Biosecurity through Partnership

POULTRY INDUSTRIES

OPERATIONAL AGREEMENT FOR READINESS AND RESPONSE

COMMENCEMENT DATE 1 SEPTEMBER 2025

POULTRY INDUSTRIES READINESS AND RESPONSE OPERATIONAL AGREEMENT 2025

1 INTRODUCTION	This is the Agreement Section of a Readiness and Response Operational Agreement (OA) between MPI and the Industry Parties which have executed this OA or an Accession Document, who together will be referred to as “the Parties” throughout this OA. When executed by all Parties, this will form an Operational Agreement consisting of this Agreement Section, its Schedule(s), and the Standard Terms in effect from 1 April 2025. Where this Agreement Section varies or has the effect of varying the Standard Terms, or is inconsistent with the Standard Terms, this Agreement Section takes precedence.
2 EXPLANATORY NOTE	This section 2 is intended as a contextual aid to future decision-makers, and is subordinate to other sections. This OA enables the Parties to undertake joint Readiness Activities and joint Response Activities under the Government Industry Agreement for Readiness and Response (GIA) Deed for the benefit of the poultry meat and commercial layer hen Sectors (including hatcheries and breeders) (collectively, the “Poultry Sectors”). Certain Unwanted Organisms (UOs) and their strains covered by this OA have demonstrated cross-species transmission potential, affecting other avian species, mammals, and, in some cases, humans. While the primary focus of this OA is on managing these organisms within the Poultry Sectors, it is acknowledged that in the future, additional strains and impacts may be identified, and additional GIA Signatories or Non-Signatory Beneficiaries may be identified as also benefiting from the OA Activities covered by this OA in relation to certain UOs. In such cases, the Parties anticipate a pragmatic decision will be made at the time as to whether to incorporate these additional Sectors via an amendment to this OA, or whether to develop a new OA to deal with the specific circumstances. Some UOs may also have zoonotic impacts. In the event of an incursion by a zoonotic organism, the response required will extend beyond the cost-shared Response Activities defined in this OA to involve an inter-agency New Zealand Government response. In such cases, the activities covered under this OA will form part of that broader response, and cost-sharing and decision-making under this OA will be limited to OA Activities agreed under this OA.
3 THE PARTIES SIGNING THIS OPERATIONAL AGREEMENT	The Parties to this OA are: • Ministry for Primary Industries (MPI); • Egg Producers Federation of New Zealand Incorporated (EPF); and • Poultry Industry Association of New Zealand Incorporated (PIANZ)
4 TERM	The Commencement Date of this OA is 1 September 2025. The initial term of this OA is five years, with one renewal of two years. The Parties will commence a review of this OA (to consider whether it should be renewed and if so on what basis) at least six months before the end of the initial term; and, if renewed, at least six months before the end of the renewal term. At the end of the initial term and any renewal, this OA will expire.

<table>
<tr><td></td><td colspan="2">This section is subject to the provisions of this OA relating to early termination or withdrawal of a Party.</td></tr>
<tr><td>5 UNWANTED ORGANISMS</td><td colspan="2">The specific UOs covered by this OA are the organisms that cause Group One Diseases (Group One UOs) and organisms that cause Group Two Diseases (Group Two UOs).

Group One Diseases are:
• Newcastle Disease – Virulent Newcastle disease, formerly known as exotic Newcastle disease.
• Infectious Bursal Disease Virus (IBDV1).

Group Two Diseases are:
• High Pathogenicity Avian Influenza (HPAI) and its strains.

Additional UOs, being pests, pathogens, or syndromes identified as Poultry Sectors risk organisms after the signing of this OA, may be added to the appropriate Group by agreement of the Parties.</td></tr>
<tr><td>6 AGREED OUTCOMES</td><td colspan="2">Focused on better biosecurity outcomes, the Parties will work together to reduce impacts from the UOs by, where appropriate in respect of that UO:
a) Reducing the risk of incursion and/or the spread of any incursion;
b) Ensuring the capability to detect an incursion as rapidly as possible within 7 days of initiation of the outbreak;
c) Maintaining readiness policies, plans, and operational capabilities to respond appropriately to any outbreak affecting one or more of the Sectors represented by the Industry Parties rapidly and efficiently;
d) Responding to any outbreak affecting one or more of the Sectors represented by the Industry Parties rapidly and effectively; and
e) Minimising economic and social impacts on Industry of the incursion and response, and minimising disruptions to trade.</td></tr>
<tr><td>7 READINESS COST-SHARES – ALL UOS</td><td>No specific benefit share ratio was agreed by the Parties.</td><td>The agreed cost-share for Readiness Activities in respect of Group One and Group Two UOs (including the Exacerbator Share) is:

MPI: 55 %

Industry: 45 %</td></tr>
<tr><td>8 RESPONSE COST-SHARES – GROUP ONE UOS</td><td>No specific benefit share ratio was agreed by the Parties.</td><td>The agreed cost-share for Response Activities in respect of Group One UOs (including the Exacerbator Share) is:

MPI: 55 %

Industry: 45 %</td></tr>
<tr><td>9 RESPONSE COST-SHARES – GROUP TWO UOS</td><td>No specific benefit share ratio was agreed by the Parties.</td><td>The agreed cost-shares for Response Activities in respect of Group Two UOs (including the Exacerbator Share) is:

MPI: 60 %

Industry: 40 %</td></tr>
</table>

10 INDUSTRY COST-SHARES	As per clause 6 of the Standard Terms, except that: Clauses 6.6, and 6.7 of the Standard Terms shall not apply. As per clause 6.5 of the Standard Terms, the Industry Parties have agreed intra-Industry cost-shares that will apply for the duration of this OA (including the renewal) unless varied by agreement between the Parties. The intra-Industry cost-shares agreed by the Industry Parties are set out in Schedule One.
11 DECISION MAKING	As per clause 5 of the Standard Terms, except that: As there are only three Parties, a Governance Group is unnecessary (outside of a Response). However, the Parties will appoint one of their number to fulfil the functions of a Chair under this OA from time to time. All decisions under this OA shall be made by Consensus. Consensus means the mutual agreement of all the Parties (whether written or verbal). Noting that Reserved Matters require that agreement to be in writing. For the avoidance of doubt, the deemed Consensus provisions in clause 5.3 of the Standard Terms do not apply to this OA. The Dispute process under clause 17 of the Standard Terms will be available where the Parties are unable to reach agreement on any matter. During a Response, Response Governance will be established and operate in accordance with clause 5.5 of the Standard Terms.
12 RESPONSE DECISIONS BY OTHERS	As per clause 6.13 of the Standard Terms with the following additions: The Parties recognise that an H5N1 incursion in New Zealand will be treated as a significant national event for New Zealand, with Governmental decision-making bodies activated to ensure co-ordinated national effort. Decision-making and cost-sharing under this OA in an H5N1 response will be focussed on biosecurity (disease control) portions of that overall response, within the limitations set out in this OA. Unless the parties otherwise agree, vaccinations relating to any UO undertaken outside the GIA framework: • will not trigger or require the commencement of a Response under this OA; • are not Readiness Activities or Response Activities for the purposes of this OA; and • are not cost-shareable. For the avoidance of doubt, nothing in this section limits the ability of MPI to undertake vaccinations outside the GIA framework.
13 FISCAL CAPS	As per the Standard Terms, with the following additions: The collective Fiscal Cap for all Industry Parties combined over the full term of the OA, including renewals, is Thirty Million Dollars ($30,000,000) (excl. GST). The Fiscal Cap of each Industry Party is that Party’s share of that collective Industry Fiscal Cap. The Fiscal Cap for each Industry Party is set out in Schedule One. These Fiscal Caps apply for the duration of the OA (including any renewal)

	unless the Parties agree to vary them.
14 READINESS PROJECT IN RELATION TO H5N1	Under the first annual Readiness Work Programme, the Parties will conduct a project (which is a cost-shareable Readiness Activity) to identify the scenarios under which an H5N1 incursion might occur. This project will include agreement on which costs are considered cost-shareable (and which ones are not); the likely steps to be taken in the early stages of a H5N1 Response; the impact of any vaccination strategy adopted; and the triggers for transitioning to Industry-led management.
15 COST-SHARES IN AN H5N1 RESPONSE	The Parties recognise that eradication is not the preferred strategy for managing H5N1, and that an H5N1 Response under this OA is therefore likely to eventually transition into Industry-led management. Response Activities in the early stages of an H5N1 Response are likely to be minimal, and to be focused on understanding the extent of the incursion and maintaining future Response options. Accordingly, unless the Parties agree otherwise, cost-shareable expenditure in any H5N1 Response will not exceed $1 million, and the Industry Parties' combined share of cost-shareable expenditure for that Response will not exceed $400,000. If it appears that this $1 million cap is likely to be met in respect of an H5N1 Response, the Parties will meet and work to agree next steps, including whether this OA (including this $1 million cap) should be varied in respect of that Response. For the avoidance of doubt, nothing in this section prevents MPI from undertaking any activities outside of this OA that MPI deems necessary in relation to an H5N1 incursion (including movement controls and depopulation, with the resulting Compensation payments) on the basis that these activities outside of this OA will not subject to cost-sharing under this OA.
16 POST-RESPONSE REVIEW	Without limiting any other right of review, at the end of any Response under this OA (other than the HPAI H7 Response that commenced in 2024), the Parties will carry out following reviews in good faith: • A review of this whole OA. This review shall include discussion of the financial arrangements that should apply between MPI and Industry Parties, including how the collective Industry Fiscal Cap will apply if there is a further Response during the term of the OA; and • A specific review of the intra-Industry cost-share percentages. This review will enable the Parties to assess whether the rationale underpinning the agreed cost allocations between the Industry Parties remain valid in light of real life experience, or whether amendments to the cost-share arrangements are warranted. These reviews may only result in a variation to this OA in accordance with clause 19.4 (Variation) of the Standard Terms.
17 INDUSTRY PAYMENT OBLIGATIONS	As per clause 7 of the Standard terms, with the following additions: In respect of each Response under this OA: Each Industry Party will have up to 10 years (the “Payback Period”) from the Payment Commencement Date to pay their full share of the costs of the Response. The Payment Commencement Date is the earlier of the date the

	Response ends (as defined in clause 2.3.3(b) of the Deed) or the first anniversary of the date the Response commenced. Each Industry Party shall pay at least one tenth of their total payment obligations each year during the Payback Period. Total payment obligations are comprised of: • The amount owed by each Industry Party at the commencement of the Payback Period; and • Any additional cost-shareable costs and expenses incurred referred to below. If further cost-shareable costs and expenses are incurred for that Response after the Payback Period has commenced, each Industry Party's total payment obligations shall increase in proportion to their share of those additional costs and expenses. Each Industry Party's annual payments shall be adjusted to ensure that the outstanding balance of their total payment obligations is covered within the Payback Period, in equal annual instalments. Notwithstanding the requirements of this section, the following also applies: a) An individual Industry Party and MPI may agree to a variation of these requirements due to the specific circumstances faced by the Sector represented by that Industry Party. b) Interest may be demanded in respect of overdue payments as set out in clause 7.4 of the Standard Terms (for example, if an annual one tenth payment is not made by the date that payment is due, that payment will be overdue), and liability for this interest does not count towards and will not be limited by the Fiscal Cap. For the avoidance of doubt, interest will not apply to any payments that are not overdue. c) Nothing in this section prevents an Industry Party from beginning payments at an earlier date or making greater payments than required under this section if they are able to do so. Such payments: i. will reduce the balance of that Industry Party's remaining total payment obligations (and its annual payments will be reduced accordingly); and ii. will not affect the Payback Period applying to that Industry Party. In the event of the termination or non-renewal of this OA, or the withdrawal or removal of an Industry Party from a Response or this OA either before or after the Payment Commencement Date: a) The payment obligations of each Industry Party continue and are not affected by the termination, non-renewal, or withdrawal; and b) Any provisions of this OA necessary to give effect to those payment obligations, including this section 17, shall be deemed to survive for that purpose. As this section 17 sets out the conditions for Industry Parties to make payments under this OA, clause 22.10 of the Standard Terms (Force Majeure) shall not apply to this OA.
18 2024 HPAI H7 RESPONSE	This OA applies to the HPAI H7 Response that commenced in December 2024, and the costs incurred from the commencement of that Response will be cost-shared under this OA as a Group Two UO.

	For clarity, the payments required by Industry to the HPAI H7 Response that commenced in December 2024 will count towards, and therefore be limited by, the Fiscal Cap.
19 SCHEDULE(S)	This Agreement Section includes: **Schedule One** – Table of Industry Cost-Shares and Fiscal Caps

EXECUTION

The Parties on the pages following have agreed to this OA.

Executed by the Crown

HIS MAJESTY THE KING IN RIGHT OF NEW ZEALAND acting by and through the Director-General of the Ministry for Primary Industries.

Signed by and on behalf of the **Ministry for Primary Industries** by its Deputy Director-General – Biosecurity New Zealand on   September 2025.

Signature

in the presence of:

Witness Signature

Witness name (printed)

Town

Executed by each Industry Party

For Poultry Industry Association of New Zealand Incorporated

Signed ………………………………………………….

Name ………………………………………………….

For Egg Producers Federation of New Zealand Incorporated

Signed ………………………………………………….

Name …………………………………………………..

SCHEDULE ONE

Table of Industry Cost-Shares and Fiscal Caps

GIA Party	Sector represented	Party proportion of total Industry cost-shares for Readiness Activities and Response Activities)	Industry Sector Value at Commencement Date	Industry Party Fiscal Cap for Responses under this OA (excl GST)
Poultry Industry Association of New Zealand Incorporated	Poultry meat Sector	62.5%	$773.6m	$18,750,000
Egg Producers Federation of New Zealand Incorporated	Commercial layer hen Sector	37.5%	$211.77m	$11,250,000
Non-Signatory Beneficiaries	n/a	0%		
Total		100.0%		$30,000,000