

Pipfruit Supply Agreement

Parties

The parties to this Agreement and their details are set out below.

«Name_1» «Addr_Ln_3» «Addr_Ln_4» «Addr_Ln_5»	<i>(the "Supplier")</i>
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ENZAFruit New Zealand International Limited (*"T&G Pipfruit"*)

Contact Person:

Address:

Fax:

Email:

Agreement

T&G Pipfruit agrees to buy and the Supplier agrees to sell pipfruit grown in New Zealand by, or sourced by, the Supplier during the term of this Agreement upon the terms of this Agreement. T&G Pipfruit and the Supplier agree that any pre-existing agreement between them with respect to the sale and purchase of pipfruit for the Seasons, the subject of this Agreement, shall terminate on the parties entering into this Agreement but without prejudice to any outstanding obligations of either party to the other under any such pre-existing agreement.

Term

Subject to clause 9.6, this Agreement covers the sale of Fruit by the Supplier to T&G Pipfruit in the Season(s) as set out below:

1 January 20____ – 31 December 20____, being a term of _____ Season(s).

I have read and accept the terms of this Agreement, including the Schedules attached and the General Terms and Conditions, which all form part of this Agreement. A copy of the General Terms and Conditions, as may be updated from time to time, can be found on T&G's website (<http://www.tandg.global/pipfruit-agreements/>) and can also be provided to the Supplier on request.

Signed for and on behalf of:

ENZAFruit New Zealand International Limited: _____ Signature Name: Position: Date:	The Supplier: _____ Signature Name: Position: Date:
Each signatory warrants that he or she has authority to bind the party for which it is signing.	

Supplier Details

	Supplier Details	If any Supplier Details are incorrect please insert correct details in this column
ENZA Vendor Number	«Vendor»	
Legal Name	«Name_1»	
Contact Person	«Contact_1»«Contact_L1»	
Postal Address	«Addr_Ln_3» «Addr_Ln_4» «Addr_Ln_5»	
Physical Address	«Street» «City» «PostalCode»	
Phone (Home)	«Telephone_1»	
Phone (Business)	«Telephone_2»	
Mobile		
Fax	«Fax_Number»	
Email	«EMail_Address»	
Bank Account No.	«Bank_Key»«Bank_Account» «Name_of_bank»	Please attach bank deposit slip for any new or updated bank accounts
GST Number	«Tax_Number_1»	
GLOBALGap Certificate No.		Please attach copy of current GLOBALGap certificate.
Tesco Nurture Registration No.		Please attach copy of current TESCO NURTURE certificate.
BioGro Registration No.		Please attach copy of current BIOGRO certificate.

Orchard Number (MPI RPin)

Orchard Name / Block Name

Terms and Conditions

1 Fruit subject to this Agreement

- 1.1 The Fruit the subject of this Agreement is the Fruit grown in New Zealand by the Supplier or grown in New Zealand by a third party and sourced by the Supplier.
- 1.2 Any Fruit sold by the Supplier to T&G Pipfruit pursuant to this Agreement may be sold by T&G Pipfruit in the market that T&G Pipfruit, in its sole discretion, determines is the best market for that Fruit to be sold.
- 1.3 Subject to clauses 1.4 and 1.5, the Contracted Volume of Fruit that the Supplier must sell to T&G Pipfruit by variety and size is set out in Schedule 2 (apples) and Schedule 3 (pears).
- 1.4 If this Agreement is for a Term of more than one Season:
 - a. for each Season after the first Season, the Contracted Volume of Fruit that the Supplier must sell to T&G Pipfruit in that subsequent Season must be advised by the Supplier to T&G Pipfruit. The advice must be provided:
 - i. to T&G Pipfruit prior to 30 November in the year immediately prior to the commencement of that Season; and
 - ii. in the same format as is set out in Schedule 2 (apples) and Schedule 3 (pears).
 - b. If the Supplier does not advise the Contracted Volume of Fruit that the Supplier must sell to T&G Pipfruit in the relevant Season in accordance with clause 1.4a, the Supplier will be deemed to have advised that it is to sell to T&G Pipfruit the same volume (including by size and variety) of Fruit as the Contracted Volume for the immediately preceding Season.
 - c. If this Agreement has been entered into for a Term of at least three Seasons the Supplier agrees to supply to T&G Pipfruit in each Season at least 50% of the Fruit grown in New Zealand, by, or sourced by, the Supplier which is not a T&G Owned Club Variety. This clause does not affect the obligation of the Supplier to supply to T&G Pipfruit all Fruit which is a T&G Owned Club Variety.
- 1.5 At any time the Supplier may, with the prior written approval of T&G Pipfruit, change the Contracted Volume in respect of that Season.
- 1.6 Some or all of the Fruit in the Contracted Volume may at any time be rejected by T&G Pipfruit if:
 - a. T&G Pipfruit, in its sole discretion, believes that purchasing the variety or size of any Fruit submitted by the Supplier may adversely affect the Sales Revenue; or
 - b. the Supplier has not provided T&G Pipfruit with an RPin in respect of the Fruit supplied to T&G Pipfruit, or T&G Pipfruit has reason to believe that the RPin provided in respect of the Fruit is incorrect; or
 - c. T&G Pipfruit reasonably determines that any of the Fruit supplied by the Supplier does not comply with the T&G Pipfruit Specifications.
- 1.7 The parties acknowledge that T&G Pipfruit's marketing and logistical activities are dependent upon the accuracy of the Contracted Volume and that a reduction in one variety or size count from the Contracted Volume may affect T&G Pipfruit's ability to accept other varieties and other sizes of Fruit from the same Supplier. Therefore, if during the course of a Season the Supplier has sufficient Fruit to satisfy the Contracted Volume but refuses or fails to supply the Contracted Volume then, without prejudice to T&G Pipfruit's other rights in respect of such refusal or failure, T&G Pipfruit may, in its discretion, reduce the volume of other varieties or sizes in the Contracted Volume that may be offered to T&G Pipfruit by that Supplier, or alternatively cancel this Agreement without prejudice to any of T&G Pipfruit's rights under this Agreement.
- 1.8 The Supplier will ensure that all Fruit to be sold to T&G Pipfruit pursuant to this Agreement will be handled through T&G Pipfruit approved post harvest facilities.

- 1.9 T&G Pipfruit reserves the right (and the Supplier grants T&G Pipfruit the right) to confirm with any packhouse used by the Supplier in respect of any of the Fruit, details of Contracted Volumes and payment arrangements to ensure the packhouse is aware of the commitments made between T&G Pipfruit and the Supplier pursuant to this Agreement.
- 1.10 Subject to clause 6.2, if any Fruit is rejected by T&G Pipfruit then:
- a. T&G Pipfruit will endeavour to advise the Supplier of such rejection;
 - b. If ownership of the Fruit rejected has transferred to T&G Pipfruit, ownership will re-transfer to the Supplier at the time of rejection;
 - c. The Supplier will be responsible to promptly collect such Fruit rejected but, if the Supplier fails to do so within a reasonable period as determined by T&G Pipfruit and advised to the Supplier, then T&G Pipfruit may dispose of the rejected Fruit in such manner as it determines and credit the Supplier with any proceeds received by T&G Pipfruit, less any costs and expenses incurred by T&G Pipfruit, in disposing of it;
 - d. To the extent that the net amount payable under clause 1.10c is a negative figure, that sum will be payable by the Supplier to T&G Pipfruit together with any Supplier Return advances and any Bin Advances not yet repaid that relate to the rejected Fruit as determined by T&G Pipfruit; and
 - e. T&G Pipfruit will owe no duty (whether as bailee or otherwise) to the Supplier or any other person in respect of the rejected Fruit including, without limitation, in relation to the disposal of the Fruit under clause 1.10c and in exercising any other right under this clause 1.10.
- 1.11 The Supplier acknowledges that it takes no Security Interest and will not permit any other person (except T&G Pipfruit) to take a Security Interest over the Fruit or any proceeds of its sale. The Supplier will not register, or permit any other person to register, a financing statement under the Personal Properties Securities Act 1999 in respect of the Fruit.

2 T&G Pipfruit's General Obligations

- 2.1 T&G Pipfruit agrees with the Supplier that T&G Pipfruit will:
- a. in respect of Fruit allocated to a Pool Account, use all reasonable commercial endeavours to maximise the Sales Revenue and to prudently manage costs charged to each Pool Account; and
 - b. exercise, or endeavour to ensure that there is exercised, reasonable care in the handling, storage and transportation of the Fruit from the time of physical delivery of the Fruit to T&G Pipfruit in accordance with clause 4, up to the time ownership of the Fruit passes from T&G Pipfruit on resale of the Fruit.

3 Supplier's General Obligations

- 3.1 The Supplier agrees with T&G Pipfruit that the Supplier will, in respect of all Fruit to be sold to T&G Pipfruit pursuant to this Agreement:
- a. own or have authority to sell, the Fruit to T&G Pipfruit upon entry of the Fruit into T&G Pipfruit's Inventory or the point at which ownership of the Fruit passes to T&G Pipfruit if the parties agree to an earlier time. All Fruit shall be sold to T&G Pipfruit free from all Security Interests;
 - b. ensure that the sale of the Fruit by the Supplier to T&G Pipfruit is not a breach by the Supplier of any agreement between the Supplier and any third party;
 - c. prior to the physical delivery of the Fruit to T&G Pipfruit in accordance with clause 4, exercise or procure that there is exercised, reasonable care in the handling, storage, and transportation of the Fruit;

- d. arrange, and meet all of the costs of, all services in respect of the Fruit up to the point that FAS occurs, as determined by T&G Pipfruit;
- e. ensure the Fruit is harvested, packed and submitted to T&G Pipfruit at the times and locations requested by T&G Pipfruit;
- f. comply with, and ensure that the Fruit submitted meets, the T&G Pipfruit Specifications;
- g. ensure that T&G Pipfruit (and its representatives) have access to all production records and certifications in the possession or control of the Supplier or its service providers in relation to the Fruit including information regarding marketability of the Fruit held by packers or industry organisations;
- h. ensure that T&G Pipfruit (and its representatives) may inspect the Fruit at any time prior to or after entry into T&G Pipfruit's Inventory;
- i. use all reasonable commercial endeavours to supply the Contracted Volume of Fruit in a timely manner.

4 Entry into T&G Pipfruit's Inventory

- 4.1 The Supplier must deliver the Fruit to a T&G Pipfruit approved coolstore or to some other place to which T&G Pipfruit has given its prior written approval. The Supplier must deliver the Fruit under this clause 4.1, either:
 - a. in Delayed Storage Bins; or
 - b. packed ("**Packed Fruit**").
- 4.2 At the same time as the physical delivery of the Fruit in accordance with clause 4.1, the Supplier must deliver to T&G Pipfruit an electronic inventory of the delivered Packed Fruit, or an electronic record of the Fruit in Delayed Storage Bins, that is:
 - a. in each case, true and accurate; and
 - b. in the case of Packed Fruit, in the format set out in the file transfer protocol directory and the T&G Pipfruit Specifications.
- 4.3 On receipt of the Fruit referred to in clause 4.1 and appropriate documentation referred to in clause 4.2 from the Supplier, T&G Pipfruit will enter the Fruit into T&G Pipfruit's Inventory.
- 4.4 Upon the Fruit in Delayed Storage Bins being packed, the original entry of the Fruit into T&G Pipfruit's Inventory will be reversed and the Packed Fruit will be submitted into T&G Pipfruit's Inventory in accordance with clause 9.7

5 Transfer of Ownership

- 5.1 Ownership of and title to the Fruit transfers to T&G Pipfruit upon first entry of that Fruit into T&G Pipfruit's Inventory under clause 4 above.
- 5.2 Transfer of ownership does not negate any of the Supplier's responsibilities under this Agreement and will not prejudice T&G Pipfruit's right to reject any Fruit pursuant to this Agreement, including, without limitation, if the Supplier has not complied with this Agreement.

6 Product Quality

- 6.1 The Supplier will be responsible, as set out in the T&G Pipfruit Specifications, for:

- a. all inherent defects in respect of the Fruit; and
 - b. all other Fruit and packing defects.
- 6.2 If T&G Pipfruit reasonably determines that any of the Fruit is Non Compliant Fruit, in addition to its rights under clause 1.6, T&G Pipfruit may, by notice to the Supplier, remove the Non Compliant Fruit from the relevant Pool Account. Where there are T&G Pipfruit Specifications in respect of the removal of the Non Compliant Fruit, T&G Pipfruit will comply with those T&G Pipfruit Specifications.

7 Establishment of Pool Accounts

- 7.1 T&G Pipfruit will maintain separate accounts for Fruit determined by T&G Pipfruit to have common characteristics (a "**Pool Account**"). Characteristics may include, but not be limited to, variety, size, grade, growing method, brand, customer and marketability.
- 7.2 Each Pool Account will be maintained in New Zealand dollars, with all foreign currency conversions to be at such exchange rates as T&G Pipfruit determines, acting reasonably and prudently.
- 7.3 T&G Pipfruit reserves the right to recover from the Supplier any loss in Sales Revenue and any additional Costs that arise as a result of Fruit allocated to a particular Pool Account not meeting market access requirements in respect of the markets in which it was determined that the relevant Fruit would be sold as documented in Schedule 2 and/or Schedule 3 as applicable. If T&G Pipfruit determines that no other markets exist or will provide a reasonable commercial return for that Fruit, it will advise the Supplier accordingly and either:
- a. notify the Supplier that it may, within 5 days of receiving such notification from T&G Pipfruit, either:
 - i. advise T&G Pipfruit that the amount payable to the Supplier with respect to such Fruit shall be the amount T&G Pipfruit actually receives for the Fruit (subject to the normal deductions); or
 - ii. request that T&G Pipfruit return that Fruit to the Supplier, at the Supplier's cost, provided that, if no advice or request is provided by the Supplier within such 5 day period, then the Supplier will be deemed to have advised T&G Pipfruit in accordance with clause 7.3ai; or
 - b. where T&G Pipfruit determines that return of the Fruit to the Supplier is not reasonably practicable, advise the Supplier that the amount payable to the Supplier with respect to such Fruit shall be the amount T&G Pipfruit actually receives for the Fruit (subject to the normal deductions).

8 Calculation of Supplier Return

- 8.1 T&G Pipfruit will pay the Supplier for each TCE of Fruit supplied by the Supplier to T&G Pipfruit pursuant to this Agreement and not rejected by T&G Pipfruit and which is allocated to a Pool Account, an amount equal to the Sales Revenue less Costs, FAS Commission and Other Deductions for that Pool Account, divided by the number of TCEs of Fruit allocated to that Pool Account (the "**Supplier Return**") where:

Sales Revenue means:

- the relevant revenue received by T&G Pipfruit from the buyers of the Fruit allocated to that Pool Account.

Costs means:

- the costs referred to in Schedule 1 allocated by T&G Pipfruit to that Pool Account.

Other Deductions means:

- the costs, deductions, repayments and any other set-offs referred to in this Agreement.

FAS Commission means:

- in respect of all Fruit (except Jazz™ Apples and Envy™ Apples), a 6% commission on the balance of the Sales Revenue less the Costs (other than T&G Pipfruit's Interest Cost and any amounts paid or payable under clause 9.5).
- in respect of Jazz™ Apples and Envy™ Apples, a 7.5% commission on Jazz and a 9% commission on Envy on the balance of the Sales Revenue less the Costs (other than T&G Pipfruit's Interest Cost and any amounts paid or payable under clause 9.5).

The FAS Commission is payable to T&G Pipfruit at the same time the advance payments and instalments of the Supplier Return are made.

9 Payment

9.1 Subject to clause 9.2 and clause 9.7, T&G Pipfruit will pay the Supplier Return to the Supplier as follows:

- a. Subject to clause 9.3, where T&G Pipfruit agrees in its absolute discretion, to pay a Bin Advance, T&G Pipfruit will make the Bin Advance in respect of Fruit delivered in Delayed Storage Bins (or specific types of Delayed Storage Bins, as determined by T&G Pipfruit), when that Fruit is entered into T&G Pipfruit's Inventory. The amount of the Bin Advance will be determined by T&G Pipfruit in its absolute discretion.
- b. Subject to clause 9.3, when the Packed Fruit is entered into T&G Pipfruit's Inventory, an advance payment will be made of part of the Supplier Return, for each relevant Pool Account it. The Bin Advance (if any) pursuant to clause 9.1a will be reversed by offset against any advance payment of part of the Supplier Return under this clause 9.1b.
- c. Upon T&G Pipfruit determining that sufficient of the Fruit has been sold by it at prices so that it may make further advances in respect of the Supplier Return, T&G Pipfruit may pay the balance of the Supplier Return cumulatively by the following instalments:

Percentage of the actual Supplier Return	Proposed timing
80% in respect of a Pool Account	When 90% of Fruit in the relevant Pool Account is sold
95% in respect of a Pool Account	When 100% of Fruit in the relevant Pool Account is sold and settled (either by payment or sale of amounts due).
100%	When: <ul style="list-style-type: none"> ▪ the Supplier Return has been finally determined as provided in clause 9.4; and ▪ all indebtedness under the Grower Seasonal Debt Facility has been discharged.

9.2 If T&G Pipfruit determines, acting reasonably, that any advance payment or instalment may result in the Supplier receiving in excess of the actual Supplier Return, T&G Pipfruit may, by notice, require repayment of such excess, which shall become a debt due and repayable within 30 days of such notice. Without limiting the foregoing, T&G Pipfruit may exercise its rights under this clause if T&G Pipfruit makes any advance payment or instalment in respect of any Fruit which is subsequently rejected by T&G Pipfruit including, without limitation, under clause 1.6 or clause 6.2.

9.3 T&G Pipfruit shall not be required to make any advance payment of the Supplier Return in accordance with clause 9.1a or 9.1b in respect of any Fruit in respect of which T&G Pipfruit has determined (whether due to

variety or size or otherwise) that it is not appropriate to make an advance payment. Payment of the Supplier Return for such Fruit will be in accordance with clause 9.1c.

- 9.4 T&G Pipfruit will complete and reconcile Pool Accounts as soon as reasonably practicable after the date on which all of the Fruit allocated to the relevant Pool Account has been sold and settled or which T&G Pipfruit, in its sole discretion, believes is likely to sell. If, on that date, all Fruit allocated to any Pool Account has not been sold and settled, T&G Pipfruit may require T&G to purchase any unsold Fruit and amounts due, at a prudent net realisable value, to complete reconciliation of the Pool Accounts and determine the Supplier Return. T&G may then sell any Fruit so purchased with it being liable for any loss but entitled to any gain arising from such sale.
- 9.5 T&G Pipfruit may in calculating the Supplier Return deduct any levies, taxes, fees or charges imposed under the Commodity Levies Act 1990 or any other legislation or regulation. In addition, T&G Pipfruit is authorised to deduct any royalties, licence fees or other charges which are payable to any person in respect of any Fruit sold to T&G Pipfruit. Should T&G Pipfruit fail to make any such deductions, then it shall be entitled to deduct such sums from any other payments made to the Supplier, whether or not the Supplier altered its position in reliance on receipt of that payment. T&G Pipfruit is not obligated to gross-up or otherwise compensate the Supplier for any deductions made under this clause 9.5.
- 9.6 Where the Supplier has sold Fruit to T&G Pipfruit pursuant to this Agreement and moneys have been advanced by T&G Pipfruit pursuant to this Agreement and remain unpaid at the date T&G Pipfruit completes and reconciles all the Pool Accounts in accordance with clause 9.4, then the Supplier must repay to T&G Pipfruit the moneys advanced and remaining unpaid at that date. Without limiting the foregoing and without prejudice to T&G Pipfruit's rights in respect of any failure by the Supplier to make such payment to T&G Pipfruit, if the day prior to the scheduled expiry of this Agreement the Supplier has not repaid all sums due to T&G Pipfruit, the Agreement shall be automatically renewed for a following year at the same required volumes (including by size and variety) of Fruit as applied in the last Season under this Agreement prior to that scheduled expiry date.
- 9.7 The Supplier, after the Fruit in Delayed Storage Bins is removed from coolstore for packing, must resubmit to T&G Pipfruit all Fruit for which the ownership of and title to has transferred to T&G Pipfruit in accordance with clause 5. If the Supplier, after the Fruit in Delayed Storage Bins is removed from coolstore for packing, fails to resubmit to T&G Pipfruit all Fruit for which the ownership of and title to has transferred to T&G Pipfruit in accordance with clause 5, then, without limiting any other rights that T&G Pipfruit might have, the Supplier will pay to T&G Pipfruit the proportion of the amount of the interim advance payment made to the Supplier pursuant to clause 9.1 that is attributable to the Fruit that has not been resubmitted by the Supplier and any associated costs as determined by T&G Pipfruit.
- 9.8 If the Supplier is obliged to make any payment to T&G Pipfruit and does not make payment on the due date, T&G Pipfruit may charge interest ("**Default Interest**") on the sum due ("**Overdue Amount**") to T&G Pipfruit at the rate of 2.5% above the general overdraft rate for commercial customers of T&G's bankers (as determined by T&G Pipfruit) from (and including) the date payment was due to T&G Pipfruit until the date payment is received (both before and after any judgment), without prejudice to T&G Pipfruit's other rights. Default Interest shall be payable on the last day of each month and if not paid when due shall be added to the Overdue Amount and shall itself bear interest in accordance with this clause 9.8.

10 Liabilities

- 10.1 Neither party is to be liable to the other for failing to perform any of its obligations under this Agreement if the failure is due to an event or circumstance reasonably beyond its control. This clause shall not excuse a failure to pay any sum due by the Supplier to T&G Pipfruit or vice versa.
- 10.2 Neither party is to be liable to the other for:

- a. anything other than breach of this Agreement (such as negligence, or in equity); and
- b. any indirect or consequential losses, except to the extent that indirect or consequential losses are expressly provided for under this Agreement.

11 Insurance

- 11.1 T&G Pipfruit is to ensure that the Fruit is insured on terms ordinarily available from the time of entry of the Fruit into T&G Pipfruit's Inventory for an amount equal to T&G Pipfruit's estimate of the market value of the Fruit.
- 11.2 If T&G Pipfruit receives any insurance proceeds upon the loss of any Fruit where such Fruit had been allocated to a Pool Account, T&G Pipfruit will allocate such insurance proceeds to the appropriate Pool Account (as is reasonably determined by T&G Pipfruit) and such insurance proceeds will be treated as if they were Sales Revenue. All costs and expenses reasonably incurred by T&G Pipfruit in seeking and obtaining such insurance proceeds will be included as part of the Costs.

12 Intellectual Property Rights

- 12.1 The Supplier will ensure that no fruit in its possession, power, or control (other than Fruit sold to T&G Pipfruit by the Supplier) is sold in T&G packaging or with T&G labels or is otherwise branded with any trademark, logo or business name of T&G, except to the extent permitted by T&G Pipfruit or T&G Global Limited in writing.

13 Termination

- 13.1 If the Supplier seeks to terminate this Agreement pursuant to the General Terms and Conditions, such termination will only apply to Fruit which has not entered into T&G Pipfruit's Inventory. In respect of Fruit which has entered into T&G Pipfruit's Inventory, the Supplier's sole remedy for breach of this Agreement shall be damages.
- 13.2 T&G Pipfruit may only terminate this Agreement pursuant to the General Terms and Conditions due to a material change in the legislative or regulatory environment if it has not received any Fruit from the Supplier for the then current Season prior to the date it is to give notice of such termination.
- 13.3 This clause 13.3 and clauses 9.2, 9.5, 9.7, 10 and 12 shall survive the termination of this Agreement.

14 Authority

- 14.1 None of T&G Pipfruit's agents or representatives are authorised to make any representations, statements, conditions or agreements not expressed in this Agreement nor is T&G Pipfruit bound by any such unauthorised statement or variation.

15 Interpretation

- 15.1 In this Agreement, unless the context otherwise requires:

Agreement means this agreement including the General Terms and Conditions and Schedules.

Bin Advance means an initial payment of part of the Supplier Return to be determined by T&G Pipfruit in its absolute discretion.

Contracted Volume means the volume of Fruit that the Supplier must offer to sell to T&G Pipfruit in respect of a Season, as determined in accordance with this Agreement.

Costs has the meaning set out in clause 8.1.

Delayed Storage Bins means bins containing Fruit held in air, controlled atmosphere, coolstorage or smart fresh for delayed packing.

Envy™ Apples means the Fruit referred to as "Scilate" in the licence agreement between the New Zealand Institute for Plant & Food Research Limited and T&G Pipfruit dated 15th November 2004 which is marketed by T&G under the name "Envy™".

FAS means free alongside ship.

FAS Commission has the meaning set out in clause 8.1.

Fruit means pipfruit grown or sourced by the Supplier during the relevant Season specified in this Agreement.

General Terms and Conditions means the T&G Pipfruit General Terms and Conditions as amended from time to time and which shall be published on T&G's website (<http://www.tandg.global/pipfruit-agreements/>) and/or provided by T&G Pipfruit on request.

Grower Seasonal Debt Facility means T&G Pipfruit's revolving credit seasonal finance facility to fund its financing of advance payments and instalments of the Supplier Return; interim advance payments for Fruit in Delayed Storage Bins; Bin Advances and payment of Costs.

GST means goods and services tax as defined in the Goods and Services Tax Act 1985.

Jazz™ Apples means the Fruit referred to as "Scifresh" in the licence agreement between the New Zealand Institute for Plant & Food Research Limited and T&G Pipfruit dated 17 April 2000 which is marketed by T&G under the name "Jazz™".

Non Compliant Fruit means fruit supplied pursuant to this Agreement that does not comply with the T&G Pipfruit Specifications.

Other Deductions has the meaning set out in clause 8.1.

Packed Fruit has the meaning set out in clause 4.1b.

Pool Account has the meaning set out in clause 7.1.

RPin means the orchard number allotted to an orchard by Bio Security New Zealand.

Sales Revenue has the meaning set out in clause 8.1.

Season means a 12 month period from 1 January to 31 December during the Term.

Security Interest means any bill of sale (as defined in any statute), mortgage, charge, letter of credit, lien, pledge, hypothecation, title retention arrangement, trust or power, as or in effect as security for the payment of a monetary obligation or the observance of any other obligation and includes a security interest (as that term is defined in the Personal Property Securities Act 1999).

Supplier Return has the meaning as set out in clause 8.1.

Term means the term of this Agreement as set out on page 1.

T&G means T&G Global Limited and any subsidiary of T&G Global Limited.

T&G Owned Club Variety means any variety in respect of which T&G has the sole marketing rights including Envy™ Apples and Jazz™ Apples.

T&G Pipfruit means ENZAFruit New Zealand International Limited and its successors and assigns.

T&G Pipfruit approved post harvest facilities means any packhouse or coolstore that is approved by T&G Pipfruit.

T&G Pipfruit's Interest Cost means interest and costs payable by T&G Pipfruit on funds advanced to T&G Pipfruit (including funds advanced by T&G) to enable T&G Pipfruit to pay advance payments and instalments of the Supplier Return; to make interim advance payments for Fruit in Delayed Storage Bins; and to meet the Costs.

T&G Pipfruit's Inventory means an electronic inventory maintained by T&G Pipfruit of all Fruit purchased by T&G Pipfruit in a Season for sale in any market.

T&G Pipfruit Specifications means:

- the T&G Specification Manual as published at the commencement of the Season or subsequently updated during the Season;
- the T&G Agrichemical documentation;
- the T&G Trading Partner EDI Specifications;
- Customer Specific Specifications;
- any other handling protocols published by T&G; and
- any other reasonable directions of T&G notified to the Supplier,

which T&G may amend, vary or replace from time to time and which shall be published on T&G's website (<http://www.enzatech.co.nz>) and/or provided by T&G Pipfruit on request.

TCE means a tray carton equivalent of 18kg (based on net sales weight) as specified in the T&G Pipfruit Specifications for each variety of Fruit.

Schedule 1 – Costs

Costs incurred by T&G Pipfruit associated with the purchase of Fruit and sale of that Fruit, including:

- port services, freight and export documentation
- implementation of compliance procedures and undertaking verification audits of T&G Pipfruit Specifications
- required as a result of any regulatory requirements in any country
- in-market packing, packaging, storage and market distribution costs
- promotional and advertising costs in relation to the sale of Fruit
- taxes, duties, levies and charges payable in any country
- insurance, including brokerage, premiums, excesses and deductibles
- special procurement costs
- T&G Pipfruit's Interest Cost
- sales commissions
- transactional costs incurred in managing the Pool Accounts
- credit notes, rebates or discounts
- accepted quality claims and damaged, destroyed or lost Fruit
- licensing costs of intellectual property
- any other costs incurred by T&G Pipfruit associated with the purchase of Fruit and sale of that Fruit.