
15. You agree to keep the terms of our agreement confidential and to indemnify Silver Fern Farms against all actions, claims, demands, proceedings, liabilities, losses, payments, costs and expenses whatsoever suffered or incurred by Silver Fern Farms which arise from or by virtue of the unauthorised disclosure of the terms of this agreement by you or your agent.
16. This agreement may be signed electronically and by counterpart, including by facsimile or scanned copy, all of which will constitute one and the same binding and enforceable agreement between us.
17. In, and for the purposes of these terms of trade:
  - (a) If you are not a shareholder in Silver Fern Farms Co-operative Limited (company number 149713), Silver Fern Farms means Silver Fern Farms Limited (company number 5474064) and the Silver Fern Farms group means together, Silver Fern Farms Limited (company number 5474064) and its subsidiaries.
  - (b) If you hold ordinary, rebate or supplier investor shares in Silver Fern Farms Co-operative Limited (company number 149713):
    - i. Silver Fern Farms means Silver Fern Farms Co-operative Limited (company number 149713). All stock supplied by you will be received by Silver Fern Farms Co-operative Limited (company number 149713) will be immediately sold on to Silver Fern Farms Limited (company number 5474064); and
    - ii. the Silver Fern Farms group means together, Silver Fern Farms Co-operative Limited (company number 149713), Silver Fern Farms Limited (company number 5474064) and its subsidiaries.
18. Silver Fern Farms Limited (company number 5474064) will have all payment obligations to you under these terms of trade.