

# WESTLAND MILK PRODUCTS – TERMS OF PURCHASE FOR GOODS AND SERVICES

## 1. OVERALL TERMS

- 1.1 These Terms of Purchase (**Terms**) will apply to all transactions for the purchase of goods and/or services by us from you.
- 1.2 No change to these Terms will be effective without our written agreement.
- 1.3 Every Purchase Order issued by us for goods or services is governed by these Terms.
- 1.4 We expressly exclude any other terms or conditions of supply, whether stated on your invoice or otherwise.

## 2. DEFINITIONS

- 2.1 In these Terms:
- (a) “You” and “your” means the supplier of goods or services and includes your employees, representatives, agents and independent contractors acting on your behalf.
- (b) “We”, “our” and “us” means Westland Co-operative Dairy Company Limited and any subsidiary or associated or related company which purchases goods or services from you.
- (c) “Invoice” means a valid tax invoice under the Goods and Services Tax Act, issued by you.
- (d) “GST” means Goods and Services Tax.
- (e) “Purchase Order” means a valid purchase order issued by us to you for the delivery of specified goods and/or services.

## 3. OUR OBLIGATIONS AND PAYMENT

- 3.1 We will pay you for any goods or services provided under a Purchase Order on the last day of the month after we receive your Invoice.
- 3.2 Your Invoice must relate to and quote a specific Purchase Order and be sent to the address stated in the Purchase Order.

## 4. PRICE

- 4.1 We will pay the price stated in the Purchase Order. The price includes all taxes (including GST), duties, fees and other charges. The price may not be altered without our written agreement.

## 5. YOUR OBLIGATIONS

- 5.1 You must supply all goods and services according to the Purchase Order and these Terms.
- 5.2 You are responsible for holding any permits, licences, and consents necessary to provide the goods or services.
- 5.3 If you are at our premises, you must comply with our policies and procedures (including, in particular, those relating to health and safety) and any security requirements we notify to you. And you must complete a site induction.

## 6. DELIVERY AND ACCEPTANCE

- 6.1 Unless we have reasonably requested otherwise:
- (a) you will deliver the goods or services at the address shown on the Purchase Order; and
- (b) you will deliver goods Delivery Duty Paid (DDP) Incoterms 2010.
- 6.2 We may nominate special requirements for delivery of goods or services on a Purchase Order.
- 6.3 You must promptly and efficiently carry out any services (including any services related to any goods you supply) according to best industry practice and any reasonable directions stated in the Purchase Order or given by us, and at reasonable times with no disruption to us.
- 6.4 We may carry out any reasonable inspection and acceptance tests of any goods and services. You will provide all reasonable assistance for our testing and remedy any problems with any goods or services that fail our tests.
- 6.5 Delivery and acceptance is not complete until we have completed any inspection or acceptance test to our satisfaction.
- 6.6 You retain all risk in the goods until they are delivered and accepted by us according to this clause 6.

6.7 If you fail to make full delivery according to a Purchase Order, we may cancel the entire order at any time and at no cost to us, and/or return any part deliveries to you at your cost.

6.8 If you become aware of any obligation to recall any goods, you must immediately notify us and use all reasonable endeavours to promptly replace the goods. You must meet any costs that we incur in obtaining alternative products, as a debt due.

6.9 We may, by written notice to you, vary delivery times and/or addresses at any time before delivery.

6.10 Delivery times in a Purchase Order are of the essence.

6.11 You are liable for any loss, damage, injury, penalty, cost or other expenditure we incur, directly or indirectly, from any delay in your supply to us of any goods or services.

## 7. INTELLECTUAL PROPERTY

7.1 We own all intellectual property (including, without limitation, any data, design, specifications, know-how, or other material, in any format) which is developed for us in the course of you providing any goods or services.

7.2 You warrant that our ownership and unlimited use, disposal or resale of any goods or services will not infringe any proprietary or intellectual property rights of any person, and you will procure (at your cost) any rights, licences or authorisations we need to gain full use and benefit of them.

7.3 Any intellectual property or confidential information provided by us relating to any goods or services remains exclusively ours and you must only use it to provide the goods or services (except only where you are legally required to disclose). You must return all confidential information to us upon request.

## 8. TRANSFER OF TITLE

8.1 Title to any goods transfers to us on the earlier of delivery according to clause 6.5, or us paying any money towards the purchase of the goods.

## 9. RIGHTS, LIABILITIES, AND EVENTS OF BREACH

9.1 Even if we cancel a Purchase Order or any part of it, these Terms remain binding as to delivery, acceptance, intellectual property, warranties, rights, liabilities and events of breach, and miscellaneous terms.

9.2 If you breach any of these Terms and do not remedy the breach to our satisfaction within 14 days of us requiring you to do so (or if you go into receivership or liquidation or compromise with your creditors) then, in addition to all our other rights or remedies under these Terms or at law, we may (without notice):

- (a) cancel or suspend any Purchase Order in whole or in part;
- (b) deduct or set-off any sum that we claim under these Terms;
- (c) recover any damages, losses or costs (including legal costs) from you (whether direct, indirect or consequential).

9.3 We will not, in any circumstances, be liable for any loss of profits, income or for indirect or consequential damage, cost, loss or expense sustained by you or a third party, relating to any Purchase Order or any goods or services.

9.4 Our liability, in all circumstances, is limited to a maximum amount equal to the price payable under the relevant Purchase Order.

## 10. WARRANTIES

- 10.1 You warrant that:
- (a) Any services will be performed promptly and efficiently with diligence and skill by a competent person to the best industry standards and for the designated purpose.
- (b) Any goods (including all parts of goods) will:
- (i) be fit for their intended purpose;

(ii) conform to the description, design, quality, quantity, specification and any samples provided;

(iii) be new and unused;

(iv) have a residual shelf life of at least 95% at the date of delivery;

(v) be free of all encumbrances, charges, liens, mortgages or retention of title of any kind;

(vi) be free from defect (including latest defect) in design, materials and workmanship;

(vii) be free from any contaminant or hazardous substance; and

(viii) be securely and safely packaged.

(c) All goods and services you supply comply with all legal requirements.

10.2 All warranties specified in these Terms are additional to any other warranties given by you or that are implied by law. You must pass to us the full benefit of any warranty that you have obtained from any other person.

10.3 You undertake to promptly remedy any warranty claim to our fair and reasonable satisfaction.

## 11. INDEMNITIES

11.1 You will indemnify and keep indemnified us, and our employees, agents and contractors (**Indemnified Parties**), against all claims, expenses, losses, damages and costs (including legal costs) an Indemnified Party incurs arising from your:

- (a) breach of any of these Terms;
- (b) negligent or wrongful act or omission in relation to any of your obligations under these Terms;
- (c) fraud, dishonesty, misrepresentation or wilful default;
- (d) damage to third party's property; and
- (e) causing the death of, or personal injury to, any person.

## 12. MISCELLANEOUS MATTERS

12.1 We may set-off any amount we owe you, against any amount you owe us.

12.2 We may assign or novate any of our rights or obligations under these Terms at any time. You may not assign, novate or subcontract any of your rights or obligations under these Terms without our prior written consent.

12.3 No relationship of partnership, employment, agency or otherwise arises from these Terms.

12.4 If any provision in these Terms is invalid, unenforceable or unlawful for any reason, then it will be ignored, but all other provisions remain fully enforceable.

12.5 Neither you nor we will be liable for any failure to perform any obligation under these Terms if the failure is due to an event that is beyond you or our reasonable control and which could not have been avoided by taking all reasonable care (an “**Event**”). Late or non-delivery by your suppliers, regardless of the reason, is not an Event. A party wishing to rely on this clause must give the other party notice as soon as possible after becoming aware of the Event, giving details of the Event's nature, expected duration and effect, and use their best endeavours to mitigate the Event's effects.

12.6 No waiver will be allowed in respect of any failure or delay. No waiver is effective unless it is in writing and specifies the precise matter that is waived.

12.7 These Terms are governed by the laws of New Zealand

## 13. PERSONAL PROPERTY AND SECURITIES ACT

13.1 All goods you supply to us will be free of all security interests. You will not register any financing statement recording any security interest in respect of any goods.