



Victoria, Tasmania, and NSW (Southern Riverina) Region - Flat Milk Supply

Milk Supply Agreement – Non-Exclusive

29 June 2022

IMPORTANT INFORMATION

- A. This Milk Supply Agreement (**MSA**) outlines the terms and conditions upon which you agree to supply milk to Lactalis Australia Pty Ltd. If you are uncertain about any of the terms of this standard MSA you should firstly speak to your Supplier Relationship Manager. You should also obtain independent legal, accounting and business advice about the terms of this MSA and, in particular, the consequences of not meeting your obligations under this MSA. When you sign this MSA, you confirm that you understand all aspects of this MSA.
- B. You have 14 days after the day that this MSA is entered into to change your mind and terminate this MSA with immediate effect without incurring any liability to us (cooling-off period).

SCHEDULE A - DETAILS

Lactalis: Lactalis Australia Pty Ltd ABN 56 072 928 879
Level 5, 35 Boundary Street, South Brisbane, Qld 4101
Email: fampayments@au.lactalis.com

Supplier:

| | |
|---|--|
| Full name of legal entity of the Supplier: <i>(If the Supplier is a trustee of a trust, include name of trustee (and ACN if corporate trustee), and name of trust)</i> | |
| ABN: <i>(If the Supplier is a trustee of a trust, include the ABN of the trust)</i> | |
| Farm number: | |
| Address (for documents to be sent to the Supplier): | |
| Farm address (for Milk collection if different to address for documents): | |
| Email: | |
| Phone: | |

SCHEDULE B – KEY TERMS

1. Supply Period

You will supply us with Milk in accordance with the terms of this MSA for the Supply Period which:

- (a) commences on 1 July 2022 or the date after 1 July 2022 on which we first collect Milk from your Farm (**Commencement Date**); and
- (b) ends on 30 June 2023 (**End Date**).

2. Non-Exclusive supply

You will supply us with Milk on a non-exclusive basis. You commit to supply us with the monthly volumes of Milk during the Supply Period that you nominate in the table below.

| Month | Committed Monthly Volume (Enter volume in litres) |
|------------------|---|
| July | |
| August | |
| September | |
| October | |
| November | |
| December | |
| January | |
| February | |
| March | |
| April | |
| May | |
| June | |

3. Minimum Price

The Minimum Price for the Supply Period is the lowest price payable for Milk under this MSA disregarding any:

- (a) loyalty payment;
- (b) possibility of a temporary reduction in price in accordance with section 28 of the Dairy Code; and
- (c) fees payable by you under the MSA.

We will not decrease the Minimum Price during the Supply Period except in the circumstances allowed for by the Dairy Code. However, we may increase the Minimum Price during the Supply Period.

3.1 Justification for Minimum Price

The Dairy Code requires us to include in our standard published MSA justification for our Minimum Price. The factors that we have considered when setting our Minimum Price are:

- (a) our cost of production;
- (b) the anticipated milk production forecast for the region;
- (c) the product mix and markets that the region supplies;
- (d) competition for milk across the region;
- (e) international dairy markets, i.e. the price of milk in international regions plus freight to Australia;
- (f) any volume or productivity adjustments reflecting the efficiency of collecting from large farms as opposed to the cost of collecting from a larger number of smaller farms;
- (g) seasonal adjustments to take into account the variation in supply and cost of milk production; and
- (h) farm input costs.

3.2 Minimum Price calculation

We calculate the Minimum Price that we will pay you for Milk that you supply in each month of the Supply Period in accordance with the following formula:

$$\text{Minimum Price} = \text{Base Rate} + \text{Volume Adjustment} + \text{Tenure Adjustment} + \text{Regional Incentive (if applicable)} + \text{Proximity Adjustment (if applicable)} - \text{Deductions (if applicable)}$$

Where:

Base Rate means the Base Rate for Milk which is comprised of the milk fat payment and protein payment calculated in accordance with the table below, plus or minus the Quality Requirement Adjustments*.

| Applicable months | \$/Kg of milk fat supplied in the month | \$/Kg of protein supplied in the month |
|--------------------------------|---|--|
| July/August | \$6.51 | \$9.77 |
| September/October/ November | \$5.75 | \$8.63 |
| December | \$6.51 | \$9.77 |
| January - June | \$7.92 | \$11.89 |

*Quality Requirement Adjustments means the applicable adjustments as set out in the table below and further described in section 2.6 of the Handbook.

| BMCC Test Result cells/mL | Adjustment to Base Rate | Bactoscan Test Result IBC/mL | Adjustment to Base Rate | Thermoduric Test Result cfu/mL | Adjustment to Base Rate |
|---------------------------|-------------------------|------------------------------|-------------------------|--------------------------------|-------------------------|
| ≤200,000 | 3% | ≤80,000 | 0% | ≤2,000 | 0% |
| 201,000 - 300,000 | 0% | 81,000 - 150,000 | -5% | 2,001 - 5,000 | -5% |
| 301,000 - 400,000 | -10% | 151,000 - 300,000 | -20% | 5,001 - 10,000 | -20% |
| 401,000 - 600,000 | -20% | 301,000 - 400,000 | -30% | >10,000 | -30% |
| >600,000 | -30% | >400,000 | -40% | | |

Volume Adjustment means the amount calculated in accordance with the table below.

| Total Kg of milk fat and protein supplied in the month | \$/Kg of milk fat supplied in the month | \$/Kg of protein supplied in the month |
|--|---|--|
| Less than or equal to 11,999 | 0.20 | 0.30 |
| 12,000 - 14,999 | 0.36 | 0.54 |
| Greater than or equal to 15,000 | 0.50 | 0.75 |

Tenure Adjustment means the amount calculated in accordance with the table below.

| Continuous years of supply prior to the Commencement Date | \$/Kg of milk fat supplied in the month | \$/Kg of protein supplied in the month |
|---|---|--|
| 1 & 2 years | 0.04 | 0.06 |
| 3 & 4 years | 0.07 | 0.11 |
| 5+ years | 0.10 | 0.15 |

Regional Incentive means the amount calculated in accordance with the table below.

| Region | \$/Kg of milk fat supplied in the month | \$/Kg of protein supplied in the month |
|-------------------|---|--|
| Western Victoria | 0.1400 | 0.2100 |
| Northern Victoria | 0.2950 | 0.4425 |
| Eastern Victoria | 0.0820 | 0.1230 |

Proximity Adjustment means the adjustment applied on a \$/Kg basis on the volume of milk fat and protein supplied each month by suppliers in the regions set out in the table below which seek to account for the impact of a farm's distance to our nominated factory.

| Region | \$/Kg of milk fat supplied in the month | \$/Kg of protein supplied in the month |
|-------------------|---|--|
| Northern Victoria | 0.08 | 0.12 |
| Eastern Victoria | 0.20 | 0.30 |
| Western Victoria | 0.20 | 0.30 |

Deductions

Deduction for Milk supplied outside Committed Monthly Volume

If, in any month, the volume of Milk that you supply to us is more than 10% above or below the Committed Monthly Volume for that month (the upper tolerance and lower tolerance, respectively) and we have not agreed with you in writing in accordance with clause 5(d)(ii) of Schedule D to that greater than 10% change in volume, we may adjust the Base Rate component of the Minimum Price for Milk that you supply us that month to account for the difference in volume in accordance with the table below.

| | Deduction for July - January | Deduction for February - June |
|---|------------------------------|-------------------------------|
| Volume above upper tolerance | 5 CPL | 0 CPL |
| Volume not supplied below lower tolerance | 10 CPL | 10 CPL |

3.3 **Money we will reimburse to you**

We will reimburse you for costs that you incur in relation to:

- (a) servicing your milking machine(s);
- (b) servicing your vat(s);
- (c) vat replacement; and
- (d) herd recording,

in accordance with section 1.5 of the Handbook.

3.4 **Third-party charges**

You will be responsible for any third-party fees associated with:

- (a) compliance and quality assurance, such as auditor and testing fees as outlined in the Handbook; and
- (b) additional freight charges as set out in section 4.1 of the Handbook.

We will pay for the reasonable costs associated with one audit every two years per farm by an auditor approved by us. We will directly pass through to you any additional fees charged by the third party by deducting those fees from your monthly milk payment.

SCHEDULE C – EXECUTION

Executed as an agreement.

Signed for and on behalf of **Lactalis Australia Pty Ltd ABN 56 072 928 879** by its duly authorised representative:

.....
Signature of authorised representative

.....
Name of authorised representative

.....
Position of authorised representative

.....
Date

Signed for and on behalf of the **Supplier** by its duly authorised representative:

.....
Signature of authorised representative

.....
Name of authorised representative

.....
Position of authorised representative

.....
Date

SCHEDULE D – STANDARD TERMS AND CONDITIONS

This MSA sets out the terms and conditions upon which you agree to supply Milk to us.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this MSA:

ABN means Australian Business Number;

Approved Platform means Adobe Sign, AssureSign or a similar electronic signing platform;

Business Day means a day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland;

Commencement Date means the commencement date specified in clause 1 of Schedule B;

Committed Monthly Volume means the volume of Milk you have nominated in Schedule B for each month of the Supply Period;

Complaint Handling Officer means our National Milk Supply Manager;

Confidential Information means all information belonging or relating to a party to this MSA, whether oral, graphic, written or in any other form, that is not generally available to the public at the time of disclosure other than by reason of a breach of this MSA or that is in fact, or should reasonably be regarded as, confidential to the party to whom it belongs or relates;

CPL means cents per litre of Milk;

Dairy Code means the *Competition and Consumer (Industry Codes – Dairy) Regulations 2019* (Cth);

End Date means the end date specified in clause 1 of Schedule B;

Farm means the property from which you will supply Milk to us and from where we will collect the Milk, having the address set out in Schedule A;

Force Majeure Event means any cause, matter or thing beyond the affected party's reasonable control, including, without limitation, strikes lockouts, labour disputes, acts of God or nature, acts of governments or their agencies, fire, flood, storm, riots, pandemic, power shortages or power failure, or disruption by war or sabotage;

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

Handbook means our Milk Supplier Handbook, a copy of which is contained in Schedule E;

Lactalis, us, we and **our** mean Lactalis Australia Pty Ltd ABN 56 072 928 879;

Mediation Adviser means the person appointed as mediation adviser under section 44 of the Dairy Code by the Minister for Agriculture, Drought and Emergency Management (Federal);

Milk means cow's milk produced at or for the Farm;

Minimum Price means the minimum price for Milk calculated in accordance with clause 3.2 of Schedule B;

MSA means this Milk Supply Agreement which is constituted by:

- (a) Schedule A – Details;

- (b) Schedule B – Key Terms;
- (c) Schedule C – Execution;
- (d) this Schedule D – Standard Terms and Conditions;
- (e) Schedule E – Handbook; and
- (f) Schedule F – Privacy Policy.

Privacy Policy means our privacy policy, a copy of which is contained in Schedule F;

Quality Requirements means the quality requirements for milk that fall within the specifications set out in column 3 titled “Specifications/Test Results” of the Quality Requirements table contained in section 2.6 of the Handbook;

Quantity Requirements means the requirement to supply the quantity of Milk set out in clause 8.1(b) of this Schedule D;

Senior Executive means the National Milk Supply Manager or a General Manager of Lactalis;

Supply Period has the meaning given to it by clause 1 of Schedule B;

You, you and your mean the party identified as the Supplier in Schedule A.

1.2 Interpretation

In this MSA:

- (a) words in the singular include the plural and vice versa;
- (b) if something is to be or may be done on a day that is not a Business Day then it must be done on the next Business Day;
- (c) the word "person" includes a natural person and anybody or entity whether incorporated or not;
- (d) the word "month" means calendar month and the word "year" means 12 months;
- (e) the words "in writing" include any communication sent by letter, or email or any other form of communication capable of being read by the recipient;
- (f) a reference to all or any part of a statute, rule, regulation or ordinance (statute) includes that statute as amended, consolidated, re-enacted or replaced from time to time;
- (g) wherever "include" or any form of that word is used, it must be construed as if it were followed by "(without being limited to)";
- (h) money amounts are stated in Australian currency unless otherwise specified; and
- (i) a reference to any agency or body, if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or functions removed (defunct body), means the agency or body which performs most closely the functions of the defunct body.

1.3 Order of precedence

- (a) To the extent of any conflict or inconsistency between the Schedules of this MSA, that conflict or inconsistency will be resolved in the following order of precedence (highest to lowest):
 - (i) the Key Terms in Schedule B;

- (ii) the Standard Terms and Conditions in this Schedule D;
- (iii) the Handbook in Schedule E;
- (iv) Schedule A and Schedule C; and
- (v) Schedule F.

1.4 Dairy Code

If the Dairy Code is inconsistent in any way with this MSA, that part of this MSA is severed and the rest of this MSA remains in force.

2. TERM

The MSA is effective for the duration of the Supply Period, unless terminated earlier in accordance with its terms.

3. COOLING OFF PERIOD

- (a) You may terminate this MSA with immediate effect without incurring any liability to us by giving us notice no later than 14 days after the day on which this MSA is entered into.
- (b) If this MSA is terminated during the cooling-off period, the terms of this MSA will apply to all Milk supplied by you to us up to and including the date on which the termination takes effect.

4. PURCHASING THE MILK

- (a) You agree to sell Milk to us, and we agree to buy Milk from you, for the Supply Period in accordance with the terms and conditions of this MSA.
- (b) For the avoidance of doubt, if this MSA is terminated before the end of the Supply Period, it will continue to apply to all Milk supplied by you to us up to and including the date on which the termination takes effect.

5. NON-EXCLUSIVE SUPPLY

- (a) You will supply us with Milk on a non-exclusive basis.
- (b) You agree to supply us the Committed Monthly Volume for each month of the Supply Period in equal weekly instalments.
- (c) We will purchase the Committed Monthly Volume (with a tolerance of up to and including 10% above or below the Committed Monthly Volume) from you for each month of the Supply Period.
- (d) Where you propose to supply us with a volume of Milk in any month that is more than 10% above or below the Committed Monthly Volume, then:
 - (i) at least 21 days prior to that month, you will provide us in writing the volume of Milk you will supply to us that month; and
 - (ii) we may agree with you in writing within 10 days after receipt of your notice under clause 5(d)(i) of this Schedule D, to accept that volume change.
- (e) If you have any additional Milk in excess of the Committed Monthly Volume then you can supply that excess milk to any third party or you can choose to offer it to us for supply to us in accordance with the terms of this MSA.

6. COMPLIANT OPERATION OF THE FARM

6.1 Compliance with laws etc.

- (a) You must operate the Farm in compliance with this MSA (which includes the Handbook), all applicable laws, regulations, codes of practice and good industry practice for:
 - (i) the production, storage and supply of milk;
 - (ii) animal health, welfare and husbandry;
 - (iii) environmental management and stewardship;
 - (iv) work health and safety; and
 - (v) milk quality.
- (b) You must ensure that all Milk that you supply to us complies with all applicable laws, regulations and codes of practice.

6.2 Costs of operation

You agree that you will, at your own cost, hold all necessary licences and approvals to operate the Farm and supply Milk to us.

7. QUALITY REQUIREMENTS

You must ensure that the Milk meets the Quality Requirements.

8. COLLECTION

8.1 Responsibilities regarding collection

- (a) We will collect the Milk from the Farm daily, or each alternate day, during the Supply Period.
- (b) At the time of each collection:
 - (i) you will ensure that at least 400 litres of Milk are available for collection and provide safe unrestricted access for us or our representative to collect the Milk in accordance with our instructions to you; and
 - (ii) that collection must include the entire volume of Milk in each vat or silo, unless otherwise agreed in writing between us.
- (c) You will notify us of any circumstances that may impact our ability to safely collect the Milk.
- (d) Collection of Milk does not indicate that we accept that the Milk meets our Quality Requirements.

8.2 Non-collection

- (a) We will not be obliged to collect Milk from the Farm in circumstances including:
 - (i) when it is not safe to do so due to:
 - (A) adverse weather conditions;
 - (B) road access issues, specifically a lack of adequate road access to the Farm;

- (C) government authorities restricting access to the Farm for public health or safety reasons or the tanker being unable to access the Farm for any other reason; or
- (ii) when the Milk is contaminated or unsuitable for collection.
- (b) We will not be liable to you for any loss suffered or incurred by you if and when we do not collect, or refuse to collect, Milk from the Farm in accordance with clause 8.2(a) of this Schedule D.

9. OWNERSHIP AND RISK

9.1 Ownership and risk

- (a) You warrant that you own the Milk free of any mortgage, charge or other security interest and that you have the right to supply the Milk to us.
- (b) Ownership of and risk in the Milk transfers to us once the Milk has passed tests on collection and the Milk is loaded into our, or our representative's, milk tanker at the Farm and the milk tanker has left the Farm. For clarity, ownership of and risk in the Milk, does not pass to us and remains with you if we do not collect, or refuse to collect, the Milk under clause 8.2 of this Schedule D.

10. SAMPLING PROCEDURE, TESTING AND VOLUME ACCURACY

- (a) We will takes samples of the Milk in accordance with section 2.2 of the Handbook.
- (b) We will test, or arrange for the testing, of the samples of Milk in accordance with sections 2.4 and 2.6 of the Handbook.
- (c) We will give you written notice of the results of those tests, as soon as practicable after we test the Milk.
- (d) We will measure volume accuracy of the Milk you supply in accordance with section 2.3 of the Handbook.
- (e) We will provide you with written statements about the Milk in accordance section 2.18 of the Handbook.

11. QUALITY AND QUANTITY OF MILK

11.1 Notice of non-compliance with Quality Requirements

- (a) If you have reason to believe at any time during the Supply Period that the Milk does not meet our Quality Requirements, then you must notify us as soon as you have reason to be concerned.
- (b) On the first occasion in a year of the Supply Period that you notify us prior to collection that you do not believe that the Milk meets the Quality Requirements and we elect not to collect the Milk, we will pay you the Base Rate component of the Minimum Price for the volume of Milk we have elected not to collect.

11.2 Supply of contaminated Milk

- (a) If you supply Milk that is contaminated, then:
 - (i) we may not pay you for that Milk;
 - (ii) you may be held responsible for the total volume of milk (including any Milk) that we lose in the tanker or in our processing system where that milk has been contaminated by the contaminated Milk that you supply; and

- (iii) we may recover from you the costs of disposal of such contaminated milk and any other costs arising out of the contamination.

Contaminants may include antibiotics, blood, high microbial counts, and agricultural or veterinary chemicals.

11.3 **Rejection of Milk**

- (a) We may either reject your Milk (before or after collection) and/or suspend collection of your Milk if it does not meet any of the Quality Requirements or Quantity Requirements.
- (b) If we reject your Milk (before or after collection) and/or suspend collection of your Milk under clause 11.3(a) of this Schedule D, we will provide you, as soon as practicable, written notice of:
 - (i) the reasons for the rejection or suspension;
 - (ii) the consequences of the rejection or suspension and any associated costs for you to pay; and
 - (iii) any action plan we require you to implement to ensure continuous improvement and to avoid future rejections or suspensions.
- (c) We will not be liable to pay you for Milk that we have rejected or refused to collect in accordance with this MSA.

11.4 **Other acts of non-compliance**

- (a) If you do not comply with any other terms of this MSA (other than in relation to the Quality Requirements and the Quantity Requirements) then you must inform us as soon as practicable after you become aware of the non-compliance.
- (b) For all acts of non-compliance of which you inform us under clause 11.4(a) of this Schedule D or of which we become aware (excluding any acts of non-compliance in relation to the Quality Requirements and Quantity Requirements) we may:
 - (i) provide you with notice to remedy the non-compliance within a reasonable time frame; and
 - (ii) suspend collecting Milk from the Farm until such time as we are satisfied that you have remedied the non-compliance.

12. **HERD SIZE**

You must provide us with at least 30 days' written notice of any proposed change in the size of your milking herd of more than 10%.

13. **PAYMENTS**

13.1 **Price**

We will pay you the Minimum Price for Milk that you supply to us each month.

13.2 **Payment for supply**

We will pay you by electronic funds transfer to your nominated bank account (as verified by Lactalis) on the 15th day of the month following the month of supply. If the 15th day falls on a weekend or public holiday, payment will be made on the Business Day before the 15th.

14. AUDITS

14.1 Right to audit

Upon reasonable notice, we (or an independent third party that we appoint) may access and review any records and farm practices and procedures to determine whether you are complying with this MSA.

14.2 Non-compliance

If you are found not to be complying with this MSA, then we will provide you with notice in accordance with clause 14.1 of this Schedule D and provide you with reasonable opportunity to remedy the concerns.

14.3 Audit costs

Costs of audits will be determined in accordance with section 2.20 of the Handbook.

15. GST

15.1 Definitions

In this MSA the expressions “consideration”, “GST”, “input tax credit”, “supplier”, “supply”, “tax invoice”, “recipient”, “recipient created tax invoice” and “taxable supply” have the meanings given to those expressions in the GST Act.

15.2 No GST

Unless otherwise set out, the parties confirm that any amount payable under this MSA is calculated without regard to GST.

15.3 Pay GST

If any goods or services supplied are taxable supplies, then on payment of any amount under this MSA, a party must also pay the other party any applicable GST.

15.4 Assisting in claiming GST

Each party must do everything reasonably necessary to assist the other to claim a GST input tax credit.

15.5 ABN

You must be registered for GST and must maintain the registration of your ABN throughout the Supply Period.

15.6 Recipient created tax invoices

The parties agree that a separate recipient created tax invoice agreement shall be entered into between them. The parties agree that the supplier will not issue tax invoices and instead, the recipient shall issue recipient created tax invoices in line with the recipient created tax invoice agreement.

16. INDEMNITY

You indemnify us against any claims by third parties for death or injury to any person or loss or damage to any property caused by your negligence or breach of this MSA, except to the extent that we have contributed to the death, injury, loss or damage.

17. **FORCE MAJEURE**

17.1 **Force Majeure Event**

- (a) Where we are unable to collect Milk which is to be supplied to us due to a Force Majeure Event, risk in and ownership of the Milk remains with you and we have no obligation to pay for the supply of that Milk.
- (b) If a Force Majeure Event prevents us from collecting Milk which would otherwise be supplied to us, you may, for the term of the Force Majeure Event, supply your Milk to any other party.

18. **RECORDS**

The parties must keep originals or copies of this MSA and any notice or statement issued under this MSA or the Dairy Code, including notices of variation and termination for a period of six years after the End Date.

19. **RESOLVING DISPUTES**

19.1 **Complaint handling procedure**

If either party has a complaint about or in connection with this MSA (**Complaint**) then that Complaint must be dealt with in accordance with clauses 19.2 to 19.5 of this Schedule D or, if that fails, by mediation in accordance with clauses 19.6 to 19.12 of this Schedule D.

19.2 **Notice details**

If you are the complainant then you must provide written notice of the Complaint to our Complaint Handling Officer. If we are the complainant we will provide you written notice. The notice of complaint (**Complaint Notice**) must provide details of:

- (a) the nature of the Complaint;
- (b) that the complainant wants the Complaint to be dealt with in accordance with this complaint handling procedure; and
- (c) the outcomes that the complainant requires.

19.3 **Response**

The party receiving the Complaint Notice (**respondent**) must, within five Business Days after receiving the Complaint Notice, give a written acknowledgement (**Acknowledgement**) to the complainant stating:

- (a) the Complaint Notice has been received; and
- (b) the steps to be taken to resolve the Complaint.

19.4 **Procedure**

- (a) Within 14 days after receipt of a Complaint Notice, the complainant and the respondent must meet to attempt to resolve the Complaint.
- (b) If, within 28 days of receipt of a Complaint Notice, the Complaint remains unresolved, the Complaint must be referred, at the request of either party, to a Senior Executive of ours (or their nominee) to meet with the complainant and the respondent to attempt to resolve the Complaint.
- (c) The complainant may at any time withdraw the Complaint by notice in writing to the respondent.

19.5 Unresolved Complaint

If, within 60 days after the Acknowledgement was given to the complainant, the Complaint remains unresolved, then either party may take action to have the Complaint resolved by mediation in accordance with clauses 19.6 to 19.12 of this Schedule D.

19.6 Mediation

- (a) The parties must request that the Mediation Adviser appoint a mediator for the dispute.
- (b) The Mediation Adviser:
 - (i) must appoint a mediator within 14 days after receiving the request under clause 19.6(a) of this Schedule D unless the Mediation Adviser is satisfied that the Complaint giving rise to the dispute:
 - (A) is frivolous or vexatious; or
 - (B) has previously been the subject of another mediation; and
 - (ii) must give the parties to the dispute, in writing, details of the mediator appointed.

19.7 Conduct of mediation

- (a) Subject to clause 19.7(b) of this Schedule D, the mediator must decide:
 - (i) how the mediation is to be conducted (for example, by telephone or in meetings);
 - (ii) the time and place for the mediation; and
 - (iii) the day the mediation commences for the purposes of this MSA.
- (b) The mediation must be conducted in Australia.

19.8 Notice of commencement of mediation

Within 14 days after the mediation has commenced, the mediator must notify the Mediation Adviser, in writing, that the mediation has commenced and of the nature of the dispute.

19.9 Attendance at mediation

- (a) Each party to the dispute must attend the mediation and attempt to resolve the dispute.
- (b) For the purposes of clause 19.9(a) of this Schedule D, a party is taken to attend a mediation to attempt to resolve a dispute if the party is represented at the mediation by a person who has authority to enter into an agreement to settle the dispute on behalf of the party.

19.10 Notice of successful mediation

If an agreement is reached in relation to the dispute, the mediator must, within 14 days after the agreement is reached:

- (a) set out, in writing, the terms of the agreement;
- (b) give a copy of the terms to each party to the dispute; and
- (c) notify the Mediation Adviser that an agreement has been reached.

The party who requested the mediation may, at any time, withdraw the Complaint that is the subject of the dispute by notice in writing to the other party to the dispute and the mediator.

19.11 Termination of mediation

- (a) The mediator conducting a mediation of a dispute in accordance with this MSA:
 - (i) may terminate the mediation at any time if the mediator is satisfied that a resolution of the dispute is not likely to occur; and
 - (ii) must terminate the mediation if the party who requested the mediation requests the mediator to do so.
- (b) If a dispute that is the subject of mediation in accordance with this MSA is not resolved within 30 days after the mediation commenced:
 - (i) the respondent to the mediation may ask the mediator to terminate the mediation; and
 - (ii) the mediator must do so.
- (c) If the mediator terminates a mediation under clause 19.11(a) or (b) of this Schedule D, the mediator must issue a certificate stating:
 - (i) the names of the parties to the mediation;
 - (ii) the nature of the dispute that was the subject of the mediation;
 - (iii) that the mediation has been terminated; and
 - (iv) that the dispute has not been resolved.
- (d) The mediator must give a copy of the certificate to:
 - (i) the Mediation Adviser; and
 - (ii) each party to the dispute.

19.12 Costs of mediation

- (a) Each party to a dispute that was the subject of a mediation must pay half the costs (if any) of the mediation (being all reasonable costs associated with the conduct of the mediation), unless the parties to the mediation agree otherwise.
- (b) Each party to a dispute that was the subject of a mediation must pay that party's costs of attending the mediation, unless the parties agree otherwise.

19.13 Court proceedings

The parties must comply with this clause 19 before commencing court proceedings in relation to a Complaint or a dispute between the parties in relation to or arising under this MSA, except proceedings for urgent interlocutory or final relief. If a dispute is not resolved by mediation then, either party may, if it wishes, commence court proceedings.

19.14 Interlocutory relief

Neither party is prevented from seeking an urgent injunction in relation to this MSA.

19.15 Ongoing obligations

Despite the existence of a Complaint or dispute between the parties arising out of or in relation to this MSA, each party must continue to comply with its obligations under this MSA.

20. TERMINATION

20.1 Grounds for immediate unilateral termination by you

You may immediately terminate this MSA by notice in writing to us, if we commit a material breach of this MSA.

20.2 Grounds for immediate unilateral termination by us

- (a) We may immediately terminate this MSA by notice in writing to you, if you commit a material breach of this MSA, which includes:
 - (i) a material breach of this MSA which is not remedied within 30 days after receiving written notice from us requiring you to do so;
 - (ii) a material breach of the Quality Requirements;
 - (iii) a material breach of the Quantity Requirements;
 - (iv) a material breach of the following sections of the Handbook:
 - (A) 3.1 – Work Health and Safety;
 - (B) 3.2 – Social and Ethical Policy;
 - (C) 3.6 – Environment;
 - (D) 3.7 – Animal Health;
 - (E) 3.8 – Animal Welfare; and
 - (v) a material breach of applicable State or Federal legislation.

20.3 Process for termination

- (a) If a party terminates this MSA under clause 20.1 or 20.2, then that party will provide the other party, as soon as practicable, with written notice of:
 - (i) the termination;
 - (ii) the reasons for the termination; and
 - (iii) the day the termination takes effect.

20.4 Mutual termination

The parties may terminate this MSA by written mutual consent. We will not unreasonably withhold our consent.

20.5 No loss of rights

Termination or expiry of this MSA will not prejudice any right of action or remedy which may have accrued to either party.

21. GENERAL

21.1 Nature of obligations

- (a) Any provision in this MSA which binds more than one person binds all of those persons jointly and each of them severally.
- (b) Each obligation imposed on a party by this MSA in favour of another is a separate obligation.

21.2 Entire terms and conditions

This MSA contains the entire agreement between the parties for your supply of Milk to us. Any other prior understandings, representations, warranties or undertakings of any kind made by or on behalf of either party in relation to the subject matter of this MSA are of no effect.

21.3 No waiver

A party's failure to or delay in exercising a right under this MSA does not operate as a waiver of that right. A waiver is not effective unless it is in writing.

21.4 Severability

If any provision of this MSA is unenforceable, illegal or void or makes the MSA (or part of it) illegal or void, then the provision is severed and the rest of this MSA remains in force.

21.5 No assignment

- (a) You cannot assign or otherwise transfer the benefit of this MSA, or ownership of the Farm without our prior written approval (which cannot be unreasonably withheld).
- (b) If we agree to you assigning or transferring the benefit of this MSA or the Farm to a third party, we may require you to novate this MSA to the assignee and/or purchaser from the date of transfer.

21.6 Costs

Each party must pay its own legal costs of and incidental to the preparation and completion of this MSA.

21.7 Governing law and jurisdiction

This MSA is governed by and must be construed in accordance with the laws in force in the State in which the Farm is operated.

21.8 No agency, joint venture or partnership

It is understood and agreed that the only relationship between the parties is that of independent contractors and that no agency, joint venture, employment relationship or partnership is created by the parties.

21.9 Variation

(a) Mutual variation

This MSA may only be varied by the parties agreeing in writing to such variation, subject to clause 21.9(b) of this Schedule D. No variation can be made if it would contravene the Dairy Code.

(b) Variation by us

We may unilaterally vary this MSA where there is a change in a Commonwealth, State or Territory law:

- (i) to the extent necessary to comply with the changed law; and
- (ii) without reducing the Minimum Price.

If we unilaterally vary this MSA, we will provide you, as soon as practicable, with written notice of:

- (i) the variation;

- (ii) the reasons for the variation; and
- (iii) the day the variation takes effect.

(c) **Variation which increases Minimum Price**

An increase in the Minimum Price payable to you constitutes a variation to this MSA and the Dairy Code requires that you agree to the payment of the increase. We will notify you of the increase in the Minimum Price and at the same time advise you how you can agree to that price increase and, if you do not agree in the manner and in the time set out in our notice, then you shall be deemed to have accepted that increase in the Minimum Price.

(d) **Variation by you**

You are unable to unilaterally vary this MSA.

21.10 Confidentiality

If either party provides the other party (**Receiving Party**) with Confidential Information then the Receiving Party must not disclose that Confidential Information unless it is:

- (a) to obtain legal, financial or other business advice;
- (b) already publicly known;
- (c) required by law, regulation or direction of an authority to be disclosed;

You must not disclose the terms of this MSA or Confidential Information (including commercial information) relating to this MSA without our prior written consent.

21.11 Privacy

We will hold your personal information in accordance with the Privacy Policy.

21.12 Notices

- (a) Any notice or other communication required to be given under or in connection with this MSA can be delivered by addressing that notice to the other party at its address set out in Schedule A of this MSA and serving the notice at that address.
- (b) Notice may be delivered by hand, post or by email with service deemed to have occurred as follows:

| Delivery Method | Notice Given |
|------------------------|--|
| Hand | If before 4pm local time in the place of delivery, the notice will be taken to be delivered the day of delivery. |
| Post | 5 th Business Day in the place of delivery after the notice is posted |
| Email | A notice may be sent in electronic form and will be deemed given and received on the first day on which it could have been read by the addressee. But if the notice is received after 5pm on a Business Day, or a day that is not a Business Day, then the notice is taken to have been received on the next Business Day. |

21.13 Trustees

- (a) Unless you have told us that you are the trustee of a trust, you warrant that you are entering into this MSA in your own capacity.
- (b) If you have told us you are entering into the MSA as a trustee, you are entering into this MSA on your own behalf and on behalf of the trust and you warrant to us that you:
 - (i) have entered this MSA for the trust's benefit and purpose and have arranged any required approvals for the trust's property to be bound to this MSA;
 - (ii) have the power under the trust deed to enter into this MSA, to fulfil your obligations under this MSA, and to use the assets of the trust to pay any amount required in connection with this MSA; and
 - (iii) acknowledge and agree that we are entering into this MSA on the basis that each of the warranties in this clause 21.13 of this Schedule D are true and correct and will remain true and correct throughout the term of this MSA.

21.14 Modern slavery

- (a) In this clause, **Anti-Slavery Laws** means:
 - (i) Divisions 270 and 271 of the *Criminal Code Act 1995* (Cth);
 - (ii) the *Modern Slavery Act 2018* (Cth); and
 - (iii) any other applicable law which prohibits exploitation of a worker, human trafficking, slavery, slavery-like behaviour, servitude, forced labour, child labour, debt bondage or deceptive recruiting for labour or services (or similar), and is applicable in the jurisdiction in which you and we are registered or conduct business or in which activities relevant to the supply of the Milk are to be performed.
- (b) You warrant to us that, to the best of your knowledge, you and your employees, officers and representatives do not engage in any conduct or omission which contravenes the Anti-Slavery Laws and you are not aware of any risks present in your operations and supply chains that may contravene the Anti-Slavery Laws or, if you are so aware, you have taken appropriate action to mitigate, remediate and reduce those risks (including providing notice to us under clause 21.14(d)(i) of this Schedule D).
- (c) You must ensure that, in performing your obligations in connection with the supply of Milk, you and your officers, employees and representatives:
 - (i) do not engage in any conduct or omission which may contravene any Anti-Slavery Laws;
 - (ii) comply with any policy of ours relating to anti-slavery; and
 - (iii) do all things required or necessary to mitigate or reduce modern slavery risks in your operations and supply chains and stay in compliance with all applicable Anti-Slavery Laws.
- (d) You must:
 - (i) promptly notify us if you become aware of a possible, potential, suspected or actual breach by you or your employees, officers or representatives of any Anti-Slavery Laws;
 - (ii) cooperate in good faith with us in investigating the circumstances relevant to any possible, potential, suspected or actual breach of any Anti-Slavery Laws,

whether or not notification has been given under clause 21.14(d)(i) of this Schedule D;

- (iii) provide such assistance and information as we reasonably require in respect of this MSA and the supply of Milk in order to prepare, as required, a modern slavery statement each financial year and to comply with the Anti-Slavery Laws; and
- (iv) establish and maintain policies and procedures to ensure that you and your employees, officers and representatives comply with the obligations set out in this clause.

21.15 **Execution**

- (a) This MSA may be executed in any number of counterparts, each executed by one or more parties.
- (b) This MSA may be executed electronically by any party, or all parties, using an Approved Platform or by returning a fully signed copy of this MSA to us at the address set out in Schedule A by way of registered mail. Any electronic copy of this document so signed will constitute an executed original counterpart. Any hard copy of this document so signed and returned to us will constitute an executed original counterpart.
- (c) All counterparts together will be taken to constitute one MSA.
- (d) This MSA will be deemed to have been validly entered into and will be final and binding once all parties have signed even if one or more parties sign electronically using an Approved Platform.
- (e) Each party who signs this MSA using the Approved Platform is bound by, has complied with and will comply with any terms and conditions of the Approved Platform, in relation to the execution of this document.
- (f) This clause 21.15 does not limit the ways in which a party may execute this document.