## Concession Document (Grazing Licence)

THIS CONCESSION is made this $30^{\text {th }}$ day of May 2013
PARTIES:

1. Minister of Conservation (the Grantor)
2. Alcon Farms Limited (the Concessionaire)

## BACKGROUND

A. The Department of Conservation ("Department") Te Papa Atawhai is responsible for managing and promoting conservation of the natural and historic heritage of New Zealand on behalf of, and for the benefit of, present and future New Zealanders.
B. The Department is under the control of the Grantor.
C. The carrying out of these functions may result in the Grantor granting concessions to carry out activities on public conservation land.
D. The Grantor administers the public conservation land described in Schedule 1 as the Land.
E. The Conservation legislation applying to the Land authorises the Grantor to grant a concession over the Land.
F. The Concessionaire wishes to carry out the Concession Activity on the Land subject to the terms and conditions of this Concession.
G. The Concessionaire acknowledges that the land may be the subject of Treaty of Waitangi claims.
H. The parties wish to record the terms and conditions of this Concession and its Schedules.

## OPERATIVE PARTS

I. In exercise of the Grantor's powers under the Conservation legislation the Grantor GRANTS to the Concessionaire a GRAZING LICENCE to carry out the Concession Activity on the Land subject to the terms and conditions contained in this Concession and its Schedules.

e

SCHEDULE 1
$\left.\begin{array}{|l|l|l|}\hline \text { 1. } & \begin{array}{l}\text { Land } \\ \text { (Schedule 4) }\end{array} & \begin{array}{l}\text { As marked on the attached plan or map in Schedule 4 } \\ \text { Physical description/ Common name: Conservation Area- } \\ \text { Cook river to Haast River }\end{array} \\ \text { Land Status: Conservation Area- Stewardship Area } \\ \text { Area: 422.5 ha }\end{array}\right\}$

| 10. | Concession Review Date(s) <br> (clause 5) | 1 January 2017 and then three yearly |
| :---: | :---: | :---: |
| 11. | Health and Safety <br> (clause 13) | Not required |
| 12. | Insurance <br> (To be obtained by Concessionaire) <br> (clause 12) | Types and amounts: <br> Public Liability Insurance for: <br> (a) General indemnity for an amount no less than \$1,000,000.00; and <br> (b) Forest and Rural Fires Act extension for an amount no less than \$250,000.00; and <br> Third party vehicle liability for an amount no less than $\$ 500,000.00$. <br> Subject to review on each Concession Fee Review Date |
| 13. | Addresses for Notices (clause 22) | The Grantor's address is: <br> Department of Conservation <br> West Coast Tai Poutini Conservancy <br> 10 Sewell Street <br> Hokitika 7810 <br> Phone: 037569100 <br> Email: permissionshokitika@doc.govt.nz |
|  |  | The Concessionaire's address in New Zealand is: |
| 14. | Special Conditions <br> (clause 25) | See Schedule 3. |

Note: The clause references are to the Minister of Conservation's Standard Terms and Conditions for Grazing Licences set out in Schedule 2.

Note: Please initial each page of Schedule 1


## SCHEDULE 2

## STANDARD TERMS AND CONDITIONS FOR GRAZING LICENCES

## 1. Interpretation

1.1 The Concessionaire is responsible for the acts and omissions of its employees, contractors, agents, clients and invitees (excluding other members of the public accessing the Land). The Concessionaire is liable under this Concession for any breach of the terms of the Concession by its employees, contractors, agents, clients and invitees (excluding other members of the public accessing the Land), as if the breach had been committed by the Concessionaire.
1.2 Where this Concession requires the Grantor to exercise a discretion or give any approval or provides for any other actions by the Grantor, then the Grantor must act reasonably and within a reasonable time. When a consent is required under this Concession such consent must not be unreasonably withheld.
2. What is being authorised?
2.1 The Concessionaire is only allowed to use the Land for the Concession Activity.
2.2 The Concessionaire must not commence the Concession Activity until the Concessionaire has signed the Concession Document and returned one copy of this Document to the Grantor, as if it were a notice to be given under this Concession.
3. How long is the Concession for the Term?
3.1 This Concession commences on the date set out in Item 3 of Schedule 1 and ends on the Final Expiry Date specified in Item 5 of Schedule 1.
3.2 If there is a right of renewal then the Grantor at the Concessionaire's cost must renew the Term for a further period as set out in Item 4 of Schedule 1 provided the Concessionaire:
(a) gives the Grantor at least three month's written notice before the end of the Term, which notice is to be irrevocable, of the Concessionaire's intention to renew this Concession; and
(b) at the time notice is given in accordance with this clause the Concessionaire is not in breach of this Concession.
3.3 The renewal is to be on the same terms and conditions expressed or implied in this Concession except that the Term of this Concession plus all further renewal terms is to expire on or before the Final Expiry Date.

## 4. What are the fees and when are they to be paid?

4.1 The Concessionaire must pay to the Grantor in the manner directed by the Grantor the Concession Fee (which includes the Annual Activity Fees, the Management Fee, and the Environmental Monitoring Fee) plus GST in the instalments and on the Concession Fee Payment Dates specified in Items 6, 7 and 8 of Schedule 1.
4.2 If the Concessionaire fails to make payment within 14 days of the Concession Fee Payment Date then the Concessionaire is to pay interest on the unpaid Concession Fee from the Concession Fee Payment Date until the date of payment at the Penalty Interest Rate specified in Item 9 of Schedule 1.
5. When can the fees be reviewed?
5.1 The Grantor is to review the Concession Fee on the Concession Fee Review Date stated in Item 10 of Schedule 1. The new Concession Fee is to be the market value of the Concession Activity carried out on the Land having regard to the matters set out in section $17 \mathrm{Y}(2)$ of the Conservation Act 1987.
5.2 Both parties are to agree on the new fee within 30 working days of the Grantor giving the Concessionaire written notice of the review.
5.3 If the parties cannot so agree then each party is to appoint a Registered Valuer who must meet and agree on the new fee. If the Registered Valuers fail to reach agreement the new fee is to be determined by an umpire appointed by the two Registered Valuers. Each party is to bear that party's own costs and half the costs of the umpire (if any).
6. Are there any other charges?
6.1 The Concessionaire must pay all levies rates and other charges, including utility charges payable in respect of the Land or for the services provided to the Land which relate to the Concessionaire's use of the Land or the carrying on of the Concession Activity. Where the Grantor has paid such levies, rates or other charges the Concessionaire must on receipt of an invoice from the Grantor pay such sum to the Grantor within 14 days of receiving the invoice. If payment is not made within the 14 days then the Concessionaire is to pay interest on the unpaid sum from the date payment was due until the date of payment at the Penalty Interest Rate specified in Item 9 of Schedule 1.
7. When can the Concession be assigned?
7.1 The Concessionaire must not transfer, sub licence, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Concession or any part of it (which includes the Concessionaire entering into a contract or any other arrangement whatsoever whereby the Concession Activity would be carried out by a person (called the assignee) other than the Concessionaire) without the prior written consent of the Grantor.
7.2 The Grantor may in the Grantor's discretion decline any application for consent under clause 7.1.

Sections $17 \mathrm{P}, 17 \mathrm{~S}, 17 \mathrm{~T}, 17 \mathrm{U}, 17 \mathrm{~W}, 17 \mathrm{X}, 17 \mathrm{ZB}$ and 17 ZC of the Conservation Act 1987 apply to applications for consent under this clause unless the Grantor, in the Grantor's discretion, decides otherwise.
7.4 If the Grantor gives consent under this clause then the Concessionaire remains liable to observe and perform the terms and conditions of this Concession throughout the Term and is to procure from the Assignee a covenant to be bound by the terms and conditions of this Concession.
7.5 The Concessionaire must pay the costs reasonably incurred by the Grantor incidental to any application for consent, whether or not such consent is granted.
7.6 Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire is to be deemed to be an assignment and requires the consent of the Grantor.
8. What are the obligations to protect the environment?
8.1 The Concessionaire must not cut down or damage any vegetation; or damage any natural feature or historic resource on the Land; or light any fire on the Land without the prior consent of the Grantor.
8.2 The Concessionaire must use and manage the Land in a good and husband like manner, and not impoverish or waste its soil.
8.3 The Concessionaire must keep the Land free from plant and animal pests and must comply with the Biosecurity Act 1993 and relevant pest management strategies.
8.4 The Concessionaire must not bury
(a) any toilet waste within 50 metres of a water source on the Land; or
(b) any animal or fish or any part thereof within 50 metres of any water body, water source or public road or track.
9. Can crops be planted?
9.1 If authorised by the Grantor to grow crops on the Land then, 6 months prior to the expiry of the Term, the Concessionaire must sow the Land with grass seed and apply fertiliser to the satisfaction of the Grantor.
10. When can structures be erected?
10.1 The Concessionaire must not place any Structures on the Land not alter the Land without the prior written consent of the Grantor.
10.2 The Concessionaire must keep all Structures, buildings, fences, gates, drains and other improvements now or hereafter upon the Land, in good order, condition and repair and must keep the land in a clean and tidy condition and must not store hazardous materials on the Land, or store other materials on the Land where they may obstruct the public or create a nuisance.
11. What if the Concessionaire wishes to surrender the Concession?

If the Concessionaire wishes to surrender this Concession during the currency of the Term, then the Grantor may accept that surrender on such conditions as the Grantor considers appropriate.

## 12. What are the liabilities and who insures?

12.1 The Concessionaire agrees to use the Land at the Concessionaire's own risk and releases to the full extent permitted by law the Grantor and the Grantor's
employees and agents from all claims and demands of any kind and from all liability which may arise in respect of any accident, damage or injury occurring to any person or property in or about the Land.
12.2 The Concessionaire must indemnify the Grantor against all claims, actions, losses and expenses of any nature which the Grantor may suffer or incur or for which the Grantor may become liable arising from the Concessionaire's performance of the Concession Activity.
12.3 This indemnity is to continue after the expiry or termination of this Concession in respect of any acts or omissions occurring or arising before its expiry or termination.
12.4 Without prejudice to or in any way limiting its liability under this clause 12 the Concessionaire at the Concessionaire's expense must take out and keep current policies for insurance and for the amounts not less than the sums stated in Item 12 of Schedule 1 with a substantial and reputable insurer.
12.5 The Grantor may on each Concession Fee Review Date on giving 10 working day's notice to the Concessionaire alter the amounts of insurance required under clause 12.4. On receiving such notice the Concessionaire must within 10 working days take out and keep current policies for insurance and for the amounts not less than the sums specifiedin that notice.
12.6 The Concessionaire must, provide to the Grantor within 5 working days of the Grantor so requesting:
(a) details of any insurance policies required to be obtained under this Concession, including any renewal policies if such renewal occurs during the Term; and/ or;
(b) a copy of the current certificate of such policies.
13. What about Health and Safety?
13.1 The Concessionaire must exercise the rights granted by this Concession in a safe and reliable manner and must comply with the Health and Safety in Employment Act 1992 and its regulations and all other provisions or requirements of any competent authority relating to the exercise of this Concession. The Concessionaire must comply with its safety plan (if one is required in Item 11 of Schedule 1), and with any safety directions of the Grantor.
13.2 Before commencing the Concession Activity the Concessionaire must, if required by Item 11 of Schedule 1:
(a) prepare a safety plan;
(b) have it audited by a suitably qualified person approved by the Grantor and forward to the Grantor a certificate from the auditor certifying that the safety plan is suitable for the Concession Activity; and
(c) the Concessionaire must obtain from the auditor details as to when the safety plan is to be re-audited. The Concessionaire must comply with any such requirement to re-audit and forward a copy of the re-audit certificate to the Grantor within 5 working days of the certificate being issued.
13.3 If clause $\mathbf{1 3 . 2}$ applies then if the Concessionaire amends or replaces the safety plan then before the amendment or replacement plan takes effect the Concessionaire must comply with $13.2(\mathrm{~b})$ and (c).
13.4 The Grantor may at any time request the Concessionaire to provide the Grantor with a copy of the current safety plan in which case the Concessionaire must provide the copy within 10 working days of receiving the request.
14. What are the compliance obligations of the Concessionaire?
14.1 The Concessionaire must comply where relevant:
(a) with the provisions of any conservation management strategy or conservation management plan under the Conservation Act 1987 or Part IIA of the Reserves Act 1977, or any general policy statement made under the Conservation Act 1987, Reserves Act 1977, National Parks Act 1980, or Wildlife Act 1953, or management plan under section 45 of the National Parks Act 1980, whichever is appropriate to the Land, together with any amendment or review of any policy, strategy or plan whether approved before, on, or after the date on which this Concession takes effect; and
(b) with the Conservation Act 1987, the Reserves Act 1977, the National Parks Act 1980, Wildlife Act 1953 and any other statute, ordinance, regulation, bylaw, or other enactment (collectively the "Legislation") affecting or relating to the Land or affecting or relating to the Concession Activity, including any regulations made under the Conservation Act 1987 and Wildlife Act 1953 or bylaws made under the Reserves Act 1977 or the National Parks Act 1980; and
(c) with all notices and requisitions of any competent authority affecting or relating to the land on affecting or relating to the conduct of the Concession Activity; and
(d) with all Departmentsigns and notices placed on or affecting the Land
14.2 The Concessionaire must comply with this Concession.
14.3 A breach or contravention by the Concessionaire of a relevant conservation management strategy, conservation management plan, management plan or any statement of general policy referred to in clause 14.1 (a) is deemed to be a breach of this Concession.
14.4 A breach or contravention by the Concessionaire of any Legislation affecting or relating to the Land or affecting or relating to the Concession Activity is deemed to be a breach of this Concession.
15. When can the Concession be suspended?

If, in the Grantor's opinion, there is a temporary risk to any natural or historic resource on or in the vicinity of the Land or to public safety whether arising from natural events such as earthquake, land slip, volcanic activity, flood, or arising in any other way, whether or not from any breach of the terms of this Concession on the part of the Concessionaire, then the Grantor may suspend this Concession.
15.2 If, in the Grantor's opinion, the activities of the Concessionaire is having or may have an adverse effect on the natural, historic or cultural values or resources of the Land and the Grantor considers that the effect can be avoided, remedied or mitigated to an extent satisfactory to the Grantor, then the Grantor may suspend this Concession until the Concessionaire avoids, remedies or mitigates the adverse effect to the Grantor's satisfaction.
15.3 The Grantor may suspend the Concession for such period as the Grantor determines where the Concessionaire has breached any terms of this Concession.
15.4 The Grantor may suspend this Concession while the Grantor investigates any of the circumstances contemplated in clauses 15.1 and 15.2 and also while the Grantor investigates any potential breach or possible offence by the Concessionaire, whether or not related to the Concession Activity under the Conservation Act 1987 or any of the Acts mentioned in the First Schedule of that Act.
15.5 The word "investigates" in clause 15.4 includes the laying of charges and awaiting the decision of the Court.
15.6 During any period of temporary suspension arising under clauses 15.1 or 15.2 the Concession Fee payable by the Concessionaire is to abate in fair proportion to the loss of use by the Concessionaire of the Land.
15.7 The Grantor is not to be liable to the Coneessionaire for any loss sustained by the Concessionaire by reason of the suspension of the Concession under this clause 15 including loss of profits.
16. When can the Concession be terminated?
16.1 If:
(a) the Concessionaire breaches any of the conditions of this Concession; or
(b) the whole or any part of the Land is required for the Grantor's use
the Grantor may terminate this Concession at any time in respect of the whole or any part of the Land. Before so terminating the Grantor must give the Concessionaire either
(c) one calendar month's notice in writing; or
(d) such other time period which in the sole opinion of the Grantor appears reasonable and necessary
of the Grantor's intention so to terminate this Concession. If this Concession is terminated then the Grantor, at the Grantor's sole discretion, may adjust the Concession Fee payable or refund any Concession Fee paid in advance.
17. What are the Grantor's Rights to remedy defaults?
17.1 The Grantor may choose to remedy at any time without notice any default by the Concessionaire under this Concession. Where that occurs, the Concessionaire must pay forthwith on demand all reasonable costs incurred by the Grantor in remedying such default.
18. What happens on termination or expiry of the Concession?
18.1 On expiry or termination of this Concession, either as to all or part of the Land, the Concessionaire is not entitled to compensation for any Structures or other improvements placed or carried out by the Concessionaire on the Land.
18.2 The Concessionaire may, with the Grantor's written consent, remove any specified Structures, fences, gates, drains and other improvements on the Land. Removal under this clause must occur within the time specified by the Grantor and the Concessionaire is to make good any damage and leave the Land in a clean and tidy condition.
18.3 The Concessionaire must, if the Grantor gives written notice, remove any specified Structures, fences, gates, drains and other improvements on the Land. Removal under this clause must occur within the time specified by the Grantor and the Concessionaire is to make good any damage and leave the Land in a clean and tidy condition.
19. When is the Grantor's consent required?
19.1 Where the Grantor's consent or approval is expressly required under this Concession then the Concessionaire must seek that approval or consent for each separate time it is required even though the Grantor may have given approval or consent for a like purpose on a prior occasion. Any such consent or approval may be made on such conditions as the Grantor considers appropriate.
20. Are there limitations on public access and closure?
20.1 The Concessionaire acknowledges that the Land is open to the public for access and that the Grantor may close public access during periods of high fire hazard or for reasons of public safety or emergency.
21. How will disputes be resolved?
21.1 If a dispute arises between the parties in connection with this Concession the parties must, without prejudice to any other rights or entitlements they may have, attempt to resolve the dispute by agreement using informal dispute resolution techniques such as negotiation, mediation, independent expert appraisal or any other alternative dispute resolution technique. The rules governing any such technique adopted are to be agreed between the parties.
21.2 If the dispute cannot be resolved by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to the Disputes Tribunal, where relevant, or to arbitration which arbitration is to be carried out in accordance with the provisions of the Arbitration Act 1996.

If the parties do not agree on an arbitrator within 10 working days of a party giving written notice of the requirement to appoint an arbitrator the President of the New Zealand Law Society is to appoint the arbitrator. In either case the arbitrator must not be a person who has participated in an informal dispute resolution procedure in respect of the dispute.
21.4 The arbitrator must include in the arbitration award reasons for the determination.
21.5 Despite the existence of a dispute, each party must continue to perform its obligations under this Concession.
22. How are notices sent and when are they received?
22.1 Any notice to be given under this Concession is to be in writing and made by personal delivery, fax, by pre paid post or email to the receiving party at the address, fax number or email address specified in Item 13 of Schedule 1. Any such notice is to be deemed to have been received:
(a) in the case of personal delivery, on the date of delivery;
(b) in the case of fax, on the date of dispatch;
(c) in the case of post, on the 3rd working day after posting;
(d) in the case of email, on the date receipt of the email is acknowledged by the addressee by return email or otherwise in writing.
22.2 If either party's details stated out in Item 13 of Schedule 1 change then the party whose details change must within 5 working days of such change provide the other party with the changed details.
23. What about the payment of costs?
23.1 The Concessionaire must pay the Grantor's legal costs and expenses of and incidental to preparing and signing this Concession or any extension or variation of it.
23.2 The Concessionaire must pay in full immediately and on demand all costs and fees (including solicitor's costs and fees of debt collecting agencies engaged by the Grantor) arising out of and associated with steps taken by the Grantor to enforce or attempt to enforce the Grantor's rights and powers under this Concession. This includes the right to recover outstanding money owed to the Grantor.

## 24. When can the conditions of the Concession be varied?

24.1 The Grantor may on each Concession Fee Review Date, after first consulting with the Concessionaire, vary any condition of this Concession to make the condition more effective in addressing adverse effects resulting from the Concession Activity.
24.2 Nothing in clause 24.1 otherwise affects the Grantor's rights to vary the Coneession under section 17ZC of the Conservation Act 1987.
25. Are there any Special Conditions?
25.1

Special conditions are specified in Schedule 3. If there is a conflict between this Schedule 2 and the Special Conditions in Schedule 3, the Special Conditions shall prevail.
26. The Law
26.1 This Concession is to be governed by, and interpreted in accordance with the laws of New Zealand.

## SCHEDULE 3

SPECIAL CONDITIONS - Note: Please initial each page of Schedule 3

| 1. | Type of stock | The Concessionaire may graze the following types of stock: Breeding cows and sheep. |
| :---: | :---: | :---: |
| 2. | Maximum number of stock | The Concessionaire may graze up to the following maximum number of stock: 150 breeding cows for 6 months of the year 250 sheep year round |
| 3. | Stock matters | The Concessionaire must monitor stock at regular intervals to ensure that: <br> (a) they are contained within the Land; and <br> (b) there is sufficient feed available on the Land to discourage stock from grazing other land administered by the Grantor and not part of this Concession; and <br> (c) they do not graze to a level resulting in damage to, or pugging of, the Land. <br> The Concessionaire must not develop wintering pads, stand off pads or silage pits on the Land. <br> The Concessionaire must not graze, nor permit to be grazed on the Land, any stock, which the Concessionaire knows or ought to have reasonably known, would be dangerous to any person entering the Land. |
| 4. | Farm vehicles | The Concessionaire may use farm vehicles for the purposes of the Concession Activity and for pest management. |
| 5. | Firearms | The Concessionaire may use firearms for the purposes of the Concession Activity and for pest management. |
| 6. | Dogs and horses | The Concessionaire may use dogs and horses for the purposes of the Concession Activity and for pest management. |
| 7. | Weed control | In addition to the Concessionaire's obligations under Schedule 2 clause 8.3 the Concessionaire must also take reasonable steps to keep the Land free from gorse, other special conditions for this. |
|  | Adverse effects | If, in the opinion of the Grantor, stock effluent discharge occurring as a result of the Concession Activity is having an adverse effect on any adjoining or downstream river, stream, waterway or wetland, then the Grantor may require the Concessionaire to modify the Concession Activity or the manner in which it is carried out so as to avoid, remedy or mitigate that adverse effect. The Grantor, at the sole discretion of the Grantor, may adjust the Concession Fee payable or refund any Concession Fee paid |


|  |  | in advance. <br> If, in the opinion of the Grantor, the Concession Activity is having or may have an adverse effect on the Land or adjoining bush or riparian margins administered by the Grantor, the Grantor may require the Concessionaire to comply with all reasonable notices and directions by the Grantor concerning the activities conducted by the Concessionaire including but not limited to notices or directions regarding the numbers of stock that may be grazed on the Land or any part of the Land. The Grantor, at the sole discretion of the Grantor, may adjust the Concession Fee payable or refund any Concession Fee paid in advance. |
| :---: | :---: | :---: |
| 9. | Suspension for plant and/ or animal control | The Grantor by giving one month's written notice to the Concessionaire may suspend the carrying out of the Concession Activity while plant or animal control is carried out by or on behalf of the Grantor on the Land or on adjoining land. The Grantor, at the sole discretion of the Grantor, may adjust the Concession Fee payable or refund any Concession Fee paid in advance. |
| 10. | Didymo | The Concessionaire must comply and ensure its clients comply with the Ministry for Primary Industry (MPI)'s "Check, Clean, Dry" cleaning methods to prevent the spread of didymo (Didymosphenia geminata) and other freshwater pests when moving between waterways. "Check, Clean, Dry" cleaning methods can be found at http.//www.biosecurity.govt.nz/cleaning. Concessionaire must regularly check this website and update their precautions accordingly. |
| 11. | Monitoring | In addition to the Concession Fee payable under this Concession, the Concessionaire must pay the reasonable costs of and incidental to the Grantor's site visits and associated attendances required to confirm the Concessionaire's compliance with the conditions of this Concession and the effects of the Concession Activity. The rate will be charged at the Department's then current standard charge-out rate for staff time and mileage. |
| 12. | ilage | The Concessionaire must not use any parts of the Land for silage pits. |
| $13$ | Vegetation, drainage, and earthworks | The Concessionaire must not clear any indigenous vegetation, burn or drain any part of the Land, or undertake any earth works, without prior written approval from the Grantor. |
|  | Reviews | The Concessionaire acknowledges that, in the Granator discretion, in the event that the land or any part of it is recommended for inclusion in a national park following an investigation pursuant to section 8 of the National Parks Act 1980. |
| 15. | Gorse control | No gorse is to be sprayed on the northern most river flat, on the true right of the grazing licence area. See attached |



## Concession Holder: Alcom Fhemt Lfmited

Concession Number: 36496

## Location ID: 15244


Abbey Rocks Survey District.

Scnleat-A5: 1.60000


$$
\mathrm{F}^{\mathrm{C}}
$$

