

TREE PLANTING PARTNERSHIP FUNDING



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TERMS & CONDITIONS

1. APPLICATION PROCESS

- 1.1. Applications are open to all Open Country Dairy Limited ("Open Country") suppliers.
- 1.2. Application approval will be at the entire discretion of Open Country.
- 1.3. Applications may be "scaled back" at Open Country's discretion but you will have the right to withdraw your application in that event.
- 1.4. Applications will be considered that have a staged planting programme across several years. Funding would be made available on the completion of each stage. If planting is not completed in the winter planned, Open Country reserves the right to cancel or defer (to the following winter) the application.
- 1.5. On approval of your application, you agree to plant trees in accordance with your application.
- 1.6. Trees must be planted within the 'farm system'. This includes the dairy platform and supporting land that contributes to milk production through rearing of young or dry animals, or feed, and that is under the control of the Supplier under the Open Country Milk Supply Agreement relating to the covered land.

2. FUNDING

- 2.1. Funding will be provided following planting for 50% of cost of the trees purchased for this project, or tree inclusive planting services, as set out in the application.
- 2.2. You will be refunded (net of GST) based on fully paid commercial invoice and made directly to your bank account via the Milk Payment Statement, payment of the refund targeted for the January Milk Payment.

3. ACCESS TO LAND

- 3.1. You must provide reasonable access to Open Country, Nestlé S.A. ("Nestlé") and their agents to, among other things, validate planting, survival rate and protection of trees while the farm is contracted to supply milk to Open Country.

4. INFORMATION & PRIVACY

- 4.1. Through acceptance of this funding, you acknowledge that your information including without limitation farm detail, general supplier information along with planting detail and including any personal information, can be shared with Nestlé or other third parties for purposes including (without limitation) accounting, reporting (including externally), monitoring and marketing (in the case of marketing, in an aggregated and anonymised way).
- 4.2. You agree to provide such information as Open Country may request from time to time (including without limitation in respect of any audit). Adequate documentation must be kept of planting and maintenance. This must include mapped area, hectares planted, number of trees planted, date of planting and basic maintenance undertaken.

5. CONTRACT WITH OPEN COUNTRY

- 5.1. This funding agreement will be an extension to your current Milk Supply Agreement with Open Country (or any replacement, renewed or substituted Milk Supply Agreement) and you must remain as a contracted milk supplier to Open Country for 5 more milk production seasons following the first winter of planting. Failure to remain with Open Country for 5 such seasons or having planted land remain within the 'farm system' (see 1.8) or used for other purposes, will (without limitation) result in you being required to immediately repay to Open Country all funds you receive through this programme.

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- 5.2. Any recovery of amounts owed by you to Open Country under this funding agreement may be paid by you by deduction from proceeds due to you in respect of milk supplied under your then applying Milk Supply Agreement and you hereby authorise Open Country to make such deductions (as Open Country may determine in its sole discretion).
- 5.3. Open Country may terminate this funding agreement with immediate effect by giving you written notice if:
 - 5.3.1. the underlying Commercial Supplemental Agreement for GHG Projects between Nestlé and Open Country terminates for any reason;
 - 5.3.2. Open Country terminates your Milk Supply Agreement for breach;
 - 5.3.3. you breach any term of this funding agreement and fail to remedy that breach to Open Country's satisfaction within 10 days of Open Country notifying you of the same.
- 5.4. On such termination liability in respect of any of your outstanding but unperformed obligations as at termination, or your liability for pre-existing breaches, will continue to apply, along with Open Country's right to deduct any amounts owing from the proceeds due in respect of milk supplied. If Open Country terminates under clause 9.1.2 or 9.1.3 Open Country may demand repayment of all amounts paid to you under this agreement, in which case you shall pay those amounts within five days of that payment demand.

6. REPLANTING OF NON-SURVIVING TREES

- 6.1. All planting must be permanent and adequately protected from stock and pests. You are fully responsible for the complete planting following 'best practice' including without limitation cost and efficiency of planting, tree selection, site selection, protection, preparation and maintenance post planting.
- 6.2. Tree numbers must be maintained, and you are required to replant, with the same species, non-surviving trees at your cost following best practice as set out in 6.1 to maintain 95% survival.

7. CARBON BENEFITS

- 7.1. The rights to any benefits arising from a decrease in greenhouse gas emissions or an increase in removal and storage of greenhouse gas gases from the atmosphere due to the planting and maintenance of trees on your land under this funding agreement (including any carbon credits, or similar instruments that are or may become available under any New Zealand emissions trading scheme/s) ("Carbon Benefits") will vest in Nestlé and its affiliates, without limitation in time. However, nothing in this clause prevents you from using Carbon Benefits to offset your obligations under any future New Zealand agricultural emissions pricing or levy system, should such a system be introduced.
- 7.2. You warrant and undertake to OCD and Nestlé:
 - 7.2.1. to irrevocably transfer to and vest all rights and interests arising from any Carbon Benefits in Nestlé and its affiliates, and
 - 7.2.2. that no rights or interests in Carbon Benefits have or will be issued, sold or otherwise transferred other than in accordance with clause 7.2.1; and
 - 7.2.3. that no third party has any rights in, or any competing claim in connection with, any Carbon Benefits, and no contracts or arrangements (conditional or unconditional) exist for the creation of any encumbrance over the Carbon Benefits.
- 7.3. Open Country may make such reasonable changes to these terms as are required in respect of any changes to law or regulation relating to greenhouse gases in order to maintain the intended outcome of this Project with Nestlé.

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8. INDEMNITY

You agree to indemnify, defend, and hold harmless Open Country against any and all claims, demands, damages, losses, costs and expenses (including legal costs on a solicitor/client basis) arising out of or in any way connected with your breach of this funding agreement.

9. DISCLAIMER

9.1. You acknowledge and agree that:

- 911. by participating in the tree planting project and accepting these terms, you are transferring certain rights to Carbon Credits, as further described above.
- 912. Open Country is not providing you with any financial, accounting, legal or other advice in connection with the project ; and
- 913. Open Country expressly excludes any warranties or representations (express or implied) as to your ability to achieve any Carbon Benefits, other environmental improvements or any specific financial or business outcome as a result of your participation in this project.

10. GENERAL

- 10.1. The provisions of your Milk Supply Agreement relating to the giving of notices, exclusion of Open Country's liability and resolution of disputes apply (with all necessary adjustments) to this Agreement.
- 10.2. You may not assign any rights under or in connection with this agreement.