

Annexure A

1. Definitions

In this Deed unless the contrary intention appears:

- 1.1 **'Agent'** means the person described in **Item 3** of the **Lamb Forward Contract**;
- 1.2 **'Contract'** means this contract;
- 1.3 **'Delivery Location'** means the location specified in the **Lamb Forward Contract**;
- 1.4 **'Grid of the Week'** means the spreadsheet, grid or list published by TFI on a weekly basis setting out the market price which TFI is willing to pay for Stock not subject to a contract;
- 1.5 **'HSCW'** means Hot Standard Carcass Weight, which is the Over-The-Hooks weight of the Stock after trimming in accordance with **clause 5.2**;
- 1.6 **'Kill Date Range'** means the date range within which TFI expects to be able to slaughter the Stock as specified in the **Lamb Forward Contract**;
- 1.7 **'MSA'** means Meat Standards Australia;
- 1.8 **'Over-The-Hooks'** means on the scales used to determine the HSCW;
- 1.9 **'Pocket Crutched'** means that a lamb has had the wool removed from around its tail and between its legs;
- 1.10 **'Price'** means the amount per kilogram of HSCW specified in the **Lamb Forward Contract**;
- 1.11 **'Skins'** means the skins produced as a by-product of processing the Stock;
- 1.12 **'Skin Manager'** means the employee, contractor or agent of TFI who evaluates, processes and sells the skins;
- 1.13 **'Stock'** means the lambs agreed for purchase by TFI from the Vendor under this Contract as specified in the **Lamb Forward Contract**;
- 1.14 **'TFI'** means Thomas Foods International Pty Limited ACN 008 178 121; and
- 1.15 **'Vendor'** means the person described at **Item 2** of the **Lamb Forward Contract**.

2. Supply of Stock

- 2.1 This Contract must be duly executed and returned to the Vendor or Agent before it is binding on TFI.
- 2.2 The Vendor will supply to TFI the number of Stock, in the HSCW range and of the breeds, as set out in the **Lamb Forward Contract**.
- 2.3 The Vendor will deliver the Stock at its own expense to the Delivery Location within the agreed Kill Date Ranges as specified in the **Lamb Forward Contract**.
- 2.4 TFI may direct the Vendor to deliver the Stock at an earlier or later date and the Vendor must comply with that direction (**'the Direction'**), provided that TFI:
 - 2.4.1 consults with the Vendor prior to giving the Direction;
 - 2.4.2 gives the Direction prior to the relevant Kill Date Range; and
 - 2.4.3 the Direction is reasonably necessary to protect TFI's legitimate interests.

3. Minimum Standards

Delivered Stock must be free of detectable diseases, Pocket Crutched, clean and hygienic, fit for use to produce meat for human consumption, delivered with a current, signed National Vendor Declaration form, tagged with an appropriate National Livestock Identification System Tag, able to pass a Department of Agriculture and Water Resources (formerly AQIS) inspection and MSA accredited (**'Minimum Standards'**).

4. TFI may reject

- 4.1 If the Vendor delivers Stock that is in excess by more than 10 head of the amount of lambs specified for supply in the **Lamb Forward Contract**, TFI may reject the excess

Stock.

- 4.2 TFI may reject some or all of the delivered Stock if the Stock:
 - 4.2.1 does not meet all of the Minimum Standards;
 - 4.2.2 the Vendor's name in **Item 2** of the **Lamb Forward Contract** does not match the name of the owner of the Stock;
 - 4.2.3 is graded outside the weight range and fat scores specified in the **Lamb Forward Contract**;
 - 4.2.4 is not delivered within the dates specified in the **Lamb Forward Contract**; or
 - 4.2.5 in TFI's reasonable opinion must be condemned due to disease, contamination, cancer or other reasonable grounds.
- 4.3 If TFI rejects Stock pursuant to **clause 4.2.5**, then TFI will keep evidence supporting the condemnation (for example, photographs, video recordings, reports or samples). TFI will make such evidence available to the Vendor upon the Vendor's request.
- 4.4 TFI may reject some or all of the Stock if:
 - 4.4.1 an event occurs beyond the control of TFI including but not limited to natural disaster, industrial action, global or industry financial downturn, governmental or quasi-governmental restraint or order, fire, flood or pandemic (including the COVID-19 virus); and
 - 4.4.2 as a result of or in connection with that event TFI ceases or substantially reduces its meat processing activities (**'Shutdown'**) or reasonably expects a Shutdown at the abattoir it operates in connection with the Delivery Location (**'Abattoir'**).
- 4.5 TFI may reject some or all of the Stock if:
 - 4.5.1 TFI is compelled by a governmental or quasi-governmental restraint or order to Shutdown the Abattoir; or
 - 4.5.2 TFI determines, acting reasonably, that in the interests of public health and safety and/or the interests of the health and safety of TFI's employees it must Shutdown the Abattoir.
- 4.6 If **clauses 4.4** or **4.5** apply then TFI may, but is under no obligation to, give a Direction under **clause 2.4**.
- 4.7 TFI will give the Vendor notice as soon as practicable after becoming aware that TFI may need to invoke **clauses 4.4** or **4.5**.

5. Processing

- 5.1 The Stock will be slaughtered by TFI in a timely manner and in accordance with usual industry practices.
- 5.2 TFI will trim the Stock in accordance with the Aus-Meat Standard Carcase Trim as defined in the Aus-Meat Handbook of Australian Sheepmeat Processing.
- 5.3 TFI will place the trimmed Stock Over-Hooks and calculate the HSCW.

6. Price and payment

- 6.1 If the delivered Stock meets the Minimum Standards and TFI does not reject the Stock, then TFI will pay the Price.
- 6.2 If any of **clauses 4.1, 4.2.2, 4.2.3** or 4.2.4 apply to some or all of the Stock, but TFI nevertheless elects to purchase instead of exercising their rights to reject that Stock, then TFI will pay the applicable Grid of the Week price or the Price for that Stock, whichever is the lower.
- 6.3 If **clause 2.4** applies, then TFI will pay the Price or the Grid of the Week price, whichever

is the higher.

- 6.4 Notwithstanding **clauses 6.1** to **6.3**, TFI and Vendor may negotiate and agree in writing a different price for the Stock.
- 6.5 TFI will pay the Vendor within 7 days of the end of the month in which TFI purchased the Stock.

7. Liquidated damages

- 7.1 Stock containing seed that has penetrated the carcass (**'Seed Contaminant'**) is contaminated and will be photographed and evaluated by TFI and such photographs will be made available to the Vendor.
- 7.2 TFI may deduct liquidated damages of \$1 from the Price for any Seed Contaminated Stock. TFI may, in its discretion, deduct less than \$1 from the Price.
- 7.3 The parties agree that this is a reasonable estimate of TFI's additional cost or costs due to presence of Seed Contaminant in the Stock.

8. Ownership and Risk

- 8.1 The Vendor acknowledges that title (and therefore risk) in the Stock does not pass to TFI until the Stock is Over-The-Hooks.
- 8.2 Notwithstanding **clause 8.1**, TFI is not liable to pay the Price for condemned Stock except to the extent that the Stock is condemned due to contamination or damage caused by any poor workmanship or negligent or willful act by TFI.
- 8.3 All condemned Stock will be destroyed by TFI.
- 8.4 All stock rejected pursuant to **clause 4** that is not condemned may be returned to the Vendor at the Vendor's expense.

9. Skins

- 9.1 Title in the Skins remains with the Vendor from delivery of the Stock until the Skins are evaluated and purchased by TFI.
- 9.2 The Skin Manager will evaluate the Vendor's Skins having regard to size, hygiene, length, density and consistency of wool and any other reasonable measure of quality.
- 9.3 Following evaluation of the Skins pursuant to **clause 9.2**, TFI will determine and pay the Vendor market value for the Skins.
- 9.4 In determining market value TFI shall take into account the sale of skins in similar circumstances.

10. Breach

- 10.1 If the Vendor fails to deliver the Stock in accordance with the specified Kill Date Ranges, without the prior consent of TFI, then the Vendor is in breach of this Contract.
- 10.2 If **clause 10.1** applies, the Vendor is liable to TFI for:
 - 10.2.1 any costs, fees or expenses reasonably incurred by TFI to obtain the Stock from another source (including any difference in Price); or
 - 10.2.2 any loss suffered by TFI in the event that TFI is unable to obtain the Stock from another source.
- 10.3 Notwithstanding **clause 10.2**, the Vendor remains obligated to deliver the Stock at a time nominated by TFI during the next available Kill Date Range in which TFI is willing and able to accept the Stock (**'the Late Stock'**). TFI will pay the Vendor the applicable Grid of the Week price or the Price for the Late Stock whichever is the lower.
- 10.4 Nothing in this **clause 10** derogates from TFI's rights arising from any other breach of this Contract by the Vendor.

11. Goods and Services Tax

- 11.1 The amount payable for any taxable supply made under or in accordance with this Agreement is exclusive of GST.
- 11.2 TFI will create a recipient created tax invoice with respect to the purchased Stock or Skins.