



COMMERCIAL IN CONFIDENCE

a2 EXCLUSIVE MILK SUPPLY AGREEMENT

PUBLISHED ON 17 NOVEMBER 2025

Brownes Dairy Contract ID

STATEMENT OF CIRCUMSTANCES

This Agreement sets out the term and conditions under which Brownes Dairy is prepared to enter into an exclusive milk supply agreement (EMSA) to supply a2 Beta Casein Milk as required by the *Competition and Consumer (Industry Codes-Dairy) Regulations 2019* (Cth) (Dairy Code).

Brownes will procure milk based on its medium and longer term demand forecasts for the sale of finished dairy products specifically related to the demand of our tolling partner to the domestic West Australian market.

Currently all volumes to supply the a2 tolling agreement are fulfilled and as such it is expected no further a2 EMSA (Exclusive Milk Supply Agreements) will be entered into during the Financial Year 1 July 2025 – 30 June 2026.

Term	Eligible conditions
Region/Territory	Western Australia, south west of a line from Perth to Albany (and close surrounds).
A2 Certification	In order for the Supplier to supply milk to Brownes in accordance with this Exclusive Milk Supply Agreement, and that milk be included in the A2 milk pool, the Supplier must hold and maintain an A2 Certification which the Supplier has obtained from The a2 Milk Company (Australia) Pty Ltd, which certification includes testing of each individual cow in the Supplier's herd for the presence of the A2/A2 gene.

EXCLUSIVE MILK SUPPLY AGREEMENT DETAILS

Item 1	BROWNES DAIRY	Brownes Foods Operations Pty Ltd ABN 60 146 849 881 22 Geddes Street, Balcatta, WA 6021
Item 2	SUPPLIER	
Item 3	TRUST	
Item 4	TRUSTEE	
Item 5	FARM	
Item 6	COMMENCEMENT DATE	[e.g. 1 May 2025]
Item 7	AGREEMENT END DATE (No Notice Given)	[Insert the date which is three (3) years after the Commencement Date, e.g. 30 April 2028]
Item 8	TERMINATION NOTICE START DATE	[Insert the date which is one (1) year and one (1) day after the Commencement Date, e.g. 1 May 2026]
Item 9	TERMINATION NOTICE END DATE	[Insert the date which is one (1) year after the Termination Notice Start Date, e.g. 30 April 2027]
Item 10	MINIMUM PRICE	See the Seasonal Pricing Letter at Appendix B (Note: the Seasonal Pricing Letter also constitutes a statement of justification of minimum prices for the purposes of section 14 of the Dairy Code).
Item 11	SUPPLIER INSURANCES	(a) Public and products liability insurance covering the liability of the Supplier in respect of loss of or damage to property and death of or injury to any person. Such cover to be for an amount not less than \$20 million per occurrence for public liability and \$20 million for all claims in the annual aggregate in relation to products liability and such policy must note Brownes Dairy as an additional insured, include a cross liability clause and a waiver of subrogation in favour of Brownes; (b) Insurance that is compulsory under applicable Law governing the use of motor vehicles and liability for personal injury or death; (c) Workers compensation insurance (including industrial disease) as required by law with a common law limit of \$50 million in respect of any number of persons and arising out of the one event.

		Where permitted by law this policy must be extended to include a principals indemnity extension applying to both act benefits and common law entitlements with a waiver of subrogation in favour of Brownes Dairy; (d) Property insurance, insurance covering property damage to all equipment and plant owned by the Supplier which is to be used in the course of performing the Supplier's obligations under this Agreement. Such policy to be arranged on a replacement/reinstatement basis.
Item 12	GUARANTOR	
Item 13	SPECIAL TERMS	(a) The Supplier has agreed to supply Brownes Dairy with a2 Beta Casein Protein Milk. (b) The special terms set out in Appendix D apply to the supply of a2 Beta Casein Protein Milk.
Item 14	ELIGIBILITY FOR STEP-UPS	The Supplier [is /is not] eligible for step-ups during the Term.

Signed by the parties as an agreement:

Signed for Brownes Dairy Foods

Operations Pty Ltd by an authorised officer in the presence of

←

Signature of officer

Signature of witness

Name of officer and date (print)

Name of witness (print)

Office held

Executed by the Supplier by an authorised officer in the presence of

←

Signature of Witness

Signature of Director

←

Name of Witness

Date

Address of Witness

Executed by the Guarantor in the presence of

Signature of Witness

Name of Witness



Signature of Guarantor

Date

Uncontrolled Copy

GENERAL TERMS

1 ELEMENTS OF THIS AGREEMENT

1.1 Documents comprising this Exclusive Milk Supply Agreement

- (a) This Agreement is made up of:
 - (i) the Agreement Details;
 - (ii) the Seasonal Pricing Letter (Appendix B);
 - (iii) the Special Terms - A2 Beta Casein Protein Milk Supply Terms (Appendix D);
 - (iv) these General Terms; and
 - (v) the Farm Supply Manual (Appendix C),which collectively form a single document.
- (b) If there are any inconsistencies between the documents referred to in clause 1.1(a), these documents will prevail in the order listed above.

1.2 Compliance with the Dairy Code

- (a) This Agreement is intended to comply with, and be interpreted consistently with, the required terms of the Dairy Code.
- (b) To the extent that there is any inconsistency between this Agreement and the mandatory provisions of the Dairy Code, the mandatory provisions of the Dairy Code prevail.
- (c) If the whole, or any part, of any provision of this Agreement do not comply with the Dairy Code, then the offending whole or part of the provision will be severed from this Agreement, and the validity, existence, legality, and enforceability of the remaining provisions in this Agreement will not be affected.
- (d) In accordance with the Dairy Code, both parties must at all times deal with each other in Good Faith.

2 TERM AND COOLING OFF

2.1 Term

- (a) This Agreement starts on the Commencement Date and ends on the Agreement End Date, unless this Agreement is:
 - (i) terminated earlier in accordance with clause 2.1(b);
 - (ii) terminated earlier in accordance with any other provision of this Agreement; or
 - (iii) extended in accordance with clause 2.1(e) (if applicable).
- (b) Subject to clause 2.1(c), either party may terminate this Agreement by giving the other party 12 months written notice to that effect (**Early Termination Notice**).
- (c) An Early Termination Notice is only valid if it is given:
 - (i) on or after the Termination Notice Start Date; and

- (ii) no later than on or before the Termination Notice End Date.
- (d) Brownes Dairy will use all reasonable endeavours to remind the Supplier that the earliest date to give an Early Termination Notice is approaching by giving the Supplier written notice of that date one (1) month prior to the Termination Notice Start Date.
- (e) If this Agreement is for a Term longer than three (3) years, the Supplier may extend the Term for a period of 12 months beyond the Agreement End Date by giving Brownes Dairy written notice to that effect in accordance with clause 2.1(g) (**Extension Notice**).
- (f) Clause 2.1(e) does not allow the Supplier to extend the Term more than once.
- (g) The Supplier must give the Extension Notice to Brownes Dairy:
 - (i) no earlier than 30 days prior to the Agreement End Date; and
 - (ii) no later than 7 days prior to the end of the supply period being the Agreement End Date.

2.2 Cooling Off Period

A cooling-off period commences from the day that this Agreement is executed and ends 14 days later. During the 14 day cooling-off period, the Supplier may terminate this Agreement with immediate effect by giving written notice to Brownes Dairy, without the Supplier incurring any liability to Brownes Dairy.

3 EXCLUSIVE SUPPLY OF MILK

- (a) The Supplier must supply Brownes Dairy with milk during the Term.
- (b) The Supplier must not supply any milk or products processed from milk (including any milk in excess of the Annual Supply Volume or Monthly Supply Profile) to any person other than Brownes Dairy during the Term.
- (c) Brownes Dairy will buy, and the Supplier must sell, all of the milk produced by the Supplier during the Term subject to the terms of this Agreement.
- (d) The parties acknowledge that Brownes Dairy may purchase milk from other suppliers during the Term.

4 PRICE FOR THE MILK

4.1 Minimum Price

- (a) Subject to the other terms of this Agreement, Brownes Dairy will purchase all of the Supplier's milk each month and pay the Supplier for that milk in accordance with the Seasonal Pricing Letter.
- (b) In accordance with the Dairy Code, the Minimum Price does not include:
 - (i) any loyalty payments*;
 - (ii) any fees payable by the Supplier under this Agreement; or
 - (iii) any temporary reduction in the Minimum Price due to Exceptional Circumstances. See clause 4.5 for details.

(*Note: Brownes Dairy does not make any "loyalty payments" under this Agreement, so this does not apply.)

4.2 Justification for Minimum Price

For the purposes of the Dairy Code, the Seasonal Pricing Letter provides a statement of justification for each Minimum Price under this Agreement.

4.3 Step-ups

- (a) Brownes Dairy may decide to pay a supplement for the milk over and above the Minimum Price during a stated period of the Term (**Step-up**).
- (b) Step-ups are an additional payment that is a temporary increase in the amount Brownes Dairy pays for the milk.
- (c) Step-ups do not form part of the Minimum Price and payment of a Step-up does not increase the Minimum Price.
- (d) Item 14 of the Agreement Details specifies whether the Supplier is eligible for Step-ups, subject to the provisions of this clause.
- (e) If Brownes Dairy decides to pay a Step-up, and Item 14 specifies that the Supplier is eligible to receive payment of Step-ups:
 - (i) Brownes will give the Supplier details of the Step-up, including the period during which the Step-up applies;
 - (ii) the Supplier is only eligible to receive payment of Step-ups if the Supplier is not in Material Breach of this Agreement; and
 - (iii) Step-ups will be paid as part of the Supplier's monthly payment in accordance with clause 5, unless Brownes notifies the Supplier otherwise.

4.4 Increases to the Minimum Price

- (a) Brownes Dairy may, at its discretion, decide during the Term to increase the Minimum Price (**Price Increase**).
- (b) If Brownes Dairy decides to increase the Minimum Price, it will give the Supplier written notice of the Price Increase. The parties acknowledge that, to comply with the requirements of the Dairy Code, in order to be eligible to receive the Price Increase, the Supplier must agree in writing to vary this Agreement to reflect the change to the Minimum Price in accordance with the Price Increase notified to the Supplier by Brownes Dairy. Brownes Dairy will provide the Supplier with instructions as to how to agree to any such variation of this Agreement at the time it notifies the Supplier of the Price Increase.
- (c) In addition to the Minimum Price, the Supplier may also be eligible for additions to the Minimum Price in accordance with the Seasonal Pricing Letter.
- (d) If the Supplier is eligible for any additions to the Minimum Price, these will be paid to the Supplier as part of the Supplier's monthly payment in accordance with clause 5, unless otherwise described in the Seasonal Pricing Letter.

4.5 Reduction to Minimum Price in Exceptional Circumstances

In accordance with the Dairy Code, and notwithstanding any other terms to the contrary in this Agreement, Brownes Dairy may unilaterally prospectively step down the Minimum Price only where:

- (a) Exceptional Circumstances occur; and

- (b) Brownes Dairy has taken or will take all reasonable steps to prevent or limit the impact of the Exceptional Circumstances, or there are no such steps Brownes Dairy can take; and
- (c) because of the Exceptional Circumstances the unilateral prospective step down is unavoidable; and
- (d) at least 30 days before the step down occurs, Brownes Dairy has given the Supplier and the ACCC written notice of:
 - (i) the step down;
 - (ii) the Exceptional Circumstances;
 - (iii) the reasonable steps (if any) Brownes Dairy has taken, or will take, in accordance with clause 4.5(b);
 - (iv) why the step down is unavoidable; and
 - (v) the period to which the step down applies.

4.6 Supplier's Right to Terminate

- (a) The Supplier will have a right to terminate this Agreement within 21 days after receiving notice of the prospective step down under clause 4.5(d) (**Notice Period**), with effect from the day the step down occurs.
- (b) The Supplier can also change its mind and withdraw its termination during those 21 days only (that is, during the Notice Period).
- (c) The Minimum Price must not be further reduced as a result of the Supplier rescinding a termination under clause 4.6(b).
- (d) If the Supplier chooses to terminate this Agreement, in accordance with the Dairy Code, the Supplier must continue to supply Brownes Dairy until the date the step down takes effect.
- (e) Before the date of termination under clause 4.6(a), either party must (on request from the other party) reasonably negotiate with the other party to seek to reach agreement on the terms of a new Seasonal Pricing Letter (terms and conditions as to price) that are mutually acceptable to the parties. If the parties:
 - (i) reach agreement prior to expiry of the Notice Period, then the Supplier's termination notice under clause 4.6(a) will automatically be withdrawn and this Agreement will continue on the terms agreed by the parties; or
 - (ii) do not reach agreement prior to expiry of the Notice Period, this Agreement will expire on the last day of the Notice Period.
- (f) Brownes Dairy requests that the Supplier provide Brownes Dairy with as much notice as possible of its termination, or withdrawal of termination, under clause 4.6 so that Brownes Dairy may make arrangements to cease collecting, or continue collecting, the Supplier's milk.
- (g) If the Supplier terminates this Agreement under clause 4.6(a) then, as soon as practicable after termination, the Supplier must give Brownes Dairy written notice of the termination, the reason for the termination, and the day the termination takes effect.

4.7 No Retrospective Step Downs

Brownes Dairy will not retrospectively reduce the Minimum Price under this Agreement.

5 MILK PAYMENTS

- (a) Brownes Dairy must pay to the Supplier the amount calculated in accordance with the Seasonal Pricing Letter in respect of the volume, and quality of milk supplied by the Supplier and the other factors specified in the Seasonal Pricing Letter.
- (b) Brownes Dairy will deduct, or withhold amounts from, the milk payments referred to in clause 5(a), in accordance with the Seasonal Pricing Letter.
- (c) Brownes Dairy may also deduct and set-off from the milk payments referred to in clause 5(a), any other amounts which are due and payable by the Supplier to Brownes pursuant to this Agreement.
- (d) Brownes Dairy will pay the Supplier electronically for the previous month's milk supply, into the Supplier's nominated bank account on the last Business Day on or before the 15th of each month. Brownes Dairy shall provide the Supplier with a record of the milk payment in the form of a monthly statement by post or email to the Supplier's nominated postal or email address, on or after that date.
- (e) To assist with cash flow, Brownes Dairy can, if requested or agreed by the Supplier, make a payment to the Supplier of a proportion of the Supplier's monthly estimated milk payment on the first Business Day after the 1st of the month. This payment shall be calculated by reference to the first 10 days' supply of milk to Brownes Dairy by the Supplier for the previous month.

6 GST

- (a) Terms used in this clause 6, unless otherwise defined in this Agreement, shall have the same meaning as those expressions in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
- (b) Where a taxable supply arises under this Agreement, the recipient will pay to the supplier an amount equal to the GST due on the supply.
- (c) Any GST payment due under clause 6(b), will be made at the same time as the relevant milk payment determined in clause 5(d) above.
- (d) Any GST payable is dependent upon the recipient of the supply holding a tax invoice or, as agreed in this Agreement, a recipient created tax invoice (**RCTI**).
- (e) All amounts payable under or in accordance with this Agreement are exclusive of GST.
- (f) The Supplier warrants that it is registered for GST as at the date of this Agreement and agrees to notify Brownes Dairy if the Supplier ceases to be registered for GST.
- (g) Brownes Dairy warrants that it is registered for GST as at the date of this Agreement and agrees to notify the Supplier if Brownes Dairy ceases to be registered for GST.
- (h) The Supplier agrees that it will not issue tax invoices in respect of the milk supplied by it under this Agreement.
- (i) Whilst this Agreement applies and the Supplier and Brownes Dairy remain registered for GST, the Supplier authorises Brownes Dairy to issue tax invoices in the form of a RCTI in respect of the milk supplied by the Supplier to Brownes Dairy pursuant to this Agreement.
- (j) Where an adjustment event arises that impacts the value of GST due on a supply arising under this agreement and a tax invoice has been issued in respect of that supply, the issuer of the tax invoice will raise an adjustment note. For the avoidance of doubt, where the tax invoice is a RCTI, a recipient created adjustment note would be issued by Brownes Dairy.
- (k) Any adjustment note required under clause 6(j) above must be issued within 28 days of the tax invoice issuer becoming aware of the adjustment event.

- (l) This clause 6 will survive termination of this Agreement.

7 FEES AND LEVIES

- (a) The Supplier must pay Brownes Dairy the Milk Collection Fee and the Dairy Australia Levy, which will be deducted by Brownes Dairy each month from the amount payable to the Supplier by Brownes Dairy pursuant to clause 5(a). Brownes Dairy will remit the Milk Collection Fee and the Dairy Australia Levy to Dairy Australia on the Supplier's behalf.
- (b) There will not be any increase to the Milk Collection Fee. This fee is fixed for the Term.
- (c) Brownes Dairy may review and change (increase or decrease) the Dairy Australia Levy in accordance with changes to the Dairy Australia Levy amount actually specified by Dairy Australia after providing the Supplier with reasonable prior notice of at least 30 days of any such change.

8 FARM SUPPLY MANUAL

The Supplier agrees to be bound by, and must comply at all times with, the Farm Supply Manual.

9 QUALITY OF THE MILK

9.1 Quality Assurance

- (a) The Supplier must ensure, and it is a condition of this Agreement, that all milk supplied to Brownes Dairy by the Supplier, meets the Quality Standards.
- (b) The Supplier must immediately notify Brownes Dairy if the Supplier has any reason to believe that its milk does not meet the Quality Standards.
- (c) If the Supplier supplies milk to Brownes Dairy that does not meet the Quality Standards, and it results in the contamination of other milk in Brownes Dairy's tanker or processing system, then the Supplier may be held responsible for the total volume of milk lost and the costs of rectification.

9.2 Sampling Procedures and Volume Accuracy Assurances

The sampling procedures and the volume accuracy assurances that may be used in relation to the milk by Brownes Dairy are outlined in the Farm Supply Manual.

9.3 Rejection of Milk

- (a) Brownes Dairy may reject the Supplier's milk if it does not meet the Quality Standards.
- (b) If Brownes Dairy rejects the Supplier's milk, Brownes Dairy will give the Supplier written notice of:
- (i) the reasons for the rejection;
 - (ii) the consequences of the rejection and any associated costs for the Supplier to pay; and
 - (iii) any action plan Brownes Dairy requires the Supplier to implement to ensure that the Quality Standards are met and to avoid future rejections.
- (c) Brownes will not be liable to pay the Supplier for milk that Brownes has rejected, or refused to collect, in accordance with this Agreement.

9.4 Statements

Brownes Dairy must give written statements to the Supplier:

- (a) at the times specified in the Farm Supply Manual; and

- (b) including the information specified in the Farm Supply Manual.

9.5 Audit Access

The Supplier must provide Brownes Dairy (or its representative or the relevant regulatory body) with full and unimpeded access to the Farm and dairy in order to conduct compliance audits and ad hoc investigations in relation to the operation of the Farm and the performance of the Supplier's obligations under this Agreement including, without limitation, of the Supplier's animal welfare practices or disease incidents.

9.6 Testing

- (a) Brownes Dairy will test samples of the Supplier's milk in accordance with the testing specifications set out in the Farm Supply Manual.
- (b) Brownes Dairy must give the Supplier written notice of the results of the test referred to in clause 9.6(a), as soon as practicable after Brownes Dairy tests the milk.

10 ANNUAL SUPPLY VOLUMES AND MONTHLY SUPPLY PROFILE

- (a) The Supplier acknowledges that:
 - (i) the supply of milk in accordance with the Annual Supply Volume and Monthly Supply Profile is critically important so that Brownes Dairy can manage its demand for milk across each Year of the Term and each month within a Year; and
 - (ii) if Brownes Dairy receives milk in excess of the Annual Supply Volume or Monthly Supply Profile, it may be faced with an oversupply of milk (whether in a given month or over a Year) which may affect Brownes Dairy's ability to process and sell milk profitably, and this may have an impact on the seasonal price for milk in future periods after expiry or termination of the Term or this Agreement.
- (b) The Supplier must use its best endeavours to supply milk to meet the Annual Supply Volume and Monthly Supply Profile throughout the Term and must operate its business in Good Faith with the aim of meeting those goals.
- (c) In any month where the Supplier supplies a volume of milk which is more than 10% below the Monthly Supply Profile, the shortfall in the volume of milk is known as a **Milk Deficit**.
- (d) If a Milk Deficit occurs, Brownes Dairy may by written notice given to the Supplier within 14 days of a Milk Deficit occurring, require the Supplier to meet with Brownes Dairy so that the parties may agree on corrective actions to build volumes to meet the Monthly Supply Profile. The Supplier must take all reasonable steps to act on and implement the agreed corrective actions.
- (e) If the Supplier becomes aware at any time that it is reasonably likely that the Supplier will supply a volume of milk to Brownes Dairy which is more than 10% below the Monthly Supply Profile for that month or any future months, the Supplier must immediately advise Brownes Dairy in writing (**Milk Deficit Notice**) of the likely Milk Deficit. The Milk Deficit Notice must specify the estimated likely Milk Deficit, and the likely time periods over which the Milk Deficit will occur.
- (f) The Supplier and Brownes Dairy may at any time meet and renegotiate the Monthly Supply Profile and, by mutual agreement, either increase or decrease the amount of milk specified in the Monthly Supply Profile.

11 COMPLIANCE WITH LAWS

The Supplier must obtain and maintain all necessary licenses, approvals, and permits, to supply milk, and must comply with all relevant laws, regulations, codes of practice, and good industry practice (**Laws**)

applicable to the operation of the Farm as a dairy and the supply of milk including, without limitation, Laws relating to:

- (a) maintenance of milk quality, including quality assurance programs, food safety programs, and storage capability;
- (b) compliance with employment obligations, and occupational health and safety;
- (c) discrimination, and bribery and corruption;
- (d) environmental requirements (including in respect of effluent disposal);
- (e) animal welfare; and
- (f) modern slavery.

12 DEFAULT AND TERMINATION

12.1 Default

- (a) If a party breaches any of its obligations under this Agreement, the other party may give written notice to the defaulting party requiring that the defaulting party to remedy the breach as quickly as possible and, in any event, within 14 days.
- (b) For the avoidance of doubt, to remedy a breach, the defaulting party must:
 - (i) take all reasonably action to rectify the breach and to prevent any further analogous breach; and
 - (ii) compensate the other party for any loss suffered by the other party as a result of the breach.

12.2 Meaning of Material Breach

- (a) Each of the following events is a **Material Breach** by the Supplier:
 - (i) the Supplier supplies milk produced during the Term to any entity other than Brownes Dairy in breach of this Agreement;
 - (ii) the Supplier fails to follow acceptable animal welfare practices in accordance with the Farm Supply Manual and Dairy Australia's Animal Welfare recommendations;
 - (iii) the Supplier consistently breaches the Quality Standards and fails to put in place (or implement) a corrective action plan prepared by the Supplier (and approved by Brownes Dairy) within 14 days of being required by written notice from Brownes Dairy to do so;
 - (iv) the Supplier materially breaches any relevant Law (including, without limitation, those specified in clause 11(a) to 11(f) inclusive) and fails to put in place (or implement) a corrective action plan prepared by the Supplier (and approved by Brownes Dairy) within 14 days of being required by written notice from Brownes Dairy to do so;
 - (v) the Supplier fails to comply in any material respect with requirements designated in the Farm Supply Manual as 'Major' or 'Critical' and does not reasonably remedy or take reasonable steps to address that failure (by implementing approved improvement plans or otherwise taking steps to the reasonable satisfaction of Brownes Dairy) within 14 days of being required by written notice to do so (or such longer period as Brownes Dairy may agree in writing);
 - (vi) the Supplier intentionally or deliberately tampers with or dilutes any milk supplied by the Supplier to Brownes Dairy pursuant to this Agreement;

- (vii) the Supplier commits any other material breach of this Agreement and fails to remedy that breach within 30 days of Brownes Dairy's written notice to the Supplier requiring it to do so;
 - (viii) an Insolvency Event occurs in relation to the Supplier; or
 - (ix) the Supplier commits a deliberate or wilful default, by intentionally electing to fail to comply with, or breach, its material obligations under this Agreement.
- (b) In this Agreement, a **Material Breach** by Brownes Dairy means:
- (i) Brownes Dairy fails to pay any amount which is due and payable under this Agreement and does not remedy that failure within 14 days of being required by written notice to do so, except where there is a Good Faith dispute as to the liability to pay that amount;
 - (ii) Brownes Dairy commits any other material breach of this Agreement and fails to remedy that breach within 30 days of the Supplier's written notice to Brownes Dairy requiring it to do so; or
 - (iii) an Insolvency Event occurs in relation to Brownes Dairy.

12.3 Termination for Material Breach

- (a) Subject to clause 12.3(b), the Supplier and Brownes Dairy may terminate this Agreement with immediate effect by giving written notice to the other party if the other party commits a Material Breach of this Agreement.
- (b) The party terminating this Agreement in accordance with 12.3(a), must provide the other party with written notice of:
 - (i) the reason for the termination; and
 - (ii) the day the termination takes effect.

12.4 Termination by the Supplier on Retirement or Sale

- (a) If the Supplier (or in the case of a corporate Supplier, the principal controlling person who operates the Supplier) wishes to retire from the dairy industry the Supplier agrees to give Brownes Dairy as much notice as is reasonably possible before the date on which they intend retiring and ceasing the production of milk on the Farm (**Retirement Notice**).
- (b) If the Supplier has given a Retirement Notice to Brownes Dairy pursuant to clause 12.4(a), Brownes Dairy agrees to release the Supplier from its supply obligations under this Agreement and terminate this Agreement by mutual agreement of the parties, such release and termination to take effect on the date specified by the Supplier in the Retirement Notice as the date on which the Supplier intends to retire and cease production of milk on the Farm (or such other date as the Supplier and Brownes Dairy agree in writing), provided that the Supplier is able to satisfy Brownes Dairy (acting reasonably and in Good Faith) that:
 - (i) the Supplier (or the relevant person) is genuinely retiring from the dairy industry; and
 - (ii) the Farm and the Supplier's assets will not be used by any other party to produce or supply milk.
- (c) If the Supplier enters into a binding agreement to sell the Farm to a bona fide third-party purchaser and the Supplier wishes to terminate this Agreement as a result of that sale, the Supplier agrees to notify Brownes Dairy as soon as possible before the date on which the intended sale of the Farm will be completed and the Supplier will cease the production of milk on the Farm (**Sale Notice**).

- (d) If the Supplier has given a Sale Notice to Brownes Dairy pursuant to clause 12.4(c), Brownes Dairy agrees to release the Supplier from its supply obligations under this Agreement and terminate this Agreement by mutual agreement of the parties, such release and termination to take effect on the date specified by the Supplier in the Sale Notice as the date on which the Supplier intends to complete the sale of the Farm and cease production of milk on the Farm, provided that the Supplier is able to satisfy Brownes Dairy's (acting reasonably and in Good Faith) that:
 - (i) the Supplier has sold the Farm; and
 - (ii) the Supplier's assets will not be used by any other party to produce or supply milk.

12.5 Effect of Expiry or Termination

On expiry or valid termination of this Agreement, the parties have no ongoing obligations to each other, other than in respect of:

- (a) obligations that are expressed to survive termination (such as confidentiality obligations); and
- (b) rights that accrued prior to termination or expiry (such as rights to receive payment for milk supplied immediately prior to termination and rights to receive compensation for past breaches).

12.6 Suspension

- (a) Brownes Dairy may suspend the collection of the Supplier's milk if the Supplier is in Material Breach of this Agreement.
- (b) Without limiting anything in clause 12.6(a), Brownes Dairy may suspend the collection of the Supplier's milk if the Supplier commits a 'critical non-conformance' in accordance with the criteria specified in the Farm Supply Manual.
- (c) If Brownes Dairy suspends collection of the Supplier's milk pursuant to clauses 12.6 (a) and/or (b), Brownes Dairy will give written notice to the Supplier of the suspension, including details of the Material Breach and/or critical non-conformance (as applicable) and the corrective actions Brownes Dairy reasonably requires the Supplier to take to remedy the Material Breach and/or critical non-conformance.
- (d) Brownes Dairy is not required to resume collection of the Supplier's milk unless the Supplier has taken all of the corrective actions reasonably and properly required by Brownes Dairy to remedy the Material Breach and/or 'critical non-conformance', and provided Brownes Dairy with evidence of the same. The Supplier acknowledges and agrees that Brownes Dairy, acting reasonably and in Good Faith, may require the Supplier to allow Brownes Dairy or its nominee to carry out an inspection of the Farm and the Supplier's operations to confirm that the Supplier has completed all of the corrective actions reasonably and properly required by Brownes Dairy pursuant to this clause, before Brownes Dairy resumes collection of the Supplier's milk.
- (e) During any period of a suspension pursuant to clauses 12.6 (a) and/or (b), the Supplier shall not have any obligation to supply milk to Brownes Dairy, and Brownes Dairy shall not have any obligation to collect, or pay for, milk from the Supplier. The suspension of the Agreement will not have any effect on the Term of the Agreement.
- (f) Brownes Dairy shall not be liable for any loss or damage suffered by the Supplier arising out of, or relating to, Brownes Dairy suspending collection of the Supplier's milk pursuant to clauses 12.6(a) and/or (b) or the Farm Supply Manual.

12.7 Cumulative Rights

Each party's rights arising from this Agreement are cumulative and an exercise or enforcement by a party of a right or remedy will not preclude the exercise, or enforcement, of any other right contained in this Agreement, or to which it is entitled by Law.

13 DISPUTE RESOLUTION

13.1 Resolution of Disputes and Complaints

- (a) If a party to this Agreement has a complaint, or there is a dispute in relation to a matter arising under or in connection with this Agreement, the matter may be dealt with or resolved:
 - (i) in accordance with the complaint handling procedure set out in clause 13.2; or
 - (ii) if the parties fail to resolve the matter after having complied with the complaint handling procedure set out in clause 13.2, by mediation in accordance with the procedure set out in section 48 of the Dairy Code and clause 13.3.
- (b) For the avoidance of doubt, a party must not take action to resolve a complaint or dispute by mediation pursuant to section 48 of the Dairy Code and clause 13.3, unless it has first complied with the complaint handling procedure set out in clause 13.2.
- (c) A party must not commence court proceedings, other than to seek interlocutory or interim relief, unless it has first complied with the dispute resolution procedures set in clauses 13.2 and 13.3.

13.2 Complaint Handling Procedure

- (a) If a party to this Agreement has a complaint (**Complainant**), the Complainant must notify the other party (**Respondent**) in writing of the following:
 - (i) the nature of the complaint;
 - (ii) that the Complainant wants the complaint to be dealt with in accordance with the complaint handling procedure provided in this Agreement; and
 - (iii) the outcome the Complainant wants (**Complaint Notice**).
- (b) If the Supplier is the Complainant, the Supplier must provide the Complaint Handling Officer with a copy of the Complaint Notice.
- (c) Within seven (7) days after receiving the Complaint Notice, the Respondent must give a written acknowledgement to the Complainant stating:
 - (i) that the Complaint Notice has been received; and
 - (ii) the steps to be taken to deal with the complaint.
- (d) If the complaint is not resolved within 60 days after the acknowledgement referred to in clause 13.2(c), either party may take action to have the complaint resolved by mediation.
- (e) The Complainant may, at any time, withdraw the complaint by notice in writing to the Respondent.

13.3 Mediation

- (a) Either party may refer the dispute to be resolved by mediation in accordance with section 48 of the Dairy Code.
- (b) The mediation must take place in Australia.
- (c) The Supplier and Brownes Dairy must each pay an equal share of the costs of the mediation (being all reasonable costs associated with the conduct of the mediation (such as mediator's fees and room hire) unless the parties to the mediation agree otherwise.

- (d) The Supplier and Brownes Dairy must otherwise each pay their own costs (including legal costs) of and incidental to the mediation.
- (e) The Supplier and Brownes Dairy must not disclose to any person, other than that party's professional advisers or insurers, information obtained during the mediation without the prior written consent of the other party or as required by Law or to implement or enforce any settlement agreement.

13.4 Information

The Supplier agrees to provide Brownes Dairy with any information reasonably requested by Brownes Dairy to assist Brownes Dairy to comply with Brownes Dairy's dispute reporting obligations under section 56 of the Dairy Code

14 REPRESENTATIONS AND WARRANTIES

The Supplier represents and warrants to Brownes Dairy that:

- (a) the Supplier owns the milk at the time Brownes Dairy collects it from the Supplier and the Supplier has the right to supply it to Brownes Dairy;
- (b) it has control over all of its milk throughout the Term;
- (c) no other person carries on (or will carry on) activities at the Farm where that person has (or will have) any control over any milk at any time during the Term;
- (d) no other person is entitled to any milk produced at the Farm, or to any products produced from that milk;
- (e) it has in its possession a copy of the Farm Supply Manual, being the version that is current at the time of entering into this Agreement;
- (f) the Supplier's dairy operations comply with the Quality Standards as well as all relevant Laws, regulations and codes of practice, including but not limited to those in relation to occupational health and safety, employment and workplace relations, modern slavery, environmental management, waste management and animal welfare;
- (g) all the milk the Supplier supplies to Brownes Dairy will meet or exceed the Quality Standards and comply with relevant Australian Laws;
- (h) without limiting clause 14(g), the milk the Supplier supplies is not contaminated, spoiled or tainted with other substances;
- (i) the Supplier holds and maintains all the necessary licences, approvals and permits for supplying the Supplier's milk to Brownes Dairy;
- (j) the Supplier has the power to enter into and carry out its obligations under this Agreement and has obtained all authorisations necessary for the Supplier to execute this Agreement; and
- (k) the Supplier will not damage or harm the reputation of Brownes Dairy or any of Brownes Dairy's brands.

15 INSURANCE, LIABILITY AND INDEMNITIES

15.1 Insurance

- (a) The Supplier must, at its cost, take out and maintain at all times during the Term the Supplier Insurances.

- (b) The Supplier must, prior to the Commencement Date, and at any other time during the Term on request, provide Brownes Dairy with a certificate of currency for each of the Supplier Insurances upon Brownes Dairy's request.
- (c) The Supplier must give written notice to Brownes Dairy within seven (7) days should it receive notice from an insurer which reduces any of the Supplier Insurances, or signals the intention of the insurer to cancel or not renew any policy of the Supplier Insurances.
- (d) The Supplier must not cancel, lapse, or reduce the extent of cover of any of the Supplier Insurances, without the prior consent of Brownes Dairy, and must pay all premiums for the Supplier Insurances by the due date.
- (e) The Supplier must pay the policy excess on any of the Supplier Insurances.
- (f) The Supplier must not do anything which may result in any of the Supplier Insurances being vitiated, or rendered void or voidable.
- (g) The Supplier must promptly notify Brownes Dairy in writing of any occurrence on the Farm that may give rise to a claim being made under any of the Supplier Insurances, and keep Brownes Dairy updated on the progress of any such claim.

15.2 Indemnities

- (a) Subject to clause 15.2(d), the Supplier must indemnify, and keep indemnified, Brownes Dairy and its Related Entities together with their employees, agents and contractors (**Brownes Dairy Indemnified Parties**) against all Liabilities (including all Liabilities arising as a result of damage to a third party's property or injury to or death of any person, and all legal costs (on a solicitor and own client basis) in relation to any Liabilities) sustained or incurred by any of Brownes Dairy Indemnified Parties arising from:
 - (i) any breach of this Agreement by the Supplier or the Supplier's employees, agents, or contractors;
 - (ii) any negligent or wrongful act or omission of the Supplier or the Supplier's employees, agents, or contractors in the course of, or related to, the performance of, or failure to perform, any of the Supplier's obligations under this Agreement; and
 - (iii) any fraud, dishonesty, misrepresentation, or wilful default by the Supplier or any of the Supplier's employees, agents, or contractors in the course of, or related to, the performance of, or failure to perform, any of the Supplier's obligations under this Agreement.
- (b) The Supplier is not required to indemnify any of the Brownes Dairy Indemnified Parties for Liabilities to the extent that is caused by the contributory negligence or fault of any of the Brownes Indemnified Parties.
- (c) Subject to clause 15.2(d), Brownes Dairy must indemnify, and keep indemnified, the Supplier and its Related Entities, together with their employees, agents and contractors (**Supplier Indemnified Parties**) against all Liabilities (including all Liabilities arising as a result of damage to a third party's property or injury to or death of any person, and all legal costs (on a solicitor and own client basis) in relation to any Liabilities) sustained or incurred by any of Supplier Indemnified Parties arising from:
 - (i) any breach of this Agreement by Brownes Dairy or the Brownes Dairy's employees, agents, or contractors;
 - (ii) any negligent or wrongful act or omission of Brownes Dairy or Brownes Dairy's employees, agents, or contractors in the course of, or related to, the performance of, or failure to perform, any of Brownes Dairy's obligations under this Agreement; and

- (iii) any fraud, dishonesty, misrepresentation, or wilful default by Brownes Dairy or any of Brownes Dairy's employees, agents, or contractors in the course of, or related to, the performance of, or failure to perform, any of Brownes Dairy's obligations under this Agreement.
- (d) Brownes Dairy is not required to indemnify any of the Supplier Indemnified Parties for Liabilities to the extent that is caused by the contributory negligence or fault of any of the Supplier Indemnified Parties.

15.3 Consequential Loss

Neither Brownes nor the Supplier will be liable to the other for any consequential or indirect losses including but not limited to loss of profit, loss of revenue, loss of goodwill, loss of opportunity or any other indirect or consequential loss.

16 TRUSTEE PROVISIONS

16.1 Agreement with Trustee

- (a) Unless the Supplier has told Brownes Dairy that it is the trustee of a trust, the Supplier warrants that the Supplier is entering into this Agreement in its own capacity and not on behalf of any other person or as trustee of a trust.
- (b) If this Agreement is entered into between Brownes Dairy and one or more Trustees of a Trust(s), this Agreement binds each Trustee in its personal capacity and in its capacity as trustee of each Trust in respect of which it is the trustee.

16.2 Representations and warranties

- (a) Each Trustee that enters into this Agreement, represents and warrants to Brownes Dairy that:
 - (i) the Trustee has full, and valid, power and authority under the Trust in respect of which it is the trustee to enter into this Agreement and to carry out the transactions contemplated by this Agreement;
 - (ii) this Agreement does not conflict with the operation or terms of the Trust in respect of which it is the trustee;
 - (iii) the Trustee has the right to be indemnified out of, and a lien over, the assets of the Trust in respect of which it is the trustee for all liabilities incurred by it under this Agreement. This right has not been limited in any way. The Trustee has no liability which may be set off against that right of indemnity;
 - (iv) the Trustee enters in this Agreement and the transactions evidenced by it in the proper administration of the Trust in respect of which it is the trustee, and for the benefit of all of the beneficiaries of that Trust;
 - (v) there has been no resolution or direction to remove the Trustee as trustee of the Trust;
 - (vi) the Trustee is the sole trustee of the Trust;
 - (vii) the Trustee will adhere to its duties as trustee of the Trust in respect of which it is the trustee;
 - (viii) the Trustee shall not, without the prior written consent of Brownes Dairy:
 - (A) amend or revoke the trust deed in respect of the Trust (in respect of which it is the trustee) in any way;

- (B) appoint a new, substitute, or custodian trustee of the Trust in respect of which it is the trustee; and
- (C) distribute the capital of the Trust in respect of which it is the trustee in any way; and
- (ix) on any change in trustee of the Trust in respect of which it is the trustee, the Trustee will ensure that any replacement trustee executes all documents necessary to ensure the effectiveness of this Agreement, including the representations and warranties under this clause 16.2.

17 CONFIDENTIALITY AND INTELLECTUAL PROPERTY

17.1 Confidential Information

- (a) Neither party may disclose to a third party any confidential information made available to it by the other party (including the Agreement Details) during the Term and for three (3) years after the expiry or termination of this Agreement, unless required to do so by law.
- (b) All confidential information and any intellectual property provided by Brownes Dairy in connection with this Agreement remains at all times Brownes Dairy's confidential and proprietary information and must be used solely for the purposes of fulfilling the Supplier's obligations under this Agreement and for no other purpose. Any such information must not be disclosed to any third party and must be returned to Brownes Dairy at any time on request by Brownes Dairy.

17.2 Intellectual Property

All proprietary rights in any intellectual property (including any design, data, specifications, know-how or any other form of intellectual property) that is specifically developed for or by Brownes Dairy as part of the provision of any cow's milk or service will become Brownes Dairy's property.

18 RISK AND TITLE

- (a) Risk in, and title to, the milk will pass to Brownes Dairy on collection.
- (b) Collection will be deemed to occur when the milk is pumped into Brownes Dairy's (or Brownes Dairy's nominee's) tanker from the Supplier's vat.
- (c) For the avoidance of doubt, the Supplier remains liable for any quality or other issues concerning the Supplier's milk including (but not limited to) where that milk contaminates other milk.

19 SUBCONTRACTING

- (a) The Supplier must obtain Brownes Dairy's prior written consent before the Supplier can subcontract any of its obligations under this Agreement.
- (b) If Brownes Dairy provides that consent, the Supplier acknowledges that the Supplier remains liable to Brownes Dairy for the acts and omissions of any subcontractor.

20 ASSIGNMENT

- (a) The Supplier must not assign, novate, or otherwise transfer its rights or obligations under this Agreement unless the Supplier obtains Brownes Dairy's prior written consent to that assignment, novation, or transfer. Brownes Dairy will not unreasonably withhold its consent if Brownes Dairy is satisfied (acting reasonably and in good faith) that the assignee, novatee, or transferee (as the case may be) has the ability to comply with the terms of the Agreement and is willing to enter into an agreement with Brownes Dairy under which it agrees to carry out the Supplier's obligations under this Agreement.

- (b) Brownes Dairy may assign, novate, or otherwise transfer its rights or obligations under this Agreement to any other person by giving notice to the Supplier. If Brownes Dairy elects to assign, novate, or otherwise transfer its rights or obligations under this Agreement, the Supplier must, at the request of Brownes Dairy, promptly execute any agreement, deed, or notice of assignment acknowledging and agreeing to such assignment by Brownes Dairy provided that:
 - (i) the assignee, novatee, or transferee (as the case may be) agrees to comply with, and be bound by, the obligations of Brownes Dairy under this Agreement; and
 - (ii) Brownes Dairy pays the costs of the preparation of the agreement, deed, or notice of assignment referred to in clause 20(b).

21 GUARANTEE BY THE GUARANTOR

21.1 Guarantee

- (a) The Guarantor unconditionally and irrevocably guarantees to Brownes Dairy the due and punctual performance and observance by the Supplier of all of the Supplier's obligations contained in or implied under this Agreement, including any obligation in respect of any breach of a warranty or representation given in this Agreement (**Guarantee**).
- (b) This Guarantee is a continuing security and is not discharged or prejudicially affected by any settlement of accounts, but remains in full force until a final written release is given by Brownes Dairy.

21.2 Extent Of Guarantee

The Guarantor's liability under clause 21.1 is not affected by:

- (a) the granting of an extension of time, forbearance, or other concession by Brownes Dairy to the Supplier;
- (b) an absolute or partial release of the Supplier or a compromise with the Supplier;
- (c) the expiry or termination of this Agreement;
- (d) the exercise or purported exercise by Brownes Dairy of its rights under this Agreement;
- (e) any amendment of this Agreement;
- (f) the fact that this Agreement is wholly or partially void, voidable, or unenforceable;
- (g) any Insolvency Event affecting the Supplier or a Guarantor;
- (h) the death or incapacity of the Supplier or a Guarantor;
- (i) a change in the constitution, membership, or partnership of the Supplier or a Guarantor;
- (j) any disputes or differences between Brownes Dairy and the Supplier and/or Guarantor; or
- (k) the partial performance of the obligations secured by the Guarantee.

22 GENERAL

22.1 Variations

- (a) Unless otherwise specified in this Agreement, neither party to this Agreement can unilaterally change this Agreement, and any changes to this Agreement, including, without limitation, the Farm Supply Manual, must be made in writing and agreed by both the Supplier and Brownes Dairy.

- (b) If there is a change in a Commonwealth, State or Territory Law, then Brownes Dairy may unilaterally vary this Agreement and/or the Farm Supply Manual:
 - (iii) only to the extent necessary to comply with the changed Law; and
 - (iv) without reducing the Minimum Price; and
 - (v) Brownes Dairy will provide the Supplier with written notice of the variation, the reason for the variation and the day the variation takes effect.
- (c) Variations to this Agreement and/or the Farm Supply Manual pursuant to clause 22.1(b) take effect 30 days after Brownes Dairy notifies the Supplier of the variations, except:
 - (i) where the nature of the variations requires an immediate or more urgent implementation (including but not limited to, in the case of a safety issue, or a requirement or direction of a regulator pursuant to any Law), in which case the changes will take effect on expiry of the notice period advised by Brownes Dairy (which the Supplier acknowledges, may be as little as 24 hours, noting the potentially significant consequences of a failure to comply with safety or regulatory requirements); or
 - (ii) at a reasonable later date as specified by Brownes Dairy when giving notice of the variations taking into account the nature and extent of the variations and the costs to the Supplier generally in implementing those changes.
- (d) The Supplier must promptly at its cost comply with any variations made pursuant to clause 22.1(b).

22.2 Notices

All notices under this Agreement must be in writing. Either party may give notice to the other party in writing by email or by delivering or posting it to the address for the other party specified in the Agreement Details, or to any other address of which the relevant party has advised the other party by written notice from time to time.

22.3 Joint and several liability

A promise on the part of two or more persons binds them jointly and severally.

22.4 Governing law

This Agreement shall be governed by the laws of the State of Western Australia. The parties irrevocably agree that the courts of the State of Western Australia shall have exclusive jurisdiction.

22.5 Advice

The Supplier represents and warrants to Brownes Dairy that it has had the opportunity to seek such legal and other advice as the Supplier believes appropriate in the context of this Agreement.

22.6 Costs

Each party must pay its own costs of negotiating, preparing and executing this Agreement.

22.7 Prior Agreements

- (a) This Agreement replaces all previous agreements between the parties concerning its subject matter and constitutes the entire agreement between the parties.
- (b) For the avoidance of doubt, clause 22.7(a) does not affect any rights and obligations of the parties accrued in respect of any previous agreement prior to the date of this Agreement.

22.8 Waiver

A failure or delay in exercising a right under this Agreement does not mean that the right has been waived and does not prevent the party from exercising that right.

22.9 Relationship

The relationship between the parties under this Agreement is one of principal and independent supplier and is not to be taken to be a partnership, agency or employment relationship.

22.10 Force Majeure

- (a) If a Force Majeure Event occurs and prevents a party from complying with an obligation under this Agreement (**Affected Party**), the Affected Party will:
 - (i) notify the other party of the nature of the event, and of the obligations it will be unable to perform as a result; and
 - (ii) make all reasonable efforts to remedy the cause of the Force Majeure Event as quickly as possible.
- (b) Once the Affected Party has notified the other party of the Force Majeure Event in accordance with clause 22.10(a), the relevant obligations under this Agreement will be suspended until the Force Majeure Event ceases to apply provided the Affected Party complies with its obligation to make all reasonable efforts to remedy the cause of the Force Majeure Event as quickly as possible.
- (c) If the effects of the Force Majeure Event continue for a period of 90 days or more, then the other party can choose to terminate this Agreement by notifying the Affected Party in writing.

22.11 Counterparts

This Agreement may be executed in counterparts and by electronic signature. Each counterpart will be deemed to be an original and, when taken together, will be deemed to be the same Agreement.

22.12 No Disadvantage

A provision of this Agreement shall not be construed to the disadvantage of a party simply because that party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement.

23 SPECIAL TERMS

- (a) The conditions set out in Appendix D (**Special Terms**) are incorporated into, and form part of, this Agreement.
- (b) If there is any inconsistency between a provision of the Special Terms and another provision of these General Terms, the Special Terms shall prevail to the extent necessary to resolve the inconsistency.

24 DEFINITIONS

In this Agreement:

Agreement Details means the agreement details table at the start of this Agreement.

Agreement End Date means the date specified in Item 7 of the Agreement Details.

Annual Supply Volume means the annual milk supply volume requirements of Brownes Dairy as set out in Appendix A of this Agreement as amended from Year to Year in accordance with paragraph 3 in Appendix A.

Brownes Dairy means the party specified in Item 1 of the Agreement Details.

Brownes Dairy Indemnified Parties has the meaning specified in clause 15.2(a).

Business Day means any day other than a Saturday, Sunday or a day gazetted as a public holiday in the State of Western Australia.

Commencement Date means the date specified in Item 6 of the Agreement Details.

Complainant has the meaning specified in clause 13.2(a).

Complaint Handling Officer means Brownes Dairy's General Manager of Procurement from time to time.

Complaint Notice has the meaning specified in clause 13.2(a)(iii).

Dairy Australia Levy means the levy payable on dairy produce to provide funding for marketing, research and development carried out through Dairy Australia, as specified in Appendix B.

Dairy Code means the *Competition and Consumer (Industry Codes-Dairy) Regulations 2019* (Cth).

Early Termination Notice has the meaning specified in clause 2.1(a).

Exceptional Circumstances has the meaning given to that term in section 28 of the Dairy Code, namely exceptional circumstances that:

- (a) are temporary; and
- (b) involve an extraordinary event (including an emergency or change in market conditions) that:
 - (i) occurs outside Australia; and
 - (ii) has a highly significant effect on supply, demand or costs in the dairy industry; and
 - (iii) is not caused by decisions made by processors.

Extension Notice has the meaning specified in clause 2.1(b).

Farm means the property or properties specified in Item 5 of the Agreement Details.

Farm Supply Manual means the farm supply manual specified out in Appendix C.

Force Majeure Event means an extreme weather event (such as a declared drought, bush fire, or flood) or other act of God (such as a pandemic, epidemic, disease outbreak or earthquake) to the extent that the effect of the event or act could not have been avoided by the exercise of reasonable care or diligence.

Good Faith has the meaning given to that term in section 11 of the Dairy Code.

Guarantee has the meaning specified in clause 21.1(a).

Guarantor means the party specified in Item 12 of the Agreement Details.

Insolvency Event means:

- (a) in respect of a corporation, the happening of any of the following events:
 - (i) steps being taken by any person towards making that corporation an externally administered body corporate;

- (ii) a controller is appointed over any of its property, or any steps are taken for the appointment of a controller;
 - (iii) the corporation fails to comply with a statutory demand which, at Law, gives rise to a ground upon which that corporation may be wound up, liquidated, or dissolved by a court;
 - (iv) the making of an order by a court for or the passing of a resolution for its winding up or dissolution or its winding up or dissolution; or
 - (v) entering into, or resolving to enter into, a scheme of arrangement or composition with or assignment for the benefit of all or any class of its creditors or proposing a reorganisation, moratorium, or other administration involving them;
- (b) in respect of an individual, the happening of any of the following events:
- (i) becoming an insolvent under administration as defined in the *Corporations Act 2001* (Cth) or action is taken which might result in that event;
 - (ii) committing an act of bankruptcy; or
 - (iii) becoming bankrupt, making an assignment, an arrangement of property, or a composition of debts, under a Law relating to bankruptcy, or in any way seeking relief under or taking advantage of a Law relating to bankruptcy or the relief of debtors; or
- (c) in respect of an individual or corporation, any attachment, distress, execution order, judgment, or other process, in any amount being issued against, levied, or enforced, or becoming enforceable against a party or any of its assets or undertakings for an amount exceeding five thousand dollars (\$5,000.00) which is not set aside or satisfied within five (5) Business Days.

Laws has the meaning specified in clause 11.

Liabilities means claims, expenses, losses, damages, and costs.

Material Breach has the meaning specified in clause 12.2.

Milk Collection Fee means the milk collection fee specified in Appendix B.

Milk Deficit has the meaning specified in clause 10(c).

Milk Deficit Notice has the meaning specified in clause 10(e).

Minimum Price means the Minimum Price specified in Item 10 of the Agreement Details.

Monthly Supply Profile means the monthly supply requirements of Brownes Dairy set out in Appendix A.

Price Increase has the meaning specified in clause 4.4(a).

Quality Standards means the Brownes Dairy quality standards for milk supplied under this Agreement, as set out in the Farm Supply Manual.

RCTI has the meaning specified in clause 6(d).

Related Entity has the meaning given to that in section 9 of the *Corporations Act 2001* (Cth).

Respondent has the meaning specified in clause 13.2(a).

Retirement Notice has the meaning specified in clause 12.4(a).

Sale Notice has the meaning specified in clause 12.4(c).

Seasonal Pricing Letter means the 'Brownes Dairy Seasonal Pricing Letter' set out at Appendix B issued to the Supplier and any subsequent amendment to it.

Special Terms has the meaning specified in clause 23(a).

Step-up has the meaning given to that term in clause 4.3(a).

Supplier means the party specified in Item 2 of the Agreement Details.

Supplier Indemnified Parties has the meaning specified in clause 15.2(c).

Supplier Insurances means the insurances specified in Item 11 of the Agreement Details.

Term means the term of this Agreement and, where the context requires, includes any extension or renewal.

Commencement Date means the date specified in Item 6 of the Agreement Details.

Termination Notice Start Date means the date specified in Item 8 of the Agreement Details.

Termination Notice End Date means the date specified in Item 9 of the Agreement Details.

Trust means the trust specified in Item 3 of the Agreement Details.

Trustee means the trustee specified in Item 4 of the Agreement Details.

Unilateral Prospective Step Down has the meaning given to that term in section 28 of the Dairy Code, and is a unilateral variation of a milk supply agreement by a processor that reduces a minimum price for milk supplied under the agreement after the variation occurs.

Year means each year during the Term from 1 July to 30 June.

APPENDIX A
ANNUAL SUPPLY VOLUME FY25-26

ANNUAL SUPPLY VOLUMES

Farm Numbers:

1) ANNUAL SUPPLY VOLUMES

The initial Annual Supply Volume, covering the period from 1 July 2025 to 30 June 2026, is supplied in accordance with the Monthly Supply Profile set out in the table below.

2) MONTHLY SUPPLY PROFILE

The Monthly Supply Profile for each period and Year is set out in the table below.

3) ANNUAL REVIEW OF THE ANNUAL SUPPLY VOLUMES

The Supplier and Brownes Dairy may meet to conduct an annual production review during which the parties may renegotiate in Good Faith a new Annual Supply Volume and Monthly Supply Profile for the next Year commencing on 1 July.

The parties must take into account Brownes Dairy's forecast demand requirements for milk for the next Year and the Supplier's current production capacity when negotiating the new Annual Supply Volume and Monthly Supply Profile.

Where the parties have not agreed to a new Annual Supply Volume by 31 March of a Year, the Annual Supply Volume and Monthly Supply Profile for the previous Year shall continue to apply.

Period Ending 30 June 2026

Annual Supply Volume

Monthly Supply Profiles	Year Ending 30 June 2026
July	
August	
September	
October	
November	
December	
January	
February	
March	
April	
May	
June	
TOTAL	

APPENDIX B

Brownes Contracted Farm Seasonal Price Letter Exclusive MSA

Updated minimum pricing schedule from 1 July 2025

A. Minimum Price Justification

The minimum price for the period is determined taking the following elements into account:

- The competitive environment in the key markets for the sale of Brownes Dairy products
- Prices being offered by other processors of milk in Western Australia and nationally
- Prices being offered by our customers to us
- The changes to input costs relating to dairy farming in Western Australia.
- The increased production of commodity type products in some months of the year.
- The quality adjustments reflect the benefit to Brownes Dairy and our customers of receiving higher quality milk and encourages suppliers to achieve the highest quality of milk.

B. Seasonal Minimum Pricing Schedule for FY26, FY27 and FY28

The minimum milk prices (by month of delivery) for Grade 2 milk are shown in the table below. GST is not included and will be added to these payments and charges will be deducted, if applicable, as set out in this letter.

Minimum Milk Price per Litre of Milk Standard Litre of Milk – Fat 3.8% and Protein 3.2%			
Month	FY 25-26	FY 26-27	FY 27-28
	Base Rate (ex GST) Cents Per Litre	Base Rate (ex GST) Cents Per Litre	Base Rate (ex GST) Cents Per Litre
Jul	65.0	65.0	65.0
Aug	65.0	65.0	65.0
Sep	54.0	54.0	54.0
Oct	56.0	56.0	56.0
Nov	58.0	58.0	58.0
Dec	72.0	72.0	72.0
Jan	78.0	78.0	78.0
Feb	78.0	78.0	78.0
Mar	78.0	78.0	78.0
Apr	74.0	74.0	74.0
May	71.5	71.5	71.5
Jun	71.5	71.5	71.5

C. Fat Adjustments

Fat Premiums/Deductions will be paid at 0.075CPL for every 0.01% over and above the 3.8% mass/mass Fat requirement or -0.075CPL deducted for every 0.01% below the 3.8% mass/mass Fat requirement (based on the average Fat percentage for the month).

Example 1: If the average fat for the month is 4.1% a premium will be paid of 2.25 CPL for the month.

Calculated by:

$4.1\% - 3.8\% = 0.3\%$ variance. $(0.3\% \text{ Variance} / 0.01\% = 30 \text{ times})$

$$30 \times 0.075\text{CPL} = 2.25\text{CPL}$$

Example 2: If the average fat for the month is only 3.64% then a deduction of 1.2CPL applies.

Calculated by:

$$3.64\% - 3.80\% = 0.16\% \text{ variance. } (0.16\% / 0.01\% = 16 \text{ times})$$

$$16 \times 0.075\text{CPL} = 1.2\text{CPL}$$

D. Protein Adjustments

Protein Premiums will be paid at 0.05CPL for every 0.01% over and above 3.2% mass/mass (based on the average Protein percentage for the month).

Example: If the average protein for the month is 3.4% a premium will be paid of 1 CPL for the month.

Calculated by:

$$3.4\% - 3.2\% = 0.2\% \text{ variance. } (0.2\% \text{ Variance} / 0.01\% = 20 \text{ times})$$

$$20 \times 0.05\text{CPL} = 1\text{CPL}$$

Protein deductions, there will be a one cent per litre deduction applied to any Protein percentage that is below 3.1% mass/mass (based on the average for the month).

E. Quality Adjustment

	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
Total Plate Count (Average of tests per month)	10,000 or less	10,000 or less	>10,000 and not more than 20,000	>20,000 and not more than 50,000	>50,000
Somatic Cell Count (Average of tests per month)	180,000/mL or less	>180,000/mL and no more than 300,000/mL	>300,000/mL and no more than 400,000/mL	>300,000/mL and no more than 400,000/mL	>400,000/mL
Thermoturics (Average of tests per month)	2,000 cfu/mL or less	> 2,000 and no more than 5,000 cfu/mL	>5,000 cfu/ml and no more than 10,000 cfu/ml.	>10,000 cfu/ml	>10,000 cfu/ml
Quality Premium/Deduction (CPL)	+3.00	0.00	-4.00	-10.00 Brownes also has a right to refuse to pay for Grade 4 Milk on the terms set out in the EMSA.	No payment by Brownes on the terms set out in the EMSA.

F. Milk Collection Fee

The volume charge is -3.0 CPL which is for the collection raw milk from farm to factory.

G. Sustainability

Plus Sustainability Incentive:

There are two incentives available which are payable separately, and suppliers may choose to undertake works to meet one or both incentives.

The first incentive is payable to those suppliers who complete the online Brownes Sustainability Assessment (which Brownes Dairy will send to suppliers via email on or before 1 July 2025).

The second incentive is payable to those suppliers who undertake a baseline carbon footprint assessment on their farm using an industry recognised carbon calculator, and share the results of their baseline carbon footprint assessment with Brownes Dairy.

Sustainability Incentives		
Completion of the Brownes Dairy Sustainability Assessment, on or before the 30 September 2025.	Completed in full	+0.5CPL
Completion and sharing of a baseline carbon footprint assessment, using an industry recognised calculator (e.g. Australian Dairy Carbon Calculator).	Completed and sent to Brownes Dairy	\$2,000 per farm

The incentive for the Brownes Sustainability Assessment is only payable during the financial year in which the Brownes Sustainability Assessment is completed (i.e. the incentive shall only apply up to and including 30 June 2025, and ceases to apply from 1 July 2025), and payment of the incentive will commence from the month of completion by the supplier of the Brownes Sustainability Assessment. If the supplier completes the Brownes Sustainability Assessment prior to 30 September 2024, then the incentive payment will be backdated to 1 July 2024.

The incentive for the baseline carbon footprint assessment is payable once only during the Term, and the incentive shall be paid to a supplier in the month following submission by the supplier of the baseline carbon footprint assessment to Brownes Dairy.

Suppliers must act in good faith, and provide and use true and correct information, when completing the Brownes Sustainability Assessment and/or the baseline carbon footprint assessment.

A supplier's responses made in the Brownes Sustainability Assessment and/or baseline carbon footprint assessment are subject to verification and/or audit by Brownes Dairy. Suppliers must provide Brownes Dairy (or its representative) with evidence supporting the supplier's responses made in the Brownes Sustainability Assessment and/or information on which the supplier's baseline carbon footprint assessment is based, during any audit of the supplier's farm. If as a result of an audit of a supplier, it is found that a supplier has not provided, or used, true and correct information in completing the Brownes Sustainability Assessment and/or the baseline carbon footprint assessment, then Brownes Dairy will update the information held in its records concerning that supplier's Brownes Sustainability Assessment and/or the baseline carbon footprint assessment with the true and correct information identified during the audit, and the supplier consents to, and authorises, Brownes Dairy to do the same.

H. Statutory Levies

A levy is payable on dairy produce to provide funding for marketing, research and development carried out through Dairy Australia. A further component is used to fund the Animal Health Australia Program. The statutory levy is not subject to GST at the date of this letter.

Full details of the dairy levies can be found at

<https://www.awe.gov.au/agriculture-land/farm-food-drought/levies/rates#animal-products>

The following amounts are required to be deducted at the date of this letter but are subject to change by the relevant authorities.

	Cents per kg Fat	Cents per Kg Protein
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Total levies	2.9263	7.1299
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I. Contaminated milk

Brownes Not Notified	Brownes Notified
Where contaminated milk (being milk which contains traces of antibiotics or blood), is collected, the contaminated milk will not be paid for by Brownes. Where the contaminated milk also contaminates other milk in the tanker into which the milk has been collected, the Supplier will also be charged, for any other milk in that tanker at a price which is calculated as the Seasonal Price plus 2 cents per litre, plus any costs incurred by Brownes in disposing of the milk and any other associated costs. The Supplier must pay this charge to Brownes upon notice from Brownes.	If Brownes is notified of contaminated milk (being milk which contains traces of antibiotics or blood) prior to collection: (a) Brownes will not collect the contaminated milk; (b) Other than as set out below, Brownes will not pay for the contaminated milk; (c) Brownes will pay for one consignment only of contaminated milk in each 12 month rolling period, at the price that would otherwise have been payable for that milk by Brownes including all adjustments as set out in the Seasonal Pricing Letter.

J. Herd Testing Rebate

Brownes shall pay the Supplier a rebate being the lower of 30% of the actual cost of herd testing per cow tested, or \$3.50 per cow tested (Herd Testing Rebate), subject to Brownes being satisfied that the herd testing costs have been incurred. Brownes receives the number of cows tested in each year from Farm West and then pay the rebate based on the numbers provided.

APPENDIX D

SPECIAL TERMS - A2 BETA CASEIN PROTEIN MILK SUPPLY TERMS

1 A2 BETA CASEIN PROTEIN MILK

1.1 SUPPLY OF A2 BETA CASEIN PROTEIN MILK

- (a) The parties agree that:
- (i) the Supplier shall supply Brownes Dairy with A2 Beta Casein Protein Milk pursuant to the terms of this Agreement; and
 - (ii) all references to “milk” in the Agreement, shall mean ‘A2 Beta Casein Protein Milk’ unless inappropriate in the context.

1.2 HERD TESTING

- (a) All cows used by the Supplier for producing raw A2 Beta Casein Protein Milk for supply to Brownes Dairy must have been tested and identified as A2 Cows in accordance with clause 1.2(b) of this Appendix D.
- (b) The Supplier acknowledges and agrees that Brownes Dairy is not required to, and shall not, accept any milk from the Supplier as A2 Beta Casein Protein Milk until Brownes Dairy receives written confirmation from a2MCA that:
- (i) the Supplier has entered into a written agreement with a2MCA for the testing, selection, identification and formation of a herd, or herds, of A2 Cows;
 - (ii) each of the Supplier’s cows have been tested and identified as A2 Cows by an A2 Approved Tester by prior arrangement with a2MCA; and
 - (iii) the Supplier has obtained A2 Certification.
- (c) The Supplier agrees that it will not carry out any testing, or appoint any third party to conduct testing, for the purpose of identifying cows as A2 Cows, other than as specified in clause 1.2(b)(ii).

1.3 SUSPENSION WHERE A2 CERTIFICATION REVOKED OR SUSPENDED

- (a) If a2MCA revokes or suspends the Supplier’s A2 Certification, Brownes Dairy may suspend the collection of the Supplier’s A2 Beta Casein Protein Milk, and the provisions of clause 12.6 of the General Terms shall apply.

1.4 RECORDS AND SAMPLES

- (a) The Supplier must
- (i) keep true and accurate written records of such information as Brownes Dairy, and/or a2MCA, may reasonably request from time to time, relating to the Supplier’s raw A2 Beta Casein Protein Milk and/or A2 Cows; and
 - (ii) supply and/or make all such records available to Brownes Dairy and/or a2MCA (or any authorised representative of a2MCA) when requested to do so by Brownes and/or a2MCA.

1.5 SUPPLIER WARRANTIES AND UNDERTAKINGS

- (a) The Supplier represents, warrants, and undertakes to Brownes Dairy that:
- (i) it produces A2 Beta Casein Protein Milk in accordance with best farming practices;

- (ii) it has signed, and has complied with its written agreement with a2MCA for the testing, selection, identification and formation of a herd, or herds, of A2 Cows;
- (iii) all A2 Beta Casein Protein Milk produced by the Supplier complies with the requirements for A2 Certification and the Control Manual, and is fit for the purpose of supply;
- (iv) it will only supply Brownes Dairy with raw A2 Beta Casein Protein Milk from cows which have been tested and identified as A2 Cows by an A2 Approved Tester with the results of such testing being confirmed in writing by a2MCA;
- (v) it will not denigrate A2 Beta Casein Protein Milk or non- A2 Beta Casein Protein Milk, and will not at any time during, or after, the Term be a party to any act, matter, or thing that may, in a2MCA's reasonable opinion, damage, prejudicially affect, or bring into disrepute, the goodwill, trade, business, or reputation of a2MCA or A2 Corporation or A2 Beta Casein Protein Milk, or any related intellectual property of a2MCA or A2 Corporation;
- (vi) without limiting clause 1.5(a)(v), the Supplier will not make any statement about A2 Beta Casein Protein Milk, a2MCA or A2 Corporation without a2MCA's prior written approval;
- (vii) during the Term, and for a period of 12 months after the Term, the Supplier will not, directly or indirectly, produce, supply, distribute, or sell milk:
 - (i) as A2 Beta Casein Protein Milk;
 - (ii) where the beta-casein is only, or contains an increased proportion of, the A2 type of beta-casein protein;
 - (iii) with the properties of A2 Beta Casein Protein Milk (including milk designated as "A2 protein only milk" or "A1 protein free milk"); or
 - (iv) from cows tested for the A2 gene and the absence of the A1 gene,
 to any person other than the Brownes Dairy or a2MCA without a2MCA's prior written approval;
- (viii) the Supplier has and will maintain at its cost, adequate policies of insurance (including public liability insurance, product liability insurance, and any statutory workers compensation insurance) with insurance carriers satisfactory to a2MCA, giving full and comprehensive coverage both to the amount and risks involved in its operations and the obligations contemplated by this Agreement, and shall on request from a2MCA produce evidence satisfactory to a2MCA of the existence and currency of the Supplier's insurance; and
- (ix) all records, reports, and any other information the Supplier provides to Brownes Dairy, a2MCA and/or A2 Corporation will be complete, true and accurate in all respects.
- (x) the Supplier shall comply with all requirements of the a2MCA Animal Welfare Program.

1.6 A2 CERTIFICATION FAILURE NOTIFICATION

- (a) The Supplier must:
 - (i) immediately notify Brownes Dairy of any failure of the Supplier to meet the requirements of A2 Certification; and
 - (ii) take immediate steps to rectify and avoid, or minimise, any negative impacts of such a failure as soon as possible.
- (b) Without limiting any other rights that Brownes Dairy may have under this Agreement, Brownes Dairy is not required to pay the Supplier the A2 Management Fee for any A2 Beta Casein Protein Milk that does not meet the requirements set out in this Agreement or the a2MCA Control Manual.

1.7 ANNUAL A2 BETA CASEIN PROTEIN MILK SUPPLY VOLUME

- (a) Subject to clause 1.7(b) below, the Supplier agrees to maintain the supply of A2 Beta Casein Protein Milk in accordance with the A2 Beta Casein Protein Milk Supply Profile, as adjusted from time to time, in accordance with clause 10 of this Agreement.
- (b) In any Year of the Term after the first Year, the Supplier must not supply less than 80% of the A2 Beta Casein Protein Milk required to be supplied in accordance with the prior Year's A2 Milk Supply Profile.

2 A2 MANAGEMENT FEE

- (a) Brownes Dairy will pay the Supplier a management fee of 7.5 cents per litre per month, in addition to the price calculated in accordance with the Seasonal Pricing Letter, for A2 Beta Casein Protein Milk collected in accordance with this Agreement.
- (b) The parties agree that for the purposes of calculating the Management Fee, the measure of volume will be based on the flow meter reading on the Brownes Dairy milk tankers on collection of the A2 Beta Casein Protein Milk from the Supplier.

3 DEFINITIONS

In this Agreement, the following additional definitions apply:

A2 Approved Tester means an entity that has a current certification from A2 Corporation authorising it to use certain methodologies and techniques for the identification and testing of A2 Cows.

A2 Beta Casein Protein Milk means milk:

- (a) which has been produced by lactating A2 Cows;
- (b) in which at least 99% of the beta-casein present is beta-casein variant A2; and
- (c) which does not contain:
 - (i) more than 1% beta-casein variant A1; and/or
 - (ii) any other beta-casein variant having a histidine amino acid at position 67 of the beta-casein molecule; and/or
 - (iii) any other protein or protein fragment having the hexapeptide sequence Pro-Gly-Pro-Ile-His-Asn.

A2 Certification means certification from a2MCA that the Supplier is approved to produce and supply A2 Beta Casein Protein Milk at the Farm.

A2 Corporation means The A2 Milk Company Limited (New Zealand Companies Office number 1014105).

A2 Cows means cow which are homozygous for the beta-casein variant A2, or related A2 variants (being beta-casein A3, D, E, or H or any other beta-casein which has a proline amino acid in position 67 of the beta-casein molecule).

A2 Management Fee means fees payable to the Supplier calculated in accordance with clause 2 of this Appendix D.

A2 Milk Supply Profile means the supply profile for A2 Beta Casein Protein Milk set out in Appendix A of this Agreement.

a2MCA means The a2 Milk Company (Australia) Pty Ltd ABN 52 125 331 213.

a2MCA Animal Welfare Program means the a2MCA animal welfare program provided to the Supplier by a2MCA as amended by a2MCA from time to time.

a2MCA Control Manual means the a2MCA supplier handbook and food production safety program and control manual provided to the Supplier by a2MCA.

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APPENDIX C

FARM SUPPLY MANUAL

Updated 1 July 2025

1. Introduction

At Brownes, we value the essential role our farmers play in delivering high-quality, fresh dairy to Western Australia and beyond. This manual sets out the key standards, requirements, and services that guide our partnership. It covers everything from milk quality, payment procedures, and safety audits, to animal welfare, environmental sustainability, and tanker access. Our goal is to support you with clear expectations, useful tools like the MADCAP Portal, and fair, transparent practices that help both your farm and Brownes thrive. Together, let's continue to grow a strong, safe, and sustainable dairy future.



2. Auditing and compliance with

Milk will only be collected from premises that comply with the requirements as set out in this Farm Supply Manual and always maintain compliance with the relevant state and federal legislation.

The Food standards code requires suppliers of raw milk to a dairy processor, to control the potential food safety hazards by implementing a documented *Food Safety Program* that is regularly maintained. Food standards code (4.2.4) contains more information on the requirements of the Food Safety Program.

All suppliers will be audited for compliance to the requirements set out in the Farm Supply Manual on a biannual basis as a minimum. Depending on the results from this audit, Brownes may require a more frequent audit schedule to be completed.

All suppliers must ensure that all of its employees and contractors understand the standards as detailed in the Farm Supply Manual.

Brownes may make the decision to stop collecting milk because of a critical non-conformance. In these circumstances, written notice will be provided to the Supplier detailing the reasons for the non-conformance and the corrective actions that need to be completed prior to collection recommencing. The supplier will then need to provide evidence of effective corrective action and the premises may need to be revisited prior to collection recommencing.

The farm audits conducted by Brownes will cover all areas as detailed in this Farm Supply Manual, including food safety, the safety of people, environmental impact, animal welfare and modern slavery.

During audits and other visits by Brownes or our nominated representatives, non-conformances will be categorised into three categories;

- Minor non-conformance – No immediate risk of food safety or the safety of people or any other area covered within the Farm Supply Manual.
- Major non-conformance – May lead to the supply of an unacceptable quality of milk or presents a risk to the health and safety of people or is considered a significant risk in any other area covered under this Farm Supply Manual.
- Critical non-conformance – Presents an imminent and serious risk to food safety or quality of milk and/or the health and safety of people. Or is considered an imminent and serious risk in any other area covered under this Farm Supply Manual.



3. Milk and Payment

Brownes will pay Suppliers electronically for the previous month's supply, into nominated bank accounts on the last working day on or before the 15th of the month. A record of the milk payment in the form of a monthly statement will be posted or emailed to the supplier's nominated address on or after that date.

To assist with cash flow, Brownes can, if requested by the Supplier, make a payment to the Suppliers of approximately 30% of the Supplier's monthly estimated milk payment on the 1st working day after the 1st of the month. This payment is calculated by reference to the first 10 days' supply of the previous month.

Milk Income Estimates (as described below) for the season can also be provided to Suppliers if requested. Any changes to banking details and other Supplier information must be notified in writing.

Note: Changes to bank account details must be accompanied by a copy of a bank statement or deposit slip or other document that proves the ownership of the account.

For changes to bank accounts or farm ownership, Brownes will require:

- If the farm is in joint ownership, all joint owners to sign;
- If the farm is owned by a partnership, all partners to sign;
- If the farm is owned by a trust, all trustees to sign;
- If the farm is owned by a company, a director or a duly authorized signatory on behalf of the company to sign; and
- If there is a share farming arrangement in place on the farm, all parties to sign.

If an attorney is to sign an instruction or notice they must provide to Brownes the power of attorney under which they have been provided authority to sign. They will also be required to confirm to Brownes' satisfaction that the power has not been revoked.

The Supplier must provide to Brownes any instructions to change its personal information (including bank accounts) in writing before the end of the month to which the payment relates.

A monthly statement will be provided at the beginning of the month detailing payment for the previous months Milk in the form of a Recipient Created Tax Invoice and Recipient Created Adjustment Note, this statement will include: Base price and Litres supplied Quality and Component Adjustments, Charges and Other Adjustments and Loans and Advances along with daily collection records in volume, components and quality measures and Industry Levies.

4. Milk Testing

Brownes or any of its employees or agents shall have the right to test Milk supplied by the Supplier at any time for any of the following:

- contamination (being the presence of antibiotics or blood);
- dilution; and
- fat, protein, total plate count, somatic cell count, thermoduric or other tests as required from time to time.

There are various tests that are applied to raw milk including:

i) Somatic Cell Count (SCC)

measures the number of white blood cells in milk, which is essentially measuring the level of infection in the udder. These cells are called somatic cells and can be referred to as SCC. Mastitis is an infection of the udder, and both ICCCs and BMCC can be used to monitor the level of mastitis infections in a herd.

ii) Total Plate Count (TPC)

measures the total number of bacteria present per millilitre of milk. Bacterial contamination of milk is the main cause of milk and product spoilage. For pasteurised milk to achieve the "Use By" date, it is necessary to start with a clean raw product.

iii) Thermoduric Bacteria (Thermo)

The test is designed to detect heat resistant types of bacteria in milk. The milk sample is pasteurised so that only the heat-resistant bacteria remain, then the sample is plated and incubated for 72 hours (three days). This means that the test result is available three days after a Supplier's milk sample arrives at the testing laboratory. As thermoduric bacteria can survive pasteurisation and product processing, they could cause spoilage in dairy products, resulting in a reduced shelf life.

Milk quality premiums or deductions apply as per the Seasonal Pricing Letter.

- SCC tests are conducted by an independent accredited laboratory (currently Farm West) and
- TPC tests are conducted internally at Brownes at various times throughout the month.
- Thermo tests are conducted internally at Brownes at various times throughout the month.
- SCC monthly average is calculated using a "normalised average" where a daily result that is more than one standard deviation from the mean (simple average) gets excluded from average calculation as it is assumed "abnormal".

The Supplier retains the right to independently test for TPC, should there be a significant issue with TPC results from Brownes.

5. Supplier Services

◆ MADCAP Portal

The MADCAP Portal represents a valuable web based tool to assist our Suppliers to manage their business. The Supplier can access milk supply and quality data, graphs, comparative data and financial information online at

<https://brownesdairy.contecgroup.co.nz/>

Brownes can, if practical for Brownes to do so and authorised by the Supplier, grant access to a Supplier's individual farm data to the Supplier's agent.

◆ Milk Results and Statements

Brownes provides written daily milk tanker delivery dockets containing volume of collection, SCC, TPC, Thermo results, milk collection temperature and componentry, Brownes will also provide regular SMS notification of milk quality data (including fat, protein and Somatic Cell Count data and weekly Total Plate

6. Herd Testing Incentive

Brownes recognises the importance of testing individual cows to assist decision making around milk production and quality. As set out in the Seasonal Pricing letter, the Herd Testing Rebate provides Suppliers with a rebate being the lower of 30% of the actual cost of herd testing per cow tested, or \$3.50 per cow tested, subject to Brownes being satisfied that the herd testing costs have actually been incurred.



7. Milk Quality Standards



◆ Milk Temperature Quality

Milk cooling is a key component to ensuring Brownes Dairy continues to produce high quality milk products and gains access to markets locally and internationally. Milk cooling and storage equipment must be properly installed, maintained and tested.

Milk should be cooled to $<4^{\circ}\text{C}$ within 2 hours and 20 minutes from completion of milking and be maintained at that temperature until collection. To make sure this is achieved the set point of the vat should be $<3.5^{\circ}\text{C}$. The milk temperature should be checked and recorded annually. The temperature of the milk will be measured on every collection. Milk may not be collected if it is over 5°C .

For suppliers located in the Northcliffe or Great Southern farming areas, the maximum collection temperature is 3.5°C . This is to ensure that the milk can be transported to our Balcatta or Brunswick facilities within the required temperature.

The supplier must immediately notify Brownes of any quality problems which may make the milk unsuitable for collection (including but not limited to milk which does not meet the temperature requirements set out above, dilution or contamination of milk). The supplier must dispose of any rejected milk in accordance with local council and other regulatory environmental guidelines.

A record of milking completion times is clearly displayed in the transaction zone for the driver to complete a time/temperature assessment before collecting the milk. If the milk is over the required maximum temperature and the milk completion times is not displayed then the milk may not be collected.

Milking times to be updated daily to clearly communicate the actual cups on and cups off times for that day.

◆ Milk Contamination

Brownes will reimburse Suppliers for one consignment of contaminated milk in each 12 month rolling period where Brownes has been notified in advance of collection of the contaminated milk on the terms set out in the Seasonal Pricing Letter. Conversely if a Supplier supplies contaminated milk into a tanker and in doing so contaminates the entire tanker load of milk, the Supplier is responsible for the cost of the entire load and costs associated with disposing of the entire contaminated milk load on the terms set out in the Seasonal Pricing Letter (APPENDIX B).

◆ Colostrum

Brownes does not collect colostrum or any other material intended for feeding calves. The Supplier must keep colostrum segregated from the milk supplied to Brownes and label vats used to store milk or colostrum intended for feeding calves as 'Not for collection'. The label must be positioned directly above the outlet valve on the vat for such time as the vat is used to store milk or colostrum intended for feeding calves.

Colostrum should be kept separate from normal milk in the main collection vat for a period of 8 milkings (i.e. 4 days from calving). Cows need to be carefully stripped prior to inclusion of their milk in the main vat to ensure no colostrum enters the Brownes processing chain.

7. Milk Quality Standards (cont.)



♦ Milk cooling and storage equipment

Control of temperature and the environment is critical to the safe control of milk storage and quality. Regular servicing, upkeep and ensuring effectiveness of the vat, refrigeration and hot water is critical.

Suppliers must ensure;

- Milk is stored in a vat that meets Australian Standard 1187 (1996) "Refrigerated Milk Tanks" and only supply Browne's with milk from that vat.
- The milk cooling and storage equipment are serviced inline with the manufacturers guidelines or annually, whichever is the greater.
- The vat is sealed to ensure that no pests or foreign matter can enter and is intact and has no leaks.
- The vat outlet should be well maintained, not leaking and have an end cap in place when not connected.
- The vat controls, inspection hatches and surrounds are kept clean for operation and inspection.
- The external parts of the vat must be cleaned regularly, including the vat lid to avoid dirt, dust cobwebs or any milk residues build up.
- Any ladder is safe and well maintained for the driver to perform inspection.
- All rubber ware, including inflations must be regularly inspected and replaced if needed.
- Relevant vents are clear and in good working order.
- The vat thermometer must be working and accurate to within 0.5°C, the readout measurement should be in degrees. Vat thermometer should be calibrated annually or inline with the



8. Transaction Zone Standards



♦ Transaction Zone (vat area/room)

The Transaction zone is where Farmer, Transport Provider and Brownes Dairy interact, this area should demonstrate a high standard of hygiene, and control in areas of chemical handling & storage, be a safe work environment for all parties, safe food controls and have good operational practices. The Transaction zone needs to be controlled and be in good order at all times. The supplier is responsible for providing a safe working environment for the tanker driver to collect the milk.

Milk tanker drivers have a very important role in assessing the milk to be collected, following correct sampling procedures, and are required to enter the property under the control of the Supplier.

Suppliers must ensure;

- The transaction zone structure is sound, well maintained.
- The transaction zone is tidy with no waste or other items that are not directly needed for the operation of the equipment.
- The transaction zone walls, ceilings, and floors are to be cleaned washed down and sanitised regularly.
- The transaction zone / vat room must have sufficient lighting to ensure the safe collection of milk at all times of the day. We recommend a minimum of two lights internally and one light externally.
- The light switch is located at the tanker driver entry to the transaction zone or the lights are operated by a sensor.
- The floor must be level, clean and well drained, safe from trip/ slip hazards.
- All access doors should be easily opened.
- The transaction zone / vat room is only used for the purpose of milk storage and collection.
- Only chemical drums in use for the vat cleaning to be in the transaction zone.
- All electrical components in the transaction zone are safe and compliant to relevant standards.
- The external surfaces of the plant piping and rubber ware must be clean and fit for handling.
- There is a hose for use in the vat room for cleaning the vat and surrounds.
- Access to the transaction zone must be kept clean to eliminate contamination of the tanker hose.
- A water tap will be available inside or outside the vat room for use by drivers.
- **Clear communication is provided with instructions relevant to the dairy and equipment operations.**
- **Milking times to be updated daily to clearly communicate the actual cups on and cups off times for that day.**

9. Supplier Meetings and Commu-

Brownes will, where reasonably practicable for it to do so, host Supplier meetings to keep Suppliers informed on business progress and the market situation and to provide an opportunity for Suppliers and management to meet. It is expected that Brownes will host meetings twice a year.

Brownes may communicate with Suppliers, including via Milk Income Estimates (an estimate of income based on Seasonal Pricing and forecasted volumes), Milk Statements (statements provided from MADCAP detailing amounts to be paid based on supply for a given period), Tanker Dockets (statements provided by the milk collection tanker detailing the date of collection, volume of milk, milk temperature and time of collection), email and internet access. Suggestions to improve communications are welcome and can be made by contacting the Milk Supply Manager.

Brownes may also conduct meetings from time to time as needs arise.

10. Records and Your Privacy

Brownes will keep records of Suppliers' supply history and payments for a period consistent with current tax office requirements. All records (including test results) are treated as accurate unless it can be proved to Brownes that the records are inaccurate or defective in some way.

Brownes will collect, use, store and disclose Suppliers' information, and where appropriate allow its related bodies corporate to use that information for:

- Business purposes;
- Collating its financial information;
- Meeting its legal obligations;
- Research;
- Administering its relationship with you; and
- For other purposes relating to the dairy industry.

All information is kept at appropriate premises by, or on behalf of, Brownes. Suppliers can access and correct their information by contacting the Milk Supply Manager.

11. Working Relationship

Brownes understands that it has a positive, working relationship with Suppliers. The relationship should be based on mutual respect and dignity, to promote a safe, positive and pleasant working environment for all. Brownes does not tolerate behaviour which constitutes intimidation, harassment, or which is offensive or abusive or which otherwise contributes to an unsafe working environment.

In turn Brownes' policies prohibit its employees from engaging in behaviour which constitutes intimidation, harassment, or which is offensive or abusive or which otherwise contributes to an unsafe working environment.

12. Animal Health and Welfare

Brownes Dairy believe that Animal Welfare is vital to all stakeholders of the dairy industry including, farmers, customers and processors. Brownes Dairy strongly supports the use of good animal management practices and requires suppliers to adopt high animal welfare standards.

Brownes Dairy supports the Australian dairy industry position on animal welfare. More information about the Dairy Australia animal welfare standards can be found at the below link.

<https://www.dairyaustralia.com.au/animal-management-and-milk-quality/approach-to-animal-welfare>

The Australian Dairy Farmers' Animal Health and Welfare Policy Advisory Group (PAG), comprising producer representatives from each state dairy farmer organisation, sets policy direction on animal health and welfare for the Australian dairy sector. Some recent policies directed by the Animal Health and Welfare Policy Advisory Group include:

- Phasing out calving induction by 2022
- Provision of pain relief for all calves during disbudding, which must occur under the age of 2 months
- No euthanasia of calves by blunt force trauma
- No tail docking.

13. Environment

Brownes is committed to understanding all environmental impacts in the Supply Chain and identifying the key areas for improvement. Suppliers should be able to show responsible practices and continuous improvement around environmental management. This includes Suppliers finding solutions to reduce both water and energy consumption, minimising waste and finding ways to reduce their GHG emissions.

Farmers should ensure that the practices on farm minimise environmental impact and contribute to the protection of natural habitats and to the conservation of biodiversity and soil health. Waste must be handled responsibly, kept to a minimum and disposed of safely. Reuse and recycling practices at farm level are a key part of sustainable dairy farming practices. Some key areas of focus are detailed below.

- All chemicals and plant protection products are stored, used and disposed of safely to avoid cross contamination and damage to the environment. All refrigerants used for milk storage are approved, managed and disposed of to ensure minimal environmental impact.
- Biodiversity on farm land must be assessed and conserved. Farming practices encourage and enhance biodiversity and provision of habitats.
- Soil health and fertility are protected and enhanced to support resilient farming and the food production needs of future generations.
- Waste is minimised and where unavoidable, systems will be in place to ensure safe disposal, reuse or recycling of relevant material to ensure food safety and environmental protection.

14. Modern Human Slavery



At a minimum all Suppliers are expected to identify and assess all applicable Human Rights and Labour Standards, Laws and Regulations in which they operate their business and source materials and labour from.

If at any time the Supplier becomes aware of Modern Slavery practices in their operations and supply chains used in the performance of their contractual obligations to Brownes, the Supplier must as soon as reasonably practicable inform Brownes and take all reasonable action to address or remove these practices, including where relevant by addressing any practices of other entities in its supply chains.

Suppliers must ensure that all their employees are treated with respect, understand the terms and conditions of their freely chosen employment and, where necessary, provide appropriate facilities and accommodation.

Some key areas of focus include.

- If workers are employed (seasonal, temporary and full time) there must be suitable rest and hygiene facilities available including toilet and hand wash facilities and a suitable place to rest, eat and drink during working hours. This must include the provision of hot and cold running potable water
- Any housing accommodation provided for employees must be suitable, with food preparation and storage areas or a canteen, sleeping rooms, toilets and washing facilities, heating and lighting.
- All applicable laws and industry standards relating to working hours and minimum pay must be met.
- For contracted workers the farmer must have seen evidence of their identity and checks are in place they are in possession of the documents unless employees choose to have them safely stored.

15. Whistle Blower Policy

Brownes have a whistle-blower policy, we encourage all Brownes employees and our suppliers to speak up when they see activity or behaviour that they feel is wrong or does not match our values. With our Whistleblowing Policy, we aim to ensure:

- Every person should have a place to report misconduct, every report will be heard and acted on, and we will make improvements based on the results.
- We believe everyone should be able to make reports anonymously. We commit to protecting informant's identities and they only need to reveal themselves if they choose to.
- We will investigate every report of misconduct. At the end of the investigation, we will document the results and provide feedback when appropriate.

We encourage all suppliers to make their employees aware of this policy and how to access the hotline number. We want to hear from you where there are reasonable grounds to suspect misconduct or an offence or contravention under commonwealth law for example:

Modern Slavery, Fraudulent conduct, Illegal conduct, Money laundering, Bribery Corruption, Dishonesty, Discrimination, Harassment and/or bullying of any kind and any conduct which is detrimental to Brownes Foods Operations Pty Ltd and could cause financial or non-financial loss.

To access the whistle blower policy and contact details please refer to the link below.

<https://brownesdairy.com.au/supplier-compliance-documents/>

16. Tanker Access and Milk Collection



It is the responsibility of each Supplier to provide safe farm access to Brownes milk tankers or contractors, Milk Supply Manager, agents or representatives.

Suggested guidelines for the tanker access are shown below. Suppliers need to communicate directly with the Brownes Farm Liaison Manager to agree on collection times (unless collection times are specified by Brownes in accordance with the Brownes Australian Standard Terms and Conditions), and to help ensure prompt service and give 48 hours' notice before:

- Collection
- Material changes in milk quantities
- Special collections (being collections outside normal collection times) for vat maintenance and changes to milking times.

The minimum collection of milk is 400 litres per stop. A milk collection fee will be charged as set out in the Seasonal Pricing Letter.

The Supplier shall agitate the milk before collection. The tanker driver shall collect a representative sample while the tanker is being loaded (including to test for contamination as set out in the Exclusive Milk Supply Agreement). The tanker driver shall rinse the vat (or start the automatic wash) before leaving the property.

Please note: if an event occurs which Brownes or its representatives or agents believe will affect the safety of a bridge or crossing, the Supplier must comply with requests from Brownes to have the bridge or crossing inspected by an authorised engineer. Brownes may refuse to use the bridge or crossing until a certificate has been issued confirming the safety of use of the bridge or crossing.



16. Tanker Access and Milk Collection (cont.)



Suppliers must meet the following standards for milk tanker access:

- Provide a splayed entrance which complies with the rules in the local authority plan and is accessible by a truck and trailer without the vehicle having to cross the centre of the road when turning left into a farm road and provide clear vision out of gateway.
- Provide clear, all-weather road access from the farm entrance to the dairy, suitable for road-train tanker travelling at reasonable speed.
- Maintain a clear access from the road to the Supplier's dairy at all times.
- Keep roads free from obstructions at all times (e.g. waste, corrugations, potholes, trees, overhanging or fallen branches, buildings, vehicles, implements and stock).
- Roads must have a clearance of 4.25 metres, with one clear metre on each side of the road; have a 200 mm crown and drainage either side of the road; be fenced off and kept clean and well maintained.
- Roads must not be used as stock tracks or holding yards.
- Ensure that if its roadway is longer than 1 km a milk tanker can safely maintain a speed of up to 40km/hour.
- Ensure that if its roadway is shorter than 1km, a milk tanker can safely maintain a speed of up to 10km/hour.
- Ensure roads do not have corners on steep roadways which are so sharp that a milk tanker cannot corner safely.
- Ensure effluent from roadway crossings drains into the farm's effluent disposal system.
- Make every effort to ensure milk tankers do not need to reverse on farm.
- Ensure bridges or crossings are the same width as the road, preferably on a straight section of road and allow safe crossing by a fully laden milk tanker travelling at a reasonable speed. They must be built and maintained so that the milk tanker meets all legal requirements in using and maintaining the bridge or crossing.