

Goulburn Valley Creamery Milk Supply Agreement (Non-Exclusive) Effective from 1 July 2024

The Supplier agrees to supply and the Processor agrees to buy Milk for the Price and on the terms set out in this Agreement. The terms of this Agreement are contained in the:

- Schedule
 - General Terms and Conditions
 - Processor's Milk Supply Policy
- in that order of priority.

WARNING: THIS IS A LEGALLY BINDING AGREEMENT. YOU SHOULD READ THIS AGREEMENT AND SEEK LEGAL ADVICE IF REQUIRED BEFORE SIGNING IT.

Signature of Goulburn Valley Creamery:

EXECUTED by GOULBURN VALLEY CREAMERY PTY LTD ACN 622 481 823 by being signed by its agent who is authorised to sign for the Company in accordance with section 126 of the *Corporations Act 2001*.

Signature of Authorised Representative: X
Name of Authorised Representative: _____

Signature of Witness X
Full Name of Witness X

Signature of the Supplier:

EXECUTED by X _____ by being signed by those persons who are authorised to sign for the Company in accordance with section 127(1) of the *Corporations Act 2001*

Signature: X
Position: Director/Secretary
Full Name: X

Signature: X
Position: Director/Secretary
Full Name: X

SIGNED SEALED AND DELIVERED by

Name of Supplier: X
Signature of Supplier: X
In the presence of the following witness:

Witness Signature: X
Witness Full Name: X
Witness Address: X

SCHEDULE

Date of this

Agreement:

Processor:

Processor Name: GOULBURN VALLEY CREAMERY PTY LTD
 ACN 622 481 823
 ABN 65 622 481 823
 Address: Gate 3, 32 Barton Rd, Kyabram VIC 3620
 Email: milksupply@gvcreamery.com
 Telephone: (03) 5852 1111

Supplier:

Supplier Name:
 ACN
 ABN
 Address for service of notices:
 Email:
 Telephone:
 Dairy Licence Number:
 Address of Dairy:

Key Dates:

Start Date of Milk Supply:	
End Date of Milk Supply:	(Select one) <input type="checkbox"/> 30 June 2025 <input type="checkbox"/> 30 June 2026

Minimum Milk Price:

Minimum Milk Price	July to December			January to June		
	\$/Kg Fat	\$/Kg Protein	\$/Kg MS	\$/Kg Fat	\$/Kg Protein	\$/Kg MS
Total Announced Minimum Price FY2024/2025	5.64	9.86	7.60	6.08	10.64	8.20
Total Announced Minimum Price FY2025/2026	Based on Goulburn Valley Creamery Milk Supply Agreement Opening Minimum Price for the FY2025/2026, but no more than 10% above, nor less than 10% below the Minimum Price FY2024/2025					

Monthly Milk Supply Volumes

Month	Monthly Agreement Volume
July	
August	
September	
October	
November	
December	
January	
February	
March	
April	
May	
June	

Total Annual Volume: _____

General Terms and Conditions

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1. Definitions

1.1 In this Agreement, unless the context otherwise requires the words in the first column have the meanings attributed to them in the second column. Other definitions appear in the Schedule.

Agreement	means the whole of this Agreement including the front page of this Agreement, the Schedule, these General Terms and Conditions and the Annexures hereto.
Announced Minimum Price	means, in respect of a month, the Minimum Price for that month announced by GVC prior to the commencement of the new Season for a Reference Litre of Milk.
Applicable Laws	means all laws, regulations and mandatory codes of practices (as amended from time to time) applicable to Milk production, broking, carriage and distribution including the Code.
Business Day	means a day other than a weekend or public holiday in regional Victoria.
Code	means the <i>Competition and Consumer (Industry Codes- Dairy) Regulations 2019</i> as regulated under the <i>Competition and Consumer Act 2010</i> (Cth).
Confidential Information	means all confidential, non-public or proprietary information exchanged between the parties before, on or after the date of this Agreement relating to the business, technology or other affairs of each party or which comes into a party's possession pursuant to, or as a result of, any negotiations or discussions in connection with this Agreement including the existence, nature and terms of this Agreement, and whether disclosed verbally, in writing, in electronic form or by any other means.

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End Date of Milk Supply	means the date specified in the schedule which is the date upon which this Agreement will come to an end (subject to the provisions for early termination set out in this Agreement).
Farm	means the Supplier's dairy Farm located at the Address of Dairy specified in the Schedule used to produce Milk, but excludes any other property or properties used by the Supplier on or after the date both parties sign this Agreement, unless otherwise agreed in writing between the parties.
Financial Year	means each period of 12 consecutive months commencing on 1 July.
GVC	means Goulburn Valley Creamery Pty Ltd ACN 622 481 823
GVC's policies	means the policies set out in Annexure 1.
GST Law	has the meaning given by the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
Initial Term	means the period starting on the <u>later of</u> : <ul style="list-style-type: none">• the Commencement Date; or• 1 July 2024 and finishing on the date specified as the "end Date of Milk Supply" under Key Dates in the Schedule.
Insured Amount	\$20 Million or such other amount as is advised by GVC from time to time
Levy	means any charge or fee imposed by a state or federal government that is required to be paid by the Supplier but collected by GVC in relation to the production of Milk.
Milk	means the lacteal fluid product of a dairy cow, and "your Milk " means all of the Milk produced at the Farm excluding Milk used for the rearing of calves on the Farm or Milk used or consumed on the Farm for domestic or household purposes.
Milk Solids	means the butter fat and protein (measured in kilograms) contained in Milk.
Minimum Price	means the lowest Price for the Milk to be paid by GVC to Supplier, calculated by reference to the table in the Schedule.
month	means a calendar month.
Monthly Volumes	means in respect of each month in the Financial Year during the Term of this Agreement, the Monthly Milk Supply Volumes set out in the Schedule for that month or such other amount for that month as may be agreed in writing from time to time by the Supplier and GVC.
party or parties	means the Supplier or GVC or both. A reference to a party includes that party's successors and permitted assigns.
Price	means the Price of the Milk to be paid by GVC for Milk supplied by Supplier. Price may be expressed in terms of Milk solids factoring in levels of protein, fat and other products inherent in the Milk. Alternatively, Price may be expressed by liquid volume.
Quality Specifications	means the Quality Specifications set by GVC as set out in GVC's Policies.
Recipient Created Tax Invoice	has the meaning given to it by subsection 29-70(3) of the GST Law.
Reference Litre of Milk	means a litre of Milk which contains 3.80% fat and 3.30% protein.
Season	means the period from 1 July to 30 June each year.
Start Date of Milk Supply	means the date set out in the Schedule to this Agreement under "Key Dates" which, subject to these General Terms and Conditions, is the date upon which the Supplier will commence the supply of Milk to GVC.

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Term means the Initial Term and any continuing period until terminated pursuant to clause 12.

2. Agreement to Supply and Purchase Milk

- 2.1 This Agreement sets out the terms and conditions on which:
- (a) the Supplier will supply Milk to GVC, and
 - (b) GVC will buy Milk from the Supplier.
- 2.2 This is a non-exclusive agreement. Therefore, during the Term of this Agreement and subject to the terms and conditions of this Agreement:
- (a) the Supplier must supply to GVC a minimum of the Monthly Volume of the Supplier's Milk; and
 - (b) GVC will purchase from the Supplier a minimum of the Monthly Volume of the Supplier's Milk.
- 2.3 The Supplier may supply Milk to any third party at any time during the currency of this Agreement without the need for the agreement of GVC.
- 2.4 This Agreement contains the entire agreement between the parties in relation to their subject matter and supersedes all previous agreements, understandings, communications, and representations on the subject matter.

3. Cooling off Period

- 3.1 The Supplier may within 14-days of the day on which the Supplier signs this Agreement, serve a written notice on GVC advising that it has had a change of mind and wishes to terminate this Agreement, and upon receipt of that notice by GVC this Agreement will immediately be at an end.

4. Rejection of Milk

- 4.1 GVC's opening minimum Milk Price commitment for this Season's Milk supply is set out in the Schedule to this Agreement.
- 4.2 Notwithstanding clause 4.1, GVC may reject Milk that does not meet the standards of quality set out in GVC's Policies or GVC may at its option offer to buy the Milk for a reduced Price.

5. Milk Pricing

- 5.1 Milk Prices will be determined in accordance with the Milk Pricing Policy set out in Annexure 2.

6. GST

GST Definitions

- 6.1 For the purposes of this Agreement:
- "GST" means GST within the meaning of the GST Act.
- "GST Act" means the A New Tax System (Goods and Services Tax) Act 1999 (as amended).
- Expressions set out in italics in this clause bear the same meaning as those expressions in the GST Act.

Amounts otherwise payable do not include GST

- 6.2 Except where express provision is made to the contrary, and subject to this clause 6, the consideration payable by any party under this Agreement represents the value of any taxable supply for which payment is to be made.

Liability to pay any GST

- 6.3 Subject to clause 6.4, if a party makes a taxable supply in connection with this Agreement for a consideration, which, under clause 6.2 represents its value, then the party liable to pay for the taxable supply must also pay, at the same time and in the same manner as the value is otherwise payable, the amount of any GST payable in respect of the taxable supply.

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Recipient Created Tax Invoice

- 6.4 The parties agree that GVC will provide to the Supplier a Recipient Created Tax Invoice which complies with the requirements of the GST Act or the GST law (as applicable) within 15 days after the end of each calendar month relating to milk supply during that month.

7. Determination of Monthly Volumes

- 7.1 Item 1 of the Schedule contains the agreed Monthly Volumes of Milk that the Supplier must supply to GVC in each month of the Term.
- 7.2 Monthly Volumes may be varied by mutual agreement between the parties.
- 7.3 The Supplier must advise GVC as soon as the Supplier forms the belief that:
- (a) The Supplier will not be able to supply at least 90% of the initial Estimated Volume of Milk in any calendar month, and the amount of the likely reduction in supply; and
 - (b) The Supplier will supply more than 10% above the initial Estimated Volume of Milk (i.e. 110% or more of Specific Volume), and the amount of the likely excess in supply.
- 7.4 GVC may, from time to time, notify you of the policies and factors that impact upon the GVC's determination of your Monthly Volumes including, for example, the regional commercial needs of relevant processors.

8. GVC's Policies

- 8.1 In addition to the terms of this Agreement, GVC's Policies form part of this Agreement.
- 8.2 Notwithstanding, GVC may change GVC's Policies from time to time in accordance with the Code. GVC will notify you in writing of any changes to GVC's Policies. The changes will apply from the commencement of each new Season.
- 8.3 The Supplier must comply with GVC's Policies.
- 8.4 In the event of any express inconsistency between this Agreement and GVC's policies relating to pick-up arrangements (including road access), Milk quality standards and control procedures for Milk, the provisions of GVC's Policies will prevail over the terms of this Agreement to the extent of the inconsistency. In all other respects, in the event of any express inconsistency between this Agreement and GVC's Policies, the terms of this Agreement shall prevail.
- 8.5 The Supplier acknowledge having received and read GVC's Policies before entering into this Agreement.

9. Quality and sampling procedures

- 9.1 Unless otherwise agreed in writing, the quality of Milk provided by the Supplier must comply with Quality Specifications in GVC's Policies. If the parties agree in writing on updated Quality Specifications during the Term, this Agreement is amended accordingly with effect from the date of that agreement.
- 9.2 GVC will undertake the sampling procedures and volume accuracy assurances specified in GVC's Policies in relation to Milk supplied by the Supplier.

10. Monthly Statements

- 10.1 GVC will issue a statement to the Supplier within 14 days of the end of each Month during the Term specified particulars of the previous month's supply. The statement will include the following information:
- (a) the date(s) of the purchases,
 - (b) the quality and quantity of Milk purchased by GVC
 - (c) the Price paid for the Milk (where multiple methods are agreed for calculating the Milk Price, the method applied for calculating the Milk Price for a particular purchase),
 - (d) any fees or levies deducted from payment;

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- (e) date the Milk was delivered; and
- (f) any other relevant information at GVC's discretion.

11. Transfer of Ownership of Milk

- 11.1 Ownership of Milk is transferred from the Supplier to GVC when the Milk tanker is approved for unloading at GVC's processing facility once Milk testing approval is provided by that facility's Milk testing process.

12. Termination on Notice on or after Initial Term

- 12.1 After the expiry of the Initial Term of this Agreement, this Agreement will continue on a monthly basis until terminated by either party giving written notice to the other party in accordance with this clause 12 ("the holding over period").
- 12.2 If a party (the "**Terminating Party**") wishes to terminate this Agreement to take effect at any time on or after the expiry of the Initial Term, the Terminating Party must follow the following procedure:
- (a) the Terminating Party must serve on the other party at its nominated address for service not less than 30 days written notice that it is exercising its right to terminate this Agreement ("**Notice of Termination**").
 - (b) The Notice of Termination must set out the date on which the termination will take effect ("**Termination Date**"). The Termination Date:
 - (i) must fall on the last day of a Month;
 - (ii) cannot be less than one Month from the date the Notice of Termination is served on the other party; and
 - (iii) cannot be prior to the expiry of the Term.
 - (c) A Notice of Termination that does not comply with clause 12.2(a) and 12.2(b) will be ineffective and of no force or effect.
- 12.3 If the Supplier continues to supply GVC after the end of the Initial Term as neither party as served a Notice of Termination on the other:
- (a) this Agreement and GVC's Policies remain in full force and effect unless and until validly terminated by either party in accordance with clause 12.2 ; and
 - (b) the minimum Milk Price announced by GVC for the period following the expiration of the Term shall apply.

13. Termination for breach

- 13.1 The parties agree that if:
- (a) the Supplier supplies Milk to a third party during the Term of this Agreement and/or the holding over period referred to in clause 12.1; or
 - (b) a party commits a fundamental or material breach of this Agreement (including non-payment of monies due) and fails to remedy the breach within thirty (30) days after notice in writing has been given to remedy that breach; or
 - (c) a party commits a fundamental or material breach of this Agreement which is incapable of remedy; or
 - (d) either party, being a company, and
 - (i) an order is made or a resolution passed for its winding up (except for the purpose of reconstruction or amalgamation with the written consent of the Landlord); or

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- (ii) it goes into liquidation or administration or makes an assignment for the benefit of or enters into an arrangement or composition with its creditors or is unable to pay its debts within the meaning of the *Corporations Act 2001 (Cth)*; or
 - (iii) it is placed under official management or a receiver or manager of any of its assets is appointed or an inspector is appointed under the *Corporations Act 2001 (Cth)*; or
- (e) either party, being a natural person, and
- (i) execution is levied against the natural person and is not satisfied within 30 days; or
 - (ii) that party commits an act of bankruptcy or executes a deed of arrangement or deed of assignment under the provisions of the *Bankruptcy Act 1966*; or

then the non-defaulting party may serve a written notice on the defaulting party terminating this Agreement with immediate effect, such notice to include the reasons for the termination.

14. Force Majeure

- 14.1 For the purposes of this clause, Force Majeure means an act of God, war, revolution or any other unlawful act against public order or authority, an industrial dispute including strike or other labour disturbances, a governmental restraint, a shortage or unavailability of raw materials or transportation, and any other event which is not within the reasonable control of a party, including without limitation climate conditions and acts of nature (including drought, fires, earthquakes and floods), epidemics, pandemics, embargos, accidents, quarantine restrictions, diseases and pests and availability or breakdown of machinery.
- 14.2 Neither party is liable for a failure to comply with this Agreement or a failure to perform an obligation under this Agreement because that party is unable to perform its obligations due to an event of Force Majeure.
- 14.3 The party relying on an event of Force Majeure must notify the other party as soon as practicable and in writing of the reliance on the event of Force Majeure.

15. Complaints & Disputes

- 15.1 All disputes are subject to the provisions of the Code relating to disputes.
- 15.2 Where a dispute arises out of or in connection with performance of this Agreement both parties, acting in good faith, will use all reasonable endeavours to bring the issue to the attention of the other party in a timely fashion and in any instance not more than 30 days after the event occurs which leads to the dispute.
- 15.3 Notification will include:
- (a) The nature of the complaint;
 - (b) that the aggrieved party wishes to resolve the dispute in accordance with this Agreement; and
 - (c) the desired resolution.
- 15.4 The party receiving the complaint will in writing notify the other party that they have received the complaint within five Business Days and articulate steps intended to resolve the dispute.
- 15.5 Any complaints arising under this Agreement must, in the case of GVC, in the first instance be referred to the GVC's Internal Complaints Handling Officer for resolution under GVC's complaint handling procedure set out GVC's Policies in Annexure 1.
- 15.6 Where a notification of a dispute is made to the other party to this Agreement both parties will act, in good faith, to resolve the dispute.
- 15.7 If after attempting to resolve the dispute, and in any instance not before the elapse of 60 days after notification, the parties are not reconciled, both parties agree to participate in a mediation process as specified in the Code.
- 15.8 The costs of a mediation will be borne by each party equally, unless otherwise agreed. If a party seeks legal representation in the mediation process, such legal costs will be borne by that party.

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15.9 Nothing in this dispute resolution procedure will prevent a party seeking an injunction.

16. Insurance

16.1 The Supplier must, at the Supplier's own cost, during the Term:

- (a) maintain a public liability insurance policy with a minimum level of cover of the Insured Amount and all other insurance required to be held and maintained by law, including without limitation, workers' compensation insurance; and
- (b) upon request, provide GVC with satisfactory evidence that the Supplier has complied with and continues to comply with its obligations under this clause.

17. Compliance with Laws

17.1 Each party must comply with all Applicable Laws in performing their obligations under this Agreement.

17.2 The Supplier must, at its own cost hold and maintain all necessary licences, approvals and permits and the like required by any government authority or agency and must ensure that the Milk produced by Supplier also complies with all Applicable Laws and standards.

17.3 The Supplier must promptly notify GVC of any actual or suspected breach by Supplier of any Applicable Laws, licences, approvals, permits or GVC's Quality Specifications in the performance of its obligations under this Agreement.

18. Variation

18.1 Except as provided under this clause 18, GVC and the Supplier may only agree to vary this Agreement in writing signed by both parties, or by a written notice of offer to vary the Agreement and a written notice of acceptance. Any offer, acceptance or signed variation must state the Milk Supply Agreement to which it refers and the date the variation is to take effect.

18.2 GVC can only unilaterally vary this Agreement:

- (a) on the occurrence of exceptional circumstances, by reducing the Minimum Price for Milk stipulated in the Agreement (**Step-Down**), where:
 - (i) the exceptional circumstances are temporary and involve an extraordinary event (including an emergency or change in market conditions) that:
 - (A) occurs outside Australia; and
 - (B) has a highly significant effect on supply, demand, or costs in the dairy industry; and
 - (C) is not caused by a decision made by GVC;
 - (ii) where the unilateral variation resulting in the Step-Down is unavoidable because of the exceptional circumstances;
 - (iii) where either:
 - (A) GVC has taken or will take all reasonable steps to prevent or limit the impact of the exceptional circumstances on GVC; or
 - (B) there are no such steps GVC can take; and
 - (iv) if there is a change in Commonwealth, State or Territory law and then only to the extent necessary to comply with the changed law but without reducing the Minimum Price under this Agreement.

18.3 If GVC wants to vary this Agreement under clause 18.2 it must give the Supplier and the Australian Competition and Consumer Commission 30 days' written notice of the following:

- (a) the Step-Down; and

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- (b) the date the Step-Down will take effect (Step-Down Date) - the Step-Down Date must not be a date earlier than the time GVC's variation under clause 18.2 occurs; and
 - (c) the exceptional circumstances giving rise to the variation (see clause 18.2(a)(i) to 18.2(a)(iv)); and
 - (d) either the reasonable steps GVC has taken or will take to prevent the impact of the exceptional circumstances or if GVC cannot take any steps; and
 - (e) why the Minimum Price reduction is unavoidable; and
 - (f) the period to which the Minimum Price reduction applies.
- 18.4 The Supplier has the right to terminate the Agreement within 21 days of receipt of a notice under clause 18.3, which termination will have effect from the Step-Down Date.
- 18.5 The Supplier may rescind any termination under clause 18.4 before the end of the 21-day period referred to in clause 18.4.
- 18.6 Any variation under this clause 18 does not allow variation that does not comply with the Code.
- 18.7 Any variation agreed to by the parties is limited to compliance with the law or the Code. If the variation to the Agreement is inconsistent with a law or the Code, the law or Code will prevail to the extent of the inconsistency.
- 18.8 An agreed variation which is not written in the first instance will be written and transmitted by GVC to the Supplier within 30 days. Where the supply period of the Agreement is 90 days or longer, GVC must make all reasonable efforts to obtain written acknowledgement that the record is a complete and accurate record of the variation from the Supplier.

19. Confidentiality

- 19.1 The parties must keep confidential and must not disclose or make available directly or indirectly to any third party any Confidential Information unless:
- (a) the disclosure of the Confidential Information is necessary to comply with any laws or the lawful requirements of any public, statutory, governmental, semi-governmental, local governmental or judicial body entity or authority;
 - (b) at the time of the disclosure, the information was in the public domain; or
 - (c) subsequent to the disclosure, the information becomes part of the public domain (other than because of a breach of this clause).
- 19.2 The parties must not use, disclose, or access the Confidential Information for any reason except as is necessary to perform this Agreement.
- 19.3 For the avoidance of doubt, the parties' obligations in this clause 19 apply to any information disclosed or obtained in dealing with or resolving a complaint or dispute under this Agreement.
- 19.4 For the purpose of this clause "Confidential Information" means the terms of this Agreement and (whether or not in material form and whether disclosed before or after the date of this Agreement) any information of whatever kind relating to a party that is disclosed or becomes known to the other party in the course of their discussions and negotiations regarding or in connection with this Agreement and which:
- (a) is by its nature confidential;
 - (b) is designated by the party disclosing the information as confidential; or
 - (c) the party receiving the information knows or ought reasonably to know is confidential;
- but does not include any part of the information that:
- (d) is generally known to the public at the time of disclosure or becomes generally known to the public through no wrongful act on the part of the party receiving the information;

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- (e) is in the possession of the party receiving the information at the time of disclosure otherwise than as a result of that party's breach of a legal obligation;
- (f) becomes known to the party receiving the information through disclosure by sources other than the other Party provided that, in so far as is known to that source, it is not prohibited by law or contract from disclosing the information to the party receiving the information;
- (g) is independently developed by the party receiving the information outside the scope of the relationship with the other party; or
- (h) is required to be disclosed by court order, subpoena or other law or legal process

20. Acknowledgment re legal advice

- 20.1 The Supplier acknowledge that, prior to signing this Agreement, the Supplier has been advised to and has been given the opportunity to obtain independent legal and financial advice on this Agreement.

21. Privacy

- 21.1 GVC collects, uses and discloses personal information in accordance with our 'Privacy Policy', the current version of which can be accessed at www.gvcreamery.com.au (or such other web address as notified to you).

22. Electronic signature

- 22.1 In this clause "electronic signature" means a digital signature or a visual representation of a person's handwritten signature or mark which is placed on a physical or electronic copy of this Agreement by electronic or mechanical means, and "electronically signed" has a corresponding meaning.
- 22.2 The parties consent to this Agreement being signed by or on behalf of a party by an electronic signature.
- 22.3 Where this Agreement is electronically signed by or on behalf of a party, the party warrants and agrees that the electronic signature has been used to identify the person signing and to indicate that the party intends to be bound by the electronic signature.
- 22.4 This Agreement may be electronically signed in any number of counterparts which together will constitute the one Agreement.
- 22.5 Each party consents to the exchange of counterparts of this Agreement by delivery by email or such other electronic means as may be agreed in writing.
- 22.6 Each party must upon request promptly deliver a physical counterpart of this Agreement with the handwritten signature or signatures of the party and all written evidence of the authority of a person signing on their behalf, but a failure to comply with the request does not affect the validity of this Agreement.

23. Interpretation

- 23.1 Without prior and written permission of the other party, neither party will assign this Agreement.
- 23.2 To the extent of any inconsistency between the terms of this Agreement and the Code, the Code prevails. To the extent of any ambiguity between a Term of this Agreement and the Code, the Term should be construed in a way that complies with the Code.
- 23.3 If a party chooses not to demand enforcement of a Term of this Agreement the choice cannot be interpreted as a waiver of the Term. An aggrieved party may seek damages or specific performance for breach of this Agreement.
- 23.4 Expiry or termination of this Agreement does not limit any rights or obligations a party had prior to the expiry or termination.
- 23.5 Clauses which are intended to operate beyond the Term may be relied upon by a party beyond the Term.
- 23.6 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

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24. Notice

Method

- 24.1 Any notice, consent, approval, demand, request, offer or other communication (each a "notice") given by a party under this Agreement must be:
- (a) in writing;
 - (b) directed to the recipient's address (as specified in this clause or as varied by any notice); and
 - (c) hand delivered, sent by prepaid mail or transmitted by email to that address.

Receipt

- 24.2 A notice given in accordance with this clause is taken as having been given and received:
- (a) if hand delivered, on the day of delivery if a Business Day or otherwise on the next Business Day ;
 - (b) if sent by prepaid mail, on the fifth Business Day after the date of posting; and
 - (c) if transmitted by email, on the day after sending of that email if a Business Day or otherwise on the next Business Day.

Address of parties

- 24.3 Unless varied by notice in accordance with this clause, the parties' addresses and email addresses are set out in the Schedule

25. Miscellaneous

Set-Off

- 25.1 GVC may set-off any amount payable by the Supplier to GVC against any amount payable by GVC to the Supplier.

Severability

- 25.2 The Agreement shall not be adversely affected by any part that is unenforceable or invalid. The offending part shall be read down or shall be severed and the remaining parts shall continue to have full force and effect.

Joint and Several

- 25.3 Any covenant or agreement on the part of and for the benefit of two or more persons shall bind them and be for the benefit of them jointly.

Assignment

- 25.4 No party may assign or transfer this Agreement or any right or obligation under this Agreement without the prior written consent of each other party.

Variation

- 25.5 Subject to clause 18.2, this Agreement may only be altered or modified in writing signed by all parties.

Severability

- 25.6 Part or all of any clause of this Agreement that is illegal or unenforceable will be severed from this Agreement and will not affect the continued operation of the remaining provisions of this Agreement.

Waiver

- 25.7 Waiver of any power or right under this Agreement:
- (a) must be in writing signed by the party entitled to the benefit of that power or right; and
 - (b) is effective only to the extent set out in that written waiver.

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Costs

25.8 Each party must bear its own legal and other costs for the preparation and execution of this Agreement.

Further action

25.9 Each party must do or cause to be done all such things necessary or desirable to give full affect to this Agreement.

Governing law

25.10 This Agreement will be governed by and construed in accordance with the laws in force in the State of Victoria.

Interpretation

25.11 In this Agreement, unless the context requires otherwise:

- (a) headings are for convenience and do not affect interpretation;
- (b) the singular includes the plural and vice versa;
- (c) words denoting any gender include all genders;
- (d) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (e) a reference to a clause, paragraph, schedule or annexure is a reference to a clause, paragraph, schedule or annexure of this Agreement;
- (f) a reference to this Agreement includes any schedules or annexures;
- (g) a reference to any Agreement or agreement includes reference to that Agreement or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (h) a reference to "\$", "\$A" or "dollar" is a reference to Australian currency;
- (i) a reference to a time or date in connection with the performance of an obligation is a reference to the time or date in the State, Territory or other place where that obligation is to be performed;
- (j) a reference to a party includes its executors, administrators, successors and permitted assigns;
- (k) words and expressions denoting natural persons include bodies corporate, partnerships, associations, governments and governmental authorities and agencies and vice versa; and
- (l) a reference to any legislation, statutory instrument or regulation shall be construed in accordance with the *Acts Interpretation Act 1901* (Cth) (or the equivalent State legislation, as applicable).

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ANNEXURE 1:

GVC's POLICIES

1. COMPLAINTS HANDLING PROCESS

- 1.1 GVC's Internal Complaints Handling Officer is currently Ben Gledhill.
- 1.2 If the Supplier has a complaint in relation to this Agreement or the Supplier's Milk supply arrangements with GVC, the Supplier should in the first instance contact GVC's Internal Complaints Handling Officer to discuss the complaint.
- 1.3 GVC will attempt to resolve the Supplier's complaint within 10 Business Days of being notified of the complaint.
- 1.4 If the Supplier is unable to resolve the complaint with GVC's Internal Complaints Handling Officer within 20 Business Days of notifying GVC of the complaint, the Supplier may request that the complaint be escalated to GVC's CEO for review.
- 1.5 If the Supplier is unable to resolve the complaint with GVC's CEO within a further 10 Business Days of requesting the complaint be considered by GVC's CEO, the Supplier may request that the parties agree to mediation of your complaint in accordance with clause 15 of this Agreement.

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ANNEXURE 2:

MILK PRICING POLICIES

1. Milk Pricing Policy

- 1.1 GVC specifies a minimum Milk Price for January to June and July to December.
- 1.2 GVC supports the Code and will not impose retrospective Milk Price reductions.
- 1.3 GVC strives for fairness for our Suppliers and aims to pay our Suppliers market competitive Prices across all of our regions. Our total announced minimum Milk Prices are based on Milk that meets our quality standards and excludes fees and levies.
- 1.4 GVC quotes milk prices at a reference solids value of 3.8% butterfat and 3.3% protein. Payments are made based on \$ per kilogram of fat and \$ per kilogram of protein and expressed in total as \$ per kilogram of milk solids (MS).

2. Justification of Milk Pricing Policy

- 2.1 GVC trades its milk products in both the domestic and in international markets.
- 2.2 In determining the minimum milk price applicable for each six month period, GVC must take into account such factors as:
 - (a) competition for local milk supply volume;
 - (b) our ability to value-add to products to gain a competitive edge;
 - (c) the need to remain competitive in domestic and international markets;
 - (d) global supply and demand for dairy products;
 - (e) exchange rate volatility; and
 - (f) any other factors that affect supply and demand for milk and milk-based products generally, and the products manufactured by GVC specifically .
- 2.3 In determining price GVC consults with both local and international experts and trading partners to ensure that our products are priced competitively. This must be balanced against the need to ensure a fair price is paid to our Suppliers to ensure the longevity of both our Suppliers and GVC.

3. Milk Payment Arrangements

Announced Minimum Price

- 3.1 Subject to the other provisions of this clause 3, GVC will acquire the Supplier's Milk each month for the Announced Minimum Price for that Month.

Payment Term

- 3.2 Unless otherwise agreed in writing by the parties, GVC will pay the Supplier for the Milk supplied pursuant to this Agreement as follows:
 - (a) a 50% advance payment one day before the start of each calendar month based on forecasted Monthly Milk Supply Volume for that month; and
 - (b) a payment on the 15th day of each month calculated at end of each calendar month for the Milk supplied during the prior calendar month after deducting the 50% advance payment paid for that calendar month pursuant to clause 3.2(a).

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Adjustments

- 3.3 Incentives, penalties, increases in the Minimum Price and other adjustments will apply to the Announced Minimum Price per litre in accordance with GVC's Policies.

Levies

- 3.4 Where any Levy applies to the Milk, GVC will pay the Levy on behalf of the Supplier. The amount of any Levy will be deducted from the payment to the Supplier.

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ANNEXURE 3:

GVC MILK SUPPLY POLICY

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1. INTRODUCTION

At Goulburn Valley Creamery (GVC), we place quality at the heart of everything we do. As a proudly Australian dairy manufacturer, our pasture-based milk is from premium dairy farms in Australia. We partner with leading regional farmers to grow dairy quality you can taste. Visit us online: www.gvcreamery.com.au

GVBC published this Milk Supply Policy to explain the terms and conditions for dairy farmers supplying milk to GVC. For clarity, we refer to all milk quality standards and factory procedures as GVC standards in this document.

This policy document may be updated and amended during the year in accordance with the Competition and Consumer (Industry Codes-Dairy) Regulations 2019 (Dairy Code) and suppliers will be notified of any changes.

GVC welcomes Supplier's questions and feedback, so please do not hesitate to reach out to us.

2. PARTIES TO OPERATE WITH GOOD FAITH

GVC takes very seriously the obligation to deal in good faith with Suppliers in all aspects of the Milk Supply Agreement. Suppliers are encouraged to approach GVC at any stage with any questions they may have regarding their ongoing working relationship with GVC.

GVC's relationships with its Suppliers are built on mutual respect and understanding of the commercial interests of both parties.

3. MILK QUALITY

3.1 Milk Quality Standards Generally

GVC requires its suppliers to comply with a series of raw milk supply standards based on domestic and international industry regulations in order to ensure that the milk it processes and sells is of the highest quality.

The Minimum Price paid by GVC to Suppliers is quoted on the basis that the Milk supplied is Grade 1 Quality Milk. In order to be 'Grade 1', milk supplied to GVC must meet each of the specifications referred to below.

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If the milk supplied does not meet the Grade 1 Quality Specifications, the amount paid by GVC for any affected milk will be reduced in accordance with the formula set out in Table 3.1. In addition, and depending on the particular circumstances, if the milk supplied to GVC does not meet the Grade 1 Quality Specifications, other penalties may apply.

To minimize losses resulting from inferior quality Milk leaving the Farm and being mixed with other Milk, GVC encourages early notification of any Milk quality issues. For this reason, it offers Suppliers up to **two paid "Prior Notification"** instances over the course of any one financial year. Suppliers are encouraged to notify GVC if they know or suspect that Milk is/may be unsuitable for pick up **BEFORE** the milk tanker arrives at the Farm.

Prior Notifications made in accordance with this clause will be paid at the Minimum Price and otherwise in accordance with this Milk Supply Agreement. In the event that Milk being collected does not pass the sensory test undertaken by the milk tanker driver before pumping on, and the Milk is therefore deemed unsuitable, the driver will not collect the Milk. This does not fall into the category of "Prior Notification" and GVC will not pay for the Milk in this circumstance.

Milk is graded as follows:

GRADE	CONSEQUENCE
1	Meets GVC's Grade 1 Quality Specifications - Minimum Price is payable
2	Deduction of 10% from the Minimum Price otherwise payable
3	Deduction of 20% from the Minimum Price otherwise payable

Monetary penalties imposed by GVC if Milk does not meet Grade 1 Quality Specifications.

Table 3.1

Test	Grade 1	Grade 2	Grade 3	
Price Reduction Penalty	0%	10%	20%	
BMCC (Cell/ml) – refer to paragraph 3.2 for details	≤250,000	250,001 – 400,000	>400,001	
BACTOSCAN (IBC) – refer to paragraph 3.3 for details	≤90,000	90,001 – 250,000	>250,001	
THERMODURIC – refer to paragraph 3.4 for details	≤2,000	2,001 – 5,000	>5,001	
TEMPERATURE – refer to paragraph 3.5 for details	Milk must be ≤5°C by 2 hours and 20 minutes from the end of milking. Milk ≥25°C will be rejected. An EMCI risk assessment will be completed by GVC for milk ≥5°C			
COMPOSITION Refer to paragraph 3.6	Butter Fat	≥ 3.2%	< 3.2%	n/a
	Protein	≥ 3.0%	< 3.0%	n/a
ANTIBIOTICS AND OTHER INHIBITORY SUBSTANCES – refer to parts 3.7 for details	All milk supplied MUST be completely free of Antibiotics. Any milk supplied which returns a positive result for antibiotics will not be paid for.			
Where milk is not Grade 1 quality, discount will be applied at the lowest grade met.				

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3.2 Bulk Milk Cell Count (BMCC)

Test	Grade 1	Grade 2	Grade 3
Price Reduction Penalty	0%	10%	20%
BMCC (Cell/ml)	≤250,000	250,001 – 400,000	>400,001

BMCC test measures the number of white blood cells in milk and can be used as a measure of herd health. As an approximate guide, each 100,000 cells/ml indicates about 10% of cows are infected. High BMCC levels in raw milk can alter the manufacturing process by reducing shelf life, taste and overall quality of the product.

Testing: raw milk samples are collected for each milk pick up.

Grading: based on the 15 Day Period average result.

Penalty: initial result that falls outside of Grade 1 within a production year will be paid as Grade 1, consecutive results greater than Grade 1 will receive a period penalty of 10% or 20%

Corrective Action Plan: Suppliers falling short of Grade 1 Quality Specification for BMCC will be required to implement and document an appropriate action plan to ensure that future milk supply meets Grade 1 Quality Standards. If there is no clear improvement within a reasonable period of time as determined by GVC, milk collection may be suspended.

3.3 Bactoscan (IBC)

Test	Grade 1	Grade 2	Grade 3
Price Reduction Penalty	0%	10%	20%
BACTOSCAN (IBC)	≤100,000	100,001 – 250,000	>250,001

The Bactoscan counts the number of individual bacteria cells in a raw milk samples. It is used as an indicator of the cleanliness of the milking plant including the vat, as well as the effectiveness of milk cooling.

When milk is at a temperature of about 5°C, bacterial numbers can double within half an hour. This means that within two hours, 1,000 bacteria in a millilitre of milk can become approximately 10,000 bacteria and, within 5 hours, 1,000,000. Temperature is key, below 5°C, the bacteria which affect milk quality does not multiply.

However, the bacteria are not killed they are just dormant waiting for an increase in temperature to start reproducing again.

Elevated levels of bacteria in milk affect both its manufacturing properties and its shelf life. Measuring then number of bacteria in milk is thus an extremely valuable measure of quality.

Testing: a raw milk sample is collected randomly once each 10 Day Period. Bactoscan results falling outside Grade 1 will be automatically retested. Retesting will continue until three Grade 1 results are achieved.

Grading: based on the 15 Day Period average result

Penalty: initial result that falls outside of Grade 1 within a production year will be paid Grade 1, consecutive results greater than Grade 1 will receive a period penalty of 10% or 20%

Corrective Action Plan: Suppliers falling short of Grade 1 Quality Specification relating to Bactoscan will be required to implement and document an appropriate action plan to ensure that future milk supply meets Grade 1 Quality Standards. If there is no clear improvement within a reasonable period of time as determined by GVC, milk collection may be suspended.

3.4 Thermoduric

Test	Grade 1	Grade 2	Grade 3
Price Reduction Penalty	0%	10%	20%
THERMODURIC	≤2,000	2,001 – 5,000	>5,001

Thermoduric bacteria are those which tolerate elevated temperatures, such as hot water plant/vat cleaning and the pasteurisation process.

There is often hard milk residue on the upper surface of the milk lines and visible residue in the tanks. Common causes include cracked inflations, leaking pipelines and other perished rubber wear. Build-up of milk residue or water stone deposits due to poor cleaning practices can also spike Thermoduric results.

Bacteria spores can also be found in soil, grain and silage dust which can transfer to teats.

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Testing: a raw milk sample is collected randomly once per month. Thermoduric results falling outside Grade 1 will be automatically retested until one Grade 1 result is achieved.

NB: Testing requires 3 days of incubation.

Grading: based on the 15 Day Period average result.

Penalty: initial result that falls outside of Grade 1 within a production year will be paid Grade 1, consecutive results greater than Grade 1 will receive a period penalty of 10% or 20%

Corrective Action Plan: Suppliers falling short of Thermoduric Grade 1 Quality Specifications will be required to implement and document an appropriate action plan to ensure that future milk supply meets Grade 1 Quality Standards. If there is no clear improvement within a reasonable period of time as determined by GVC, milk collection may be suspended.

3.5 Temperature

Milk must be $\leq 5^{\circ}\text{C}$ by 2 hours and 20 minutes from the end of milking. Milk $\geq 25^{\circ}\text{C}$ will be rejected. An EMCI risk assessment will be completed by GVC for milk $\geq 5^{\circ}\text{C}$

Rapid and effective milk cooling is essential for preserving milk quality. Suppliers must cool their milk to 5°C within 3.5 hours from the start of milking and kept at or below this temperature until collected.

Suppliers must provide and maintain a vat and refrigeration unit that is suitable for the safe, secure storage and cooling of daily milk volumes. Vat and dairy plant maintenance reports must be maintained in accordance with the GVC Quality Assurance Program.

Poor temperature controls on farms are a major cause for product spoiling and products not meeting use by dates.

GVC will complete an EMCI risk assessment and sensory grading for milk that is $>5^{\circ}\text{C}$. Milk that fails this risk assessment will be rejected. In the event of a vat breakdown or power failure, Supplier must contact GVC emergency number immediately.

Refer to Appendix 1 for GVC contact list, including 24 hour numbers. Changes to these contact details will be notified to the Supplier if applicable.

Testing: prior to each collection via a sensory test and Tanker thermometer.

Corrective Action Plan: Suppliers falling not meeting temperature compliance will be required to implement and document an appropriate action plan to ensure that future milk supply meets temperature compliance. If there is no clear improvement within a reasonable period of time as determined by GVC, milk collection may be suspended.

3.6 Minimum Milk Composition

Test		Grade 1	Grade 2
Price Reduction Penalty		0%	10%
COMPOSITION Refer to paragraph 3.6	Butter Fat	$\geq 3.2\%$	$< 3.2\%$
	Protein	$\geq 3.0\%$	$< 3.0\%$

GVC must comply with its customers' raw milk requirements regarding the composition of milk. In particular, if butterfat and protein levels do not meet required standards, affected milk is rejected and redirected at GVC's cost. As a result, a minimum composition standard applies to all milk supplied to GVC.

The Minimum Composition for Milk supplied to GVC is 3.2 percent butterfat and 3.0 percent protein. If this Minimum Composition Standard is not met, penalties will apply.

Testing: raw milk samples are tested for each milk pick up.

Grading: based on the 15 Day Period average result.

Penalty: Initial 3 consecutive 15 Day period results that falls outside of Grade 1 within a production year no penalty. Greater than 3 consecutive 15 Day period result that falls outside of Grade 1 will receive a period penalty of 10%.

Corrective Action Plan: Suppliers falling short of Grade 1 Quality Specification for milk Minimum Composition Standard will be required to implement and document an appropriate action plan to ensure that future milk supply meets Grade 1 Quality Standards. If there is no clear improvement within a reasonable period of time as determined by GVC, milk collection may be suspended.

3.7 Antibiotics and other inhibitory substances

Test	All milk supplied to GVC MUST be completely free of Antibiotics and
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ANTIBIOTICS AND OTHER INHIBITORY SUBSTANCES	other inhibitory substances. Any milk supplied returning a positive result for Antibiotics and other inhibitory substances after collection will be penalized as set out in 4.2
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It is essential that all milk supplied to GVC is free of Antibiotics and other inhibitory substances.

Ongoing compliance with an approved Quality Assurance Program is essential to the production of milk which is free of antibiotics and other inhibitory substances. Suppliers must keep good records and follow vet and drug label use, ensuring that all withhold periods are calculated correctly and fully adhered to. Documentation is an essential part of good traceability.

Milk containing inhibitory substances including antibiotic residues poses a risk to human health.

Testing: Can be performed by a rapid or a broad-spectrum test. Milk can be tested prior to milk collection, randomly at testing Laboratory, by transport or GVC customer.

Supplier: Raw milk is randomly tested for antibiotics and other inhibitory substances

Tanker: All tankers entering GVC or Third-party sites are tested for antibiotics and other inhibitory substances prior to unloading.

Penalty: Any un-notified antibiotic contaminations of antibiotics and other inhibitory substances will result in automatic no payment for affected milk and in addition, may also incur associated costs.

Milk collection will be put on hold until a traceback can be completed to identify the failure on Farm. Milk will need to be cleared of Antibiotics and other inhibitory substances before collection can resume.

4. QUALITY ASSURANCE PROGRAM

All Suppliers to GVC must hold a current Dairy Licence which requires them, among other things, to implement and maintain an Approved Quality Assurance Program. Suppliers may choose to comply with an alternative Quality Assurance Program which has been approved by relevant government regulator of the state in which the farm is located.

Any Supplier that fails an audit (Critical Non-conformance) could be immediately suspended from supply until the cause of the failure is rectified. Suppliers who have a minor or major non-conformance entered on their audit will be given time to rectify the issue. GVC is available for assistance in implementing an on-farm quality system. For purposes of compliance, GVC has developed QA program which GVC Suppliers are required to implement. All forms and manuals are available from GVC.

4.1 Stock Feed

4.1.1 Suitability of Feed for Animal Use

Vendor declarations must be sought for all feed stuffs as part of each Supplier's On Farm Quality Assurance Program. The Vendor Declarations should identify the supplier of the feed, give a description of the stock feed and date of supply, and should guarantee that the feedstuffs are suitable for use for dairy cows in line with current dairy industry standards (which includes being free from chemical residues and ruminant animal material).

4.1.2 Genetically Modified Feed

GVC does not permit its Suppliers to use genetically engineered or genetically modified (GE/GM) feed. It is a requirement that Suppliers avoid GE/GM feed for their cows and seek warranties (vendor declarations) in regard to the GE/GM status of purchased feed.

4.2 Animal Health

The Australian dairy industry has in place a National Dairy Industry Animal Welfare Strategy (NDIAWS) and the federal government also has an Australian Animal Welfare Strategy to ensure the best possible welfare standards for Australian animals. GVC endorses these strategies and expects all its farmers to maintain the highest standards of animal welfare practices on their farms. The team at GVC works closely with Dairy Australia and farmers also have access to local state authorities, local vets and Department of Primary Industry personnel to help achieve high standards on farm. GVC's rigorous monitoring of milk quality standards and regular auditing of Suppliers' farms ensures we have the best possible standards on farm.

The safety of milk for consumers is essential. Cows must be managed in a manner that prevents the introduction of hazards to the milk. If Suppliers notice unusual symptoms such as dramatic shifts in production, skin lesions, sudden deaths, downer cows, etc.; they should immediately remove and isolate any suspect cows from the milking herd. It is a Supplier's responsibility to contact their veterinary officer and if necessary, report any incident of concern to GVC. Pick up may be suspended during an investigation if recommended by either a veterinary officer or a state authority. Suppliers are reminded that they should have insurance to cover any milk lost in circumstances such as this. Milk will not be picked up from herds infected with notifiable diseases unless it is deemed safe by the relevant authorities.

Issues that may affect our ability to pick up milk (but not limited to):

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- Pesticide and chemical poisoning
- Botulism, Anthrax
- Foot and mouth disease

Vaccinations for diseases such as botulism, three-day sickness, leptospirosis; etc., are recommended as best practice in order to minimise the occurrence of such diseases on farms.

In the event that a Supplier does not notify, or delays notifying, GVC of an incident we may cease milk collection immediately and GVC reserves the right to cease collection on a permanent basis.

4.3 Enzootic Bovine Leucosis (EBL) and Bovine Johnes Disease (BJD)

Suppliers must comply with individual state legislation relating to BJD and EBL testing. It is the aim that all Suppliers' milk supplied to GVC shall be EBL free (monitored free). If a breakdown occurs, Suppliers shall follow the state EBL testing protocol. For herds over 200 cows, sub sampling will be used in line with state statutory guidelines. GVC has the right to ask Suppliers to supply evidence of what their current EBL status is.

5. MILK COMPONENTS

5.1 Component Result Variances

If a Supplier notices a significant difference in a daily milk fat and protein result within the month, the result can be reviewed if the Supplier has contacted GVC before the 2nd day in the next month.

- If a daily fat % is out by more than 0.4% than the average of the previous four results, then the average of the previous four results will be used.
- If a daily protein % is out by more than 0.3% than the average of the previous four results, then the average of the previous four results will be used.

6. MILK TRANSPORT

6.1 Sampling of Milk

Bulk milk samples (less than 55ml / sample) will be taken from each consignment using aseptic proportional milk sampling devices affixed to milk tanker collection vehicles. Milk samples are refrigerated whilst the milk tanker continues collecting milk from other farms. The samples are then collated in temperature-controlled environment after the run at the transport depot. Individual collated samples are then couriered to milk testing laboratories for component and milk quality testing. Milk tankers are annually calibrated to within 0.03% of total volume by a third party. Suppliers who have concerns regarding tanker drivers, sampling methods or volume queries should immediately report this to GVC.

6.2 Milk Vat Requirements

Suppliers are advised to have a milk vat capacity of at least 1.5 times peak daily production. If the supplier requires an additional pick up, a stop charge of \$50 will be applied.

6.3 Milk Collection Times

Milk should not be collected while milking is in progress. If for some reason milk needs to be picked up while milking is still in progress, the milk tanker driver must on all occasions seek approval from the Supplier or the milker at the dairy before beginning to pump the milk into the tanker. Where the Supplier's volume of milk exceeds the capacity and ability of GVC milk collection arrangements, additional fees will not be charged. Also, where milk is collected more frequently than required by the Supplier for the cartage contractor or GVC's or Processor's convenience, additional charges will not apply for the additional collections.

7. QUESTIONS

Broader policy issues should be addressed to a GVC management. Contacts can be found in Appendix 1 of this policy

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Appendix 1 GVC Contact List

GOULBURN VALLEY CREAMERY PTY LTD
32 Barton Road, Kyabram, Victoria, 3620

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BEN GLEDHILL GENERAL MANAGER	Tel: 0418 983 401 Email: ben.gledhill@gvcreamery.com