



Non-Exclusive Milk Supply Agreement

2023 / 2024

At National Milk, we are passionate about bringing more choice and control of milk price to the Australian Dairy Market, and we believe in working together to help our Dairy Industry grow and flourish.

We recognise that every supplier is different: as such, we invite you to contact us about milk supply terms and conditions which suit your individual needs.

If you are interested in supplying us for the coming season, we would love to talk to you. Please contact us today at info@natmilk.com.au or call us at 0477 438 727.

Kind regards,

The National Milk Team.





MILK SUPPLY AGREEMENT

SUMMARY

This is an **agreement** for the supply of **milk** between National Milk Pty Ltd ("**NatMilk**" and "**we**" and "**our**") and the **Farmer** ("**you**").

This **agreement** is prepared in accordance with the Competition and Consumer (Industry Codes – Dairy) Regulations 2019 (**Dairy Code**).

You are responsible for supplying **NatMilk** with **milk** in the **committed volumes** (as specified in Schedule 2) and which meets the **specifications** (as specified in Schedule 1), starting from the start of the **supply period** (as specified at Item 9 in the **key terms**), and finishing at the end of the **supply period** (as specified at Item 10 in the **key terms**), in accordance with this **agreement**.

This is a non-exclusive contract. This means **you** agree to supply **us** only the total **committed volume of milk** from the **farm** listed at Item 2 in the **key terms**, and **we** agree to buy the **committed volume of milk** during the **supply period**, unless this **agreement** states otherwise.

NatMilk is required to pay **you** the **price(s)** set out at Schedule 2 of this **agreement**, which will not be lower than the **minimum price(s)** (as set out in Schedule 6 of this **agreement**). There is no retrospective step-down mechanism in this **agreement**.

NatMilk is responsible for collecting the **milk** at the **farm gate** at the **delivery intervals** specified at Item 18 in the **key terms** of this **agreement**. Legal ownership and liability for loss and damage to the **milk** passes to **NatMilk** when **NatMilk** collects the **milk** from the **farm gate**.

You have a cooling-off period available to **you**, should **you** change **your** mind and wish to terminate this **agreement** within 14 days of signing this **agreement**. Otherwise, the parties are bound by and must perform all obligations as are set out in this **agreement** for the **term** of this **agreement**.

NatMilk is committed to establishing transparent relationships with farmers and encourages **you** to raise any complaints so they can be resolved as quickly as possible. **You** will not be charged for raising a complaint with the **NatMilk's** Complaint Handling Officer set out in Item 6 in the **key terms** of this agreement. Details of the dispute resolution process are outlined at clause 25 of this **agreement**.

Please take the time to read the entire **agreement** carefully and seek independent legal advice, particularly if there are any parts of it that **you** do not understand clearly. If **you** have any questions regarding this **agreement** and/or its application to **your** specific circumstances, please do not hesitate to contact **us**.

Words that appear **in bold** have a specific meaning and may have a different meaning from what **you** are used to. The meanings of these words are defined in clause 1 ("Definitions") of this **agreement**, or when they are used for the first time.



MILK SUPPLY AGREEMENT

KEY TERMS

FARMER		
Item 1 Farmer, you, your, and includes persons under your direction or control	Name of Farmer : ACN/ABN: We will contact you at: Contact name: Telephone: Postal Address: E-mail:	
Item 2 Farm gate, farm		This is the location from which you must produce and supply us milk.
Item 3 Dairy Licence(s)		Please provide a list of all the dairy licences which you have that are required for you to supply milk to NatMilk and which must remain valid for the term of this agreement .
Item 4 Collection Instructions		Any instructions from NatMilk or its carrier for collections at the farm gate .
NATMILK		
Item 5 NatMilk, we, our, us	National Milk Pty Ltd (ACN 651 799 567) Contact us at: Telephone: 0477 438 727 Post: Unit 5, 18-20 Riversdale Road, Newtown VIC 3220 E-mail: info@natmilk.com.au	
Item 6 NatMilk Complaint Handling Officer	E-mail: info@natmilk.com.au	

KEY DATES		
Item 7 Agreement Start Date	The date of signing of this agreement by both parties	
Item 8 Agreement End Date	30 June 2024	This is the date when this agreement ends.
Item 9 Start of Supply Period	1 July 2023	This is the date on which you must start having milk available for NatMilk to collect and purchase from you .
Item 10 End of Supply Period	30 June 2024	This is the last date on which you will be required to have milk available for NatMilk to collect and purchase from you .
Item 11 Start of pool pricing window	01 June 2023	The pool pricing window , as included in the definitions , means the period between these dates.
Item 12 End of pool pricing window	24 June 2023	It is used in clauses 13 and 14 of this agreement .
Item 13 Supply decision date	On 24 June 2023, prior to 17:00h AEST or AEDT (as applicable)	This is the last date prior to the supply period when you must notify us of whether you will want to supply us the committed pool volumes .
SUPPLY DETAILS		
Item 14 Committed volume(s)	As per Schedule 2 of this agreement	You must sell to us , and we must buy from you this committed volume of milk that meets our specifications during the supply period . This will be amended from time to time, by mutual written agreement, as you commit different portions of volume to different pricings structures.
Item 15 Milk Specifications	As per Schedule 1 of this agreement .	
Item 16 Quality Standards and Quality Adjustment Fees	As per Schedule 3 of this agreement .	



<p>Item 17 Minimum Price(s)</p>	<p>As per Schedule 6 of this agreement.</p>	<p>This is the lowest price we will pay for milk you sell us during the supply period, if it meets our specifications and meets our Grade A quality standards, but does not include any fees payable by you under the agreement.</p> <p>We will not lower the minimum price during the supply period unless there are exceptional circumstances not caused by us, and only if it is allowed under the Dairy Code. The justification for the minimum price, as required under the Dairy Code, is set out in Schedule 4.</p>
<p>Item 18 Delivery intervals</p>	<p>{Daily or Skip-a-Day}</p>	
<p>Item 19 Required Insurances</p>	<p>You must, at your cost, take out and maintain for the term, public liability insurance and product liability insurance in an amount of at least \$10 million per occurrence in respect of loss, damage, injury or death arising out of your negligence or any other defect in the milk you supply to NatMilk.</p> <p>On request, you must provide NatMilk with satisfactory evidence that you have complied, and continue to comply, with these obligations.</p>	
<p>Item 20 Special Conditions</p>	<p>{If applicable, insert any special conditions}</p>	
<p>Item 21 Oversupply of milk solids</p>	<p>As per clause 10.5(b)(iii), if you supply us with milk solids in excess of 120% of the committed volumes in any given month, we reserve the right to pay you for the oversupplied milk solids at the fair market price as at the last day of that month (with such price not being lower than the minimum oversupply price).</p>	
<p>Item 22 Undersupply of milk solids</p>	<p>As per clause 10.5(b)(ii), if you fail to supply NatMilk with at least 80% of the committed volumes of milk solids for a month (except where the failure is due to a Force Majeure Event), we reserve the right to receive a credit from you for the undersupplied milk solids at a rate which will be the difference between the price which would otherwise have been paid to you for the milk solids under this agreement for that month and the fair market price as at the last day of that month. This is in order to make up for the shortfall in the amount of milk solids actually supplied by you (relative to the committed volumes).</p>	
<p>Item 23 Service Fees and Washout Fees</p>	<p>As per Schedule 5 of this agreement.</p>	<p>These are the fees payable by you for services provided by NatMilk or if the parties agree to enter into a washout.</p>



BILLING	
Item 24 Billing intervals	Monthly
Item 25 Payment Terms	By the 15 th calendar day after the end of each billing interval



MILK SUPPLY AGREEMENT

1. DEFINITIONS USED IN THIS AGREEMENT

In this **agreement**, the following words mean:

Agreement means this **agreement**, including all parts, schedules and attachments, between the **Farmer** and **NatMilk**. The following terms shall prevail in the following descending order of precedence to the extent of any inconsistency:

- a) Key terms;
- b) Milk Supply Agreement;
- c) Schedules; and
- d) Summary.

Arbitration Adviser is the person appointed by the Agriculture Minister to that position under section 45 of the **Dairy Industry Code**.

Associates has the meaning set out in clause 28 in this **agreement**.

Audit Trail means all relevant electronic and paper records held by the **Farmer**, including (but not limited to) compliance with this **agreement** and any relevant laws.

Billing Intervals means the frequency of invoices issued by the **Farmer** to **NatMilk** as specified at Item 24 in the **key terms** of this **agreement**.

Carrier means **NatMilk's** nominated transport provider.

Collection means the **Farmer** making the **milk** available for collection by **NatMilk** or its **carrier** at the **farm gate** and **NatMilk's** collection of the **milk** at the **farm gate**.

Collection Instructions means the reasonable instructions issued by **NatMilk** or its **carrier** to the **Farmer** in respect of the **collection**, as specified at Item 4 in the **key terms** of this **agreement**.

Committed Fixed Volume(s) means any volume (measured in kilograms of **milk solids**) of **fat** and **protein** which the **Farmer** commits to supply to **NatMilk** for the **fixed price** in accordance with clause 13 of this **agreement**.

Committed Pool Volume(s) means any volume (measured in kilograms of **milk solids**) of **fat** and **protein** which the **Farmer** commits

to supply to **NatMilk** for the **pool price** in accordance with clause 15 of this **agreement**.

Committed Spot Volume(s) are volumes of **fat** and **protein** (measured in kilograms of **milk solids**) which the **Farmer** commits to supply to **NatMilk** for the **spot price** in accordance with clause 16 of this **agreement**.

Committed Volume(s) means the volume (measured in kilograms of **milk solids**) of **fat** and **protein** to be supplied by the **Farmer** to **NatMilk** as specified in Schedule 2 of this **agreement**.

Dairy Industry Code (Dairy Code or Code) means the Competition and Consumer (Industry Codes – Dairy) Regulations 2019.

Dairy Produce Levies means the compulsory dairy produce levies calculated per kilogram of **milk solids** (based on **fat** and **protein** rates) produced and payable to the Department of Agriculture.

Defect has the meaning set out in clause 11.1 of this **agreement**.

Delivery Intervals means the frequency with which the **Farmer** will supply the **committed volumes of milk** to **NatMilk**, as specified in Item 18 in the **key terms** of this **agreement**.

Fair Market Price means the price per kilogram of **milk solids** that **NatMilk** would be required to buy from or sell to (whichever is applicable and acting reasonably) any third party for the purchase of **milk**, as a result of the **Farmer** not being able to supply the **committed volumes** or from supplying more than the **committed volumes**.

Farmer (you, your) means the licensed or otherwise properly registered dairy farmer listed at Item 1 in the **key terms** of this **agreement**.

Farmer Event of Default means any of the events listed in clause 6.1 in this **agreement**.

Farm gate (farm) means the **collection** point/s for the **milk**, as specified at Item 2 in the **key terms** of this **agreement**.

Fat (butterfat) means the butterfat supplied to **NatMilk** by the **Farmer** contained in **milk**, measured in kilograms of butterfat.

Fixed Price means the price **NatMilk** is willing to pay for **milk solids** which a **Farmer** intends to commit as a **committed fixed volume** of **milk solids** in accordance with clause 13 in this **agreement**.

Fixed Price Deals has the meaning set out in clause 13.1 in this **agreement**.

Force Majeure Event has the meaning set out in clause 24.1 of this **agreement**.

Key terms means the key terms set out in the table at the start of this **agreement**.

Location Fee means the fee payable by the **Farmer** to **NatMilk** as outlined in Schedule 5 of this **agreement**.

Mediation Adviser is the person appointed by the Agriculture Minister to that position under section 44 of the **Dairy Industry Code**.

Milk means raw milk supplied by the **Farmer** to **NatMilk**.

Milk Solids means the amount (in kilograms) of **fat** and **protein** in milk.

Minimum Price means the minimum price for **fat** and minimum price for **protein** for the **fixed price**, **pool price**, **spot price** and **oversupply price** set out in Schedule 6 in this **agreement**.

Multiple Collection Fee means the fee payable by the **Farmer** to **NatMilk** as outlined in Schedule 5 of this **agreement**.

NatMilk (We, Us) means National Milk Pty Ltd (ACN 651 799 567).

Natmilk Event of Default means any of the events listed in clause 6.4.

Net washout payment means the payment made, either by **NatMilk** or by the **Farmer**, to exit a **fixed price deal**, according to the **washout** process detailed in clause 14 of this **agreement**.

Oversupplied milk solids means the difference (in kg **fat** and **protein**) between the

committed volumes for a month and the **milk solids** supplied by **you** which are in excess of 120% of the **committed volumes** for a month.

Oversupply Price means the price **NatMilk** is willing to pay for **oversupplied milk solids** in accordance with clause 10.5(b)(iii) of this **agreement**.

Payment Terms means the payment terms specified at Item 25 in the **key terms** of this **agreement**.

Personal Information means any information, whether true or not and whether or not recorded in material form, about an individual that is protected by **privacy laws** or data protection laws in the country where the individual is located or the data relating to the individual is processed.

Policies and Procedures means **NatMilk's** policies and procedures contained in Schedule 7 of this **agreement**, as updated from time to time, and which are also available on **NatMilk's** website (www.nationalmilk.com.au).

Pool Price means the price **NatMilk** is willing to pay for **milk solids** which a **Farmer** may commit to the **committed pool volumes** of **milk solids** in accordance with clause 15 in this **agreement**.

Pool Pricing Window means the period occurs between the dates in Item 11 and Item 12 (inclusive) in the **key terms** of this **agreement**.

Price means the relevant **pool price**, **spot price**, **fixed price** or **fair market price** shown in Schedule 2 of this **agreement**.

Privacy Laws means all applicable legislation relating to privacy and data protection and includes the Privacy Act 1988 (Cth) and the Australian Privacy Principles.

Protein means the protein supplied to **NatMilk** by the **Farmer** contained in **milk**, measured in kilograms of protein.

Quality Adjustment Fee means the fees, as applicable based on the extent to which the **milk solids** meet the **specifications** and **quality standards**, set out in Schedule 3.



Quality Standards means **our** standards in respect of **our** different **milk** grade requirements, as outlined in Schedule 3.

RCTI means Recipient Created Tax Invoice.

Special Conditions means any special conditions specified at Item 20 in the **key terms** of this **agreement**.

Specifications means the quality specifications (which may include standards, documentation or other reasonable requirements) that apply to the **milk** as specified in Schedule 1 of this **agreement**.

Spot Price means the price **NatMilk** is willing to pay for **milk solids** which a **Farmer** may commit to as **committed spot volumes** of **milk solids** in accordance with clause 16 in this **agreement**.

State Based Levies means any applicable state-based levies or license fees. For more information regarding the application of such fees, please refer to **your** applicable state dairy/food authority.

Step Down means a reduction in the **price** of **milk**, whether a prospective step down or retroactive step down (defined in the **Code**).

Step Up means a supplement to the **milk price** which **NatMilk** can offer for a period determined by **NatMilk**.

Stop Charge means the fee payable by the **Farmer** to **NatMilk** as outlined in Schedule 5 of this **agreement**.

Supply Decision Date means the date and time set out in Item 13 in the **key terms** of this **agreement**.

Supply Period means the period starting at the start of the supply period and ending at the end of the supply period, as specified at Item 9 and Item 10 (respectively) in the **key terms**.

Term means, unless terminated earlier in accordance with this **agreement**, the period between the **agreement** start date and the **agreement** end date (inclusive), as specified at Item 7 and Item 8 (respectively) in the **key terms** of this **agreement**.

Undersupplied milk solids means the difference (in kgms **fat** and **protein**) between the **committed volumes** for a month and the **milk solids** supplied by **you** which are less than 80% of the **committed volumes** for a month.

Washout means the agreement reached between the parties, in writing, to allow the **Farmer** to exit a **fixed price deal** in accordance with clause 14 in this **agreement**.

2. HOW TO INTERPRET THIS AGREEMENT

2.1 In this **agreement**:

- a) a reference to a party to this **agreement** includes the party's successors, permitted substitutes and permitted assigns;
- b) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- c) words in the singular include the plural and vice-versa;
- d) words which suggest one gender include the other gender;
- e) a reference to a document or agreement (including a reference to this **agreement**) is to that document or agreement as amended, supplemented, varied or replaced;
- f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- g) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- h) a reference to '**week**' means Monday to Sunday, or '**month**' means a calendar month;
- i) a reference to a financial year means 1 July to 30 June.

3. GOOD FAITH

- 3.1 Both parties accept and understand that they are under a duty to act in good faith.

4. AGREEMENT

- 4.1 This **agreement** is effective on and from the start date specified at Item 7 in the **key terms** and will continue until the end date specified at Item 8 in the **key terms**, unless terminated or cancelled earlier in accordance with this **agreement**.
- 4.2 If the **Farmer** intends to enter into this **agreement** as agent for another person

or entity, then the **Farmer** must disclose the details of such agency relationship to **NatMilk** prior to entering into this **agreement**.

- 4.3 Where more than one person and/or entity is listed in Item 1 of the **key terms**, such persons are jointly and severally liable to **NatMilk** for the due fulfilment of all obligations undertaken by any of them under this **agreement**.

5. TERMINATION

- 5.1 The parties may terminate the **agreement** by written mutual consent.
- 5.2 Subject to any rights arising under law:
 - a) the **Farmer** may terminate this **agreement** with immediate effect by giving written notice to **NatMilk** in the event of a **NatMilk event of default**; or
 - b) **NatMilk** may terminate this **agreement** with immediate effect by giving written notice to the **Farmer** in the event of a **Farmer event of default**.
- 5.3 The written notices required under clause 5.2 above must be made as soon as practicable after the relevant event of default and include the reason for the termination and the date on which the termination of the **agreement** will take effect.
- 5.4 Any supply that has occurred under the **agreement** before termination pursuant to this clause 5 is governed by the terms of the **agreement**.
- 5.5 Termination of this **agreement** does not in any way prejudice the rights accrued by either party prior to the termination date.

6 EVENTS OF DEFAULT

- 6.1 The happening of any of the following circumstances will constitute a **Farmer event of default** under this **agreement**:
 - a) the **Farmer** fails to comply with any of the **Farmer's** obligations under this **agreement** and that default is not remedied within 30 calendar days of written notice by **NatMilk** to the **Farmer**;
 - b) the **Farmer** fails to pay any money payable to **NatMilk** under this

agreement and that default is not remedied within 30 calendar days of written notice by **NatMilk** to the **Farmer**;

- c) the **Farmer** (if a natural person) is declared bankrupt or enters into a composition with creditors pursuant to Part X of the Bankruptcy Act 1966;
- d) the **Farmer** has an administrator, a liquidator, a provisional liquidator, a receiver, a receiver and manager, a controller or a managing controller within the meaning of the Corporations Act 2001 (Cth) appointed to any of its assets or enters into any arrangement with its creditors or any other person (except for the purpose of reconstruction or amalgamation); or is wound up or has a petition presented or step taken for its winding up;
- e) the **Farmer** (if a natural person) dies, is determined to be of unsound mind or is convicted of any offence the penalty for which is imprisonment;
- f) the sale, lease or any divestment of an interest in the **farm**;
- g) the removal of cows required to produce the **milk** from the **farm** in accordance with this **agreement**;
- h) the **Farmer** fails to make disclosure to **NatMilk** in accordance with paragraph 4.2 above;
- i) the **Farmer** breaches any of the warranties in clause 21.1 below;
- j) the **Farmer** supplies **milk** which fails to meet the **specifications** on two or more calendar days and **NatMilk** (acting reasonably) is of the opinion that the **Farmer** may not supply **milk** which meets the **specifications** for the remainder of the **supply period**;
- k) the **Farmer** makes a change to, amongst other things, its business name, corporate structure or DFSV number, which may affect the **Farmer's** ability to perform the **agreement**, without prior consent of **NatMilk**, which cannot be unreasonably withheld; and
- l) an event of the same, or similar in, nature to the above-described **Farmer Events of Default** occurs in relation to the **agreement** between the **Farmer** and **NatMilk** and **NatMilk** relies upon that event to terminate the **agreement**.

6.2 On the happening of a **Farmer event of default** as set out in clause 6.1, **NatMilk** may at its election do any one or more of the following:

- a) terminate this **agreement** in accordance with clause 5;
- b) refuse to accept any **milk** from the **Farmer**, in addition to and without prejudice to the rights of **NatMilk** to claim damages against, or under an indemnity from, the **Farmer**;
- c) exercise any other power or right which **NatMilk** may have under this **agreement** or with respect to this **agreement**; and
- d) take any other action which **NatMilk**, in its absolute discretion, considers necessary.

6.3 Where **NatMilk** reasonably believes:

- a) the **Farmer** has not performed or may not perform its obligations under this **agreement**; and/or
- b) a **Farmer event of default** may occur or has occurred,

then **NatMilk** may request in writing that the **Farmer** show cause within a reasonable period, in writing, as to whether:

- i. the **Farmer** has not performed or may not perform its obligations under this **agreement**; and/or
- ii. a **Farmer event of default** may occur or has occurred.

6.4 The happening of any of the following circumstances will constitute a **NatMilk event of default** under this **agreement**:

- a) **NatMilk** fails to pay any undisputed money payable to the **Farmer** under this **agreement** and that default is not remedied within 30 calendar days of written notice by the **Farmer** to **NatMilk** for payment of same;
- b) **NatMilk** has an administrator, a liquidator, a provisional liquidator, a receiver, a receiver and manager, a controller or a managing controller within the meaning of the Corporations Act 2001 (Cth) appointed to any of its assets or enters into any arrangement with its creditors or any other person (except for the purpose of

reconstruction or amalgamation); or is wound up or has a petition presented or step taken for its winding up.

- 6.5 On the happening of a **NatMilk event of default** as set out in clause 6.4, the **Farmer** may at its election terminate the **agreement** in accordance with clause 5.
- 6.6 For the purposes of the **Dairy Industry Code**, the parties agree that the circumstances listed in clauses 6.1 and 6.4 above constitute material breaches of this **agreement**.

7 COOLING-OFF PERIOD

- 7.1 The **Farmer** may terminate this **agreement** with immediate effect by giving **NatMilk** notice in writing no later than 14 calendar days after the date on which the **Farmer** signs this **agreement**, without incurring any liability to **NatMilk**.
- 7.2 Notwithstanding clause 7.1, any supply that has occurred under the **agreement** before termination pursuant to this clause 7 is governed by the terms of this **agreement**.

8 BUYING THE MILK

- 8.1 **You** agree to sell the **committed volumes** to **NatMilk** from the **supply period** start date specified at Item 9 in the **key terms** and **NatMilk** agrees to buy the **committed volumes** from **you** until the **supply period** end date specified at Item 10 in the **key terms** or until this **agreement** is terminated or cancelled as per the terms of this **agreement**:

- a) in the **committed volumes**;
- b) at or exceeding the **specifications**;
- c) for the **price** less;
 - iii. any applicable **quality adjustment fee** as set out in Schedule 3 in this **agreement**;
 - iv. any applicable fees set out in Schedule 5 in the **agreement**;
 - v. the **dairy produce levies** and the **state-based levies** (and any other similar levies as required by the **Farmer** and notified to **NatMilk**); and
 - vi. any other amounts agreed in accordance with this

agreement (for example, clause 10.5(b)).

- d) at the **delivery intervals**;
- e) in compliance with the **special conditions** (if any); and
- f) in accordance with the **policies and procedures**.

- 8.2 All **milk** must meet the requirements listed in clause 8.1 upon **collection**. The **Farmer** must, if requested by **NatMilk**, provide reasonable evidence of compliance with the requirements detailed in clause 8.1.
- 8.3 The supply of **milk** by the **Farmer** to **NatMilk** at each **collection** is a separate supply of **milk**, governed by this **agreement**. Any other terms and conditions (e.g. appearing on the **Farmer's** invoices or other communications) do not form part of this **agreement**.

9 COLLECTION AND TRANSPORT OF MILK

- 9.1 Legal ownership and liability for loss and damage to the **milk** passes to **NatMilk** when **NatMilk** takes physical possession of the **milk**, which will be when **NatMilk** or its nominated **carrier** collects the **milk** from the **farm gate**.
- 9.2 **NatMilk** (including its **carrier**) is responsible for collecting the **milk** in the **committed volumes** at the **farm gate** in accordance with the **collection instructions** and any reasonable requests of the **Farmer** regarding access to the **farm gate**.
- 9.3 The **Farmer** will promptly advise **NatMilk** of any delays or anticipated delays in relation to the **collection** of the **milk** at the **farm gate**.
- 9.4 The **Farmer** must provide safe all-weather access to the **farm gate** so that **NatMilk** can collect and transport the **milk** safely.
- 9.5 Except where due to an act or omission of the **Farmer**, **NatMilk** acknowledges that the **Farmer** has no responsibility or liability for any loss of **milk** that occurs after **collection** by **NatMilk**.
- 9.6 If **Natmilk** fails to collect the **milk** from the **farm gate** within 24 hours of a scheduled **collection** (unless due to a **force majeure event**), **NatMilk** agrees to pay the **Farmer** for the **milk**

that it was scheduled to collect at the **price** that would have been paid to the **Farmer** under this **agreement** had the **milk** been collected.

10 MILK TESTING

- 10.1 **NatMilk** is responsible for arranging (at its cost) testing of the **milk** against the **specifications** and the **committed volumes**. Testing against the **specifications** must be conducted by an appropriately accredited testing facility.
- 10.2 If **NatMilk** intends to test the **milk** against the **specifications** and the **committed volumes**, it must take the relevant sample at the **farm gate** and may test the sample at **collection** or as soon as reasonably practicable. Where the **milk** is to be mixed with **milk** from other suppliers at or after **collection**, any relevant sample must be taken before any such mixing occurs.
- 10.3 **NatMilk** will make available to the **Farmer** (either by text message, email or designated web link) information regarding the **milk** test results as soon as reasonably practicable.
- 10.4 **NatMilk** must raise any claims or disputes relating to the **milk** arising from the testing outlined in this clause 10, or in respect of compliance with the **committed volumes** or the **specifications** (or any other term of this **agreement**) as soon as practicable after the **milk** has been collected by **NatMilk**.
- 10.5 In complying with clause 10.4, **NatMilk** must provide the **Farmer** with:
- a) the reason(s) for the claim or dispute;
 - b) consequences for the **Farmer**, which may include **NatMilk** exercising an entitlement to:
 - i. pay only for the **milk solids** collected at the **farm gate** which meets the **specifications**, if it is less than the **committed volumes**;
 - ii. receive a credit from the **Farmer** for the **undersupplied milk solids** at a rate which will be the difference between the **price** paid to the **Farmer** for the **milk solids** under this **agreement** and the **fair market price** as at the last day of that month, in circumstances where the **Farmer** fails to supply **NatMilk** with at least 90% of the **committed volumes of milk solids** for a month (except where the failure is due to a **Force Majeure Event**), in order to make up for the shortfall in the amount of **milk solids** actually supplied by the **Farmer** (relative to the **committed volumes**);
- iii. pay the **Farmer** for the **oversupplied milk solids** at the **fair market price** as at the last day of that month (with such price not being lower than the minimum **oversupply price**), in circumstances where the **Farmer** has supplied more than 110% of the **committed volumes of milk solids** for that month;
- iv. require that the **Farmer** pay to **NatMilk** a **quality adjustment fee** as set out in Schedule 3 of this **agreement**;
- v. reject **milk** that does not comply with the **specifications** (whether whole or part of the **committed volumes**). **NatMilk** may also elect to accept the non-compliant **milk**, but negotiate a reduced price with the **Farmer** for that **milk**; or
- vi. (acting reasonably) suspend **collection** of the **milk** from the **Farmer** until the **Farmer** can demonstrate that they have fixed the issue and are likely to comply with the **specifications** should **NatMilk** recommence **collection**.
- 10.6 **NatMilk** retains full discretion as to which consequences in clause 10.5(b) it may apply, whether any or all of them, as relevant in the circumstances.
- 10.7 Each month, **NatMilk** will make available to the **Farmer** (either by text message, email or designated web link), information regarding their **milk**, including the following details:
- a) total volume of **milk** supplied by the **Farmer**;

- b) **butterfat** (in kg);
 - c) **protein** percentage (in kg);
 - d) **price**; and
 - e) any amounts charged to the **Farmer** in accordance with this **agreement**.
- i. the details of the potential **collection(s)** impacted;
 - ii. the nature of the **defect**; and
 - iii. the action the party has taken or proposes to take in relation to the **defect**.

10.8 If the **milk** does not comply with the **specifications**, then the following conditions apply in addition to clause 10.5(b) and this **agreement** generally:

- a) prior to **collection**: if **milk** is within the **Farmer's** vat when rejected by **NatMilk**, the **Farmer** is responsible for disposal of the **milk**.
- b) after **collection**: if the **milk** supplied by the **Farmer**, which does not comply with the **specifications**, caused or contributed to the contamination of **milk** in a tanker, the **Farmer** is responsible for paying to **NatMilk** the loss of the **milk** in the tanker at the cost paid by **NatMilk** together with **milk** disposal cost, freight costs and tanker wash costs.

11 DEFECTS IN MILK

11.1 In addition to the processes outlined above at clause 10, if either the **Farmer** or **NatMilk** becomes aware of:

- a) any possible defect (including a latent defect), contamination, fault or other condition, actual, potential or threatened in any **milk** supplied to **NatMilk**;
- b) any matter which might affect the compliance of any **milk** with any **specifications, policies or procedures** or with any other requirement under this **agreement**, including industry codes of conduct; or
- c) any matter which might affect the compliance of any **milk** with any laws or regulatory requirements relating to the **milk**,

(together **defects**),

then that party must immediately give written notice to the other party of:

11.2 **NatMilk** and the **Farmer** must each cooperate to the fullest extent possible to diminish any risk to the public from the **defect** which may include, but is not limited to:

- a) providing reasonable assistance to investigate the source and cause of the **defect**;
- b) complying with all legal requirements in relation to product recalls; and
- c) taking corrective action where appropriate, which may include disseminating relevant information to the public and government authorities.

12 INSPECTION

12.1 During the **term** and for a period of 12 months thereafter, the **Farmer** agrees to allow **NatMilk**, during regular farming hours and with prior reasonable notice to the **Farmer**, to:

- a) monitor the steps involved in, and relating to, the production and supply of **milk**;
- b) undertake any investigations or tests at the **farm gate** or **your** property (including taking samples of **milk** for quality testing) that **we** reasonably consider necessary; and
- c) enter the **farm gate** or **your** property for the purposes of assessing **your** compliance with this **agreement**.

13 FIXED PRICE DEALS

13.1 From time to time, the **Farmer** and **NatMilk** can mutually agree in writing to commit a volume of **milk solids** for a negotiated **fixed price**. This constitutes a **fixed price deal**.

13.2 The price(s) on **fixed price deals** will never be below the minimum **fixed price**.

13.3 The price(s) on **fixed price deals** will not be amended after they have been

agreed. There will be no **step up** or **step down**.

- 13.4 Upon the execution of a **fixed price deal**, **NatMilk** will update Schedule 2 to reflect the mutually agreed **committed fixed volume(s)** and respective **fixed price(s)**.

14 WASHOUTS

- 14.1 The **Farmer** can request **NatMilk** to exit a **fixed price deal** by following the steps described in this clause 14. The agreement reached between the parties, in writing, to allow the **Farmer** to exit a **fixed price deal** is defined as a **washout**.
- 14.2 The **Farmer** can request a **washout** at any time during the **term** of this **agreement**.
- 14.3 A **washout** will be performed at a mutually agreed washout price.
- 14.4 If the **washout** is agreed on the **supply decision date**, the washout price will be equal to the **pool price** on the **supply decision date**, less any fees applicable under this **agreement**.
- 14.5 If the **washout** is sought to be agreed at any other time, **NatMilk** will provide a washout price upon request, which will be valid for a stipulated timeframe.
- 14.6 Where a **washout** occurs, **we** will calculate a **net washout payment** as follows:

- a) **Net washout payment** = [A] - [B] - [C], where:

[A] is the **fixed price** revenue for the **committed fixed volume**. This is calculated by multiplying the **committed fixed volume** by the **fixed price** agreed in that deal.

[B] is the **washout** price revenue for the **committed fixed volume**. This is calculated by multiplying the **committed fixed volume** by the **washout** price provided by **NatMilk** under clause 14.2 above.

[C] is the washout fee as per Schedule 5 multiplied by the **committed fixed volume** in that deal.

- b) if [A] - [B] - [C] is positive, then **NatMilk** will pay the **Farmer** the **net washout payment**.
- c) if [A] - [B] - [C] is negative, then the **Farmer** will pay **NatMilk** the **net washout payment**.

- 14.7 The **net washout payment** must be made within 3 business days from the date on which the **RCTI** in respect of the **washout** is sent to the **Farmer**.
- 14.8 Once the **net washout payment** has been made, the **Farmer** is no longer required to supply **NatMilk** with the **committed fixed volumes** under that **fixed price deal**, and **NatMilk** is no longer required to buy such volumes.
- 14.9 In the event a **washout** is not agreed in writing, this **agreement** continues on the same terms as were in force before a **washout** was discussed between the parties.

15 POOL PRICE

- 15.1 **NatMilk** will publish a minimum **pool price** for the **supply period** on the first day of the **pool pricing window** as set out at Item 11 in the **key terms**.
- 15.2 Prior to the commencement of the **pool pricing window**, **you** must notify **us** of **your** intended **committed pool volumes** (in kg **fat** and **protein**) for the **supply period**, over and above any **fixed price deals**, if any.
- 15.3 The intended **committed pool volumes** in clause 15.2 above can be adjusted by plus or minus 20% over the course of the **pool pricing window or by mutual acceptance**, but such volume must be confirmed on the **supply decision date**.
- 15.4 On the **supply decision date**, the **Farmer** must notify **NatMilk** whether it has chosen to commit the intended **committed pool volumes** to be sold to **NatMilk** at the **pool price** for the **supply period**.
- 15.5 **NatMilk** will provide notice to the **Farmer** by close of the next business day whether it accepts the intended **committed pool volumes**.
- 15.6 Upon notification of the acceptance of the intended **committed pool volumes** in accordance with clause

15.5 above, **NatMilk** will update Schedule 2 to reflect the mutually agreed **committed pool volume(s)** and respective **pool price(s)**.

- 15.7 **NatMilk** may, from time to time, publish an adjusted **pool price** (which shall not be less than the minimum **pool price**). Within a reasonable time after the publication, **NatMilk** will provide the **Farmer** with an updated Schedule 2 setting out the new **pool price** and the date from which the new **pool price** will come into effect.

16 SPOT PRICE

- 16.1 **NatMilk** will update the minimum **spot price** for the **supply period** on the first day of the **pool pricing window** as set out at Item 11 in the **key terms**.
- 16.2 On the **supply decision date**, the **Farmer** must notify **NatMilk** whether it has chosen to commit the intended **committed spot volumes** to be sold to **NatMilk** during the **supply period**.
- 16.3 The parties can agree throughout the **supply period**, by mutual written agreement, to the **Farmer** committing additional **committed spot volumes** to sell to **NatMilk**.
- 16.4 **NatMilk** will provide notice to the **Farmer** by close of the next business day whether it accepts the intended **committed spot volumes**.
- 16.5 Upon notification of the acceptance of the **committed spot volumes** in accordance with clause 16.3 above, **NatMilk** will update Schedule 2 to reflect the mutually agreed **committed spot volume(s)**.
- 16.6 Prior to the end of each month, **NatMilk** will publish the **spot price** for that month (which will not be less than the minimum **spot price**). Within a reasonable time after publication of the **spot price**, **NatMilk** will provide the **Farmer** with an updated Schedule 2 setting out the **spot price** for that month. This **spot price** will then be used to calculate the payment to the **Farmer** for **committed spot volumes** for that month.
- 16.7 For **committed spot volumes** in any given month, the **Farmer** and **NatMilk** can mutually agree to convert the **committed spot volumes** into **committed fixed**

volumes at a mutually agreed **fixed price**. This can be done at any time up until the end of the month two months prior to the month for which the **spot volumes** are committed. For example, **committed spot volumes** in September 2023 can be converted to **committed fixed volumes** up until the end of July 2023.

17 PRICING HIERARCHY

- 17.1 The **committed volumes delivered** to **NatMilk** will be priced throughout the **supply period** according to the following hierarchy, which is documented in detail in Schedule 2:
- a) **Fixed price deals**, in ascending price order; then
 - b) **Spot price**; then
 - c) **Pool price**.
- 17.2 Clause 17.1 is subject to the operation of Clause 10.5(b)(ii) (undersupplied milk solids) and 10.5(b)(iii) (oversupplied milk solids).

18 INVOICING

- 18.1 **NatMilk** agrees to create a **RCTI** which complies with the requirements in A New Tax System (Goods and Services Tax) Act 1999 (Cth) (**GST Act**).
- 18.2 **NatMilk** agrees to provide copies of the **RCTI** to the **Farmer** at the **billing intervals**.
- 18.3 Other than the deductions or fees outlined in clause 10 above, the **Farmer** must pay all charges listed in the **RCTI** (including any GST or other taxes payable in connection with the supply or under this **agreement**) without set-off on or before the last day of the period specified as the **payment terms**.
- 18.4 If either party has the right under this **agreement** to be reimbursed or indemnified by another party for a cost incurred in connection with this **agreement**, that reimbursement or indemnity excludes any GST component of that cost for which an Input Tax Credit may be claimed by the party being reimbursed or indemnified.
- 18.5 Capitalised words used in this clause 18 have the same meaning as in the GST Act.

19 MUTUALLY AGREED VARIATION

- 19.1 The parties may vary any provision of this **agreement** by mutual agreement in writing.
- 19.2 The parties accept and understand that any variation made under this clause 19 must comply with the **Dairy Industry Code**.

20 VARIATION IN RESPONSE TO A CHANGE IN LAW

- 20.1 **NatMilk** may vary this **agreement** at any time if that variation is necessary to comply with a change in a Commonwealth, State or Territory law (**Changed Law**). Any variation made to comply with a Changed Law:
- must only be made to the extent necessary to comply with the **Changed Law**; and
 - must not reduce the **Minimum Price**.
- 20.2 If **NatMilk** varies this **agreement** under clause 20, it must advise the **Farmer**, as soon as reasonably practicable and in writing, of the following:
- the variation;
 - the reason for the variation; and
 - the date that the variation will take effect.
- 20.3 The parties accept and understand that any variation made under this **agreement** must comply with the **Dairy Industry Code**.

21 WARRANTIES

- 21.1 The **Farmer** warrants at the date of this **agreement** and repeats this warranty on each **collection of milk** by **NatMilk**, that:
- the **Farmer** is legally entitled to contract with **NatMilk** and to supply the **milk** free of any encumbrance;
 - the **farm** where the **milk** is produced and the associated operations are operated in accordance with the **policies and procedures**, all relevant laws, regulations and codes of practice, including but not limited to animal welfare standards, Anti-Modern Slavery Laws, occupational health

- and safety, Anti-Bribery Laws, and environmental standards;
- all **milk** supplied to **NatMilk** complies with all relevant laws, regulations, codes of practice and the **policies and procedures**, including but not limited to animal welfare standards, Anti-Modern Slavery Laws, occupational health and safety, Anti-Bribery Laws, and environmental standards;
 - all **milk** supplied to **NatMilk** is not adulterated, tainted or contaminated in any way at the time it is collected by **NatMilk**;
 - all **milk** supplied by the **Farmer** to **NatMilk** is produced at the **farm** named in Item 2 of the **key terms**.
 - if the **Farmer** enters into this **agreement** as an agent of another party, the **Farmer** is authorised to act on behalf of the other party in the manner contemplated by this **agreement** and that authority has not been withdrawn or revoked;
 - the **Farmer** has all necessary licences, approvals and permits required to supply the **milk** to **NatMilk**; and
 - all of the **Farmer's** employees providing services to the **Farmer** in Australia are legally entitled to work in Australia and the **Farmer** will **comply** with all applicable legal requirements in relation to these employees.

21.2 The **Farmer** must:

- immediately inform **NatMilk** if the **Farmer** becomes aware that any representation or warranty set out in this **agreement** has become, or is likely to become, false, misleading or breached in respect of any fact, matter or circumstance which would allow **NatMilk** to make a claim or seek an indemnity in this **agreement**; and
- provide **NatMilk** with such reasonable information in writing without any delay, and comply with **NatMilk's** reasonable requests, in relation to the **milk** from time to time.

- 21.3 The **Farmer** warrants, as at the date of this **agreement**, that:
- a) it has the power to give the warranties contained in clause 21.1 and to execute this **agreement**; and
 - b) all necessary corporate or other action has been taken to authorise the execution and performance of this **agreement** by the **Farmer**.

22 LIABILITY AND INDEMNITY

- 22.1 The **Farmer** indemnifies **NatMilk** against any claims by third parties for death or injury to any person or loss or damage to any property caused or contributed by the **Farmer's** breach of this **agreement**, except to the extent **NatMilk** causes or contributes to the injury, loss or damage.
- 22.2 Except as provided elsewhere in this **agreement**, in the event of a **Farmer event of default**, the **Farmer** will be liable to **NatMilk** for the difference between the **price** under this **agreement** and the **fair market price** for any undelivered **committed volumes**, together with any other proven losses.
- 22.3 Except as provided elsewhere in this **agreement**, the **Farmer** is not liable to **NatMilk** for any lost profits or lost savings.

23 AUDIT

- 23.1 Upon giving reasonable prior notice to the **Farmer**, **NatMilk** (or any independent third-party auditor that may be appointed by **NatMilk**) may, once a year, access and review any records forming any part of the **audit trail** to determine whether the **Farmer** is complying with its obligations under this **agreement**.
- 23.2 The **Farmer** must meet the requirements of the Food Standards Code - Standard 4.2.4 - Primary Production and Processing Standard for Dairy Products and 3.2.1 Food Safety Programs and compliance with these standards forms part of the **audit trail**.
- 23.3 The **Farmer** must hold a current and valid licence from their relevant state regulatory authority and all licence conditions must be complied with, including implementation of a food

safety program approved by their relevant state regulatory authority. The licence (and the **Farmer's** compliance with that licence) must be available as part of the **audit trail**.

24 FORCE MAJEURE

- 24.1 Neither the **Farmer** nor **Natmilk** shall be responsible where the **collection of milk** is prevented by any of the followings acts, to the extent that they are outside the relying party's reasonable control, an act of God, fire, flood, wind, explosion, pandemic, power failure, war, embargo, act of government, strike (including dock and/or shipping strike), lock-out, combination of workers, or civil commotion, which constitute force majeure (**force majeure event**).
- 24.2 The loss or delay in production of **milk** due to any production risks, including but not limited to lack of production, climate and/or weather does not constitute a **force majeure event**.
- 24.3 Should the **collection of milk** be prevented by a **force majeure event**, then the **collection of milk** shall be suspended for the duration of the **force majeure event**, provided that the party relying on this clause shall have served a notice on the other party:
- a) if the **supply period** has commenced: within 24 hours of the occurrence of the **force majeure event**; or
 - b) if the **supply period** has not commenced: within 7 consecutive days of the occurrence or not later than 7 consecutive days before the commencement of the **supply period**, whichever is earlier, with the reasons therefor.
- 24.4 The parties shall at all times take all reasonable steps to prevent a **force majeure event** from affecting the performance of their obligations under this **agreement** and, in the event it arises, to mitigate the effect of any **force majeure event**.
- 24.5 If a **force majeure event** prevents the **collection of the milk** for any continuous period of 30 days or more, either party may, on an additional 30 days' notice to the other party, given

- during the period the **force majeure event** continues, cancel the **agreement**.
- 24.6 If a **force majeure event** prevents **us** from collecting the **milk**, which the **Farmer** is otherwise willing and able to supply to **NatMilk**, the **Farmer** may, for the duration of the **force majeure event**, supply its **milk** to another party.
- 24.7 If the unfulfilled part of this **agreement** is cancelled in accordance with clause 24.5 above, then neither party will be liable to the other for a failure to comply with the unfulfilled part of this **agreement** or a failure to perform an unfulfilled obligation under this **agreement** (to the extent that the compliance or performance was prevented by the **force majeure event**).
- 24.8 If the **force majeure event** ceases before the **agreement** or any unfulfilled part thereof is cancelled, the party relying on this clause shall notify the other party without delay that the **force majeure event** has ceased.
- ## 25 DISPUTE RESOLUTION PROCESS
- 25.1 If a dispute arises out of, under or in connection with this **agreement**, the party raising the issue (the **Complainant**) must notify the other party (the **Respondent**) in writing, of the following:
- the nature of the complaint;
 - that the **Complainant** wishes the complaint to be dealt with in accordance with this clause 25; and
 - the outcome the **Complainant** wants.
- 25.2 Regardless of whether **NatMilk** is the **Complainant** or **Respondent**, the Complaint Handling Officer (whose contact details are at Item 6 in the **key terms**) will be responsible for managing the complaint and any notice pursuant to this clause 25 should a complaint be directed to them.
- 25.3 Within 5 working days of receiving the complaint under this clause 25, the **Respondent** must give written acknowledgment to the **Complainant** stating:
- that notice of the complaint has been received; and
 - the steps to be taken to deal with the complaint.
- 25.4 Once the complaint has been received, the parties should attempt to resolve the dispute through discussion in good faith.
- 25.5 If the complaint is not resolved within 60 days after the acknowledgement was given to the **Complainant** pursuant to clause 25.3(a):
- either party may take action to have the complaint resolved by mediation; or
 - the parties may agree, in writing, that the complaint is to be resolved by arbitration.
- 25.6 The following sections apply in the event a party to this **agreement** wishes to have a dispute resolved by mediation:
- the party must request the **Mediation Adviser** to appoint a mediator for the dispute.
 - the **Mediation Adviser** must appoint a mediator within 14 days unless the **Mediation Adviser** is satisfied that the complaint giving rise to the dispute:
 - is frivolous or vexatious; or
 - has previously been the subject of another mediation.
 - the **Mediator Adviser** must give the parties to the dispute, in writing, details of the mediator appointed.
 - the mediation must otherwise be conducted in accordance with the process outlined in the **Dairy Industry Code**.
- 25.7 The following sections apply in the event that the parties agree to have a dispute resolved by arbitration:
- the parties must request the **Arbitration Adviser** to appoint an arbitrator for the dispute.
 - the arbitration must otherwise be conducted in accordance with the process outlined in the **Dairy Industry Code**.

- 25.8 The **Complainant** may, at any time, withdraw the complaint by notice in writing to the **Respondent** and the mediator (if applicable).
- 25.9 Neither party will resort to litigation unless the processes in this clause 25 have been followed and, after reasonable negotiation and discussion, either party reasonably believes that it will be unable to resolve the dispute satisfactorily, or that its resolution would be faster if litigation was pursued.
- 25.10 In regard to costs, unless otherwise agreed by both parties in writing, each party will pay:
- a) half the costs (if any) of the mediation or arbitration (and reasonable costs associated with the conduct of the arbitration or mediation); but
 - b) will pay their own costs of attending the mediation or arbitration.
- perform its obligations under this **agreement** or to conduct their business generally, in which case the Recipient must ensure that such persons keep the information secret and confidential and do not disclose the information to any other person;
- e) where the disclosure is required for use in legal proceedings regarding this **agreement**; or
 - f) if the party to whom the information relates has consented in writing before the disclosure.
- 26.2 Each Recipient must ensure that its directors, officers, employees, agents, representatives and related bodies corporate comply in all respects with the Recipient's obligations under this clause 26.
- 26.3 The obligations of confidentiality in this clause 26 are not affected by the expiry or termination of this **agreement**.

26 CONFIDENTIALITY

- 26.1 Each party (**Recipient**) must keep secret and confidential and not disclose any information relating to another party or its business (which is or has been disclosed to the Recipient by the other party, its representatives or advisers) or the terms of this **agreement**, except:
- a) where the information is publicly known as at the date of this **agreement** (or subsequently becomes publicly known other than by breach of any obligation of confidentiality binding on the Recipient);
 - b) if the Recipient is required to disclose the information by applicable law provided that the Recipient has, to the extent practicable having regard to those obligations and the required timing of the disclosure, consulted with the provider of the information as to the form and content of the disclosure;
 - c) where the disclosure is expressly permitted under this **agreement**;
 - d) if disclosure is made to its officers, employees and professional advisers to the extent necessary to enable the Recipient to properly

27 PRIVACY

- 27.1 Each party agrees it will comply with its rights and obligations under the **privacy laws** in respect of **personal information** collected by, obtained by or disclosed to it under or in connection with this **agreement**.
- 27.2 Without limiting this clause 26, where a party discloses or uses **personal information** to another party under this **agreement**, the disclosing party warrants that:
- a) it collected or received the **personal information** in accordance with the **privacy laws**;
 - b) the disclosure of the **personal information** to the receiving party for the purposes for which it is disclosed is permitted by the **privacy laws**; and
 - c) the use by the receiving party of the **personal information** for the purposes for which it is disclosed by the disclosing party is permitted by the **privacy laws**.
- 27.3 Without limiting clause 27.2, where a disclosing party discloses or provides access to **personal information** to a receiving party, the receiving party must:

- a) use the **personal information** only for the purposes for which it was disclosed to the recipient party;
- b) use its best endeavours to keep the **personal information** secure from loss, misuse or unauthorised access, modification or disclosure;
- c) promptly notify the disclosing party if it becomes aware of any suspected or actual loss, misuse or unauthorised access, modification or disclosure of the **personal information**; and
- d) not disclose such **personal information** to any third party except as required by law or with the prior written consent of the disclosing party.

27.4 For the avoidance of doubt, the **Farmer** may access the **personal information** (if any) **NatMilk** holds about the **Farmer** in the manner set out in **NatMilk**' privacy policy at www.natmilk.com.au/privacy.

27.5 For the purposes of this **agreement**, the **Farmer** agrees that **NatMilk** may disclose the **Farmer's personal information** to its contractors and its agents, provided it is done so under the terms of a confidentiality agreement.

28 ANTI-BRIBERY

28.1 In performing its obligations under the **agreement** the **Farmer** must, and must procure that all of its officers, directors, employees, agents, contractors, subsidiaries and any persons or entities controlled by the **Farmer** or performing services on behalf of the **Farmer** in connection with this **agreement (associates)** comply with all applicable laws, regulations, regulatory policies, industry codes from time to time in force relating to anti-bribery, corruption and improper payments including but not limited to the Criminal Code Act 1995 (Cth) and any state and territory legislation (as applicable) (**Anti-Bribery Laws**).

29 MODERN SLAVERY

29.1 In performing its obligations under the **agreement**, the **Farmer** must, and must procure that its **associates** comply with all applicable anti-modern slavery laws, statutes, regulations, from time to time in force including but not limited to the Modern Slavery Act 2018 (Cth) (**Anti-Modern Slavery Laws**).

30 GENERAL

30.1 This **agreement** constitutes the whole agreement between the **Farmer** and **NatMilk**, unless the parties agree in writing that any prior representation or agreement forms part of this **agreement**.

30.2 This **agreement** implements the required terms of the **Dairy Industry Code** and to the extent there is any inconsistency between the terms of this **agreement** and the **Dairy Industry Code**, then the **Dairy Industry Code** prevails.

30.3 If any part or whole of one or more of the provisions of this **agreement** is non-compliant with the **Dairy Industry Code** or relevant law, then that part or whole of one or more of those provisions will be severed from this **agreement** and the validity, existence, legality and enforceability of the remaining provisions in this **agreement** will not be affected, prejudiced or impaired.

30.4 The parties must keep originals or copies of:

- a) this **agreement**;
- b) any variations to or termination of this **agreement**; and
- c) any notices or statements issued under this **agreement** or the **Dairy Industry Code**, for the period set out in clause 30.5 below.

30.5 A record, or a copy of a record, must be kept for the period:

- a) starting on the day on which the record is made or given; and
- b) ending on the last day of the 6 years beginning on the day this **agreement** ends.

30.6 Neither party may assign or otherwise deal with the supply arrangement except with the prior written consent

- of the other party (which must not be unreasonably withheld).
- 30.7 The relationship between **NatMilk** and the **Farmer** under this **agreement** is one of independent contractors. It is not and is not to be taken to be or to create, a partnership, trust, joint venture, agency or employment relationship.
- 30.8 The failure of a party to require performance of any obligation under this **agreement** is not a waiver of that party's right:
- a) to insist on performance of, or claim damages for breach of, that obligation unless that party acknowledges in writing that the failure is a waiver; and
 - b) at any other time to require performance of that or any other obligation under this **agreement**. Any remedies in this **agreement** do not limit or affect any remedies available to a party in law or equity.
- 30.9 Termination pursuant to clause 5, cancellation pursuant to clause 24 or expiry of this **agreement** does not affect any rights or liabilities of the parties that accrued before termination, cancellation or expiry, nor any provisions of this **agreement** which are intended to continue in force after termination or expiry. For the avoidance of doubt, the provisions of clauses 1 (Definitions Used in this Agreement), 12 (Inspection), 21 (Warranties), 22 (Liability and Indemnity), 25 (Dispute Resolution Process), 26 (Confidentiality), 27 (Privacy), 30 (General) are intended to survive termination or expiry of this **agreement**.
- 30.10 The invalidity or unenforceability of any provision of this **agreement** does not affect the validity or enforceability of the remaining provisions.
- 30.11 Each party must obtain the other's written consent before making any public statement about the other party, its relationship with the other party or this **agreement**.
- 30.12 This **agreement** is governed by the laws of the State in which the **milk** is collected at the **farm gate**. The parties accept the non-exclusive jurisdiction of that State's courts and courts of appeal from them.
- 30.13 Notices must be sent to the details of the recipient as set out in Item 1 and Item 5 in the **key terms** of this **agreement**, as applicable.
- 30.14 If GST is payable on any amount, then all such amounts referred to in the **agreement** are exclusive of any GST, and provided that the relevant supplier of any taxable supply under or in connection with the **agreement** provides a tax invoice, such amounts will be increased by an amount equal to the GST payable by that supplier on that supply and the recipient of that taxable supply must pay the amount of GST in addition to the first mentioned amount. Terms defined in the A New Tax System (Goods and Services) Act 1999 (Cth) have the same meaning in this clause.



SIGNATURE PAGE

Executed as an agreement.

Signature: _____

Signed by *#signatory name#*
as authorised signatory for
National Milk Pty Ltd

Date: _____

Signature: _____

Signed by *#signatory name#*
as authorised signatory for
#Farmer#

Date: _____



MILK SUPPLY AGREEMENT

SCHEDULE 1 – SPECIFICATIONS

In addition to the specifications below, all **milk** supplied must comply with the requirements of the FSANZ Food Standards Code (ref 4.2.4).

Any **milk** that does not meet the specifications below will be subjected to the quality fees listed in Schedule 3, or rejection by **NatMilk**, based on the test results.

Component	Target (Grade A Quality)	Test methodology	Testing regime
Butterfat	3.9% butterfat	Test methodology based on International Dairy Federation (IDF) Standard 141C:2000.	Each collection tested
Protein	3.2% protein	Test methodology based on IDF Standard 141C:2000.	Each collection tested
Somatic Cell Count (SCC) SCC is an indicator of the quality of milk. The number of somatic cells increases in response to pathogenic bacteria, a cause of mastitis.	≤250,000	Test methodology based on IDF Standard 148-2:2006 (E).	Each collection tested
Bactoscan (Bacto) The Bactoscan counts the number of individual bacteria cells in a raw milk sample. It is used as an indicator of the cleanliness of the milking plant including the vat, as well as the effectiveness of milk cooling.	≤100,000	Based on ISO 16297/IDF 161. AS 5013.5	Test conducted each 10-day period, or 3 times in a calendar month
Thermoduric Thermoduric bacteria are those which tolerate elevated temperatures, such as hot water plant/vat cleaning and the pasteurisation process.	≤2,000	Test methodology based on AS 5013.28 & AS 5013.14.2	Test conducted each 10-day period, or 3 times in a calendar month

Component	Target (Grade A Quality)	Test methodology	Testing regime
<p>Temperature</p> <p>Rapid and effective cooling of milk is essential for preserving its quality. Farmers must have systems in place that demonstrate to NatMilk's satisfaction (acting reasonably) that milk cooling and storage temperatures are maintained until milk is collected.</p>	0 - 4°C	Sensory test and tanker thermometer.	Check at each collection
<p>Antibiotics</p> <p>All milk supplied to NatMilk must be completely free of antibiotics. Any milk supplied returning a positive result for antibiotics after collection will be penalised as per Schedule 3.</p>	<p>Clear of antibiotics (<0.003 ug/ml)</p> <p>If you suspect milk from a cow has been treated with antibiotics and has been milked into the vat, please contact NatMilk as soon as possible to arrange an antibiotics test before collection.</p>	Delvotest®, SNAP Beta-Lactam ST Test or equivalent Antibiotic test	<p>Test conducted randomly once a month.</p> <p>A test will also be conducted on each tanker before delivery to a processor / manufacturer.</p>
<p>Other Inhibitory Substances</p>	Clear	Sensory	Daily Checks
<p>Freezing Point</p> <p>This test detects the presence of excessive water in the milk.</p>	≤-0.517°C.	Test methodology based on IDF standard 108:2002.	Random checks will be conducted
<p>Blood in Milk</p> <p>Detects the presence of blood in the milk.</p>	Not detected		Sensory check at each collection
<p>Sour Milk</p> <p>Detects if milk is sour.</p>	Not detected		Sensory check at each collection
<p>Extraneous Matter (Sediment)</p> <p>Detects the presence of any sediment or foreign matter in the milk.</p>	Not detected		NatMilk's discretion



Component	Target (Grade A Quality)	Test methodology	Testing regime
<p>Colostrum</p> <p>Detects the presence of colostrum in the milk.</p> <p>Colostrum should be withheld from milk supply for at least 96 hours after calving.</p>	<p>Not detected</p>		<p>NatMilk's discretion</p>
<p>Animal Feedstuffs</p> <p>NatMilk requires the suitability of all stock feed to be assured. Regulatory compliance, including compliance with the ruminant feed ban, must be guaranteed.</p> <p>Feedstuffs are to be GMO free and vendor declarations should be sought to the GMO-free status of the supplied feedstuff.</p>	<p>Compliant</p>	<p>Vendor declarations must be sought for all feedstuffs. Vendor declarations need to identify the supplier of the feed, description of feed, date supplied, suitable for use to feed to dairy cows as per Dairy Industry Standards including free from pesticides, chemical residues and ruminant animal material.</p>	<p>NatMilk's discretion</p>



MILK SUPPLY AGREEMENT

SCHEDULE 2 – COMMITTED VOLUMES AND PRICING

Volume Accuracy Assurances - Testing against the **committed volume** occurs at the **farm gate** by **NatMilk** and/or the **carrier** and **NatMilk** guarantees the accuracy of volumetric measuring of **milk** collected.

At the start of this **agreement**, there is no minimum volume commitment under this **agreement**.

At any point in time during this **agreement**, **Farmer** and **NatMilk** can mutually agree to sell/buy specific volumes of **milk** at specific **prices**. Each time this occurs, this schedule will be updated with the agreed **volumes** and **prices**.



Table 2.1 - Summary of Committed Volumes

Pricing Structure	Committed Volumes	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
Fixed <i>(Refer to table 2.3 for details)</i>	Indicative Fixed milk volume (in litres)													
	Committed Fixed Volume Fat (in kg fat)													
	Committed Fixed Volume Protein (in kg protein)													
Spot <i>(Refer to table 2.4 for details)</i>	Indicative Spot milk volume (in litres)													
	Committed Spot Volume Fat (in kg fat)													
	Committed Spot Volume Protein (in kg protein)													
Pool <i>(Refer to table 2.5 for details)</i>	Indicative Pool milk volume (in litres)													
	Committed Pool Volume Fat (in kg fat)													
	Committed Pool Volume Protein (in kg protein)													
TOTAL COMMITTED VOLUMES	Indicative milk volume (in litres)													
	Committed Fat (in kg fat)													
	Committed Protein (in kg protein)													



Table 2.2 - Summary of Prices

Pricing Structure	Average Prices	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Fixed <i>(Refer to table 2.3 for details)</i>	Weighted average per milk solids (\$ per kgMS)												
Spot <i>(Refer to table 2.4 for details)</i>	Weighted average per milk solids (\$ per kgMS)												
Pool <i>(Refer to table 2.5 for details)</i>	Weighted average per milk solids (\$ per kgMS)												
Combined pricing (Weighted average of all prices)													
Quality Adjustment Fees		<i>As per Table 3.1.2 in Schedule 3 where applicable.</i>											
Location Fees, Stop Charges and Multiple Collection Fees		<i>As per Schedule 5 where applicable.</i>											



Table 2.3 – Fixed Price Deals

Deal ID	Fixed Price Deal Information	Deal Date	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
####F0001	Committed Volume Fat (in kg fat)	dd/mm/yyyy													
	Committed Volume Protein (in kg protein)														
	Fixed Price Fat (\$ per kg fat)														
	Fixed Price Protein (\$ per kg protein)														
	Fixed Price Milk Solids (\$ per kgMS)														
Average Fixed Price (\$ per kgMS before levies)															
Quality Adjustment Fees			<i>As per Table 3.1.2 in Schedule 3 where applicable.</i>												
Location Fees, Stop Charges and Multiple Collection Fees			<i>As per Schedule 5 where applicable.</i>												



Table 2.4 - Spot Price Deals

Deal ID	Spot Price Deal Information	Deal Date	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
####S0001	Committed Volume Fat (in kg fat)	dd/mm/yyyy													
	Committed Volume Protein (in kg protein)														
	Minimum Spot Price Fat (\$ per kg fat)														
	Minimum Spot Price Protein (\$ per kg protein)														
	Minimum Spot Price Milk Solids (\$ per kgMS)														
Spot Price per Milk Solids (\$ per kgMS before levies)															
Quality Adjustment Fees			<i>As per Table 3.1.2 in Schedule 3 where applicable.</i>												
Location Fees, Stop Charges and Multiple Collection Fees			<i>As per Schedule 5 where applicable.</i>												



Table 2.5 - Pool Price Deals

Deal ID	Pool Price Deal Information	Deal Date	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
# # # # P0001	Committed Volume Fat (in kg fat)	dd/mm/yyyy													
	Committed Volume Protein (in kg protein)														
	Minimum Pool Price Fat (\$ per kg fat)														
	Minimum Pool Price Protein (\$ per kg protein)														
	Minimum Pool Price Milk Solids (\$ per kgMS)														
Pool Price per Milk Solids (\$ per kgMS before levies)															
Quality Adjustment Fees			<i>As per Table 3.1.2 in Schedule 3 where applicable.</i>												
Location Fees, Stop Charges and Multiple Collection Fees			<i>As per Schedule 5 where applicable.</i>												



MILK SUPPLY AGREEMENT

SCHEDULE 3 – QUALITY STANDARDS AND QUALITY ADJUSTMENT FEES

3.1 Milk Quality Standards

NatMilk requires **you** to comply with a series of **milk** quality standards.

The price paid by **NatMilk** is quoted on the basis that the **milk** supplied is 'Grade A' **milk**. In order to be 'Grade A', **milk** supplied to **NatMilk** must meet each of the Grade A requirements for the quality standards referred to in Table 3.1.1 below.

Table 3.1.1 – Milk Quality Grades

Test (Refer to Schedule 1 for test definitions and Section 3.2 below for further details)	Grade A Test Results	Grade B Test Results	Grade C Test Results	Inferior Test Results	Poor/Reject Test Results																				
I. Somatic Cell Count (SCC)	≤250,000	250,001 – 300,000	300,001 – 350,000	350,001 – 400,000	>400,000																				
II. Bactoscan (IBC)	≤100,000	100,001 – 160,000	160,001 – 250,000	250,001 – 460,000	>460,000																				
III. Thermoturic	≤2,000	2,001 – 5,000	5,001 – 8,000	8,001 – 10,000	>10,000																				
IV. Temperature	<p>NatMilk requires that you aim to have your milk at 4°C within 2 hours of milking, with a maximum control limit of 5°C.</p> <p>Where milk collections occur within 2 hours of milking completion, then milk may be collected above 5°C in accordance with the following table:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="4" style="text-align: center;">Time from end of milking?</th> </tr> <tr> <th style="text-align: center;">Which milking?</th> <th style="text-align: center;">Immediate</th> <th style="text-align: center;">0 – 1 hr</th> <th style="text-align: center;">1 – 2 hr</th> <th style="text-align: center;">> 2 hrs</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1st</td> <td style="text-align: center;">25°C</td> <td style="text-align: center;">15°C</td> <td style="text-align: center;">8°C</td> <td style="text-align: center;">5°C</td> </tr> <tr> <td style="text-align: center;">2nd or more</td> <td style="text-align: center;">15°C</td> <td style="text-align: center;">10°C</td> <td style="text-align: center;">6°C</td> <td style="text-align: center;">5°C</td> </tr> </tbody> </table>					Time from end of milking?				Which milking?	Immediate	0 – 1 hr	1 – 2 hr	> 2 hrs	1st	25°C	15°C	8°C	5°C	2nd or more	15°C	10°C	6°C	5°C	Outside of guidelines to left.
	Time from end of milking?																								
Which milking?	Immediate	0 – 1 hr	1 – 2 hr	> 2 hrs																					
1st	25°C	15°C	8°C	5°C																					
2nd or more	15°C	10°C	6°C	5°C																					
V. Milk Composition	Butterfat	≥3.2%			<3.2%																				
	Protein	≥3.0%			<3.0%																				
VI. Antibiotics and Other Inhibitory Substances	Clear				Present																				
All milk supplied MUST be completely free of antibiotics. Any milk supplied which returns a positive result for antibiotics will not be paid for.																									
VII. Freezing Point	≤-0.517°C				>-0.517°C																				
VIII. Blood in Milk	Clear				Detected																				
IX. Sour Milk	Clear				Detected																				
X. Extraneous Matter	Clear				Detected																				



Test (Refer to Schedule 1 for test definitions and Section 3.2 below for further details)	Grade A	Grade B	Grade C	Inferior	Poor/Reject
	Test Results	Test Results	Test Results	Test Results	Test Results
XI. Colostrum	Clear				Detected
XII. Animal Feedstuffs	Clear				Non-compliant

If the **milk** supplied does not meet each of the 'Grade A' quality standards, then **NatMilk** will reduce the amount paid to the **Farmer** by applying the applicable **quality adjustment fee** rate set out in Table 3.1.2 below (depending on the grade of the **Farmer's milk**) to the pre-GST amount owed by **NatMilk** under this **agreement** for the **milk** collected on that testing period.

In addition, and depending on the circumstances, and according to the terms of this **agreement**, if the **milk** supplied to **NatMilk** does not meet the 'Grade A' quality standard, other reductions to the price may apply.

Table 3.1.2 – Quality Adjustment Fees

Test (Refer to Schedule 1 for test definitions and Section 3.2 below for further details)	Grade A	Grade B	Grade C	Inferior	Poor/Reject
	Quality Adjustment Fee	Quality Adjustment Fee	Quality Adjustment Fee	Quality Adjustment Fee	Quality Adjustment Fee
I. Somatic Cell Count (SCC) <i>Quality adjustment fee applies monthly supply based on the average grade for that month.</i>	0%	-2.5%	-5%	-15%	-50 up to -100% Reject/Non-Collection if 5 consecutive results in this Grade.
II. Bactoscan (IBC) <i>Quality adjustment fee applies to individual collections based on the grade for each collection.</i>	0%	1 st and 2 nd tests: 0% Tests 3-7: -2.5% Test 8 onwards: -5% Adjustment fee continues to be applied for every test until result returns to Grade A.	1 st and 2 nd tests: 0% Tests 3-7: -5% Test 8 onwards: -10% Adjustment fee continues to be applied for every test until result returns to Grade A.	1 st and 2 nd tests: 0% Tests 3-7: -15% Test 8 onwards: -20% Adjustment fee continues to be applied for every test until result returns to Grade A.	1 st and 2 nd tests: 0% Tests 3-7: -30% Test 8 onwards: -50% Adjustment Fee continues to be applied for every test until result returns to Grade A.



Test (Refer to Schedule 1 for test definitions and Section 3.2 below for further details)	Grade A Quality Adjustment Fee	Grade B Quality Adjustment Fee	Grade C Quality Adjustment Fee	Inferior Quality Adjustment Fee	Poor/Reject Quality Adjustment Fee
III. Thermoduric <i>Quality adjustment fee applies to individual collections based on the grade for each collection.</i>	0%	1 st and 2 nd tests: 0% Tests 3-7: -2.5% Test 8 onwards: -5% Adjustment fee continues to be applied for every test until result returns to Grade A.	1 st and 2 nd tests: 0% Tests 3-7: -5% Test 8 onwards: -10% Adjustment fee continues to be applied for every test until result returns to Grade A.	1 st and 2 nd tests: 0% Tests 3-7: -15% Test 8 onwards: -20% Adjustment fee continues to be applied for every test until result returns to Grade A.	1 st and 2 nd tests: 0% Tests 3-7: -30% Test 8 onwards: -50% Adjustment fee continues to be applied for every test until result returns to Grade A.
IV. Temperature	0%				-100% Reject/Non-Collection
V. Milk Composition	Butterfat	0%			Suspend Collection if 10 consecutive results in this Grade.
	Protein	0%			Suspend Collection if 10 consecutive results in this Grade.
VI. Antibiotics and Other Inhibitory Substances	0%				-100% Reject/Non-Collection
VII. Freezing Point	0%				-100% Reject/Non-Collection
VIII. Blood in Milk	0%				-100% Reject/Non-Collection
IX. Sour Milk	0%				-100% Reject/Non-Collection
X. Extraneous Matter	0%				-100% Reject/Non-Collection
XI. Colostrum	0%				-100% Reject/Non-Collection
XII. Animal Feedstuffs	0%				-100% Reject/Non-Collection
Mixed grades and multiple quality penalties					



Test (Refer to Schedule 1 for test definitions and Section 3.2 below for further details)	Grade A Quality Adjustment Fee	Grade B Quality Adjustment Fee	Grade C Quality Adjustment Fee	Inferior Quality Adjustment Fee	Poor/Reject Quality Adjustment Fee
<p>Somatic Cell Count (SCC) grade is calculated as a monthly weighted average and will be applied to the pre-GST amount owed by NatMilk for milk supplied in that month.</p> <p>Other quality adjustment fees will be applied in addition to the SCC quality adjustment fee.</p> <p>With the exception of SCC, if your milk is graded at different levels in any particular collection, the applicable quality adjustment fee will be based on the lowest grade achieved for that collection.</p> <p>For example, if Bactoscan is at Grade B and Thermodurics is at Grade C for a particular collection date, your quality adjustment fee will be applied at Grade C (the lower grade) on that date.</p>					

3.2 Milk Quality Testing and Grading

I. Somatic Cell Count (SCC)

Somatic Cell Count (SCC) testing measures the number of white blood cells (somatic cells) in **milk** and is a measure of mastitis in the herd. This test is performed at each **collection**.

Grading is based on a monthly weighted average result. This is calculated by dividing the total SCC for the month by the total **milk** volume (in litres) supplied in that month. The relevant **quality adjustment fee** is applied to the **milk** supplied in that month.

Any daily result that varies by more than 20% or changes grade from the previous daily result may be withheld by **NatMilk** and reviewed against subsequent results prior to confirming the official result for the period.

If SCC test results are above the control limit of 400,000 for 5 or more consecutive collections, **NatMilk** reserves the right to suspend **milk** collection until SCC test results are below the control limit.

II. Bactoscan

Bactoscan is a rapid test which counts all bacteria by staining bacterial DNA. The result is a count of bacterial cells contained in the raw **milk** sample. This test is performed every 10 days, or 3 times a month.

Grading is based on the results of each test and applied to the **milk** supplied on the dates tested.

If a Bactoscan test result falls outside Grade A (as per Table 3.1.1 above), a retest will be conducted for each subsequent collection until a Grade A result is achieved.

The relevant **quality adjustment fee** (as per Table 3.1.2 above) is applied to the specific collection dates graded below Grade A, excluding the first 2 results, which are exempted from quality adjustment fees.

If Bactoscan test results fall above the control limit of 460,000 for 5 or more consecutive results in a 28-day period (excluding the first 2 tests), **NatMilk** reserves the right to suspend **milk** collection until Bactoscan test results are below the control limit.

Additional samples may be tested for the **milk** supplied, at **NatMilk's** discretion.



III. Thermoduric

Thermoduric test identifies bacteria that can survive a heating process. These bacteria can cause product spoilage and may affect food safety. This test takes a minimum of 72 hours to complete and is performed every 10 days, or 3 times a month.

Grading is based on the results of each test and applied to the **milk** supplied on the dates tested.

If a Thermodurics test result falls outside Grade A (as per Table 3.1.1 above), a retest will be conducted for each subsequent collection until a Grade A result is achieved.

The relevant **quality adjustment fee** (as per Table 3.1.2 above) is applied to the specific collection dates graded below Grade A, excluding the first 2 results which are not penalised.

If Thermodurics test results fall above the control limit of 10,000 for 5 or more consecutive results in a 28-day period (excluding the first 2 tests), **NatMilk** reserves the right to suspend **milk** collection until Thermodurics test results are below the control limit.

Additional samples may be tested for the **milk** supplied, at **NatMilk's** discretion.

IV. Temperature

Rapid and effective cooling of **milk** is essential for preserving its quality. Bacterial growth in raw milk can occur rapidly when **milk** is not cooled properly.

It is a requirement of holding a dairy licence that the **Farm** is capable of cooling **milk** to 5°C or lower within 3.5 hours from commencement of milking and of holding the milk at a maximum of 5°C until collected.

NatMilk's time and temperature requirements are detailed in Table 3.1.1 above. Any **milk** outside of those requirements may be rejected. If milk is rejected, **NatMilk** will leave a **milk** rejection sticker attached to the vat outlet and send **you** a **milk** rejection notice.

Any rejected **milk** that is not collected must be disposed of by **you** prior to the next **collection**. You must not cool rejected **milk** for inclusion in a subsequent **collection** or mix it with any other **milk**.

If **you** suspect any temperature problems, please notify **NatMilk** immediately.

V. Milk composition

Milk composition (% **fat**, % **protein**) is tested at each collection. **NatMilk's** Grade A specifications are a minimum of 3.9% **butterfat** and minimum of 3.2% **protein**. Notwithstanding these specifications, any **milk** with a minimum of 3.2% **butterfat** and 3.0% **protein** is acceptable for **collection** (as per Table 3.1.1), to allow for seasonal variations.

If your **milk** falls below the minimum levels stipulated in Table 3.1.1 for 10 or more consecutive **collections**, we reserve the right to suspend collection until **milk** composition reaches the required minimum quality specifications.

VI. Antibiotics and inhibitory substances

Antibiotics and inhibitory substances have a direct impact on the dairy manufacturing process. Prohibited inhibitory substances include, but are not limited to, antibiotics and chemical residues (including dairy detergents) such as Quaternary Ammonium Compounds (QACs) and Nonylphenol Ethoxylates (NPEs).



In addition to our random monthly tests at collection, **NatMilk** will test for antibiotics and inhibitory substances in the tanker prior to unloading. If any inhibitory substances are detected, **NatMilk** will conduct a trace-back process to identify the **farm** at the source of the contamination. Quality fee adjustments will apply, as per Table 3.1.2.

If **you** suspect that **milk** may have been contaminated with antibiotics or other chemicals, **you** must immediately notify **NatMilk**, and arrange to test a vat sample before your milk is collected.

VII. Freezing point

The freezing point test detects the presence of excessive water in the **milk**. **Milk** should freeze at minus 0.517°C or below.

Freezing point tests will be conducted randomly throughout the season.

VIII. Blood in milk

Sensory checks will be performed prior to every **collection**.

If a vat fails the sensory test (for example, it has an unacceptable odour), its **milk** will be rejected by the tanker driver. If **milk** is rejected, **NatMilk** will leave a **milk** rejection sticker attached to the vat outlet and send a **milk** rejection notice to the **farmer**.

NatMilk may conduct further tests on the **milk**.

IX. Sour milk

Sensory checks will be performed prior to every **collection**.

If a vat fails the sensory test (for example, it has an unacceptable odour), its **milk** will be rejected by the tanker driver. If **milk** is rejected, **NatMilk** will leave a **milk** rejection sticker attached to the vat outlet and send a **milk** rejection notice to the **farmer**.

NatMilk may conduct further tests on the **milk**.

X. Extraneous matter

Extraneous matter in **milk** such as cow hair, dust, dirt, manure, vegetable matter and insects. Bacteria accompany sediment into the **milk**, resulting in contamination. The presence of sediment in **milk** can affect the taste, appearance, and quality of dairy products.

If visible extraneous matter is detected in the vat, **milk** may be rejected by the tank driver. If **milk** is rejected, **NatMilk** will leave a **milk** rejection sticker attached to the vat outlet and send a **milk** rejection notice to the **farmer**.

NatMilk may conduct further tests on the **milk**.

XI. Colostrum

Colostrum refers to the first **milk** produced after calving. Colostrum is high in antibodies and blood proteins, and is unsuitable for manufacturing. **Milk** from cows and heifers must not enter the vat until at least 96 hours after calving.



NatMilk may test for colostrum on a random basis across the season. If colostrum indicators are detected in a **milk** sample, quality adjustment fees will apply (as per Table 3.1.2), and we reserve the right to temporarily suspend **collection** until **milk** complies with specifications.

XII. Animal feedstuffs

NatMilk requires the suitability of all stock feed to be assured. Regulatory compliance, including compliance with ruminant feed ban, must be guaranteed.

Subject to the following paragraph, the **farmer** shall not knowingly use stockfeed that contains genetically modified organisms (GE/GMO). **NatMilk** acknowledges that stockfeed is generally free from modified organisms, however, recognises that sourcing livestock feed that can be guaranteed 100% GE/GMO free is difficult, therefore **NatMilk** permits suppliers to use stockfeed that is declared non-GM, defined as 95% non-GM.

NatMilk may verify compliance with this requirement via random tests to be taken by a **NatMilk** representative.



MILK SUPPLY AGREEMENT

SCHEDULE 4 – MINIMUM PRICE JUSTIFICATION

Statement of justification of minimum price at the time signing of the agreement.

This agreement contains different minimum prices which cover different choices you have when selling your milk to NatMilk.

The prices you are ultimately paid for your milk under these different choices may be higher than these Minimum Prices, depending on the choices you make when selling your milk.

The Minimum Prices included in Schedule 6 for Fixed Price, Spot Price, Pool Price, and Fair Market Price have been determined based on an assessment involving the following critical inputs:

- Expected domestic and global dairy market conditions, including commodity prices and exchange rates.
- The geographic location of your milk supply and expected transport costs.
- The seasonality of your milk production.
- The level of customer demand for milk in your region.
- The potential for seasonal variations in milk supply relative to demand.
- Costs of dairy processing, including operating and overhead costs.
- The expected cost of managing and hedging risk, as well as expected volatility.
- The long-term average of milk prices in Australia.



MILK SUPPLY AGREEMENT

SCHEDULE 5 – SERVICE FEES AND WASHOUT FEES

LOCATION FEES

No **Location Fee** is applicable.

STOP CHARGE

There is no **stop charge** payable under this agreement.

MULTIPLE COLLECTION FEE

If both parties agree to a second or further subsequent stop(s) at the **farm** for **collection** of **your milk** within a 24-hour period, then **you** will pay to **us** a **Multiple Service Fee** of \$40 per **collection**.

WASHOUT FEES

If both parties agree to a **washout**, the **Farmer** is required to pay **Natmilk** the Washout Fee in the amount of \$0.09 per kgMS of fat and \$0.18 per kgMS of protein, in accordance with clause 14.6 in this **agreement**.



SCHEDULE 6 – MINIMUM PRICE

The **minimum prices** set out below are exclusive of GST and in Australian Dollars.

The **minimum prices** we will pay for your **milk** are listed in the table below.

Minimum Prices

Pricing structure	Component	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Minimum Pool Price	Fat (in \$/kg Fat)	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11
	Protein (in \$/kg Protein)	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22
Minimum Fixed Price	Fat (in \$/kg Fat)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Protein (in \$/kg Protein)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Minimum Spot Price	Fat (in \$/kg Fat)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Protein (in \$/kg Protein)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Minimum Fair Market Price	Fat (in \$/kg Fat)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Protein (in \$/kg Protein)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00



MILK SUPPLY AGREEMENT

SCHEDULE 7 – NATMILK POLICIES AND PROCEDURES

List of relevant Policies and related URLs:

1. Privacy Policy – www.nationalmilk.com.au/privacy