28 APR 2016
OIA16-0104

Ministry for Primary Industries
Manatū Ahu Matua

Peter McCall
fyi-request-3759-8af454aa@requests.fyi.org.nz

Dear Peter McCall

OFFICIAL INFORMATION ACT REQUEST

I refer to your official information request on 15 March regarding "a copy of the final signed contract for each of the following studies that were tendered by the Ministry for Primary Industries (MPI) through GETS:

- 'Rapid Field Detection of the Highly Invasive Myrtle Rust Pathogen.' (RFxID:14924166) and
- 'Pesticides in Fresh & Frozen Produce - Laboratory Sample Testing.' (RFxID:15873623)."

The attached information is released to you under the Official Information Act 1982 (OIA). In Appendix A of the *Food Residue Surveillance Programme Pesticides in Fresh and Frozen Produce Laboratory Sample Testing* contract, a summary of the pesticide list has been provided under section 16(1)(e) of the OIA. This is to minimise impact on the quality of samples that are being provided for testing.

Some information has been withheld under sections 9(2)(a) to protect the privacy of natural persons and 9(2)(b)(ii) to protect information where the making available of the information would likely unreasonably prejudice the commercial position of the person who supplied or is the subject of the information.

MPI is satisfied that in the circumstances of this case, the withholding of the information is not outweighed by other considerations which render it desirable in the public interest to make the information available. You have the right under section 28(3) of the OIA to seek an investigation and review by the Ombudsman of our decision to withhold information.

Yours sincerely

Debbie Morris
Acting Deputy Director-General

Regulation & Assurance
Pastoral House, 25 The Terrace
PO Box 2526, Wellington 6140, New Zealand
Telephone: 0800 00 83 33, Facsimile: +64-4-894 0300
www.mpi.govt.nz

Ministry for Primary Industries
Manatū Ahu Matua

Growing and Protecting New Zealand

SERVICES AGREEMENT

FOR

Rapid Field Detection of the Highly Invasive Myrtle Rust Pathogen

BETWEEN

Ministry for Primary Industries

AND

Fera Science Ltd

AGREEMENT NUMBER: 404899

AGREEMENT FOR SERVICES

BETWEEN

HER MAJESTY THE QUEEN in right of New Zealand acting by and through Scott Gallacher, Deputy Director General, Regulation and Assurance Ministry for Primary Industries("**MPI**").

AND

FERA SCIENCE LTD, having its registered offices at 17 Rochester Row, London, SW1P 1QT (the "**Contractor**").

AGREEMENT

The Contractor will provide the Services on the terms and conditions set out in the following Schedules:

Schedule 1: Specific Terms

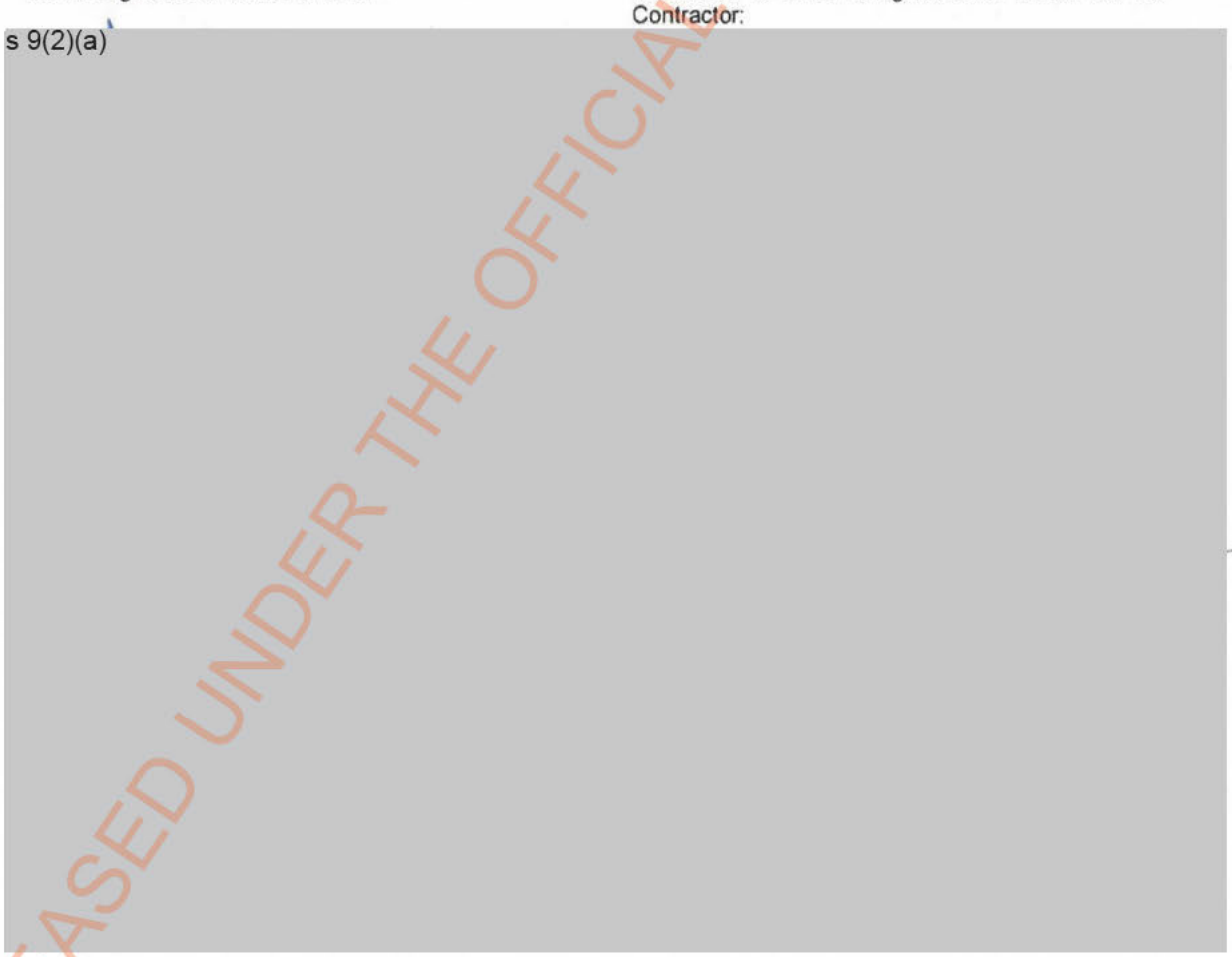
Schedule 2: General Terms

SIGNATURE

SIGNED for and on behalf of **MPI** by the person named below, being a person duly authorised to enter obligations on behalf of MPI:

SIGNED for and on behalf of the **Contractor** by the person named below, being a person duly authorised to enter obligations on behalf of the Contractor:

s 9(2)(a)



SCHEDULE 1: SPECIFIC TERMS

1. BACKGROUND

MPI require development and validation of an off-the shelf antibody-based Lateral Flow Device (LFD) for the specific detection of an exotic and highly invasive plant pathogen called myrtle rust. The pathogen responsible is the fungus *Puccinia psidii* and it has been deemed a high priority for MPI readiness and response. The LFD would be a plant health diagnostic tool which could be purchased for the following purposes:

- In–field use to determine the presence or absence of myrtle rust thereby allowing a quick response to limit its spread into nature reserves, state forests and urban areas etc.
- An easy to use tool for both passive and targeted surveillance. This would be the first time a LFD has been developed for myrtle rust.

It is important that the end product is of high quality with the required specificity, sensitivity, repeatability and reproducibility. The end product must be comparable to MPI's real time PCR (Jeyaseelan et al., 2016), providing real time detection, and comparable to other LFD in terms of quality (sensitivity, specificity, repeatability, and reproducibility) and cost.

2. TERM

2.1. Initial Term

(refer clause 4.1 of Schedule 2)

Commencement Date: 01 April 2016

End Date: 31 March 2018

3. CONTACT DETAILS

(refer clause 22 of Schedule 2)

The initial contact persons for each Party are below. If a Party's contact persons or their details change, it must notify the other Party in advance in accordance with clause 22 of Schedule 2.

	Contract Manager	Technical Liaison
MPI	s 9(2)(a)	
Contractor		

4. RESEARCH OBJECTIVES

4.1. Objectives

The Contractor will use its best endeavours to ensure the Research Project (as defined below) achieves the following objectives (**Research Objectives**):

- Under this Agreement the Contractor will develop an LFD to a high standard so it can be relied on as an accurate plant health diagnostic tool. The final product will meet the following requirements:
  - The product has been developed and underpinned by sound science.
  - Validated as agreed with MPI prior to manufacture The specificity is to be comparable to a real-time Polymerase Chain Reaction (PCR) assay developed by MPI for myrtle rust (Jeyaseelan et al., in press)
  - Sensitivity, specificity, repeatability, and reproducibility must be comparable to other commercial LFDs
  - The product must show a high level of repeatability and reproducibility.
  - Is immediately deployable in the field and is able to give rapid real-time identification.
  - Easy operation in the field and performs consistently under various conditions.
  - Easy to use and to train people to use (doesn't require a high level of technical expertise).
  - Remains stable when stored for a long period (ideally 12-24 months) and under various conditions (i.e. room temperature and 4^{0}C)
  - Operating cost comparable with similar LFDs in market.

4.2. Notice if Research Objectives at Risk

If the Contractor becomes aware of any circumstances that materially reduce the likelihood of the Research Objectives being achieved, it must as soon as possible notify the MPI Technical Liaison in writing of those circumstances.

4.3. Termination for Failure

Without limiting any other right or remedy of MPI, if MPI becomes aware of circumstances after the Commencement Date that MPI reasonably considers would materially reduce the likelihood of the Research Objectives being achieved, it may terminate this Agreement on written notice to the Contractor stating:

(a) the reasons for MPI's decision; and

(b) the effective date of termination.

5. RESEARCH PROJECT

5.1. Governance

Each Party will maintain the appointment of suitably qualified, skilled and experienced Personnel in the roles for which the Party is listed as an appointer in the table below. Each role is referred to in this Agreement by the name given to it in the table below. Each Party will ensure its appointees perform their responsibilities in the table below and elsewhere in this Agreement. Subject to clause 5.5 of this Schedule, each Party may replace its appointee on written notice to the other Party provided the replacing Party uses its best endeavours to ensure a detailed handover of responsibilities between appointees and minimise any adverse impact on the Services.

Name of Role	Responsibility	Appointer	Appointee(s)
Technical Liaison	(a) To maintain regular (at least monthly) contact between MPI and Fera and to report to the Project teams.	MPI The Contractor	s 9(2)(a) Contractor's Technical Liaison

Project Manager	(a) To ensure the Contractor carries out the Services in accordance with this Agreement, including meeting milestones. (b) To ensure MPI is provided with accurate invoices for all payments required to be made by MPI under this Agreement.	MPI The Contractor	s 9(2)(a) Contractor's Technical Liaison

5.2. Research Project

The Contractor will perform the services and provide the deliverables set out in the table below (together, the **"Research Project"**) in accordance with the milestone dates set out in clause 5.10 and other requirements set out in clause 5. Each service and deliverable is referred to in this Agreement by the name given to it in the table below.

Service/Project task (Name and description)	**Deliverable** (Name and description)
Planning The Contractor will develop a Project Plan for the Research Project and maintain it up to date throughout the Research Project. MPI will notify the Contractor of any Accords, Treaties or other agreements or MPI obligations that may affect the Research Project and the Contractor will develop the Project Plan consistently with MPI's obligations under those agreements.	**Planning Meeting** An initial Planning Meeting with the Technical Liaisons to confirm the requirements for the Project plan as outlined below. Date, time and location to be agreed via the Technical Liaisons
	Project Plan The Project Plan must contain, but is not limited to, the following: ➢ Validation process including the plan for specificity (including collection of target and non-target isolates), sensitivity, reproducibility and repeatability testing ➢ Copy of animal ethics application ➢ Stop / go decision points including a forecast of any potential risk areas or challenges ➢ Methodology and planned analyses of results ➢ Description of criteria that will be used to assess if antibodies produced meet production requirements for the LFD ➢ Deliverables including any performance or quality measures. ➢ Milestones including timeframes ➢ Roles and responsibilities ➢ Key contacts The Project Plan forms part of this Agreement and any variation to the plan must be agreed in writing between the Technical Liaisons. Each Technical Liaison should consult their Contract Manager before amending the Project Plan to ensure that any implications for the rest of this Agreement are taken into account. In the event of any conflict between the plan and the rest of this Agreement, the rest of this Agreement will prevail.
Research The Contractor will conduct the Research in accordance with the research methodology set out in the Project Plan approved in writing by MPI, provided that with MPI's prior written consent the Contractor may amend the methodology in order to increase the quality of the Research Project.	**Research Data** All raw data submitted to MPI Summary of the experimental data
Analysis The Contractor will analyse all collected data using methods agreed to by MPI. The Contractor will arrange for a draft of the Final Report to be independently peer reviewed by a suitably qualified and experienced researcher or research agency reasonably acceptable to MPI. The peer review will be conducted at no additional cost to MPI.	**Final Report** The final report is to be written in the format of a scientific manuscript suitable for publication. The report/manuscript should include sufficient information to enable replication of the work and peer review of analysis and conclusions made. At a minimum, the report should include an introduction, materials and methods section, results and analysis, interpretation and discussion and recommendations. Any material not considered suitable for publication must be included as an appendix (this includes all raw data produced).

Service/Project task (Name and description)	Deliverable (Name and description)
Development of the LFD	If the demand for the Myrtle rust LFD exceeds Mologic's manufacturing capacity the design history file comprising all documentation and manufacturing requirements will be prepared and transferred to a large scale LFD manufacturing company. As per schedule 2 clause 10.1 'Subcontractors' the Contractor must seek MPI's approval for additional subcontractors. Once the myrtle rust LFD is developed and validated for use by Fera, Mologic will be in a positon to start manufacture of the LFD including preparation of batch records and QC methods for incoming QC of materials and reagents as well as in-process batch QC and final testing. Using the produced batch records, a small batch will be prepared that will be used for performance validation and stability. Three batches will be prepared using as many different lots of critical raw materials as available. This includes antibodies, control reagents, Gold, Nitrocellulose, Absorbent pad, sample pad.

Performance validation and stability	Performance validation requirements can be discussed. Standard validation includes:
	• Standard curve
	• Lowest limit of detection (LLOD)
	• Linearity (in sample matrix)
	• Spike recovery (in sample matrix)
	• Intra-batch reproducibility
	  ○ 12 replicates of each standard (1 operator)
	• Inter-batch reproducibility
	  ○ 5 replicates of each standard (3 operators) on 3 different batches
	Stability testing: Devices will be stored at 4 different temperatures 4-8°C, RT, 37°C and 50°C and tested at set time-points up to 1 year.
	Mologic will then be in a position to manufacture and supply the Myrtle rust LFD to order or have devices in stock depending on both the stability of the device and the expected market demand.

5.3. Dependencies

Completion of the following Services or Deliverables by the Contractor is dependent on the persons below performing their associated dependencies below. The Parties agree that the failure of a dependency is an "Extraordinary Event" affecting the Contractor.

Service / Deliverable	Dependency	Person Responsible
All Services	Sourcing the required number of samples (infected plant samples or spores of myrtle rust) for specificity testing	The Contractor
All Services	Unable to source and share required samples because of import and quarantine restrictions	The Contractor

5.4. Project Management

The Contractor will ensure that:

a) it has an appropriate and effective governance structure to manage the Research Project;

b) the Principal Investigator and any other key personnel (if any are specified in this Schedule) are used to perform the Research Project as set out in the Contractor's project plan;

c) it has effective project management tools, processes and systems in place, including the research project plan, the assignment of roles and responsibilities, performance monitoring and reporting, and financial, intellectual property and risk management

procedures, to carry out and complete the Research Project and deliver the Research Objectives; and

b) appropriate monitoring of the Research Project, including third parties involved in the Research Project, is undertaken to ensure all milestones and deliverables are being complied with, and that the Research Objectives are being met

5.5. Key Personnel

(refer clause 9 of Schedule 2)

For the purpose of clause 9.1 of Schedule 2, the Contractor's Key Personnel are:

(a) s 9(2)(a)

(b)

(c)

(d)

(e)

(f)

5.6. Required Standards

In carrying out the Research Project the Contractor will:

a) comply with all relevant codes of professional standards and ethics relevant to the Research Project; and

b) carry out the Research Project according to high professional, ethical and scientific standards.

In particular, the Contractor will use its best endeavours to ensure the Research Project has:

a) **Objectivity** in:

i) *Presentation*: disseminated information is presented in an accurate, clear, complete, and unbiased manner and in proper context; and

ii) *Substance*: the research and all accompanying analysis and recommendations are accurate, reliable, and unbiased, and original and supporting data are generated, and analytic results developed, using sound statistical and research methods.

b) **Integrity**: all research data is protected from unauthorised access or revision, to ensure that the data is not compromised through corruption or falsification.

c) **Reproducibility**: the research results are capable of being substantially reproduced by independent analysis of the original or supporting data using identical methods, subject to an acceptable degree of imprecision or error. This requires transparency in relation to the specific data used, the various assumptions employed, specific analytic methods applied, and the statistical procedures employed.

5.7. Research Material

The Contractor will:

a) keep full and accurate records of the Research Project including all individual Services or tasks carried out and ensure these records are in electronic format and readily accessible and retrievable on request by MPI;

b) retain all research results, data, notes, reports and other information created or provided by the Contractor and its subcontractors in the course of performing this Agreement; and

c) provide copies of such records or information to MPI on request from time to time, whether during or after the term of this Agreement, in such format as MPI reasonably requires.

5.8. Progress Reports

The Contractor will report to MPI as follows, and as otherwise reasonably required by MPI, in any format reasonably required by MPI:

Type of Report	Report To	Due Date
Milestone and Progress report. To include: • performance against the Service Levels; • actual progress against planned/forecast progress; • a summary of expenditure to date, actual against budgeted; • plans for the next period; • any problems arising or expected to arise with the Services, Deliverables, Milestones or interpretation or performance of this Agreement generally; and • any other information reasonably requested by MPI concerning the Services.	MPI's Technical Liaison	As per Clause 5.10 Milestones

MPI may request documentary evidence from the Contractor in relation to any item reported against.

5.9. Meetings

The Contractor will attend meetings with MPI as follows:

Meeting (Name and Description)	Frequency	Attendees	Location
Project Meeting	Monthly or as agreed	Technical Liaisons and others as required	Telephone or teleconference meetings are permitted. Meeting format will be agreed by the Technical Liaisons

5.10. Milestones

Each Party will meet its Milestones set out in the table below. The Price set out in the table below will be invoiced in accordance with clause **Error! Reference source not found.** (Price).

Milestone	Description	Indicative date for delivery	Amount $NZD (ex GST)
1	Provide a detailed project plan of work as set out in Clause 5.2 to the MPI project team for approval	30 April 2016	$20,000
2	**Milestone report** - including details of source and geographical range of specimens submitted to MPI project team for approval.	31 May2016	$50,000
Stop/Go Review – Pending the outcome of Milestone 2, MPI will confirm whether the project is to proceed			
3	**Progress report** - including updates on antibody production and preliminary testing	31 January 2017	$50,000
Stop/Go Review – Pending the outcome of Milestone 3, MPI will confirm whether the project is to proceed			

4	**Milestone report** - including success of antibody production and specificity testing	31 March 2017 2017	$50,000
Stop/Go Review – Pending the outcome of Milestone 4, MPI will confirm whether the project is to proceed			
5	**Milestone report** - including development of LFD and initial validation. - Information is to be provided on the production of the units required, initial validation (as agreed with MPI project team) and the associated results.	31 July 2017	$90,000
Stop/Go Review – Pending the outcome of Milestone 5, MPI will confirm whether the project is to proceed			
6	**Progress report** - including update and plan for ring testing as agreed with MPI project team	31 August 2017	$30,000
Stop/Go Review – Pending the outcome of Milestone 6, MPI will confirm whether the project is to proceed			
7	**Milestone report** - including comparison of validated LFD against MPI's real time PCR. - Ring testing of LFD as agreed with MPI project team. - Provision of results of ring testing to MPI.	31 December 2017	
8	Draft final report submitted to MPI for feedback.	31 January 2018	
9	Final report that has been peer reviewed by appropriate experts as agreed by MPI.	31 March 2018	$70,000
			$360,000

5.11. Suspension of Project

a) MPI may at any time by written notice to the Contractor require the Contractor to:

i) suspend carrying out the Research Project; and

ii) subsequently resume carrying out the Research Project,

and the Contractor will immediately do so on receipt of that notice. Where possible, MPI will provide the Contractor with reasons for any such suspension or resumption of the Research Project.

b) Subject to paragraph c) below, the Contractor may invoice MPI:

i) an appropriate portion of the Price for the proportion of the Research Project (if any) the Contractor has carried out in accordance with this Agreement up to the date the Research Project was suspended in accordance with this clause; and

ii) any additional cost reasonably incurred by the Contractor as a result of the Research Project being suspended or resumed in accordance with this clause.

c) The Contractor will not be entitled to any payment from MPI under this clause in relation to any suspension or subsequent resumption, if MPI suspended the Research Project because of the Contractor's breach of this Agreement.

6. PRICE

(refer clause 7 of Schedule 2)

In no event will the Price exceed NZD$360,000.00 (plus GST if any).

6.1. Fixed Price

The Contractor may invoice MPI for the Fixed Price in clause 5.10 (Milestones) up to a total of NZD$360,000.00 (plus GST if any). Each invoice may be issued when the invoicing criteria related to that invoice has occurred to MPI's reasonable satisfaction:

7. INTELLECTUAL PROPERTY

(refer clause 16 of Schedule 2)

For the purposes of clause 16 of Schedule 2, the Parties agree that "Option B" and the "Compulsory Clauses" shall apply, but that "Option A" is deemed deleted from this Agreement.

8. LIABILITY

(refer clause 17 of Schedule 2)

The Parties agree that the reference in clause 17.4 of Schedule 2 to "$1,000,000" shall be deemed deleted and replaced with the following words: "$540,000".

9. INSURANCE

9.1. Required Insurance

(refer clause 18 of Schedule 2)

The Contractor must ensure it has the following insurance policies in place at all times during, and for at least three years after, the term of this Agreement:

Policy Type	Minimum Cover
Professional Indemnity	£5 Million in the aggregate

10. GENERAL

10.1. Approved Subcontractors

(refer clause 10 of Schedule 2)

Pursuant to clause 10.1 of Schedule 2, subject to the following conditions MPI approves the Contractor's use of the following subcontractors for the following Services:

Subcontractor	Service
Plant and Food Research (PFR)	PFR staff will be responsible for locating *P. psidii* material for antibody generation, for organizing ring testing, and for demonstrating the LFD to MPI. PFR staff have a number of established relationships that will allow them to quickly locate *P. psidii* samples. s 9(2)(a) will manage the sourcing of isolates and ring tests. s 9(2)(a) has long experience in development of DNA diagnostic tools in agriculture and biosecurity, including for MPI. These have included projects requiring international ring-testing of new tools. s 9(2)(a) is currently involved in Better Border Biosecurity

Subcontractor	Service
	(B3) and PBCRC projects that involve development of new diagnostic technologies and communication to MPI. s 9(2)(a) has long term relationships with Australian researchers such as s 9(2)(a) and s 9(2)(a), and is the head of the PBCRC Research Program 2 – Effective Detection and Response, so has an excellent overview of Myrtle Rust research underway in Australia. s 9(2)(a) also leads a PBCRC research project that currently involves ring testing and delivery of a DNA diagnostic tool to SPHDs. s 9(2)(a) has experience with rust research and has recently supervised a student on a myrtle rust project. During this projec s 9(2)(a) made a number of contacts with myrtle rust researchers in Hawaii and South America.
Mologic Ltd	Mologic will manage the development of the LFD kit. Mologic are equipped and ISO9001/13485 accredited for the development and manufacture of Lateral flow devices (LFD). Mologic currently has the capability to manufacture up to 10,000 devices per week.

10.2. Specific Authorisations

(clause 12 of Schedule 2)

The Contractor will ensure that all consents, approvals, licences and permits required to carry out the Research Project are obtained and kept up-to-date, including any special ethical regulatory requirements, statutory consents, appropriate ethics committee approvals, Environmental Risk Management Authority approvals, Environmental Protection Agency approvals, and informed consents (if a person is the subject of any research undertaken as part of the Research Project).

11. SPECIAL PROVISIONS

11.1. Future Research

Subject to compliance with MPI's procurement obligations and provided MPI is reasonably satisfied with the Contractor's performance of the Research Project, where MPI requires any further research work associated with the Research Project MPI may contract for that research with the Contractor.

11.2. Changes to Schedule 2 – General Terms

Definition for Deliverables	the word "including" is removed
Definition for Extraordinary event	Inclusion of "or" after a)
Definition for Milestone	remove "whether or not" and replace with "and described as Milestones".
Definition for Serendipitous IP	Amended to read: Serendipitous IP means all Developed IP as a direct result of performing this agreement that does not form part of the Services or Deliverables and that the Contractor is not required to provide to MPI under this Agreement.
Clause 4.1 (a) and (b)	Addition of "reasonable" before satisfaction and before requests and before satisfaction in the last sentence. Add "subject to clause 8" in the last sentence.

Clause 5.3 a) i)	is replaced with "promptly with due diligence, reasonable care and skill;
Clause 5.3 a) iii)	Add "reasonable" before satisfaction
Clause 5.3 b)	Add "the contractor will use reasonable endeavours to ensure" at the start of the clause
Clause 5.4 a)	Delete "other reporting obligations"
Clause 5.4 f)(i)	Not applicable
Clause 9.4	Deleted
Clause 9.5	Deleted
Clause 10.4	Deleted
Clause 12.1	Deleted
Clause 14.2	Delete "in New Zealand" at the end of the sentence.
Clause 16.9	Delete the sentence "and at MPI's request will enter into good faith negotiations for the grant to MPI of a licence to use the Serendipitous IP.
Clause 17.2	Remove the exceptions d and h
Clause 19.8	Is replaced with "Any arbitration will be determined by a sole arbitrator (being a New Zealand resident). If the parties cannot agree on an arbitrator within five Business Days of the giving of the Arbitration Notice, the arbitrator will be appointed by the President of the Law Society of New Zealand or his/her nominee. The arbitration will be conducted in accordance with the Arbitration Act 1996. Schedule 2 of that Act applies to the arbitration, except for clauses 4 and 5 of Schedule 2. The award in the arbitration will be final and binding."
Clause 20.2	Amend to 60 days' notice
Clause 24	Clauses 24.2 through to clause 24.8 are deemed deleted.
Clause 27.11	Replaced with "This Agreement, and its formation, are governed by New Zealand law. In respect of claims to which clause 19.7 does not apply, the Parties submit to the non-exclusive jurisdiction of the New Zealand courts. Nothing in this clause is intended to prevent any party seeking, in any other court, orders granting interim relief in support of proceedings brought or to be brought before a New Zealand court. The Contractor waives any objections to New Zealand as the forum for proceedings on the grounds of forum non conveniens or any similar grounds.

Ministry for Primary Industries
Manatū Ahu Matua

Growing and Protecting New Zealand

MPI MODEL SERVICES AGREEMENT (MEDIUM FORM)

SCHEDULE 2: GENERAL TERMS

TABLE OF CONTENTS

1. DEFINITIONS

In this Agreement, unless the context requires otherwise:

Agreement means this agreement including all schedules, annexes, appendices and attachments.

Business Day means any day not being a Saturday or Sunday, a public holiday observed in Wellington, or the period from 26 to 31 December each year.

Commencement Date means the commencement date for this Agreement as specified in Schedule 1.

Contractor's Contract Manager means the person identified in Schedule 1 under the heading Contact Details.

Contractor's Technical Liaison means the person identified in Schedule 1 under the heading Contact Details.

Confidential Information includes the terms of this Agreement and any information exchanged during the negotiation of this Agreement, and, in relation to each Party, means information provided by, obtained from, or relating to that Party, that becomes known to the other Party under or in connection with this Agreement, which:

a) is specified in Schedule 1 as being confidential;

b) is by its nature confidential;

c) is marked as 'confidential', 'in confidence', 'restricted', 'commercial in confidence' or with a similar designation;

d) is provided in confidence;

e) the other Party knows or ought to know is confidential; or

f) is commercially sensitive to that Party.

Conflict of Interest in relation to the Contractor means any conflict of the Contractor's interests or obligations with its responsibilities under this Agreement and in providing the Services such that the Contractor's independence, objectivity or impartiality can be called into question. A conflict of interest may be:

a) actual: where the conflict currently exists;

b) potential: where the conflict is about to happen, or could happen, or

c) perceived: where other people may reasonably think that a person is compromised.

Control means the power to directly or indirectly manage the operation of the Contractor's business or control the composition of the Contractor's board of directors or board of management.

Deliverables means any tangible outputs of the Services, including as specified in this Agreement.

Developed IP means any Intellectual Property developed or discovered by the Contractor in the course of performing this Agreement.

End Date means (subject to clause 4.1) the earlier of the end date set out in Schedule 1, or if applicable the date of effective termination of this Agreement.

Extraordinary Event means an event beyond the reasonable control of the Party immediately affected by the event, including:

a) in the case of the Contractor, anything deemed to be an Extraordinary Event in Schedule 1;

b) acts of God, lightning strikes, earthquakes, tsunamis, volcanic eruptions, floods, storms, explosions, fires, pandemics and any natural disaster;

c) acts of war (whether declared or not), invasion, actions of foreign enemies, military mobilisation, requisition or embargo;

d) acts of public enemies, terrorism, riots, civil commotion, malicious damage, sabotage, rebellion, insurrection, revolution or military usurped power or civil war; and

e) contamination by radio-activity from nuclear substances or germ warfare or any other such hazardous properties.

GST means goods and services tax payable at the applicable rate pursuant to the Goods and Services Tax Act 1985.

Intellectual Property Rights includes copyright and all rights conferred under statute, common law or equity in relation to inventions (including patents), registered or unregistered trade marks and designs, circuit layouts, data and databases, confidential information, know-how, and all other rights resulting from intellectual activity.

Key Personnel means the people described as such in Schedule 1.

MPI's Contract Manager means the person identified in Schedule 1 under the heading Contact Details.

MPI's Technical Liaison means the person identified in Schedule 1 under the heading Contact Details.

Milestone means, as the context requires, all or any of the obligations in Schedule 1 which the Contractor is obliged to perform by a specified date or within a specified period, whether or not described as "milestones".

Parties means MPI and the Contractor, and **Party** means either of them.

Personnel of any person, means all individuals directly or indirectly engaged by that person. Examples include: directors, employees, contract staff, agents, consultants, specialists, support staff and co-opted or seconded staff.

Pre-Existing IP means all Intellectual Property in existence at the Commencement Date or created outside the scope of this Agreement.

Price means the price payable by MPI, including expenses (if any), as specified in clause **Error! Reference source not found.** of Schedule 1.

Serendipitous IP means all Developed IP that does not form part of the Services or Deliverables and that the Contractor is not required to provide to MPI under this Agreement.

Services means services described in clause **Error! Reference source not found.** of Schedule 1 and/or otherwise supplied by the Contractor under or in relation to this Agreement.

Tax Invoice means a tax invoice as defined in the Goods and Services Tax Act 1985.

Term has the meaning given in clause 4.1.

2. INTERPRETATION

In this Agreement, unless the context requires otherwise:

a) to the extent that there is any conflict or ambiguity between the two Schedules, Schedule 2 will take priority unless Schedule 1 expressly states otherwise. If any other part of this Agreement is contrary to or inconsistent with any other part of this Agreement, then Schedule 2 will prevail;

b) headings are for guidance only and do not affect interpretation;

c) the singular includes the plural and vice versa;

d) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;

e) any references:

(i) to this Agreement, means this Agreement as amended from time to time and includes all attachments to this Agreement and any document incorporated into this Agreement by reference,

(ii) to a clause, is a reference to a clause of the Schedule in which the reference is contained, and

(iii) to a schedule or attachment, are references to a schedule or attachment of this Agreement;

f) subject to clause 25, anything that this Agreement requires to be done in writing, may be done by email;

g) references to Dollars or $ are references to the lawful currency of New Zealand;

h) references to monetary amounts are exclusive of GST (if any);

i) a reference to any statute, regulation, or expression of government policy includes any amendments, re-enactments or replacements of that statute, regulation, or expression of government policy from time to time;

j) reference to a person includes:

(i) a company, body of persons (corporate or unincorporate) or any state, regional or local government body or agency; and

(ii) that person's representatives, successors and assigns;

k) "including", "includes", "in particular", "for example" or similar words do not imply any limitations;

l) no rule of construction applies to the disadvantage of MPI on the basis that MPI put forward this Agreement or any part of it; and

m) references to time mean New Zealand standard time.

3. ENTERING THIS AGREEMENT

3.1. Each Party represents and warrants that it is authorised to enter into and perform its obligations under this Agreement.

3.2. The Contractor represents that, except as specified in Schedule 1, all information relating to the Services that was provided by the Contractor to MPI prior to MPI's execution of this Agreement, including in any proposal or presentation by the Contractor, is accurate, complete and true. The Contractor acknowledges that MPI is entering into this Agreement in reliance on such information.

4. COMMENCEMENT AND TERM

4.1. This Agreement commences on the Commencement Date and, unless terminated in accordance with this Agreement, will remain in force until the close of the End Date at which time it shall automatically expire, provided that:

a) if the Services have not been completed to the satisfaction of MPI by that date; and

b) MPI's Technical Liaison requests the continuation of this Agreement,

then this Agreement will continue, at no additional charge to MPI, until the Services have been completed to the satisfaction of MPI (the "**Term**").

4.2. MPI will not be liable to pay the Price for any Services provided before the Commencement Date, but may choose to at its discretion.

5. PROVISION OF THE SERVICES

Obligations of both Parties

5.1. Both Parties agree to:

a) act in good faith in all matters relating to this Agreement and, without abandoning their own interests, to demonstrate honesty, integrity, openness, reasonableness, and accountability in their dealings with each other; and

b) discuss matters affecting this Contract or the delivery of the Services, whenever necessary.

The Contractor's obligations

5.2. The Contractor will supply to MPI the Services on the terms and conditions of this Agreement.

5.3. The Contractor will ensure that:

a) the Services and Deliverables are provided:

(i) promptly with due diligence, care and skill;

(ii) by appropriately trained, qualified, experienced and supervised persons; and

(iii) to MPI's satisfaction and meeting the requirements set out in this Agreement and as reasonably specified by MPI in writing from time to time;

b) all information it provides as part of the Services or Deliverables is factually correct and contains no material omissions; and

c) all documentation provided as part of the Services or Deliverables is clear, concise, written in plain English, consistent in style and format, and error free.

5.4. The Contractor must:

a) provide MPI with all information relating to the Services as requested by MPI from time to time, and provide the information immediately if the information is required by MPI to comply with its statutory, parliamentary or other reporting obligations;

b) consult with and keep MPI informed about all aspects of the Services as appropriate or as reasonably required by MPI;

c) notify MPI promptly of any actual or anticipated issues that could:

(i) significantly impact on the Services or the Price; or

(ii) receive media attention.

d) provide all equipment and resources necessary to provide the Services (unless or to the extent otherwise specified in Schedule 1);

e) comply with the Standards of Integrity and Conduct issued by the State Services Commission (see www.ssc.govt.nz);

f) deliver the Services in a manner that:

(i) is culturally appropriate for Maori, Pacific and other ethnic or indigenous groups, and

(ii) respects the personal privacy and dignity of all participants and stakeholders;

g) advise MPI of any change to the criminal record of the Contractor or its Personnel during the term of this Agreement;

MPI's obligations

5.5. MPI must:

a) subject to clause 9.2, allow the Contractor's Personnel access to MPI's premises as reasonably required for the purpose of providing the Services;

b) provide the Contractor with any information it has reasonably requested to enable the delivery of the Services; and

c) make within reasonable timeframes all decisions and give approvals reasonably required by the Contractor to enable the delivery of the Services.

6. MILESTONES

6.1. The Contractor agrees that meeting its Milestones is a fundamental term of this Agreement such that a failure to do so is a breach having a material effect for the purpose of clause 20.3 and therefore agrees to meet those Milestones, except only to the extent it is:

a) unable to do so due to an Extraordinary Event or MPI's breach of this Agreement; or

b) expressly instructed to do otherwise in writing by the MPI Technical Liaison.

6.2. If the Contractor anticipates any delay (for any reason) in the achievement of any of its Milestones, it will give MPI's Technical Liaison written notice of the anticipated delay as soon as is reasonably practicable.

6.3. If MPI reasonably believes that the progress of the Contractor has slipped significantly from the timetable required to meet any Milestone, MPI may give written notice to that effect to the Contractor. Such notice must specify the reason for such belief and the changes that MPI reasonably believes are necessary (including changes to the timetable or any Personnel or other resources provided by either Party under this Agreement) to achieve an expeditious return to meeting the Milestone. Within three Business Days of such notice, the Contractor will notify MPI's Technical Liaison in writing whether it will implement such changes and, if not, why not.

7. PRICE AND PAYMENT

7.1. The Price specifies the total amount payable by MPI for the provision of the Services. MPI will only be liable for expenses incurred by the Contractor that are expressly included in and incurred in accordance with Schedule 1. All other costs, disbursements and other expenses incurred by the Contractor in relation to this Agreement are included in the Price.

7.2. Unless provided otherwise in Schedule 1, the Contractor will invoice its charges to MPI on or by the 5th Business Day following the month in which Services were provided. If the Contractor fails to provide MPI with an invoice within 6 months of the agreed date for invoicing, the Contractor is deemed to have waived any right to that payment from MPI.

7.3. Each Tax Invoice submitted by the Contractor (whether submitted monthly or otherwise) will be sent to MPI's Technical Liaison and include sufficient details to enable MPI to identify:

a) the Agreement number (if any);

b) the particular Services which are the subject of the invoice and the period during which those Services were provided;

c) the relevant charges;

d) in respect of any charges calculated on the basis of time spent, the basis (including relevant hours worked, and rates) upon which the charge is based; and

e) full details of any expenses.

7.4. Subject to clause 7.5, MPI will pay by the 20th day of the month the Contractor's Tax Invoices received on or before the 5th Business Day of that month. All payments by MPI will be deemed to have been made in Wellington, New Zealand. Payment by MPI is not evidence that the Services to which the invoice relates have been provided in accordance with this Agreement.

7.5. If MPI has a bona fide dispute in relation to all or any portion of any Tax Invoice, whether in relation to the performance of the Services, the accuracy of the Tax Invoice or otherwise, MPI may withhold payment of the amount subject to the dispute, provided that:

a) MPI will pay the undisputed amount when it becomes due and payable; and

b) the Contractor will continue to perform its obligations under this Agreement while the dispute is resolved.

7.6. Where the Price is based on the time spent providing the Services, the Contractor will complete the applicable Services in the minimum possible time consistent with its other obligations under this Agreement. The Contractor will provide MPI with all information MPI may require to check the time spent, the rate charged and the overall computation of the time based charges. MPI will not be required to make payment of any time based charges for which the Contractor is unable to provide appropriate timesheets, third party invoices and any other reasonable supporting documentation.

7.7. If required under tax legislation, MPI may make any deduction or withholding ("**Withholding**") from any payment due to the Contractor and will, on request, provide the Contractor with documentary evidence that the Withholding was accounted for by MPI to the relevant tax authority, in which case the Price will be deemed to have been fully paid by MPI where the balance of the Price has been paid to the Contractor (subject to MPI's rights under this Agreement, including under clause 7.5).

8. REMEDIATION OF FAULTS

8.1. Where MPI reasonably considers there is or has been a breach in the performance of the Services or a defect in a Deliverable (a "**Fault**"), and that the Fault is reasonably capable of being remedied by the Contractor, then the MPI Contract Manager may notify the Contractor in writing of the alleged Fault, the steps considered necessary to remedy the Fault, and a reasonable timeframe within which the Contractor is expected to remedy the Fault and:

a) the Contractor must within those timeframes and at its own cost take all steps reasonably necessary to remedy the Fault and prevent it from recurring including any steps notified to the Contractor by MPI's Contract Manager; or

b) where the Contractor considers there is no Fault, or that there is a Fault but that the Contractor has already taken steps reasonably necessary to remedy it, the Contractor must within those timeframes notify MPI's Contract Manager accordingly within the timeframes specified in MPI's notice.

8.2. If at the end of the timeframe specified in MPI's notice under clause 8.1 MPI still considers that a Fault exists then the MPI Contract Manager, in his or her discretion, may do one or more of the following things:

a) waive in whole or in part any specified single instance of a Fault;

b) depending on the nature or magnitude of the Fault/s, withhold, either wholly or partially, any invoiced payment applicable to the Service or Deliverable to which the Fault/s relate(s);

c) where no payments have yet been invoiced by the Contractor, then depending on the nature and magnitude of the Fault/s, withhold, either wholly or partially, any future payment applying to any Services or Deliverables to which the Fault relates.

8.3. MPI's use of the process under this clause is without prejudice to any other rights or remedies it may have, including under clauses 19 and 20, including in respect of ongoing or future instances of Faults.

9. PERSONNEL

9.1. The Contractor must ensure that the Key Personnel, if any, listed in Schedule 1 undertake such roles in respect of the Services as may be specified in that Schedule, and the Contractor may not use other individuals to undertake such roles except to the extent they are unavailable due to sickness, death, authorised leave, or ceasing to be employed by, or under contract to, the Contractor. The Contractor must as soon as possible advise MPI of any such unavailability, and propose a similarly qualified and experienced replacement. MPI may immediately terminate this Agreement on written notice to the Contractor if a replacement is not proposed in accordance with this clause or if MPI reasonably believes that the proposed replacement is unsuitable.

9.2. MPI may give notice on reasonable grounds related to the performance of the Services requiring the Contractor to remove one or more Personnel (including Key Personnel) from work in respect of the Services. The Contractor must at its own cost promptly arrange for the removal of such Personnel from work in respect of the Services and their replacement with similarly qualified and experienced Personnel reasonably acceptable to MPI. If the Contractor is unable to provide acceptable replacement Personnel MPI may immediately terminate this Agreement.

9.3. All Personnel of the Contractor performing Services will be under the exclusive direction and control of the Contractor. Neither the Contractor nor any of its Personnel will be considered employees of MPI. The Contractor indemnifies MPI against any taxes, levies, penalties, damages or compensation which MPI may be liable to deduct, withhold or pay by reason of any of the Contractor's Personnel being held to be MPI employees.

9.4. MPI may from time to time, by notice in writing to the Contractor, notify the Contractor of and request compliance in relation to this Agreement with any service, security, health and safety, confidentiality or other code, policy, procedure or requirement of MPI in relation to the Services ("**Policies and Procedures**"). The Contractor will comply with the Policies and Procedures and will:

a) provide copies of the Policies and Procedures to its Personnel involved in providing the Services;

b) ensure that such Personnel comply with the Policies and Procedures at all times in relation to the Services;

c) as requested by MPI, ensure all such Personnel sign acknowledgements that they will so comply with any Policies and Procedures, and promptly deliver these acknowledgements to MPI; and

d) notify MPI if it becomes aware of any material breach by any such Personnel of any Policy and Procedure and, if reasonably required by MPI, take appropriate, lawful disciplinary action against the Personnel in breach.

If compliance with any of the Policies and Procedures results in the Contractor incurring costs which it could not reasonably have anticipated prior to it executing this Agreement, then the Contractor may within one month of MPI's request for compliance with the relevant Policies and Procedures notify MPI of such costs and may invoice MPI for those costs as reasonably incurred after the date of such notice.

9.5. Without limiting the generality of clause 12.1, each Party must, in connection with the performance of its obligations and the exercise of its rights under this Agreement, comply with its obligations under the Health and Safety in Employment Act 1992. The Contractor must promptly notify MPI in writing once it is aware, in respect of any MPI premises to which the Contractor's Personnel have access in connection with the provision of Services, that:

a) a hazard may or does exist, or a situation may arise or has arisen where any person may not be safe or harm may result to any person; and/or

b) an accident or serious harm to any person has occurred (in which case the Contractor must promptly notify MPI of the preventative action taken or proposed).

10. SUBCONTRACTORS

10.1. The Contractor may not subcontract any of its obligations under this Agreement except where:

a) it has MPI's prior written approval; or

b) MPI has approved the subcontractors and/or particular services to be subcontracted as specified in Schedule 1.

MPI will not unreasonably withhold its approval for the use of subcontractors.

10.2. The Contractor must ensure that:

a) each subcontractor is fully aware of the Supplier's obligations under this Agreement to the extent necessary in order for the subcontractor to properly perform its obligations;

b) each subcontract it enters into is either approved by MPI in writing or is on terms that are consistent with this Agreement, to the extent relevant and material for the performance of the subcontractor's obligations; and

c) each subcontract restricts the ability of the subcontractor to further subcontract its obligations without first obtaining MPI's consent.

10.3. The Contractor will not be relieved of any of its liabilities or obligations under this Agreement by entering into any subcontract.

10.4. If a subcontractor has failed to deliver any aspect of the Services being subcontracted as approved under this Agreement and the failure cannot be remedied, MPI may, by notice to the Contractor, require the Contractor to terminate that subcontract immediately. MPI will not be liable for any losses or costs of the Contractor associated with such termination.

10.5. The Contractor will ensure that its contract with each approved subcontractor will contain the same rights as found in clause 24, and that those rights are directly enforceable by MPI against the subcontractor pursuant to the Contracts (Privity) Act 1982.

11. CONFLICTS OF INTEREST

11.1. The Contractor:

a) warrants that as at the Commencement Date, it has no Conflict of Interest other than any Conflict of Interest declared in Schedule 1; and

b) must do its best to avoid situations that may lead to any Conflict of Interest arising during the Term.

11.2. The Contractor must immediately notify MPI in writing of any matter, event or circumstance that gives rise to any Conflict of Interest. If a Conflict of Interest does arise the Parties must discuss, and then, without prejudice to MPI's rights under clause 20.4, endeavour to agree and record in writing, how it will be managed.

11.3. The Contractor will use all reasonable endeavours to minimise the impact on MPI of any Conflict of Interest. Each Party must pay their own costs in relation to managing a Conflict of Interest.

12. COMPLIANCE WITH LAWS

12.1. The Contractor will ensure that in performing its obligations under this Agreement it will comply with all relevant laws, regulations, and codes and standards of practice in New Zealand and any other relevant jurisdiction.

12.2. Except as specified in Schedule 1 or agreed in writing by MPI, the Contractor is responsible for ensuring that every necessary and prudent authorisation (including consents, permits and licences) is obtained to allow the Contractor to perform its obligations under this Agreement, including in relation to performance carried out on MPI premises.

13. VARIATIONS

13.1. This Agreement may only be varied in accordance with clause 26.3 of Schedule 2 (each a "**Variation**"). Either Party may at any time in writing request a Variation ("**Variation Request**"). MPI will have no liability for any changes to the Services or Deliverables that are not agreed in a Variation.

13.2. Within 10 Business Days of receiving a Variation Request from MPI, and together with each Variation Request from the Contractor, the Contractor will at no cost to MPI provide MPI with a written statement in relation to each Variation Request (the "**Impact Statement**") setting out:

a) the effect that the proposed Variation will have on the Services, Deliverables, Prices and other provisions of this Agreement; and

b) if requested by MPI, a draft Variation.

13.3. The Contractor will:

a) negotiate each Variation Request from MPI in good faith;

b) ensure that each document recording a Variation is, as far as is reasonably appropriate in the circumstances, consistent with the terms of this Agreement;

c) ensure that any new Price under the Variation is reasonable, competitive, directly related to the Variation;

d) use its best endeavours to mitigate the Price for any Services that are no longer required as a result of the Variation; and

e) not impose any unreasonable impacts, consequences, conditions or requirements in relation to any Variation.

13.4. Within ten Business Days of receiving an Impact Statement and draft Variation from the Contractor, MPI will notify the Contractor whether it wishes to accept, decline or negotiate the draft Variation.

13.5. Unless expressly agreed in writing to the contrary, it will be an implied term in every Variation that the variation will not prejudice any rights or obligations under this Agreement except to the extent that such rights or obligations are expressly amended by the Variation.

14. CONFIDENTIALITY

14.1. Each Party will keep confidential and secure and not use or disclose to any third party any of the other Party's Confidential Information except:

a) to its professional advisers or Personnel directly concerned with the implementation or operation of this Agreement and to the extent necessary for performing its obligations under this Agreement;

b) as required by law, court order, other legal obligation, or Ministerial request, or parliamentary rules or convention;

c) under the Official Information Act 1982;

d) to the extent necessary to subcontract to parties as approved by MPI in accordance with this Agreement;

e) where the information subsequently becomes part of the public domain through no fault of the Party receiving the information;

f) in accordance with any procurement rules or guidance endorsed by Cabinet; or

g) with the prior written consent of the other Party.

14.2. Except as expressly agreed by MPI in writing, the Contractor must retain all of MPI's Confidential Information in New Zealand.

14.3. Should a request be made to either Party for information that is confidential to the other Party in accordance with clause 14.1(c), the Party to whom the request is made will notify the other Party as soon as practicable. Such notice will outline the information subject to the request, and allow the Party being notified a reasonable opportunity to provide comment on whether, in its opinion, there are good (or conclusive) reasons for withholding any or all of the information sought.

14.4. Without limiting any specific privacy obligations specified in Schedule 1, the Contractor will comply with the Privacy Act 1993 when performing Services under this Agreement, and will not disclose any personal information acquired in the course of performing this Agreement to any person other than MPI, or the individual to whom the information relates, except with MPI's consent or in accordance with the Privacy Act 1993.

14.5. Each Party acknowledges that a breach of any obligation of confidence under this Agreement may cause the other Party irreparable damage for which monetary damages would not be an adequate remedy. Accordingly, in addition to any claim for damages and any other remedies available at law or equity, the non-breaching Party may seek specific performance or injunctive relief against any breach or threatened breach by the other Party, its Personnel, agents or contractors of this clause 14. Each Party undertakes to

provide the other Party with any assistance possible in any such action against any of that first Party's Personnel, agents or contractors.

15. MEDIA RELATIONS

15.1. The Contractor must obtain MPI's prior written approval before making any public reference to MPI or this Agreement, including in the Contractor's publications, public statements, promotional material or promotional activities.

15.2. Neither Party may post on websites, social networking sites or publicly display objectionable or derogatory comments about the Services, this Agreement, each other, or any of their Personnel.

15.3. The Contractor will refer any enquiries from the media or any other person about the terms or performance of this Agreement to the MPI Contract Manager. If the MPI Contract Manager cannot be contacted, the Contractor will instead contact the person holding the office of MPI National Procurement and Contracts Manager.

16. INTELLECTUAL PROPERTY

16.1. For the purposes of Schedule 1, the applicable Intellectual Property clauses are: (i) the Compulsory Clauses below, and (ii) either Option A or Option B below, and in the event that Schedule 1 does not specify Option A or Option B, then Option A will apply.

The following clauses 16.2 to 16.6 inclusive are collectively "Option A" for the purposes of Schedule 1:

16.2. Notwithstanding any other provision of this Agreement, all Pre-Existing IP will remain the property of its owner.

16.3. Other than Serendipitous IP, the ownership of all Developed IP will vest directly in MPI on its creation. To the extent ownership does not so vest, the Contractor irrevocably assigns such ownership to MPI.

16.4. The ownership of all Serendipitous IP will vest directly in the Contractor on its creation. The Contractor will promptly notify MPI upon the creation of any Serendipitous IP, and at MPI's request will enter into good faith negotiations for the grant to MPI of a licence to use the Serendipitous IP.

16.5. The Contractor grants MPI a non-exclusive, worldwide, royalty free, perpetual, irrevocable and sub-licensable licence to use, copy, distribute, sub-licence, reproduce, modify, adapt, publish, transmit, translate, create derivative works from, display and perform, whether publicly or otherwise any and all Pre-Existing IP provided by the Contractor under this Agreement for the purpose of enabling MPI to properly receive the Services, use the Deliverables, and otherwise obtain the benefit of this Agreement, except to the extent alternative licence terms for that Intellectual Property are agreed in Schedule 1.

16.6. MPI may take such steps as it deems necessary to register or protect its Intellectual Property under clauses 16.2 or 16.3 and in respect of Intellectual Property under clause 16.3 the Contractor will, at MPI's expense, provide such assistance as is necessary to allow MPI to do so.

The following clauses 16.7 to 16.10 inclusive are collectively "Option B" for the purposes of Schedule 1:

16.7. For the purposes of this clause 16, "commercialisation" of Developed IP means any activity engaged in by a person to commercially exploit Developed IP for financial reward, either acting through a third party or in its own right and will include:

a) transferring Developed IP rights by sale or licence or in any other manner; and

b) the sale of any product where:

(i) the development of that product has been materially assisted by the use of any or all Developed IP; or

(ii) the product is substantially similar to all or a material portion of the Developed IP.

16.8. Notwithstanding any other provision in this Agreement, all Pre-Existing IP will remain the property of its owner.

16.9. Despite section 26 of the Copyright Act 1993, the ownership of all Developed IP will on its creation vest directly in the Contractor. The Contractor will promptly notify MPI upon the creation of any Serendipitous IP, and at MPI's request will enter into good faith negotiations for the grant to MPI of a licence to use the Serendipitous IP.

16.10. The Contractor grants MPI a non-exclusive, worldwide, royalty free, perpetual, irrevocable and sub-licensable licence to use, copy, distribute, sub-licence, display, reproduce, modify, adapt, publish, transmit, translate, create derivative works from, display and perform, whether publicly or otherwise any and all Developed IP, and Pre-Existing IP provided by the Contractor, for the purpose of enabling it to properly receive the Services, use the Deliverables, and otherwise obtain the benefit of this Agreement.

The following clauses 16.11 to 16.14 inclusive are collectively the "Compulsory Clauses" for the purposes of Schedule 1.

16.11. The Contractor warrants that:

a) the Contractor's provision of the Services; and

b) MPI's use of the Services and Deliverables in accordance with this Agreement,

will not infringe the rights, including the Intellectual Property Rights, of any person.

16.12. The Contractor indemnifies MPI from any costs, loss, expenses (including legal costs), damage or liability incurred by MPI arising out of or in connection with any third party claim that, if true, would cause the Contractor to be in breach of clause 16.11 (each a "**Claim**").

16.13. In the event of any Claim, MPI will:

a) promptly notify the Contractor in writing of the Claim;

b) not make any admission or purport to settle the Claim without the Contractor's prior written consent, which will not be unreasonably withheld or delayed; and

c) subject to receiving the Solicitor-General's consent, at the Contractor's request and expense:

(i) allow the Contractor to conduct and/or settle all negotiations and litigation resulting from the Claim, provided that MPI will be entitled to be represented at, and be consulted on, all such negotiations and litigation; and

(ii) provide reasonable assistance with such negotiations or litigation by the Contractor.

16.14. If any Claim prevents or threatens to prevent the Contractor's provision, or MPI's use, of any Service or Deliverable, then the Contractor must within two months of becoming aware of the Claim:

a) obtain the right to continue that provision or use;

b) modify the Service or Deliverable so it becomes non-infringing; or

c) replace the Service or Deliverable with another non-infringing item,

provided that the Contractor must ensure that the remedy does not materially affect such provision or use of the Service or Deliverable.

17. LIABILITY OF THE PARTIES

17.1. The Contractor will be liable to MPI for the acts, defaults and omissions of its Personnel, agents and subcontractors, as fully as if they were the acts, defaults or omissions of the Contractor.

17.2. Under no circumstances will either Party be liable to the other Party under or in connection with this Agreement for any:

a) indirect damages, meaning damages that are not a direct, natural or probable consequence of the act or omission complained of; or

b) loss of business, opportunity, income, savings, or profit,

provided that this clause does not exclude any liability relating to any:

c) third party claims for negligence;

d) business interruption;

e) work around or recovery from a Service or Deliverable failure;

f) reperformance of a Service or replacement of a Deliverable;

g) breach of clause 14 (Confidentiality) or 16 (Intellectual Property); or

h) fines or penalties.

17.3. MPI's liability to the Contractor arising under or in connection with this Agreement in relation to any event or series of related events will be limited to the amount actually paid to the Contractor under this Agreement during the 12 month period immediately prior to the event or last in a series of related events.

17.4. The Contractor's liability to MPI or obligation to indemnify MPI arising under or in connection with this Agreement in relation to any event or series of related events will be limited to $1,000,000 or any other sum agreed by the Parties in Schedule 1, provided that this clause will not limit the Contractor's liability in relation to:

a) any damage to property;

b) any unlawful or malicious act or omission;

c) its breach of clause 14 (Confidentiality); or

d) its breach of clause 16.11.

The limitations and exclusions of liability in this clause 17 apply irrespective of how liability arises, whether in contract, equity, tort (including negligence), statutory duty or otherwise.

18. INSURANCE

18.1. The Contractor must effect and maintain insurance with a reputable insurer sufficient to cover its obligations under this Agreement for the Term and for three years after, including but not limited to its liabilities and indemnities under this Agreement.

18.2. Without limiting clause 18.1, the Contractor must effect and maintain during the term any insurance cover of the type and to the level specified in Schedule 1.

18.3. The Contractor must, on request, provide MPI with sufficient evidence of its insurance cover in relation to this Agreement.

19. DISPUTES

19.1. Except where a Party seeks urgent interlocutory relief, injunction, or specific performance, or has terminated this Agreement, neither Party may commence court proceedings against the other without the relevant Party first having lodged a Dispute Notice under this clause 19 and each Party having complied with clauses 19.2 to 19.6 inclusive.

19.2. Where any dispute, disagreement, question or difference (a "**Dispute**") arises between the Parties on any matter arising out of this Agreement, either Party (the "**Initiator**") may notify the other Party (the "**Recipient**") in writing of the Dispute (the "**Dispute Notice**"). The Dispute Notice must specify the Initiator's:

a) view of the facts of the Dispute;

b) legal position on the Dispute;

c) its suggestion for resolving the Dispute; and

d) representative authorised to resolve the Dispute.

19.3. The Recipient must respond to the Dispute Notice within five Business Days of receiving it. The Recipient's response must specify its:

a) view of the facts of the Dispute;

b) legal position on the Dispute;

c) its suggestion for resolving the Dispute; and

d) representative authorised to resolve the Dispute.

19.4. The Parties will enter into negotiations to resolve the Dispute within five Business Days of the Initiator receiving the Recipient's response.

19.5. Where the Parties are unable to negotiate a resolution to the Dispute within 20 Business Days of the Recipient's receipt of the Dispute Notice (or such other time as the Parties agree in writing), then clause 19.6 will apply.

19.6. The Parties will use best efforts to agree on a mediator and a fee for that mediator. However, if the Parties cannot agree within five Business Days of the expiry of the timeframe referred to in clause 19.5, the mediator will be selected, and the mediator's fee determined, by the Chair for the time being of the organisation known as LEADR New Zealand Inc (or his/her nominee). Mediation will be conducted in all respects in accordance with the LEADR New Zealand Inc. standard mediation agreement, and the Parties will use their best efforts to ensure that mediation is commenced and conducted expeditiously.

19.7. Where mediation does not resolve the Dispute within 10 Business Days of mediation commencing, or if either Party fails to comply with clauses 19.2 to 19.6 inclusive, then without prejudice to each Party's right to commence court proceedings the Parties may agree to commence arbitration proceedings in accordance with the provisions of the Arbitration Act 1996.

19.8. The Parties agree that any mediation or arbitration which the Parties are required to attend shall be conducted in Wellington, New Zealand.

19.9. Pending settlement of the Dispute, the Parties will continue to perform their obligations under this Agreement as far as is practicable as if the Dispute had not arisen.

20. TERMINATION

20.1. Where either Party has a right to terminate this Agreement, that right shall be deemed to include at that Party's option the right to (i) terminate any severable part of this Agreement, and (ii) temporarily suspend in whole or in part the operation of this Agreement. In each case, the exercise of such a right is without prejudice to that Party's right to later terminate this Agreement in its entirety.

20.2. If the Term of this Agreement is 3 months or greater, MPI may terminate this Agreement by giving 20 Business Days' written notice to the Contractor.

20.3. Either Party may terminate this Agreement, immediately on written notice to the other Party, where the other Party commits a breach of this Agreement that:

a) is not capable of being remedied (in the reasonable opinion of the terminating Party) and has a material adverse effect on the terminating Party; or

b) is capable of being remedied, but has not been remedied to the terminating Party's reasonable satisfaction within 10 Business Days (or such longer period as the terminating Party may allow in writing) of the non-defaulting Party giving the defaulting Party written notice:

(i) stating the nature of the breach, what is required to remedy it and the time and date by which it must be remedied; and

(ii) which must be given within three months after the non-defaulting Party became aware of the breach.

20.4. MPI may terminate this Agreement immediately on written notice to the Contractor, if the Contractor:

a) becomes insolvent or bankrupt;

b) has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed;

c) becomes subject to any form of external administration;

d) becomes unable to pay its debts as they become due or is presumed to be unable to pay its debts under section 287 of the Companies Act 1993;

e) is, or will necessarily be, delayed in meeting a Milestone other than as permitted under clause 6.1;

f) is unable to perform its obligations for more than 20 Business Days due to an Extraordinary Event;

g) ceases to carry on business of the type or within the scope of which the Services fall, or if MPI is not satisfied that the Contractor's business or any aspect of it remains compatible with performance of the Services;

h) fails or is unable to rectify any deficiency in the Services uncovered by MPI as a result of an audit conducted under clause 24;

i) does something, or fails to do something, that, in MPI's opinion, results in damage to MPI's reputation or business, or the reputation or business of the New Zealand government;

j) has any Conflict of Interest that:

(i) in MPI's opinion is so material as to impact adversely on the delivery of the Services, MPI or the New Zealand government;

(ii) the Contractor failed to notify MPI of; or

(iii) in MPI's opinion, the Contractor is unable or unwilling to resolve or deal with as required by MPI acting reasonably;

k) assigns this Agreement other than in accordance with clause 27.7, or is subject to a change of Control; or

l) provides information to MPI that is misleading or inaccurate in any material respect.

20.5. MPI may terminate this Agreement:

a) on the giving of one month's notice in writing to the Contractor in the event that MPI undergoes a merger, amalgamation, restructuring, or other form of organisational change which results in the Services:

(i) no longer being reasonably required;

(ii) no longer being within the strategic mandate of MPI; or

b) immediately by giving notice to the Contractor that there has been a change in government policy or a change in appropriation under the Public Finance Act 1989; or

c) as provided for in clause 9.1 and clause 9.2.

21. EFFECT OF EXPIRY OR TERMINATION

21.1. On giving or receiving a notice of termination, the Contractor must:

a) stop providing the Services; and

b) immediately do everything reasonably possible to reduce its losses, costs and expenses arising from the termination of this Agreement.

21.2. On the End Date:

a) all payments outstanding or incurred prior to the End Date will become immediately due and payable on a daily pro-rata basis calculated up to the End Date;

b) MPI will only be liable to pay the Price that was due for Services or Deliverables provided before the End Date, and the Contractor will promptly provide MPI with a refund in respect of anything paid in respect of the period after the End Date;

c) each Party will on request of the other Party return to the other Party all of the other Party's property (including any Intellectual Property) and information (including Confidential Information) obtained under this Agreement, except:

i) for Intellectual Property whose license under this Agreement extends beyond the End Date; or

ii) for copies of information held for record keeping purposes only; or

iii) as otherwise permitted by this Agreement, and

d) each Party will deal with the property or information referred to in subclause (c) above in a manner reasonably requested by the other Party including (if requested by the other Party) providing a certificate from that Party's Technical Liaison to the effect that the obligation in paragraph (c) has been complied with.

21.3. All reasonable costs of returning the property of both Parties under clause 21.2 (c) and (d), will be borne by:

a) the non-terminating Party, if this Agreement was terminated under clause 20.3;

b) the Contractor, if this Agreement was terminated under clause 20.4;

c) the Party returning the property, in all other cases.

21.4. Expiry or termination of this Agreement will not:

a) prejudice any other rights and remedies of the Parties under this Agreement or otherwise provided by law; or

b) affect any part of this Agreement which expressly, or by its nature, survives termination or expiry, including clauses 14, 15, 16, 17, 18, 19, 21, 24, 25, 26 and 27.

21.5. The Contractor will, for such period as is required by MPI of up to 3 months before and after the End Date, provide all assistance and cooperation reasonably required by MPI to facilitate a smooth handover of the Services to MPI or any person appointed by MPI.

22. CONTACT PERSONS AND LIAISON

22.1. All matters or enquiries regarding the technical implementation or operation of this Agreement will be directed to MPI's Technical Liaison or the Contractor's Technical Liaison.

22.2. All general matters relating to this Agreement (including but not limited to matters concerning interpretation of this Agreement) will be directed to the MPI Contract Manager or the Contractor's Contract Manager.

22.3. If a reasonable attempt to contact the MPI Contract Manager or the MPI Technical Liaison in accordance with clause 22.1 or 22.2 is unsuccessful, enquiries can be directed to the person for the time being holding the office of MPI National Procurement and Contracts Manager.

22.4. If a reasonable attempt to contact a Contractor's Contract Manager or a Contractor's Technical Liaison in accordance with clause 22.1 or 22.2 is unsuccessful, enquiries can be directed to the Chief Executive or Managing Director of the Contractor.

22.5. Each Party may from time to time change the person designated as its Contract Manager and/or Technical Liaison on 10 Business Days' written notice to the other Party.

23. INSPECTION

23.1. The Contractor will ensure that MPI Personnel, agents, and contractors, have access, at any reasonable time and for any reasonable purpose in connection with the Services, free of charge, to any of the Contractor's property or premises relevant to this Agreement, and will ensure that any subcontracts confer on MPI an equivalent right of access for inspection.

24. RECORDKEEPING AND AUDIT

24.1. The Contractor must keep and maintain full, accurate and up to date records, including financial records, in relation to the provision of Services and all monies paid and payable by MPI under or in relation to this Agreement.

24.2. At any time during the term of this Agreement, or after the End Date where the Parties are in Dispute, any Personnel or authorised agent of MPI may conduct an audit for the purpose of:

a) determining the Contractor's level of compliance with this Agreement (including whether there has been a breach of this Agreement);

b) determining whether Services invoiced for by the Contractor have been supplied according to this Agreement; or

c) assisting in resolving a matter in Dispute between the Parties.

24.3. During an audit conducted under this clause 24, MPI may:

a) enter any premises of the Contractor or its subcontractors used in connection with provision of the Services at any reasonable time during Business Hours;

b) inspect any records held under clause 24.1 in relation to the provision of Services or any matter in dispute between the Parties;

c) meet with and/or contact and speak to any or all Personnel involved with provision of the Services.

24.4. The Contractor will, at its expense, provide appropriately qualified staff to assist MPI perform the tasks in clause 24.3 to conduct the audit under clause 24.2. MPI will pay all other reasonable costs incurred by the Contractor that are directly associated with the audit.

24.5. At least five Business Days prior to commencing an audit, MPI will notify the Contractor in writing of its intention to conduct an audit and of the intended scope and timing of the audit.

24.6. Where an audit conducted under clause 24.2 identifies any serious concern or material non-compliance with the terms of this Agreement, MPI may require an additional audit or audits or other reasonable inquiries to be carried out at the Contractor's expense (such expenses including MPI Personnel costs at external charge-out rates).

24.7. MPI will advise the Contractor in writing of the scope and timing of any additional audit or inquiries required under clause 24.6.

24.8. MPI will promptly notify the Contractor of the results of any audit conducted under clause 24.2 and/or clause 24.6. Where any deficiencies are identified in such an audit, the Contractor will promptly take steps to remedy the deficiencies.

25. NOTICES

25.1. Any notice or other communication under this Agreement will be deemed to be validly given if in writing and delivered by hand, registered mail, national post or international post, facsimile, or email (subject to the remainder of this clause 25) to the receiving Party's Contract Manager as specified in clause **Error! Reference source not found.** of Schedule 1, as updated on written notice from that Party in accordance with clause 22.5.

25.2. Unless the contrary is shown, any notice will be deemed to have been given on the date when actually delivered personally or by registered mail, on the second Business Day following posting to a national address, on the seventh Business Day following international posting, on the date sent by facsimile transmission if transmitted before 5:00 pm or on the next Business Day if transmitted after 5:00 pm, and on

the date that receipt of an emailed notice is acknowledged by the recipient personally (that is, not by any automatically generated system email).

25.3. The Parties agree that no notice required or permitted to be given pursuant to clause 19 (Disputes) or clause 20 (Termination) may be given by email.

26. EXTRAORDINARY EVENTS

26.1. Neither Party will be liable to the other for any failure to perform its obligations under this Agreement by reason of an Extraordinary Event. The benefit of this clause 26.1 does not extend to any Extraordinary Event if and to the extent that:

a) the effects of the event could have reasonably been prevented, avoided, overcome or mitigated by implementing reasonable precautions against the event;

b) the affected Party is or was directly responsible for the event;

c) the event is caused by:

(i) any failure of a contractor of the affected Party, except to the extent the contractor was itself affected by an event which, if it occurred in relation to a Party, would have been an Extraordinary Event;

(ii) a lack of funds for any reason;

(iii) the affected Party's own breach or negligence;

(iv) strikes, lockouts, or any other form of labour dispute or delay caused by contractual or labour relations between either Party and any of its Personnel, agents, contractors or suppliers.

26.2. The Party affected by an Extraordinary Event must:

a) notify the other Party, as soon as practicable after the Extraordinary Event occurs, of:

(i) the nature of the circumstances giving rise to the Extraordinary Event;

(ii) the extent of the affected Party's inability to perform under this Agreement;

(iii) the likely duration of that non-performance; and

(iv) the steps being taken to remedy, or reduce the impact of the Extraordinary Event;

b) use its best endeavours to avoid or remove the Extraordinary Event and to minimise and mitigate its effects on that Party's obligations; and

c) continue to perform its obligations under this Agreement as far as practicable.

26.3. MPI may, after consulting with the Contractor, make alternative arrangements to ensure performance of the Services during the period affected by the Extraordinary Event, including engaging alternative suppliers. If MPI makes alternative arrangements, it does so at its own cost.

27. MISCELLANEOUS

Entire agreement

27.1. This Agreement (including its Schedules, Attachment, all other documents specified in Schedule 1 as forming part of it and all amendments in accordance with clause 27.3) constitutes the entire agreement between the Parties and supersedes all prior agreements, representations, understandings and negotiations, whether written or oral of the Parties. The Parties acknowledge that they are not relying on any term, condition, representation or agreement that is not set out in this Agreement, unless such term or condition is implied by law.

Costs

27.2. Subject to any express provision in this Agreement to the contrary, each Party is to pay its own legal and other costs and expenses relating directly or indirectly to the negotiation and preparation of this Agreement.

Amendments

27.3. No amendments to this Agreement are effective unless they are in writing and signed by both Parties. Either Party may request an amendment under this clause by giving notice in writing to the other Party specifying the amendment sought and the reasons for it. The non-requesting Party must advise the requesting Party of its decision to accept or reject the requested amendment within 15 Business Days of receipt of the request.

Privity

27.4. Only a Party to this Agreement may enforce, and have any benefit of, this Agreement unless specifically provided otherwise in Schedule 1.

Relationship

27.5. Nothing in this Agreement creates an employment, fiduciary, partnership, agency or joint venture relationship between MPI and the Contractor. Neither Party has authority to bind or represent the other Party in any way or for any purpose. This Agreement is not an exclusive arrangement between the Parties and each may enter into contracts with third parties in respect of the same or similar Services and Deliverables.

Waivers

27.6. No waiver of any rights or benefits arising under this Agreement is effective unless it is in writing and signed by the Party waiving. A waiver of a breach does not prejudice the waiving Party's rights in respect of any other breach. No delay, failure or forbearance by the Parties to exercise (in whole or in part) any right, power or remedy under this Agreement will operate as a waiver.

Assignment

27.7. The Contractor may not assign any of its rights under this Agreement without MPI's prior written approval. MPI will not unreasonably withhold its approval.

Change of Control

27.8. The Contractor will notify MPI as soon as reasonably practicable of any expected change of Control of the Contractor, and notify promptly of any actual change of Control of the Contractor.

Severability

27.9. If any provision of this Agreement is held to be invalid, illegal or unenforceable, such provision will be severed and the remainder of this Agreement will remain in full force and effect.

Counterparts

27.10. This Agreement may be executed in counterparts, meaning that execution will be complete when each Party holds a copy (which can be a faxed or emailed copy) of this Agreement signed by the other Party, even though the signatures of both Parties do not appear on the same copy.

Governing law

27.11. This Agreement, and its formation are governed by New Zealand law. Both Parties submit to the non-exclusive jurisdiction of the New Zealand courts.

Ministry for Primary Industries
Manatū Ahu Matua

Growing and Protecting New Zealand

SERVICES AGREEMENT

FOR

Food Residue Surveillance Programme

Pesticides in Fresh and Frozen Produce

Laboratory Sample Testing

BETWEEN

Ministry for Primary Industries

AND

AsureQuality Limited

AGREEMENT NUMBER: 17709

AGREEMENT FOR SERVICES

BETWEEN

HER MAJESTY THE QUEEN in right of New Zealand acting by and through Allan Kinsella, Director Systems Audit, Assurance and Monitoring, Ministry for Primary Industries("**MPI**").

AND

ASUREQUALITY LIMITED, having its registered offices at AsureQuality House, Level 1, 7a Pacific Rise, Mt Wellington, 1060, Auckland (the "**Contractor**").

AGREEMENT

The Contractor will provide the Services on the terms and conditions set out in the following Schedules:

Schedule 1: Specific Terms

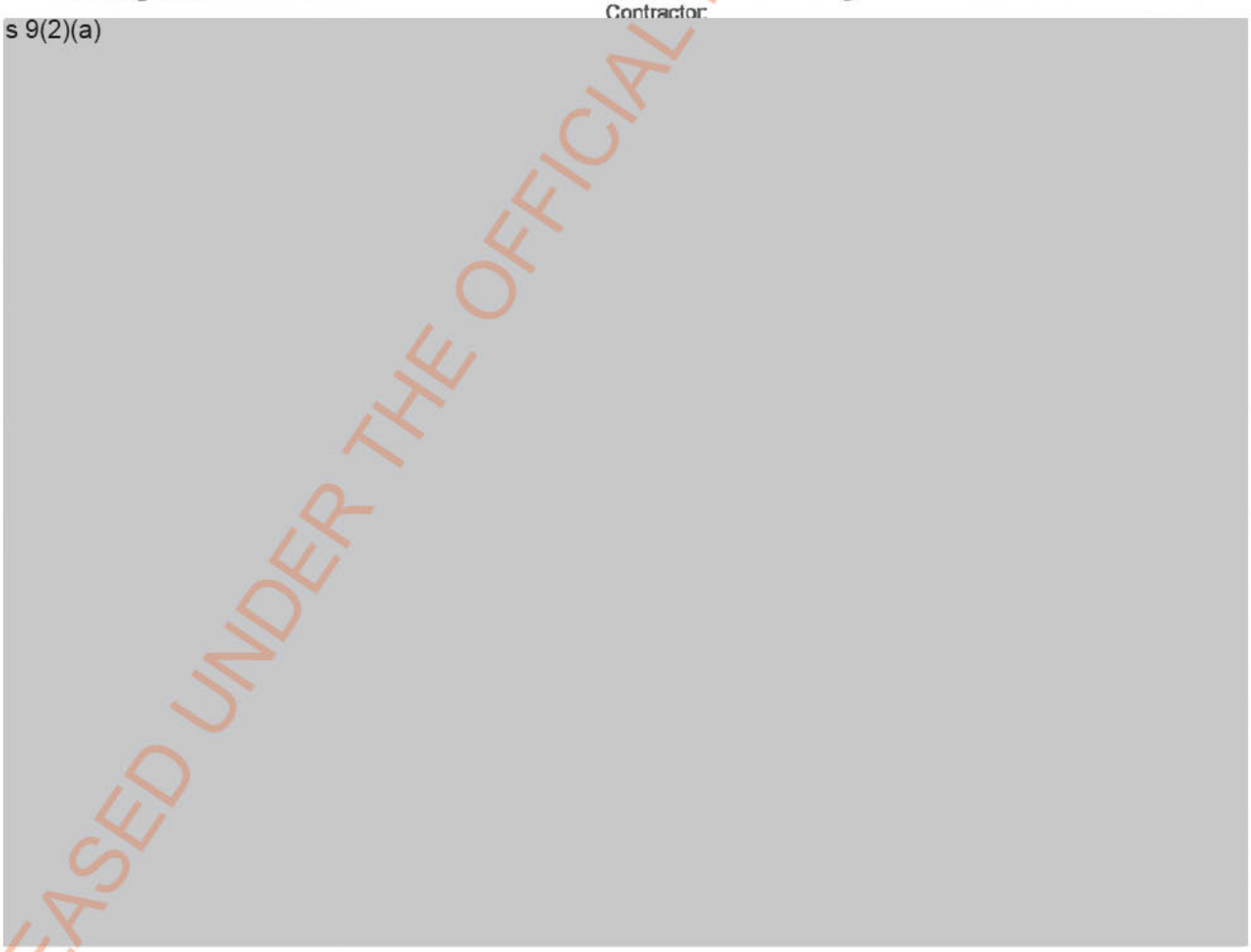
Schedule 2: General Terms

SIGNATURE

SIGNED for and on behalf of **MPI** by the person named below, being a person duly authorised to enter obligations on behalf of MPI:

SIGNED for and on behalf of the **Contractor** by the person named below, being a person duly authorised to enter obligations on behalf of the Contractor:

s 9(2)(a)



SCHEDULE 1: SPECIFIC TERMS

1. BACKGROUND

The MPI Food Residue Surveillance Program (FRSP) was established in 2003 to investigate residues and contaminants in food for which there was no existing or suitable verification programme. It is intended to cover foods sold on the New Zealand domestic market, including imported foods and domestic produce.

The objective of this study is to provide assurance to the New Zealand market that recent pesticide registrations containing new active ingredients are being used in accordance with good agricultural practices and residues are within set maximum residue limits.

In addition, the survey aims to provide baseline data on a wide range of pesticides registered for use on fresh and frozen produce sold within New Zealand. The survey intends to capture both domestic and imported produce.

MPI requires sample testing services for the 2015/2016 FRSP Pesticides in Fresh and Frozen Produce project.

Under this Agreement the Contractor will:

- Register receipt of samples within the MPI SAMD as they are delivered.
- Carry out testing and report test results in MPI SAMD

2. TERM

2.1. Initial Term

(refer clause 4.1 of Schedule 2)

Commencement Date: 27th November 2015

End Date: 30th September 2016

3. CONTACT DETAILS

(refer clause 22 of Schedule 2)

The initial contact persons for each Party are below. If a Party's contact persons or their details change, it must notify the other Party in advance in accordance with clause 22 of Schedule 2.

	Contract Manager	Technical Liaison
MPI	s 9(2)(a)	
Contractor		

4. SERVICES

4.1. Service Definitions

In this Schedule, unless the context requires otherwise:

SAMD means MPI Sample Attribute Monitoring Database

4.1. Service Description

The Contractor will perform the Services and provide the Deliverables set out in the table below. Each Service and Deliverable is referred to in this Agreement by the name given to it in the table below.

Service (Name and description)	**Deliverable** (Name and description)
Planning The Contractor will develop a Project Plan for the Services and maintain it up to date throughout the Term.	**Planning Meeting** An initial Planning Meeting with the Technical Liaisons to confirm the requirements for the Project Plan as outlined below. Meeting date, time and location to be agreed via the Technical Liaisons
	Project Plan The Project Plan must contain o Pesticides to be included in the testing scope o Test methods The Project Plan forms part of this Agreement and both the initial Project Plan, and any variation to the Project Plan will only be valid if agreed in writing between the Technical Liaisons. Each Technical Liaison should consult their Contract Manager before amending the Project Plan to ensure that any implications for the rest of this Agreement are taken into account. In the event of any conflict between the Project Plan and the rest of this Agreement, the rest of this Agreement will prevail.
Testing The Contractor will carry out the testing as detailed and agreed in the Project Plan	Testing is carried out and reported as agreed as part of the Project Plan and that meets all the requirements of the Testing Protocol (Appendix A) All sample receipts and test result data is entered into SAMD Confirmation of validation of new pesticide method has been completed
Final Report The Contractor will draft a final report on the project outcomes	**Final Report** A report setting out the Contractor's methodology, results, learnings and recommendations to inform MPI of any challenges met during the project and improve learnings for future requirements

4.2. Dependencies

Completion of the following Services or Deliverables by the Contractor is dependent on the persons below performing their associated dependencies below. The Parties agree that the failure of a dependency is an "Extraordinary Event" affecting the Contractor.

Service / Deliverable	Dependency	Person Responsible
All Services	Delivery of samples from sampling contractor	**MPI**

4.3. Reports

The Contractor will report to MPI as follows, and as otherwise reasonably required by MPI, in any format reasonably required by MPI and at no cost to MPI:

Type of Report	Report To	Due Date
Progress report. To include: • actual progress against planned/forecast progress; • a summary of expenditure to date, actual against budgeted; • plans for the next period; • any problems arising or expected to arise with the Services , Deliverables or interpretation or performance of this Agreement generally; and • any other information reasonably requested by MPI concerning the Services.	MPI's Technical Liaison	Quarterly and within 20 Business Days of completion of the Services.

MPI may request documentary evidence from the Contractor in relation to any item reported against.

4.4. Meetings

The Contractor will attend meetings with MPI as follows and at no cost to MPI:

Meeting (Name and Description)	Frequency	Attendees	Location
Project Meeting	Quarterly or as agreed	Technical Liaisons and others as required	Telephone or teleconference meetings are permitted. Meeting format will be agreed by the Technical Liaisons

4.5. Key Personnel

(refer clause 9 of Schedule 2)

Name	Title	Role or Specialisation
s 9(2)(a)	Laboratory Manager	Analysis of sample batches
	Scientific Team Leader	Pesticide Residue Analysis
	Senior Scientist	Pesticide Residue Analysis

4.6. Milestones

Each Party will meet its Milestones set out in the table below.

Party	Milestone No:	Milestone	Date (Inclusive)
The Contractor	1	Hold Planning Meeting and confirm Project Plan.	By 18th December 2015
The Contractor	2	Samples received by the lab between November and December are tested and all results are submitted to SAMD	31st March 2016
The Contractor	3	Samples received by the lab between January and March are tested and all results are submitted to SAMD	31st May 2016
The Contractor	4	Samples received by the lab between April and June are tested and all results are submitted to SAMD	31st August 2016
The Contractor	5	Provide Final Report, incorporating all MPI feedback on the draft Final Report.	23rd September 2016

5. PRICE

(refer clause 7 of Schedule 2)

In no event will the Price exceed $108,000 (plus GST if any).

5.1. Capped Price

The Contractor may invoice MPI Quarterly in arrears at the following rates, up to a maximum of the applicable Capped Price for the Services delivered in that applicable Quarter. Invoices will be paid when the milestone is achieved to MPI's satisfaction.

Based on 60 Samples*	Pesticide Screen (GC)	Pesticide Screen (LC)	Glyphosate	Quaternary ammonium herbicides	Totals based on 60 samples
cauliflower	s 9(2)(b)(ii)				
kale/silverbeet					
peas					
tomato					
wheat					
winter squash					
Total					**$ 108,000**

* 30 samples each of peas and wheat to be tested for quaternary ammonium herbicides

Together with each invoice, the Contractor will report to MPI's Technical Liaison in accordance with the reporting requirements in clause 4.3.

6. INTELLECTUAL PROPERTY

(refer clause 16 of Schedule 2)

For the purposes of clause 16 of Schedule 2, the Parties agree that "Option A" and the "Compulsory Clauses" shall apply, but that "Option B" is deemed deleted from this Agreement.

7. GENERAL

7.1. Changes to Schedule 2 – General Terms

(refer clause 7.3 of Schedule 2)

Clause 7.3 is replaced with the following

MPI requires that invoices are received electronically as PDF's and emailed to the accounts payable email address below.

For the attention of: Accounts Payable

Email: accountspayable@mpi.govt.nz

and to: FoodAssuranceProgrammes@mpi.govt.nz

Please include the following information on all invoices

Contract Number: 17009

Cost Centre Details: 1615 600210

MPI Contact: s 9(2)(a)

Relevant Milestone Number: (as per the invoice you are submitting for payment)

Note: The invoice for each quarter should be one invoice for all testing completed

If you are unable to send electronically then please post to the postal address below

Postal address: PO Box 257 Wellington 6140

7.2. Additional Clauses

None

7.3. Attachments

Appendix A: Food Residue Surveillance Programme Pesticides in Fresh and Frozen Produce Testing Protocol

Ministry for Primary Industries
Manatū Ahu Matua

Food Residue Surveillance Programme

Pesticides in Fresh and Frozen Produce Laboratory Protocol

MPI Technical Paper No: 2015

Prepared for Contract Laboratories
by MPI Chemical and Microbiological Assurance

ISBN No: Not Applicable
ISSN No: Not Applicable

November 2015 (revision2)

New Zealand Government

Growing and Protecting New Zealand

Contents

Page

Contents

1 Survey Details

1.1 BACKGROUND

The Food Residue and Surveillance Programme (FRSP) was established in 2003 to investigate residues and contaminants in food for which there was no existing or suitable verification programme.

The Food Residue and Surveillance Programme (FRSP) focused on compliance of mainly primary plant products for agricultural compounds and contaminant residues.

In 2015/2016 the MPI is conducting a survey of fresh and frozen produce for pesticides residues. The key objective of the survey is to provide assurance for recent pesticide registrations containing new active ingredients. The aim of this study is to provide assurance to the New Zealand market that newly registered pesticides are being used in accordance with good agricultural practices and residues are within set maximum residue limits (MRLs).

In addition the survey aims to provide baseline data on a wide range of pesticides registered for use on fresh and frozen produce sold within New Zealand. The survey intends to capture both domestic and imported produce.

The key intent of the survey to gather statistically robust data representative of overall grower compliance with pesticide registration restrictions.

1.2 SURVEY OBJECTIVE

The objectives of this survey are to:

- determine if industry are using newly registered agrichemicals correctly;
- monitor pesticide residue levels in produce to ensure they in line with good agricultural practice.

1.3 SCOPE

This document provides the protocol for the survey details the following:

- scope of survey;
- testing protocol;
- sampling plan.

The produce selected for testing during the 2015-2016 year have been determined by the compounds registered during 2012 and 2014. The equivalent imported crops have been included if applicable.

Table 1: Newly registered pesticides that have been identified for this survey

Food	Targeted Pesticide	Brand Names	MRL (mg/kg)
Apples	This list contains three groups of pesticides. The first group is active ingredients registered within the past two years. The second group is pesticides that have current registered uses on one or more of the produce potentially to be included in the survey. The third group is pesticides that are of interest to the Ministry for the purposes of gathering baseline data on pesticide compliance.		
Asian greens			
Barley			
Broccoli			
Brussel sprouts			
Cabbage			
Capsicum			
Carrots			
Cauliflower			
Chilli			
Cucumber			
Eggplant			
Maize			
Sweetcorn			
Grapes			
Kiwifruit			
Lettuce			
Okra			
Onions			
Potatoes			
Silver beet			
Spinach			
Tomatoes			
Triticale			
Wheat			
Winter squash			
Zucchini			

1.3.1 Scope exclusions

Minimally processed and processed food products are excluded from this survey. Crops that are not for human consumption are also included. Where sampling occurs at a point where it is still un-determined if the product is going to be sold for human consumption, then the product can be sampled (e.g. maize into silos)

2 Sampling Handling

2.1 SAMPLE RECIPT

2.1.1 FRSP samples are sent by the samplers to the contracted laboratory's receival address.

2.1.2 Samples are randomly collected and are typically dispatched within 5 business days of collection through the 8 month period from November 2015 to 30 June 2016.

2.1.3 Prior to samples arriving at the laboratory, sampling organisation shall email the laboratory and MPI, on a weekly basis (or more frequent depending on operations). Sample details such as product type, quantity shall be included in the email. Where possible the estimated date of arrival and tracking details are included in the email.

2.1.4 Where possible, samples will be dispatched by overnight courier to arrive at the laboratory the following day.

2.1.5 Samples sent from sample collection agencies are normally dispatched by overnight courier Monday to Thursday to arrive at the laboratory on Tuesday to Friday. In some circumstances dispatches may arrive on Saturdays.

2.1.6 Upon receipt of sample boxes or containers at the laboratory, the sample must be checked to ensure it is intact and sample integrity has not be comprised.

Reason for cancelling the analysis request	Description
Inadequate sample size	Sample integrity breach due to lack of matrix provided
Incorrect matrix or test	Sample integrity breach due to incorrect matrix provided, or test requested
Laboratory issue	Laboratory unable to perform analysis
Not suitable for analysis	Various sample condition issues (evidence of spoilage)
Sample incorrectly contained	Sample integrity breach due to sample not packaged in any sample container or packaging opened, damaged or unsealed
Other	Unexpected non-conformance

2.1.7 If the samples have been comprised and are deemed unsuitable for testing, email MPI at FoodAssuranceProgrammes@mpi.govt.nz and the sample must be held pending advice from MPI.

Sample matrix	Minimum acceptable sample condition on receipt at laboratory
Fruit, vegetables and cereal grains	Room temperature, no evidence of spoilage or cross-contamination

2.1.8 Each sample will have a sample label attached to or visible through, the outer plastic bag when it arrives at the laboratory. The sample label will contain a unique sample number, as allocated by the database, for example FRSP25.

2.1.9 The sample number (e.g. FRSP25) is the unique number identifying that sample in the MPI SAMD database for the survey.

2.1.10 If any information on the sample label is different to the sample or database (for example the sample recorded in the database is tomato when the physical sample presented is silver beet), email MPI at foodassuranceprogrammes@mpi.govt.nz and the sample must be held pending advice from MPI.

2.1.11 Laboratories must log all samples received and report results into the MPI SAMD database (http://residues.maf.govt.nz/residues). Information on using the MPI database will be provided to the contracted laboratories.

2.1.12 If the laboratory did not receive the stated samples after 3 business days, the laboratory will inform sampling organisation and MPI for re-sampling.

2.1.13 If the laboratory has received samples that are not suitable for testing, the laboratory will inform sampling organisation and MPI for re-sampling.

2.1.14 The sampling organisation will liaise with MPI to get suitable substitute sample(s) and re-submit samples to laboratory.

2.2 SAMPLE FORWARDING

2.2.1 There may on occasion be a need for MPI to have samples or sub-sampled portions of samples to be forwarded to a different contracted laboratory. These samples must conform to the requirement in the table above when they arrive at the next laboratory. Samples are to be repackaged and forwarded, no later than 24 hours after notification from MPI. Unless part of MPI's contract for services, any additional costs of repackaging samples are to be separately invoiced to MPI.

2.3 BATCHING OF SAMPLES

2.3.1 Contracted laboratories may wish to delay commencement of the testing of individual or small numbers of samples received in an attempt to process a batch of samples together. The holding of samples for batching results must not result in any sample's results being reported outside the applicable milestone/deliverable dates unless advised by MPI. Generally the milestone/deliverable dates will enable suitable batches to be formed.

2.3.2 If there is a problem in completing an individual sample in a batch, email MPI at foodassuranceprogrammes@mpi.govt.nz and the samples must be held pending advice from MPI

2.4 COMPOSITING OF SAMPLES

2.4.1 Compositing of samples is not allowed unless specifically advised by MPI.

3 Testing

3.1 ANALYTICAL METHODS

3.1.1 Innovation and method refinement is encouraged, subject to certain controls. Unless otherwise agreed by MPI, the contracted laboratory will use the same analytical method as agreed in the MPI contract for services.

3.1.2 The analytical method used must be identical (in all significant respects) to that referred to in the validation specifications held by the laboratory and for which the laboratory holds current IANZ or equivalent accreditation or MPI approval. The laboratory is required to maintain IANZ or international equivalent accreditation of the analytical method used to analyse MPI samples. Exceptions to this may be approved by MPI, for example interim accreditation based on national accreditation body recognised proficiency in analytical instrumental techniques, such as IANZ 2.70.

3.1.3 MPI must be notified of any issues with accreditation of these methods following the relevant accreditation body's audits.

3.1.4 While laboratories are encouraged to evaluate changes to methodology that may improve the performance of the method, details of any proposed change (including all relevant validation data) are not to be implemented for MPI samples without first receiving approval from MPI.

3.1.5 Following agreement of a change, MPI may assign a new assay number and assay code(s) for use in reporting test results using the revised method where any of the following apply:

- new analytes have been included in the Programme for the first time that would not have been previously tested for, or reported;
- the number of analytes required to be tested for, has changed;
- the laboratory method limits of detection (LODs), limit of quantification (LOQ) or limits of reporting (LORs) have changed;
- the methodology (e.g. extraction / clean-up techniques, detection systems, or use of an surrogate standards has been modified to the extent that the substances covered, LODs, LOQs, LORs, recoveries, precision, accuracy etc. have been significantly altered.

3.1.6 When requested, laboratories must provide technical information relating to details of the testing procedures of their contract(s). At any stage during the contract term further information may be required.

3.2 TESTING OF SAMPLES

3.2.1 Samples sent to MPI contracted laboratories will generally require a degree of processing prior to testing. The following information is provided as a guide to the types of samples that may be received and the preparation processes required.

3.3 MEASUREMENT UNCERTAINTY

3.3.1 Laboratories operating under this contract and accredited by IANZ (or international equivalent, or under MPI approval) for a particular test, are expected to determine the measurement uncertainty associated with their results.

4 Data Interpretation and Reporting

4.1 CODES

4.1.1 Laboratories must use the MPI assay number and assay code(s) when reporting results to the MPI database. The assay number and assay code(s) will be provided to the contracted laboratories.

Assay Number	Laboratory Code	Contaminant	Applicable Product types
240	MRGL05	Multiscreen pesticides	All
241	GLYP01	Glyphosate	Wheat and peas
242	DIQT02	Quaternary ammonium herbicides	Wheat and peas

4.2 NUMERICAL ISSUES

4.2.1 It is essential to maintain uniformity in reporting results of residue levels. In general, results above the LOR and <10 mg/kg should be rounded to two significant figures. Results ≥10 mg/kg may be rounded to three significant figures or to a whole number. Reporting limits should be rounded to 1 significant figure at <10 mg/kg and two significant figures at ≥10 mg/kg. In any case, the rounding of results should never lead to a different decision being taken with regard to the exceedance of a legal limit such as the MRL. Thus, rounding to significant figures should be done after the final calculation of the result.

4.2.2 Where a residue has been identified and quantified using a single test portion, and the residue does not exceed the MRL, the reported result should be that measured using the detection technique considered to be the most accurate. Where results are obtained by two or more equally accurate techniques, the mean value may be reported.

4.2.3 In general, residues data do not have to be adjusted for recovery when the mean recovery is within the range of 70-120%. If residues data are adjusted for recovery, then this must be stated. Exceedances of the MRL must be supported by individual recovery results (from the same batch) within the range of the mean recovery (70-120%) ± 2 x RSD, at least for the repeat confirmatory analyses. If recovery within this range cannot be achieved, enforcement action is not necessarily precluded, but the risk of relatively poor accuracy must be taken into account. It is then highly recommended to correct for recovery, preferably by using standard addition or isotopically labelled standards, for all cases of MRL exceedances.

4.2.4 Where two or more test portions have been analysed, the arithmetic mean of the most accurate results obtained from each portion should be reported. Where good comminution and/or mixing of samples has been undertaken, the RSD of replicate results of the test portions should normally not exceed 30% for residues significantly above the LOQ. Close to the LOQ, the

variation may be higher and additional caution is required in deciding whether or not a limit has been exceeded.

4.2.5 Laboratories must accumulate evidence that recoveries in the stated range can be achieved consistently. If recoveries fall outside an acceptable limit of 3 x RSD and/or for any other non-conformance relevant to the processing and testing of MPI samples, the cause must be investigated. A report, including the corrective action taken, must be emailed to MPI at FoodAssuranceProgrammes@mpi.govt.nz.

4.2.6 A contracted laboratory must report quantitative results for all substance detected at or above the laboratory's method LOR to the MPI database. Qualitative results must be reported in accordance with MPI database requirements which consist mainly of user selection of reporting options. Information on using the MPI database will be provided to the contracted laboratories.

4.2.7 'Traces' are not to be reported on the MPI database. A 'trace' refers to the detection of a substances at a concentration between the laboratory's method LOD and LOR that can be identified consistent with SANCO/12571/2013 substance identification requirements but not quantified with the same degree of certainty as detections at or above the laboratory's LOR. 'Traces' are to be reported on a separate spreadsheet, containing the sample number, laboratory number, substance name, laboratory LOD, LOQ & LOR, estimated substance amount, units.

4.2.8 In cases where a laboratory is confident that it has detected a substance below its LOD, those identity is consistent with the acceptance criteria specified in SANCO/12571/2013, the result is not to be reported on the MPI database.

4.3 MAXIMUM RESIDUE LIMITS

4.3.1 The Maximum Residue Limits (MRLs) are set out the New Zealand (Maximum Residue Limits of Agricultural Compounds) Food Standards 2015.

4.3.2 The MRLs that relate to the substance in the MPI FRSP survey are regularly reviewed and may be updated during the contract period. If this occurs, laboratories contracted for MPI work affected will be advised of changes that are relevant to their contracts and consulted on any issues which this raises.

4.4 RESIDUE DEFINITIONS (METABOLITES/ISOMERS)

4.4.1 Unless otherwise agreed with MPI, where a residues definition for a particular substance involves metabolites/isomers, laboratories must measure and report the individual analytes detected separately and report the sum of the parent/metabolites/isomers. Calculation of the sum of the individual components is based on the residue definition. These will be either a sum of individual components or a sum of individual component expressed as the parent residue.

4.4.2 The laboratory must take into consideration the residue definition in relation to the MRL and then apply the appropriate confirmation/re-analysis and reporting procedures.

4.4.3 In the case of synthetic pyrethroids, individual isomers should be reported where possible and in a way that would reflect the comparison of the likely isomer enriched commercial product. For example, if all relevant peaks are detected in a GC run in the retention time window of cyhalothrin, then the result should be reported as cyhalothrin (sum of isomers). However, if only

a single major peak is detected in the same retention time window which is known to correspond to lamba-cyhalothrin, the lamba-cyhalothrin should be reported and not cyhalothrin (sum of isomers).

4.5 CONFIRMATION OF THE IDENTITY OF DETECTED SUBSTANCES

4.5.1 The criteria outlined in the EU guidelines (SANCO/12571/2013) form the basis for MPI requirements regarding a laboratory's method capabilities for the detection and confirmation of MPI FRSP for this contract. MPI requires the confirmation of the identity of detected substances in samples to be consistent with the requirements for the confirmation of substances as outlined in the SANCO/12571/2013.

4.5.2 Laboratories awarded the contract(s) should note that these requirements apply to the testing of samples dispatched to laboratories during the contract period. A full copy of this document can be made available in electronic form on request to MPI.

4.5.3 Confirmatory methods for substance would preferably be based on mass spectrometry and incorporate the concept of identification points to fulfil the criteria outlined in the SANCO/12571/2013 guidelines.

4.6 CONFIRMATION AND RETESTING OF RESULTS ABOVE MRL

4.6.1 For all programmes where the concentration of a substance is > MRL (or default) a repeat test (in duplicate) must be undertaken on a separate portion of the original sample to confirm both the concentration and identification of the substance.

4.6.2 If the identity has been confirmed, the two quantitative results must be averaged and the average reported to the MPI database and emailed to MPI. If the two results differ by more than 30% of the average value, the average should still be reported to MPI and in addition email MPI at FoodAssuranceProgrammes@mpi.govt.nz.

4.6.3 In the process of confirmation and re-analysis, in instances where a laboratory chooses to re-analyse >2 separate sample portions, the average of the original result and each of the individual sample portion quantitative results must be averaged and the average report to MPI, unless this is inappropriate, i.e. where individual sample portion tests are performed via different instrumental techniques, each with different analytical method parameters.

- e.g. original residue result = 0.076 mg/kg, which is greater than the residue's MRL
- first replicate (separate sample portion) confirmatory result – 0.065 mg/kg
- second replicate (separate sample portion) confirmatory result – 0.060 mg/kg
- average residue result = 0.067 mg/kg
- 30% of average residue result = 0.0201 mg/kg
- acceptable replicate residue result range = 0.0469 to 0.0871 mg/kg
- the three results 0.076, 0.065 and 0.060 mg/kg are within the acceptable replicate range so there is no requirement to notify MPI of an issue with variability of results.
- the average residue result to be reported to MPI is 0.067 mg/kg

4.6.4 For confirmed results exceeding MRLs must be reported to the MPI database and emailed to MPI at FoodAssuranceProgrammes@mpi.govt.nz. Notification to the MPI database and MPI must be within 1 business day following confirmation of the result.

4.6.5 A copy of all analytical and internal quality control results must be retained by the laboratory, and made available for MPI inspection or auditing on request, for a period of three years.

4.7 PUBLICATION OF USE OF RESULTS BY LABORATORIES

4.7.1 Individual sample details are confidential. A laboratory may not release or publish the results of MPI work without the written permission of MPI. Any copyright or other intellectual property associated with the results is the exclusive property of MPI.

4.8 ELECTRONIC REPORTING REQUIREMENTS OF INDIVIDUAL MPI SAMPLES

4.8.1 Sample receipt details shall be entered within three working days of laboratory sign-off of sample receipt.

4.8.2 Results for each sample are to be electronically or manually entered into the MPI database. The address of the database is http://residues.maf.govt.nz/residues. Notification to the MPI database must be within 1 business day following confirmation of the result. Access to the live site will be provided by MPI upon request. Information on using the MPI database will be provided to the contracted laboratories.

4.8.3 Laboratories must email MPI FoodAssuranceProgrammes@mpi.govt.nz if persons with MPI database access are no longer assigned to this role (in order to cancel their access rights to the database). Notification must be within 1 business day of the person ceasing this activity.

4.8.4 Test results shall be entered within 1 working day of signoff.

4.8.5 Laboratories must use the MPI assay number and assay code(s) for residues and contaminants when reporting results to the MPI database. These assay codes for the FRSP will be sent directly to the contracted laboratories.

4.8.6 Laboratories must nominate a contact person, telephone number and email address for handling of database result reporting queries

4.8.7 Data entry errors such as duplicate electronic records or faulty electronic records shall be notified to the MPI FoodAssuranceProgrammes@mpi.govt.nz.

4.8.8 The database saves any modifications made to an electronic sample record. When amending a sample record, what is amended and the reason for change shall be indicated in the comment box titled “Reason for Change”. Changes are unable to be made without including a comment in the “Reason for Change”

5 Quality Assurance

5.1 REQUIREMENTS

5.1.1 MPI requires that contracted laboratories operate and document a quality control system. Documentation should include information on the laboratories arrangements and frequency with respect to monitoring analytical variance, the testing of standards, matrix blanks, recoveries and duplicate samples, calibration, identify the extent to which internal standards, certified reference materials as well as intra- and inter-laboratory check samples are incorporated.

5.1.2 Laboratories in this contract are required to participate in international ILCP programmes where these align with the programmes in this contract applicable to that laboratory.

5.1.3 A contracted laboratory must keep, and make available to MPI, any record relevant to the MPI contract(s) which it holds.

5.1.4 Laboratories participating in the contract are expected to cooperate with MPI staff in maintaining the integrity of the system.

5.1.5 The contracted laboratory must notify MPI of any changes that may adversely affect the function or performance of, or decrease the efficiency of, the laboratory services provided to MPI, for example relocation of the laboratory facility.

5.1.6 All laboratories awarded MPI contracts may be required to host laboratory visits/audits during the contract period. The aim will be for MPI staff to visit each laboratory at least once a year.

5.1.7 A list of all analysts & their roles in the testing of animal product (non-dairy) samples should be maintained by the laboratory and may be viewed by MPI during an on-site audit.

5.1.8 It is anticipated that the FRSP survey is likely to be subjected to scrutiny by a large and varied number of stakeholders. Because of this rigorous and robust laboratory practices be required.

At a minimum it is proposed laboratories must:

- hold ISO/IEC 17025:2005 accreditation as a facility;
- hold IANZ (or international equivalent) specific method accreditation for the tests required in similar matrixes, or alternatively be able to demonstrate previous experience and competency with the tests;
- in most instances, achieve a limit of reporting (LOR) of 0.01 mg/kg;
- achieve a linear range of LOR to 10 x LOR or MRL;
- report of quantitative results greater than LOR;
- conducted confirmatory testing by analysis techniques capable of complying with the criteria for compound identification as SANCO/12571/2013;
- report, where possible, all results as per the residue definition specified in the New Zealand (Maximum Residue Limits of Agricultural Compounds) Food Standards 2015;
- report results in mg/kg units on an ‘as received’ basis;

- provide a laboratory QC report outlining the recovery (amount found / amount fortified) of the spiked duplicate in each testing batch;
- store securely original laboratory samples for a period of not less 6 week after the issue of the final laboratory test report in suitable storage container, protected from light and pests damage at a temperature of less -10°C;
- if required by MPI arrange for samples to be tested at a second laboratory;
- if required provide chromatograms and supporting data for detections greater than MRL;
- make all data available for review if required during any MPI visits to the laboratory.

Minimum requirements of within batch quality control:

- standard calibration curve covering bracketing the linear range;
- matrix-matched blank;
- reagent blank;
- low recovery spike at LOR;
- high recovery spike;
- one sample duplicate per batch;
- one 'blind'-spiked sample duplicate per batch.

Confirmation of all detections, satisfying the identification criteria set out by SANCO/12571/2013, greater than half of MRL by the following procedure:

- re-testing of the original sample in duplicate;
- calculation of the amount found will be based on four point matrix-matched calibration curve (fortified with 1, 2, 3 & 5 times amount expected);

6 Storage and Retention of Samples and Subsequent Action

6.1 REQUIREMENTS

6.1.1 All original samples are to be retained for a minimum of six weeks from the date of issuing the final survey results so that, if requested, a complete retest may be undertaken.

6.1.2 All samples found to contain residues in excess of the MRL must be retained for a minimum of six weeks after the issue of the final survey report. Written (email) approval must be obtained from MPI before such samples are destroyed or sent for disposal.

6.1.3 All samples should be stored in an appropriate manner and in a way that ensures identity is retained and to minimise the possibility of cross-contamination i.e. each sample should be

stored with its original label and wrapped in a bag that is intact, and preferably with the MPI label used to identify the sample to the laboratory.

6.1.4 All samples should be stored securely. All samples must be stored in a locked freezer with access to the freezers restricted and monitored.

6.1.5 If samples are stored in a freezer or refrigerator, the freezer or refrigerator should contain a temperature monitoring device (e.g. max/min thermometer, electronic temperature logger) which should be checked on a regular basis to ensure that the correct temperatures are maintained.

7 Appendix 1 – Glossary

Term	Definition
Batch (analysis)	For extraction, clean-up and similar processes, a batch is a series of samples dealt with by an analyst (or team of analysts) in parallel, usually in one day, and should incorporate at least one recovery determination. For the determination system, a batch is a series undertaken without a significant time break and which incorporates all relevant calibration determinations (also referred to as an "analysis sequence", a "chromatography sequence", etc.). A determination batch may incorporate more than one extraction batch.
Blank	(i) Material (a sample, or a portion or extract of a sample) known not to contain detectable levels of the analyte(s) sought. Also known as a matrix blank. (ii) A complete analysis conducted using the solvents and reagents only; in the absence of any sample (water may be substituted for the sample, to make the analysis realistic). Also known as a reagent blank or procedural blank.
Comminution	The process of reducing a solid sample to smaller fragments by crushing, pulverising, grinding, etc
Confirmation	Confirmation is the combination of two or more analyses that are in agreement with each other (ideally, using methods of orthogonal selectivity), at least one of which meets identification criteria). The nature and extent of confirmation required for a positive result depends upon importance of the result and the frequency with which similar residues are found. Assays based on an ECD tend to demand confirmation, because of their lack of specificity. Mass spectrometric techniques are often the most practical and the least equivocal approach to confirmation.
False negative	A result wrongly indicating that the substance concentration does not exceed a specified value.
False positive	A resu t wrongly indicating that the substance concentration exceeds a specified value.
Identification	Is a qualitative result from a method capable of providing structural information (e.g., using mass spectrometric (MS) detection) that meets acceptable criteria for the purpose of the analysis. The process of generating of sufficient evidence to ensure that a result for a specific sample is valid. Substances must be identified correctly in order to be quantified.
Limit of detection (LOD)	The lowest concentration of a substance at which positive identification can be achieved with reasonable and/or previously determined confidence in a defined matrix using a specific analytical method
Limit of quantification (LOQ)	The lowest concentration of a substance at which positive identification and quantification can be achieved with reasonable and/or previously determined confidence in a defined matrix using a specified analytical method
Limit of reporting (LOR)	The lowest level at which residues will be reported as absolute numbers. It is equal to, or higher than the LOQ. The Lowest Calibration Level (LCL) must be equal to or lower than the calibration level corresponding to the Limit of reporting (LOR).

Lowest Calibration Level (LCL)	The lowest concentration (or mass) of substance with which the determination system is successfully calibrated, throughout the analysis batch.
Matrix-matched calibration	Calibration intended to compensate for matrix effects and acceptable interference, if present. The matrix blank (see "blank") should be prepared as for analysis of samples. In practice, the pesticide is added to a blank extract (or a blank sample for headspace analysis) of a matrix similar to that analysed. The blank matrix used may differ from that of the samples if it is shown to compensate for the effects. However, for determination of residues approaching or exceeding the MRL, the same matrix (or standard addition) should be used.
Maximum Residue Limit (MRL)	Maximum Residue Limit is the food standard applicable to domestic food, as set in the New Zealand (Maximum Residue Limits of Agricultural Compounds) Food Standards 2015
IANZ	International Accreditation New Zealand
Receipt date	The date on which the sample is received by the laboratory
Report date	The date on which the analyst completes the test and signs off the result
Sampling date	The date on which the sample was collected
Sample number	The unique sample number allocated to a sample by the MPI database
Test portion	A representative sub-sample of the test sample, i.e. the portion which is to be analysed.
Test sample	The laboratory sample after removal of any parts that are not to be analysed, e.g. stems, adhering soil. It may or may not be comminuted and mixed before withdrawing test portions.
Trace	A 'trace' refers to the detection of a substance at a concentration between the laboratory's method LOD and LOR, i.e. the identity can be confirmed to the criteria outlined in the SANCO/12571/2013 but it cannot be quantified with the same degree of certainty as detections at or above the LOR. However, if the laboratory is able to quantify the result and would record it in its own record keeping system, the result should also be reported to MPI

8 Appendix 2 – Requirements for Sample Processing

Product	Submitted sample size to laboratory	Portion of the commodity to which the MRL applies (and which is analysed)	Sample processing required at the laboratory
Cauliflower	2 kg (at least 5 units)	Flower heads	Comminute (cut and homogenise) samples at low temperature either frozen and/or in the presence of "dry ice". Take a sufficient portion to sub-sample for initial testing. Retain ~500g of remaining processed material in frozen storage for re-testing, if required. Do not allow the entire sample to thaw when removing portions for testing.
Kale and silver beet	2 kg (at least 5 units)	Whole commodity after removal of obviously decomposed or withered leaves	Comminute (cut and homogenise) samples at low temperature either frozen and/or in the presence of "dry ice". Take a sufficient portion to sub-sample for initial testing. Retain ~500g of remaining processed material in frozen storage for re-testing, if required. Do not allow the entire sample to thaw when removing portions for testing.
Peas	1kg	Whole commodity	Comminute (cut and homogenise) samples at low temperature either frozen and/or in the presence of "dry ice". Take a sufficient portion to sub-sample for initial testing. Retain ~500g of remaining processed material in frozen storage for re-testing, if required. Do not allow the entire sample to thaw when removing portions for testing.
Tomatoes	1kg (at least 10 units)	Whole commodity after removal of stems	Comminute (cut and homogenise) samples at low temperature either frozen and/or in the presence of "dry ice". Take a sufficient portion to sub-sample for initial testing. Retain ~500g of remaining processed material in frozen storage for re-testing, if required. Do not allow the entire sample to thaw when removing portions for testing.
Winter squash	2 kg (at least 5 units)	Whole commodity after removal of stems	Comminute (cut and homogenise) samples at low temperature either frozen and/or in the presence of "dry ice". Take a sufficient portion to sub-sample for initial testing. Retain ~500g of remaining processed material in frozen storage for re-testing, if required. Do not allow the entire sample to thaw when removing portions for testing.

Wheat	1kg	Whole commodity	Comminute (cut and homogenise) samples at low temperature either frozen and/or in the presence of “dry ice”. Take a sufficient portion to sub-sample for initial testing. Retain ~500g of remaining processed material in frozen storage for re-testing, if required. Do not allow the entire sample to thaw when removing portions for testing.