

CONDITIONS UNDER WHICH STOCK IS SOLD AND PURCHASED THROUGH THE AGENCY OF NZ FARMERS LIVESTOCK LIMITED.

1. If the Purchaser or Vendor repudiates the contract or refuses to confirm it, or suffers damage by reason of its breach, the Agent shall be in no way responsible for any loss of damage sustained.
2. The price paid by the Purchaser may include an allowance for commission/rebate/margin/fee payments to the Vendor's Agent and/or the Purchaser's Agent. Unless otherwise arranged, the purchase price and any commission and related charges plus GST must be paid by the Purchaser to the Agent on or before the 14th day after delivery of the stock. If, when the Purchaser pays the Agent, the Agent has not already paid the purchase price to the Vendor pursuant to clause 3, the Agent will (a) receive the purchase price payment from the Purchaser as agent of the Vendor and (b) promptly pay the purchase price to the Vendor after deducting any applicable commissions and charges, and exercising the Agent's rights of set off against the Vendor. If, when the Purchaser pays the Agent, the Agent has already paid the purchase price to the Vendor pursuant to clause 3, the payment will be a repayment by the Purchaser pursuant to clause 3(c), of the relevant amount of the credit provided by the Agent. Property and risk in the stock will pass to the Purchaser from the earlier of: (a) the time of actual delivery by the Vendor to the Purchaser; (b) when the livestock pass over the tail-gate of the transportation vehicle; (c) immediately upon leaving the boundary of the Vendor's stock location on hoof; or (d) on the fall of the hammer at auction (if applicable). To secure the Purchaser's obligations to pay the Vendor the purchase price, the Purchaser grants to the Vendor a security interest in the livestock. The provisions of clause 4 (with all necessary changes) apply to the security interest granted to the Vendor under this clause. The Vendor represents and warrants that (a) the stock will on delivery be transferred to the Purchaser free of any security interests except for those created to the Purchaser and/or Agent pursuant to the terms of this Agreement, and (b) the sale of the livestock is a sale in the ordinary course of the Vendor's business and does not constitute a breach of any security agreement to which the Vendor is a party.
3. If the Purchaser is allowed time to pay all or part of the purchase price and the stock has been delivered to the Purchaser without the Vendor having received payment in full, then (a) the Purchaser will be deemed to have requested and authorised the Agent for and on the Purchaser's account to pay (at the Agent's sole discretion) the purchase money (or otherwise credit it) in full to the Vendor and to debit the Purchaser with the purchase price or unpaid portion of it; (b) despite clause 3(a), the Agent is not obliged to provide any credit to the Purchaser at any time. If the Agent does so, the Purchaser and Vendor authorise the Agent to deduct its selling commission and charges from the purchase price paid to the Vendor; (c) the Purchaser agrees to pay the Agent the debited amount on or before the 14th day after the date of delivery of the stock; (d) if the Purchaser does not pay on the due date, then the Purchaser must pay interest on all unpaid amounts from the date of origination of the Agent's invoice in relation to the stock at the Agent's then applicable default interest rate (interest will be calculated daily and capitalised monthly); (e) to secure the Purchaser's obligation to pay to the Agent the debited amount, the Purchaser grants to the Agent a security interest in the stock.
4. The Purchaser agrees (a) that, if the Agent has provided credit to the Purchaser in relation to the stock, the Agent may at any time at its discretion register a security interest under the Personal Property Securities Act 1999 ("PPSA") in respect of the Purchaser and the stock; (b) that it waives the right to be given a copy of any verification statement in respect of the registration of any financing statement or financing change statement registered by the Agent; (c) to do at its cost all such things as are necessary to enable the Agent to perfect and maintain its security interest; (d) that the Agent may exercise any powers given by the PPSA to a secured party with priority over other secured parties, whether or not the Agent is a first ranking secured party. Nothing in sections 114(1)(a), 133 or 134 of the PPSA applies to this agreement. The Purchaser's rights under sections 116, 120(2) and 121 of the PPSA do not apply in respect of this agreement or the Purchaser's rights in respect of the stock. The Purchaser authorises the Agent, the Vendor and their agents and employees to enter upon the Purchaser's property or premises without notice to search for and repossess the stock, in the exercise of any enforcement rights which the Vendor or Agent may have under the PPSA.
5. Any drover or other person to whom delivery of the stock may be given whether nominated or appointed by the Purchaser or by the Agent purporting to act on the Purchaser's behalf shall for all purposes be deemed to be the servant of the Purchaser, and the Agent shall not be in any way liable or responsible for any act or omission of such drover or any other person.
6. The rights and remedies of the Agent under these conditions shall not be affected by reason of the Agent having deducted commission and other charges and the Purchaser hereby waives all rights of set off against the Vendor.

The Vendor agrees, until delivery of the stock to the Purchaser, to properly feed and, if necessary, to produce suitable grazing at his own expense and to attend to the stock as a prudent farmer should, having regard to the nature and quality of the stock and of the farm upon which the same are depasturing that the stock are at the Vendor's risk until the delivery to the Purchaser.