

1. APPLICATION OF THESE TERMS

- 1.1. **PGW** means PGG Wrightson Limited trading as PGG Wrightson Wool.
You and **Your** means the wool grower/owner.
Wool means your wool.
- 1.2. These Wool Agency Terms (**Agency Terms**) do not need to be signed. They simply apply between us when your Wool:
 - a) is delivered to a PGW wool store or designated depot; and/or
 - b) becomes under the possession, control or direction of PGW or any of its employees, contractors or agents, to be eventually delivered to a PGW wool store to be sold by PGW either at auction or by private contract as PGW determines.
- 1.3. These Agency Terms do not extend to wool contracted to PGW's subsidiary, Bloch & Behrens Wool (NZ) Ltd (**BBNZ**). However, where wool contracted to BBNZ fails to meet any requirements of a forward contract, PGW may at its discretion sell that Wool under these Agency Terms.
- 1.4. These Agency Terms govern the consignment, sale, storage and handling of Wool, and also incorporate both:
 - a) Where your Wool is sold at auction, then PGW's Wool Auction Conditions (**Auction Conditions**), available at www.pggwrightson.co.nz/our-services/wool/wool-auctions; and
 - b) PGW's Monthly Customer Account Terms of Trade (**Terms of Trade**), available at www.pggwrightson.co.nz/our-company/terms-and-conditions, even if you don't hold a monthly customer account with us.If there is any inconsistency between these Agency Terms, the Auction Conditions and the Terms of Trade, they have the order of priority as listed above.

2. PGW AS AGENT

- 2.1. You appoint and authorise PGW as your agent to sell your Wool. PGW will follow any reasonable sale instructions you give us. Otherwise the method, timing and price of sale is at PGW's discretion.
- 2.2. You must advise PGW before auction if you wish to impose a reserve price for the Wool. PGW may pass the Wool in at auction at PGW's discretion.
- 2.3. Clause 13 of PGW's Terms of Trade covers PGW's role in transactions between you and a third party, and applies to your Wool sales.

3. TITLE/OWNERSHIP AND RISK

- 3.1. Title/ownership and risk in your Wool remains with you until it passes to the buyer under the Auction Conditions or Terms of Trade. Title/ownership in the Wool does not pass to PGW where PGW sells as your agent, unless PGW purchases the Wool itself as buyer.
- 3.2. You warrant that:
 - a) You own and are authorised to sell the Wool;
 - b) There are no security interests over the Wool; and
 - c) You have not appointed another agent to sell the Wool.
- 3.3. From the time Wool is:
 - a) if collected from you by PGW, loaded onto a PGW truck for delivery to a PGW wool store; or
 - b) if not collected from you by PGW, received at a PGW wool store or designated depot,PGW will insure the Wool under a material damage policy up to the expiration of Prompt in the Auction Conditions or until the Wool is paid for, whichever happens first.
- 3.4. Where PGW makes a valid claim under the insurance policy and the value of the claim exceeds the excess, then PGW will pay you any sums received from the insurer plus the portion of the excess attributable to your wool on a pro-rata basis, however:
 - a) the amount paid to you by PGW will be capped at the value of your affected Wool as determined by PGW less our fees set out in clause 4 as if the wool was sold; and
 - b) where the value of PGW's claim (based on the value of all wool affected by the relevant event) exceeds the policy limit, you will be paid pro-rata on the basis of the proportion that the policy limit bears to the total value of the claim.For example, if the total damage was \$500,000, but the policy limit was \$400,000, then PGW would claim \$400,000 from its insurer, 80% of the total damage. PGW would pay each grower 80% of the value of their affected wool.
- 3.5. If PGW chooses not to make a claim that would otherwise be valid, because the value of the claim is below the excess, PGW will pay you the value of your affected Wool (as determined by these Agency Terms).
- 3.6. If any claim made by PGW under its insurance policy is declined by PGW's insurer or is outside the policy coverage, then PGW will have no obligation under this clause to pay any amount in relation to the affected wool.

- 3.7. Any payment made under this clause 3.4 - 3.6 will be subject to the deduction of our fees set out in clause 4 as if the wool was sold.

4. PAYMENT FOR WOOL, COMMISSION AND COSTS

- 4.1. If PGW sells your Wool, PGW as your agent will issue an invoice to the buyer.
- 4.2. PGW will pay the purchase price to you at the time set out in the Auction Conditions or Terms of Trade, less any amounts payable by you to PGW under clauses 4.3 or under the Auction Conditions or Terms of Trade. PGW is not required to pay any part of the purchase price to you until it is received in full from the buyer.
- 4.3. Unless otherwise agreed in writing, you must pay the following costs and brokerage fees to PGW in consideration for PGW selling Wool:
 - a) PGW's standard brokerage fee applicable as at the date of sale;
 - b) all costs and expenses incurred by PGW in connection with the sale of Wool, including (without limitation) freight, handling and testing costs, and government levies, taxes or other duties;
 - c) collection and delivery costs under clause 7;
 - d) any storage fee under clause 4.5; and
 - e) any other amount payable to PGW on any account or to a third party under the Auction Conditions or Terms of Trade.
- 4.4. Any amounts which you owe PGW under clause 4.3 that are not recovered from the proceeds of sale (e.g. if no sale occurs, or the amounts are not owed until after the sale proceeds are paid to you) will be debited against your PGW Wool Account.
- 4.5. PGW will charge you at a rate determined by PGW, for storage of Wool that remains unsold in PGW's wool store after six months from delivery/arrival at PGW's wool store. PGW may invoice you for such storage costs at any intervals or time that PGW determines.
- 4.6. PGW may by written notice (**Removal Notice**) require you, within 14 days, to collect and remove any Wool held in storage for more than 12 months and you must pay all storage fees before collecting the Wool. If you do not remove such Wool and pay all associated storage fees in accordance with the Removal Notice, PGW may issue a written notice (**Disposal Notice**) of its intention to dispose of that Wool. If you do not remove the Wool and pay all associated storage fees within 14 days of the date of the Disposal Notice, PGW may sell the Wool in accordance with clause 4.1 and deal with the proceeds in accordance with clauses 4.2 to 4.4.

5. TERMINATION OF PGW'S AGENCY

- 5.1. Either you or PGW may terminate PGW's appointment as your agent on seven days' notice in writing to the other.
- 5.2. Termination of PGW's agency does not affect your obligations to pay any amounts owed to PGW.
- 5.3. You grant PGW a lien over Wool until all outstanding costs and brokerage fees under clause 4 have been paid in full (in addition to any statutory lien PGW is entitled to in respect of the Wool). If PGW's agency is terminated before any Wool is sold, PGW is entitled to retain possession of the Wool until you have paid all amounts owing to PGW under these Agency Terms.

6. LIABILITY

- 6.1. You indemnify PGW against any liabilities, losses, damages, costs or expenses incurred or suffered by PGW, and all actions, proceedings, claims or demands made against PGW, relating to or arising from the quality, condition, or contamination of or foreign objects in your Wool, other than to the extent caused by the wilful or negligent acts or omissions of PGW.
- 6.2. You acknowledge that, without limiting the application of clause 1.4, the limitations of liability set out in the clauses 11, 12 and 13 of the Terms of Trade, and the exclusion of statutory warranties in clause 10.2 of the Terms of Trade, apply.
- 6.3. Clause 6 of these Agency Terms survives termination of PGW's agency.

7. COLLECTION/DELIVERY OF WOOL

- 7.1. Where agreed between you and PGW, PGW will collect the Wool from you and deliver it to PGW's wool store, or arrange collection from you for delivery to PGW's wool store by a third party. PGW may charge you for collection and delivery by PGW at its standard rates at the time of collection and delivery, and may on-charge any third-party collection and delivery costs to you.

8. AMENDMENTS

- 8.1. PGW may in its absolute discretion change these Agency Terms at any time by publication on its Group website www.pggwrightson.co.nz. The change will take effect from the time loaded and apply to transactions on and from the date the change takes effect. Your transactions with us are covered by the Agency Terms at the time of the transaction.