

Exclusive Milk Supply Agreement FY2024 - 2025

Agreement number _____

Farmer details	SW Dairy Limited (SWDL) details
Farmer's Name: Dairy Licence No: ACN/ABN (if applicable): Address: Email: Phone:	ACN/ABN: 621 473 587 / 214 748 3647 Address: 12A Curdie Street, Cobden, Victoria, 3266 Email: admin@swdl.com.au Phone: 0408 528 915
1. Agreement	<ol style="list-style-type: none">1. This Agreement sets out the terms and conditions on which SWDL is prepared to buy milk from the Farmer, as required by the <i>Competition and Consumer (Industry Codes-Dairy) Regulations 2019 (Code)</i>.2. The Farmer and SWDL must always deal with each other in good faith, in accordance with section 11 of the Code.3. For the term of this Agreement, the Farmer agrees to exclusively supply, and SWDL agrees to buy, milk of the type, quantity, quality and specifications set out in this Agreement for the prices stated in, or calculated in accordance with, this Agreement.4. This Agreement is comprised of these terms, the Schedule, and the Annexures.5. This Agreement (including its Schedule and Annexures) contains the entire agreement between the parties in relation to their subject matter and supersedes all previous agreements, understandings, communications, and representations on the subject matter.
2. Term of Agreement	<ol style="list-style-type: none">1. This Agreement commences on the Commencement Date set out in item 3 of the Schedule and will end on the Expiry Date set out in item 4 of the Schedule (Term), as required by section 24 of the Code, unless terminated earlier by written agreement by the parties or under clauses 13.4, 14 or 15.2.<ol style="list-style-type: none">(a) SWDL shall, in writing at least 60 days prior to the end of the Term, notify the Farmer of SWDL's intention to renew, extend or end the Term.(b) Where SWDL informs the Farmer of an intention to extend or renew the Term the Farmer shall within 30 days notify SWDL of their intention to agree to or reject the proposal.3. If SWDL or the Farmer does not provide written notices to each other regarding renewal or extension of this Agreement, this Agreement will be deemed to end on the Expiry Date.
3. Quantity of milk	<p>This Agreement is for the exclusive supply of all the milk produced by the Farmer during the Term. The parties agree that:</p> <ol style="list-style-type: none">(a) there will be no maximum amount of milk that the Farmer must supply to SWDL under this Agreement; and(b) the minimum price payable for a specified amount of milk during the term must not be greater than the price for milk supplied more than that amount (Tier Pricing).
4. Quality and sampling standards	<ol style="list-style-type: none">1. Unless otherwise agreed in writing, the quality of milk provided by a Farmer must comply with the quality specifications in Annexure 2. If the parties agree in writing on updated quality specifications during the Term, this Agreement is amended accordingly with effect from the date of that agreement.2. SWDL will undertake sampling procedures outlined in Annexure 2 in relation to milk supplied by the Farmer.

5. Supply of milk

1. These terms apply in the following circumstances:
 - (a) the Farmer meets the quality requirements set out in our Milk Supply Policy attached at Annexure 2;
 - (b) the Farmer is a shareholder of SWDL (or agrees to become a shareholder of SWDL);
 - (c) the Farmer is located in one of SWDL's milk collection regions (which currently covers Western Victoria);
 - (d) The Farmer holds a current food safety licence from the relevant state regulatory authority;
 - (e) The Farmer has a collection point that a milk tanker can safely access to collect your milk;
 - (f) The Farmer is capable of supplying at least 400 litres of milk per collection; and
 - (g) if SWDL has the capacity to accept the Farmer's milk based on the current needs of SWDL's customer base.
2. Unless otherwise agreed in writing, SWDL is responsible for arranging the collection of the milk at its cost.
3. Unless otherwise agreed in writing, the Farmer will supply milk, and SWDL will collect milk, at the times set out in item 4 of the Schedule.
4. When SWDL collects milk on the days and times set out in item 4 of the Schedule, SWDL will provide the Farmer, as soon as practicable after SWDL tests the milk, with written information (which may be communicated electronically) that identifies and accurately describes:
 - (a) sampling tests taken and test results in relation to milk collected;
 - (b) quality of milk collected;
 - (c) quantity of milk collected; and
 - (d) Milk Supply Agreement Number under which milk is collected.
5. Test samples are to be collected from a point as close as reasonably practicable to the coupling at the time milk is transferred from vat to SWDL's milk truck.
6. SWDL will test milk at its expense and using a testing facility of its choice.
7. SWDL's sample will be tested within 2 days of collection of the milk. Any test result exceeding this period may not be relied upon by SWDL to make any assertion regarding quality of the milk received.
8. SWDL will inform the Farmer of test results as soon as practicable but, in any instance, not less than 2 days after the sample is taken.
9. SWDL will inform the Farmer in writing of the test results. This notification may be via an application readable on an electronic device such as a mobile phone or tablet.
10. To avoid adverse test results, the Farmer and SWDL will take all reasonably necessary steps to ensure equipment, couplings, hoses, or any other equipment associated with the transfer of milk from the vat are clean, well maintained, and serviceable.
11. Supply of the milk occurs when the milk passes through the coupling on the hose of the milk supply truck, or other transport device, attached to the Farmer's farm vat.
12. SWDL becomes the owner of the milk when the hose is decoupled from the truck and the supplied milk is in the truck's tank or other transport device.
13. Losses arising after transfer of ownership shall be borne by SWDL as the owner of the milk at that time.
14. SWDL will abide by all reasonable requests and directions of the Farmer regarding access to the farm and farm vat.
15. The Farmer will make available safe access to the farm and vat to enable SWDL to collect the milk.
16. SWDL will take all reasonable measures to ensure milk collected from the vat has had a reasonable time for the milk to be brought to a temperature between 0 and 4 degrees Celsius. Where milk is collected at a higher temperature because of early collection after milking, no action lies against the Farmer by SWDL.

6. Price

1. SWDL aims to pay market competitive prices to seasonal farmers in particular. SWDL's total announced minimum milk prices are based on milk that meets our quality standards and excludes fees and levies. Milk that does not meet our quality standards may be rejected or otherwise be subject to price adjustments as described in SWDL's Milk Supply Policy.
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	<ol style="list-style-type: none"> SWDL will pay the Farmer the minimum price for the milk set out in Item 5 of the Schedule, in accordance with section 26(a) of the Code. SWDL will issue a statement to the Farmer within 15 days of the end of each month during the Term for milk supplied by the Farmer to SWDL. The Farmer will be paid into its designated bank account on or before 15 days after the end of the month in which milk was supplied to SWDL.
7. Statement of Minimum Milk Price Justification	<ol style="list-style-type: none"> SWDL offers all farmers willing to supply milk to us exclusively the same price regardless of size (with no productivity or special deals). SWDL was established to support seasonal dairy farmers and has set its minimum milk prices based on the aim to provide a flat milk price every month of the year. Our milk prices take account of the competitive market for milk in the regions in which we operate and the general business conditions we anticipate in the forthcoming year. Our exclusive milk supply price also offers a premium to our non-exclusive milk supply price for you agreeing to supply milk to us exclusively.
8. Levies	Where any levy applies to the milk, SWDL will pay the levy on behalf of the Farmer. The amount of levy due will be deducted from the payment to the Farmer.
9. Payment method	SWDL will pay the Farmer for the purchase of the milk in accordance with this Agreement by electronic funds transfer to the bank account as set out in item 6 of the Schedule.
10. Rejection of milk	<ol style="list-style-type: none"> SWDL may reject milk that the Farmer supplies in the following circumstances: <ol style="list-style-type: none"> if the milk does not meet the minimum quality requirements described in clause 4. if SWDL reasonably suspects or is aware that the milk has been supplied contrary to law. SWDL will notify the Farmer's contact person in accordance with clause 17 as soon as practicable following supply, if it intends to reject any milk (Rejection Notice) because of a failure to comply with clause 10.1. As soon as practicable following the relevant supply of milk, SWDL will also advise the Farmer in writing of the rejection, reasons for the rejection and consequences for the Farmer of the rejection including consequences identified in clause 10.3. Where SWDL rejects the milk by giving the Rejection Notice, the Farmer is responsible for recovery and/or movement and disposal of the milk. Where the Farmer does not respond to the Rejection Notice within 24 hours of its issuance, or fails to retake possession of the milk within 5 business days of the Rejection Notice, SWDL may dispose of the rejected milk, or deliver the rejected milk to the Farmer, at the Farmer's expense. SWDL will provide reasonable assistance to the Farmer to move and/or dispose the rejected milk at the Farmer's expense. Where SWDL or the Farmer become aware of: <ol style="list-style-type: none"> any possible actual or potential defect, contamination, fault, or other condition in any milk supplied; any matter that may impact on compliance with any health standard, public policy or code; any matter which may affect compliance with any law or regulatory health standard, <p>SWDL or the Farmer must, as soon as reasonably practicable, advise the other party of the nature of the defect or issue, details of collections impacted, and actions taken or proposed to diminish the defect's impact.</p> SWDL and the Farmer must co-operate to diminish any risk to the public from the defect including compliance with laws, assisting each other in investigating the source of the defect and taking such remedial action as necessary to ameliorate the defect's impact. Such steps include assisting government authorities and disseminating information to the public where necessary.
11. Conflicting terms	<ol style="list-style-type: none"> The Code requires that transactions between SWDL and the Farmer must be conducted pursuant to a Milk Supply Agreement. To the extent of any inconsistency between the terms of this Agreement and the Code, the Code prevails. To the extent

	<p>of any ambiguity between a term of this Agreement and the Code, the term should be construed in a way that complies with the Code.</p> <ol style="list-style-type: none"> Subject to clause 11.3 below, to the extent that there is any inconsistency between these terms (clauses 1 to 29) and any terms in the Schedule or the Annexures, these terms shall prevail. If there are any Special Conditions set out in Item 7 of the Schedule, the parties must comply with those conditions. To the extent there is any inconsistency between the Special Conditions and any other term of this Agreement, then the Special Conditions prevail.
12. Statement for reporting period	<ol style="list-style-type: none"> SWDL will issue a statement to the Farmer within 15 days of the end of each month. The statement will specify dealings with the milk each month. "Dealings" include the quality and quantity of milk purchased by SWDL, the date(s) of the purchases, price for the milk, where multiple methods are agreed for calculating the milk price, the method applied for calculating the milk price for a particular purchase, any fees or levies deducted from payment and the date the milk was delivered.
13. Variation	<ol style="list-style-type: none"> Except as provided under this clause 13, SWDL and the Farmer may only agree to vary this Agreement by writing signed by both parties, or by a written notice of offer to vary the Agreement and a written notice of acceptance. Any offer, acceptance or signed variation must state the Milk Supply Agreement Number to which it refers and the date the variation is to take effect. SWDL can only unilaterally vary the Milk Supply Agreement: <ol style="list-style-type: none"> on the occurrence of <i>exceptional circumstances</i>, by reducing the minimum price for milk stipulated in the Milk Supply Agreement (Step Down), where: <ol style="list-style-type: none"> the <i>exceptional circumstances</i> are temporary and involve an extraordinary event (including an emergency or change in market conditions) that: <ol style="list-style-type: none"> occurs outside Australia; and has a highly significant effect on supply, demand, or costs in the dairy industry; and is not caused by a decision made by SWDL; where the unilateral variation resulting in the Step Down is unavoidable because of the exceptional circumstances; where either: <ol style="list-style-type: none"> SWDL has taken or will take all reasonable steps to prevent or limit the impact of the exceptional circumstances on SWDL; or there are no such steps SWDL can take; and if there is a change in Commonwealth, State or Territory law and then only to the extent necessary to comply with the changed law but without reducing the minimum price under the Milk Supply Agreement. If SWDL wishes to vary this Agreement under clause 13.2(a), it must give the Farmer and the Australian Competition and Consumer Commission 30 days' written notice of the following: <ol style="list-style-type: none"> the Step-Down; and the date the step-down will take effect (Step-Down Date). The Step-Down Date must not be a date earlier than the time SWDL's variation under clause 13.2 occurs. the exceptional circumstances giving rise to the variation (see clause 13.2(a)(i) to (iii)); and either the reasonable steps SWDL has taken or will take to prevent the impact of the exceptional circumstances or if SWDL cannot take any steps; and why the minimum price reduction is unavoidable; and the period to which the minimum price reduction applies. Any unilateral variation by SWDL under clause 13.2(a) is not permitted to the extent that the variation does not comply with the Code. The Farmer has the right to terminate the Milk Supply Agreement within 21 days of receipt of a notice under clause 13.3, which termination will have effect from the Step-Down Date. The Farmer may rescind any termination under clause 13.4 before the end of the 21-day period referred to in clause 13.4.

	<ol style="list-style-type: none"> 6. Any variation under this clause 13 does not allow variation that does not comply with the Code. 7. Any variation agreed to by the parties is limited to compliance with the law or the Code. If the variation to the Agreement is inconsistent with a law or the Code, the law or Code will prevail to the extent of the inconsistency. 8. An agreed variation which is not written in the first instance will be written and transmitted by SWDL to the Farmer within 30 days. Where the supply period of the Agreement is 90 days or longer, SWDL must make all reasonable efforts to obtain written acknowledgement that the record is a complete and accurate record of the variation from the Farmer.
14. Cooling-Off	The Farmer may terminate this Agreement in writing within the cooling-off period, being within 14-days of the execution date of this Agreement, without liability to SWDL or the Farmer.
15. Termination	<ol style="list-style-type: none"> 1. This Agreement may be terminated by consent of both parties. Where the parties' consent to termination, SWDL must provide a written record to the Farmer within 30 days. 2. Either party may terminate this Agreement immediately if: <ol style="list-style-type: none"> (a) the other party to the Agreement has committed a fundamental or material breach of the Agreement and has not remedied it in 30 days after being requested to do so by written notice; or (b) the other party has committed a fundamental or material breach which cannot be remedied. 3. The termination of this Agreement must be in writing with accompanying reasons for the termination as well as the date upon which the termination takes effect, to be provided as soon as practicable after the termination. 4. A Farmer may terminate this Agreement by giving 90 days' notice to SWDL if the Farmer intends to exit the dairy industry.
16. Complaints and Disputes	<ol style="list-style-type: none"> 1. All disputes are subject to the provisions of the Code relating to disputes. 2. Where a dispute arises out of or in connection with performance of this Agreement both parties, acting in good faith, will use all reasonable endeavours to bring the issue to the attention of the other party in a timely fashion and in any instance not more than 30 days after the event occurs which leads to the dispute. 3. Notification will include: <ol style="list-style-type: none"> (a) the nature of the complaint; (b) that the aggrieved party wishes to resolve the dispute in accordance with this Agreement; and (c) the desired resolution. 4. The party receiving the complaint will in writing notify the other party that they have received the complaint within five days and articulate steps intended to resolve the dispute. 5. Any complaints arising under this Agreement must, in the case of SWDL, in the first instance be referred to SWDL's Complaints Handling Officer for resolution under SWDL's complaint handling procedure set out in Annexure 1. 6. Where a notification of a dispute is made to the other party to this Agreement both parties will act, in good faith, to resolve the dispute. 7. If after attempting to resolve the dispute, and in any instance not before the elapse of 60 days after notification to the other party of acknowledgment of receipt of the complaint, the parties are not reconciled, either party may take action to have the complaint resolved by mediation as articulated in the Code. 8. Unless otherwise agreed by the parties, the mediation shall take place in Warrnambool, Victoria, Australia and be administered by the Resolution Institute. 9. The mediation must be conducted in accordance with the guidelines of the Resolution Institute for mediation which are operating at the time the matter is referred to the Resolution Institute (Guidelines). The Guidelines set out the procedures to be adopted for the mediation, the process of selection of the mediator and the costs involved. The parties must comply with the Guidelines to the extent they are relevant to the dispute.

	<ol style="list-style-type: none"> 10. Pending resolution of any dispute, the parties must continue to perform their obligations under this Contract without prejudice to their respective rights and remedies (except where such obligations are the subject of the dispute). 11. If a party seeks legal representation in the mediation process, such legal costs will be borne by that party. 12. Neither party may commence litigation proceedings unless it first refers the dispute to mediation under this clause but nothing in this dispute resolution procedure will prevent a party seeking an injunction. 13. The provisions of this clause will survive termination of this Agreement.
17. Contact details for notices, disputes, variations and rejections	<ol style="list-style-type: none"> 1. The details of the primary contact people for SWDL and the Farmer are set out in items 1 and 2 of the Schedule. 2. These individuals may be contacted, by telephone, mobile, text, facsimile, email, or any other mode of communication contemplated this clause, in the event of a contract notice, variation, dispute or rejection of milk by SWDL or the Farmer.
18. Warranties	<ol style="list-style-type: none"> 1. Both SWDL and the Farmer warrant that they are possessed of all necessary authorisations, licences, approvals and permits for the conduct of their respective businesses. 2. If a party becomes aware of a wilful breach or false or misleading representation in relation to any warranty under this agreement, they will inform the other party. 3. Both parties respectively warrant that at the date of signing this Agreement each party has the power to lawfully execute the Agreement and all necessary actions have been taken to authorise the execution of the Agreement.
19. Liability	<ol style="list-style-type: none"> 1. Excepting those warranties imposed by statute and this Agreement, the parties exclude all express or implied warranties or representations regarding the milk supplied. 2. SWDL will not be responsible for payment of the Farmer's milk if it is not collected by SWDL due to: <ol style="list-style-type: none"> (a) adverse weather conditions; or (b) where there is restricted access to a farm due to safety or notified public health reasons, such as animal disease. 3. Unless otherwise specified in this Agreement, neither party will be liable for any consequential or indirect losses including but not limited to loss of profit, loss of revenue, loss of goodwill, loss of reputation or opportunity or any other indirect or consequential loss. 4. Each party will take reasonable steps to mitigate any loss or damage it may suffer under this Agreement, and a party's liability under this Agreement will be reduced to the extent that the other party fails to comply with this clause 19.4.
20. Force Majeure	<ol style="list-style-type: none"> 1. Neither party is liable for a failure to comply with this Agreement or a failure to perform an obligation under this Agreement, except for the payment of money, because that party is unable to perform that function arising out of: <ol style="list-style-type: none"> (a) an act of God (including an epidemic or pandemic); (b) natural disaster; (c) an act of terrorism; (d) the outbreak of war; or (e) any such other event which is beyond the reasonable control of the party. 2. The party relying on a force majeure event to excuse non-performance of its obligations under this Agreement must notify the other party as soon as practicable and in writing of the reliance on the event of force majeure.
21. Confidentiality	<ol style="list-style-type: none"> 1. The parties must keep confidential and must not disclose or make available directly or indirectly to any third party any Confidential Information unless: <ol style="list-style-type: none"> (a) the disclosure of the Confidential Information is necessary to comply with any laws or the lawful requirements of any public, statutory, governmental, semi-governmental, local governmental or judicial body entity or authority; (b) at the time of the disclosure, the information was in the public domain; or (c) subsequent to the disclosure, the information becomes part of the public domain (other than because of a breach of this clause).

	<ol style="list-style-type: none"> The parties must not use, disclose, or access the Confidential Information for any reason except as is necessary to perform this Agreement. For the purpose of this clause Confidential Information means the terms of this Agreement and any other information exchanged between the parties which is by its nature confidential.
22. Insurance	<ol style="list-style-type: none"> The Farmer must purchase and maintain adequate policies of insurance (including public liability insurance, product liability insurance and workers compensation insurance), giving full and comprehensive coverage, in respect of the risks involved in its operations and its obligations under this Agreement. The Farmer must promptly provide SWDL with a certificate of currency for each policy upon SWDL's written request.
23. Privacy	<ol style="list-style-type: none"> SWDL will use any personal information collected in the course of performance of this Agreement in accordance with the <i>Privacy Act 1988</i> (Cth) (Privacy Act) and SWDL's Privacy Policy available on its website. The Farmer will comply with the Privacy Act in connection with any personal information disclosed to it by SWDL, or otherwise collected by it in connection with this Agreement. If the Farmer provides any personal information to SWDL, it warrants that it has the necessary rights and consents for SWDL to use such information in the manner contemplated by this Agreement, and that such use will not cause SWDL to breach the Privacy Act or any other laws. SWDL may use all information provided by, or relating to you (including any personal information about you or your personnel) for any purposes associated with SWDL's business, including any of the matters referred to in this Agreement, the provision of information to customers or third party service providers or in connection with industry or governmental projects in which SWDL participates from time to time.
24. GST	<ol style="list-style-type: none"> The expressions "consideration", "GST", "input tax credit", "supplier", "supply", "tax invoice", "recipient", "recipient created tax invoice" and "taxable supply" have the meanings given to those expressions in the GST Act. Unless otherwise set out, the parties confirm that any amount payable under this Contract is calculated without regard to GST. If any goods or services supplied are taxable supplies, then on payment of any amount under this Contract, a party must also pay the other party any applicable GST. Each party must do everything reasonably necessary to assist the other to claim a GST input tax credit. You must be registered for GST and must maintain the registration of your ABN throughout the Term.
25. Counterparts	This Agreement may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.
26. Electronic Signing	<ol style="list-style-type: none"> The parties acknowledge and agree that: <ol style="list-style-type: none"> this Agreement, including any counterpart, may be electronically signed, including through the use of software or a platform for the electronic execution of documents; any electronic signatures on this Agreement are intended to bind the party signing the Agreement and to have the same legal force and effect as if the Agreement was signed in wet ink; where this Agreement has been electronically signed and printed, the printed copy is deemed to be an original; and this Agreement may include counterparts signed either by wet ink, electronically or both and all counterparts together make one instrument. Exchange of this Agreement will occur upon each party delivering up signed counterparts to the other authorising exchange, including in wet ink, electronic form or by email.
27. General and other matters	<ol style="list-style-type: none"> Without prior and written permission of the other party, neither party will assign this Agreement. The parties remain independent of each other. Nothing in this agreement may be read down as creating any form of legal relationship beyond a contractual obligation.

	<p>This Agreement does not create a partnership, trust arrangement, joint venture, agency, employment relationship or other relationship that is not contractual in nature.</p> <ol style="list-style-type: none"> 3. If a party chooses not to demand enforcement of a term of this Agreement, the choice cannot be interpreted as a waiver of the term. An aggrieved party may seek damages or specific performance for breach of this Agreement. 4. Subject to compliance with the dispute resolution processes set out in this Agreement and the Code, remedies in this Agreement do not exclude remedies available to a party in law or equity. 5. Expiry or termination of this Agreement does not limit any rights or obligations a party had prior to the expiry or termination. 6. Clauses which are intended to operate beyond the Term may be relied upon by a party beyond the Term. 7. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law. 8. If any clause or part of any clause is in any way unenforceable, invalid, or illegal, it is to be read down to be enforceable, valid, and legal. If this is not possible, the clause (or where possible, the offending part) is to be severed from this Agreement without affecting the enforceability, validity or legality of the remaining clauses (or parts of those clauses) which will continue in full force and effect. 9. Any right or obligation of any party that is expressed to operate or have effect on or after the completion, expiration or termination of this Agreement for any reason, will not merge on the occurrence of that event but will remain in full force and effect.
28. Law and Jurisdiction	<ol style="list-style-type: none"> 1. This agreement is governed by and is to be construed under the laws in force in Victoria. 2. Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.
29. Interpretation	<ol style="list-style-type: none"> 1. A reference to this Agreement or another document means this Agreement or that other document and any document which varies, supplements, replaces, assigns, or novates this Agreement or that other document. 2. A reference to legislation or a legislative provision includes any statutory modification or substitution of that legislation or legislative provision and any subordinate legislation issued under that legislation or legislative provision. 3. A reference to a clause, annexure or schedule is a reference to a clause, annexure, or a schedule to or of this Agreement. 4. Clause headings are inserted for convenience only and do not form part of this Agreement. 5. The annexures and schedules form part of this Agreement. 6. A reference to a person includes a natural person, corporation, statutory corporation, partnership, the Crown or any other organisation or legal entity. 7. A reference to a natural person includes their personal representatives, successors and permitted assigns. 8. A reference to a corporation includes its successors and permitted assigns. 9. Related or subsidiary in respect of a corporation has the same meaning given to that term in the <i>Corporations Act 2001</i> (Cth). 10. A reference to a right or obligation of a party is a reference to a right or obligation of that party under this Agreement. 11. An obligation or warranty on the part of 2 or more persons binds them jointly and severally and an obligation or warranty in favour of 2 or more persons benefits them jointly and severally. 12. A reference to a breach of warranty includes that warranty not being complete, true, or accurate.

This Agreement is deemed to be accepted by signature of both parties or upon SWDL's receipt of a written notice of acceptance of the Agreement by the Farmer.

**Signed on behalf of the Farmer
(ABN _____) by a duly
authorised representative:**

Signature: _____

Name: _____

Date: _____

**Signed on behalf of SWDL
(ABN 214 748 3647) by a duly authorised
representative:**

Signature: _____

Name: _____

Date: _____

Office use only

Payment Terms accepted: _____

Date: _____ / _____ / _____

Farmer details verified by: _____

Entered to systems on: _____ / _____ / _____

Entered to systems by: _____

Schedule

Item 1: Farmer contact detail [refer clause 17]

Farmer's contact name:

Telephone:

Mobile:

Facsimile:

Email:

Item 2: SWDL contact details [refer clause 17]

SWDL's contact name: Rachel Mclean

Phone: 0437 835 378

Mobile: 0437 835 378

Email: rachel@swdl.com.au

For SWDL's Complaints Handling Officer [refer clause 16]

Officer name: Duncan Morris

Telephone: 0408 528 915

Mobile: 0408 528 915

Email: admin@swdl.com.au

Item 3: Commencement Date: 1 July 2024 (or the date after 1 July 2024 on which we first collect milk from your Farm)

Item 4: Expiry Date: 30 June 2025

Item 4: Milk Collection Times: [refer clause 5(3)]

First supply date: _____ Last supply date: _____

Collection address: _____

Days for supply: ☐ Mon ☐ Tue ☐ Wed ☐ Thu ☐ Fri ☐ Sat ☐ Sun ☐ ALL

Hours for supply: after _____ and before _____ on the agreed days

Item 5: Minimum Price \$8.00 per KG/MS [refer to clause 6]

Item 6: Bank details [refer to clause 9]

Bank: _____

BSB: _____ Account: _____

Account name: _____

Item 7: Special Conditions [refer clause 11.3]

Annexure 1: SWDL's Complaints Handling Process [refer clause 16]

1. If a Farmer has a complaint in relation to this Agreement or the Farmer's milk supply arrangements with SWDL, the Farmer should in the first instance contact SWDL's Complaints Handling Officer regarding the complaint.
2. The Farmer should notify SWDL's Complaints Handling Officer in writing of the following:
 - (a) the nature of the complaint;
 - (b) that the Farmer wishes the complaint to be dealt with in accordance with the complaint handling procedure provided in this Agreement; and
 - (c) the outcome the Farmer wants, (the **Complaint Notice**).
3. SWDL's Complaints Handling Officer will attempt to resolve the Farmer's complaint within 10 Business Days of receipt of a Complaint Notice.
4. If the Farmer is unable to resolve their complaint with SWDL's Complaints Handling Officer within 20 Business Days of SWDL's receipt of the Complaint Notice, the Farmer may request that the complaint be escalated to SWDL's Board of Directors for review.
5. If the Farmer is unable to resolve their complaint with SWDL's Board of Directors within a further 10 Business Days of requesting their complaint be considered by SWDL's Board of Directors, the Farmer or SWDL may request that the parties agree to mediation of the Farmer's complaint in accordance with clause 16 of this Agreement.
6. The Farmer may, at any time, withdraw the complaint by notice in writing to SWDL's Complaints Handling Officer.

SW DAIRY LIMITED

MILK SUPPLY POLICY

2024-25

SW DAIRY LIMITED

12A CURDIE STREET

COBDEN, VIC, 3266

ACN: 621 473 587

ANNEXURE 2

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ANNEXURE 2

1. INTRODUCTION

This Milk Policy guide is for SW Dairy Limited member suppliers and covers the terms under which they supply milk to SW Dairy Limited ("SWDL"). This Milk Policy can change from time to time. Milk quality standards and factory procedures will be referred to as "SWDL Standards". All pricing information will be referred to as "SWDL Pricing". "SWDL member" refers to those members who are supplying milk under a current Milk Supply Agreement.

2. MILK PRICING

Please refer to your separate milk SWDL pricing information for full details on current pricing. The Milk Supply Agreement will provide full details on the conditions of sale.

A. COMPONENT PAYMENT SYSTEM

Payments to SWDL members are made in terms of \$/kg Fat and \$/kg Protein. This payment will be made on a 1:1 basis with monthly milk prices to be expressed as \$ per kilograms of milk solids.

B. CHARGES

TRANSPORT

There is no volume or pick-up charges for milk collections.

For logistical reasons, SWDL is not in a position to pick up milk more than once a day at this point in time.

C. MILK PAYMENTS

Payments will be made on or before the 15th day of the month following collection. If the 15th falls on a weekend or public holiday, payments will be processed on the next business day. Milk Statements will be sent electronically on or before the 15th of each month.

D. MILK QUALITY DISCOUNTS

SWDL members will receive a deduction from their milk payment for milk that is not of the highest standard (Band 1). This deduction is based on a percentage of the total payment for the milk according to the different quality indicator calculations. The Bands for each milk quality indicator and associated methods of discount calculations are outlined in Appendix 1.

ANNEXURE 2

The following discount deductions will be applied according to each milk quality indicator calculation.

Band	% Deduction
1	0
2	-5%
3	-15%
4	-30%

3. MILK QUALITY

A. INSURANCE COVER

All SWDL members should have appropriate insurance to cover any and all incidences of milk loss, contamination or damage to other members' milk in the milk tanker. A letter providing details of cover required from your insurer can be supplied by SWDL if required.

SWDL will not be responsible for payment of milk not collected due to the following situations:

- Adverse weather events
- Restricted farm access due to safety, notified public health reason, or any biosecurity risk (e.g. animal health issues such as FMD, anthrax, botulism) etc.
- Road access – specifically due to adverse weather conditions or natural disasters. Members are reminded that they must have 24-hour all weather access and safe road access for milk tankers under all weather conditions to the milk collection point (dairy). See Transport Access Section on page 20 for further details)

SWDL members should seek independent advice regarding the type of insurance policy that is most appropriate to meet their individual circumstances.

B. POOR MILK QUALITY

SWDL members with consistently poor milk quality will be advised in writing and collection may be suspended until SWDL is satisfied that a suitable milk quality program has been put in place and milk quality is restored to a level that satisfies the SWDL Standards. SWDL will seek to maintain communication with the member regarding the issue during this period.

ANNEXURE 2

C. QUALITY ASSURANCE PROGRAM

It is each SWDL member's responsibility to ensure that their individual Farm Quality Assurance program is compliant with Dairy Food Safety Victoria's requirements. This includes ensuring the Farm Quality Assurance Manual, recording sheets or farm diary are kept updated. All dairy producers are required to have an approved and audited Food Safety Program and current Licence in place. All SWDL members must comply with Dairy Food Safety Victoria's requirements regarding auditing and licensing.

Any SWDL member that fails an audit (critical non-conformance) may have their milk collection suspended until the cause of the failure is rectified. SWDL may provide the SWDL member with time to address the issue, depending on the nature of the non-conformance. SWDL will be available to assist the SWDL member with any major issue and the SWDL member is requested to keep SWDL informed of any major changes or issues.

D. CONTAMINATED MILK (ANTIBIOTICS AND OTHER RESIDUES)

If unacceptable levels of chemicals, residues, antibiotics (or other factors) are found in the milk, then this may lead to the rejection of the milk supplied by the SWDL member. Please see relevant sections below for further details.

If these factors result in the processor rejecting the milk for human consumption, then the SWDL member who is found to have caused the contamination will not be paid for their milk and will be liable for the cost of any other milk in the tanker contaminated as a result. The SWDL member will be responsible for the following costs:

- The total cost of all the milk in the tanker – paid at the value of the milk at the time of the incidence
- Freight costs
- Disposal costs

If antibiotic or contaminated milk is supplied by more than one SWDL member for that tanker run, milk will not be paid for and the costs will be applied on a pro-rata basis based on the SWDL members who supplied contaminated milk to that tanker.

As outlined in section 3.A (Insurance cover) SWDL members should seek independent advice regarding appropriate insurance cover.

NOTIFICATION OF CONTAMINATED MILK

If a SWDL member suspects contaminated milk prior to collection, then they are to notify SWDL and the transport company immediately. The SWDL member is then to arrange for milk testing. If milk contamination is confirmed, then the SWDL member will be required to dispose of the milk and notify the transport company NOT to collect the milk. It is the member's responsibility to take all appropriate action to ensure the contaminated milk is not collected. There will not be a payment for this milk.

ANNEXURE 2

E. TESTING KITS

Where SWDL members test milk from their vat that may have been contaminated, then their own test kits may be used as a guide only. SWDL members are responsible for the maintenance, usage, storage and results of kits they have purchased themselves. If there is any inconsistency between a member's own test kit results (or other test results sourced by a member) and SWDL's milk quality tests results, SWDL's results will prevail and take precedence.

F. MILK QUALITY INDICATORS

Milk samples will be collected from each SWDL members vat prior to the milk being collected for transport to the processing facility. Temperature readings and a sensory test of the milk will also be taken by the tanker driver. Each milk sample will be tested for quality indicators by a milk testing facility selected by SWDL.

The following milk quality indicators will be tested for and measured as an indication of overall quality:

- Temperature – prior to every milk collection
- Bulk milk cell count – BMCC – every milk collection
- Bactoscan and Thermoduric – twice a month
- Freezing point, sediment, colostrum – random testing or based on visual assessment
- Antibiotics and other inhibitory substances – every milk collection

Please refer to Appendix 1 for the specifications and associated penalties. Each of these indicators are outlined in further detail below.

Milk quality results will be made available within approximately 48 hours from collection via the Dairy Data App. In exceptional circumstances it may be longer than 48 hours. Please contact SWDL for any issues or concerns regarding your notifications or specific milk quality issues.

1. TEMPERATURE

Milk temperature must be maintained at 5°C or below and members must maintain their refrigeration systems to ensure that this requirement is met at all times. The exception to this is within the period up to 3.5 hours from the start of milking.

SWDL members are encouraged to ensure their systems deliver milk to the vat below 25°C.

Any milk above 25°C will not be collected. Milk that is above 8°C after 3.5hrs from the start of milking will not be collected, unless by prior arrangement.

SWDL members are to notify SWDL and McColl's transport of their milking times and a notice is to be clearly displayed for tanker driver viewing.

SWDL members who are having issues keeping their milk cooled below 4°C are advised to contact SWDL to advise them of the process to repair their equipment. SWDL members who experience breakdowns or power outages that impact their milk cooling are also asked to advise McColl's transport to arrange prompt collection of milk.

ANNEXURE 2

SWDL members who continually have milk cooling issues may be regarded as not meeting their Farm Quality Assurance obligations and may have their accreditation revoked. As with other quality issues, this could lead to the suspension or cancellation of milk collection.

Appendix 1 outlines penalties associated with temperature.

2. BULK MILK CELL COUNT – BMCC

Every milk collection will be tested for BMCC.

The maximum allowable BMCC on a monthly weighted average basis of 400,000 cells per ml is in line with the Australian Quarantine and Inspection Service (AQIS) export requirements. While the occasional test over 400,000 is admissible, members with BMCC levels consistently above 400,000 will be advised by SWDL and collection may be suspended until the issues is addressed to the satisfaction of SWDL and the processor.

In the situation where milk collection is suspended, SWDL members will be required to demonstrate 3 consecutive tests less than 400,000 in order to have collection reinstated. During this time the SWDL member is responsible for making arrangements for approved testing to occur and for suitable disposal of the milk that is not collected. Once collection has been reinstated, the BMCC must remain below 400,000 for the milk collection to be maintained.

Appendix 1 outlines the various bands of BMCC and explanation of the calculation of the BMCC 10 day average as they apply to the associated bands and any associated penalties.

3. BACTOSCAN AND THERMODURICS

Milk testing will occur at least twice per month to measure the levels of bacteria – using Bactoscan and Thermoduric tests. These measures give an indication of milking, plant and vat hygiene and milk cooling effectiveness. See Appendix 1 for more details of bands and associated discounts.

Bactoscan test is a quick test that counts all bacteria present in milk. It is an indicator of milk cooling and milking and plant hygiene. These results are often available in 2-3 days.

Although the first test is random, if the result is outside of Band 1, then subsequent testing will take place until three consecutive Band 1 results are achieved. For Bactoscan testing, the first **8** results outside of the preferred range will not incur penalty and will be regarded as 'advisory' however a high result for the 9th and any further test will incur the applicable discount to the associated consignments.

Thermoduric testing is used to identify the level of bacteria that can survive heat. High levels of these bacteria can impact food shelf life and food safety. This test takes more than 72 hours to complete. So often the results are not known for 4-5 days following the collection of the milk consignment that was sampled.

For Thermoduric testing, the first **8** results outside of the preferred range will not incur penalty and will be regarded as 'advisory' however a high result for the 9th and any further will incur the applicable discount to the associated consignments. This system allows for the time lag with the testing and subsequent notification.

4. FREEZING POINT AND SEDIMENT

ANNEXURE 2

SWDL may at certain times test for both sediment and freezing point to ensure quality is maintained. Members will be advised of any issues pertaining to these two quality items.

- Freezing point – normal quality milk is not likely to freeze unless it is at 0.50°C or below. Freezing point tests are used to detect the presence of extra water in the milk.
- Sediment – extraneous matter such as hair, dirt, manure, dust, vegetable matter or insects may result in bringing bacteria into the milk, resulting in contamination. It can also cause the taste of milk to change depending on contamination levels. It can lead to impacts on the quality of manufacturing products. Testing involved using filters to ascertain the level of sediment and may be undertaken as required. Disc 1 is classed as very low detection. Disc 2, 3 & 4 are measures of unsuitable levels of sediment.
- Colostrum – higher levels of colostrum in milk can cause a negative impact on some milk manufacturing processes. Milk from calved cows or heifers shall not be sold until at least 8 milkings after calving. SWDL may conduct testing for colostrum randomly and at its discretion. Milk containing high levels of colostrum for calves, should be well labelled and kept separately from milk for collection / sale.

5. ANTIBIOTICS & INHIBITORY SUBSTANCES

Antibiotic and/or inhibitory substance contamination of milk will result in the rejection of the SWDL members milk.

The presence of antibiotics in milk can have negative impacts on the manufacturing process and can cause products to become unfit for human consumption.

Inhibitory substances include antibiotics, pesticides, herbicides, insecticides, detergents, blood and colostrum.

As previously noted, the SWDL member will not be paid for milk that is contaminated with antibiotics or other inhibitory substances and they may be liable for the costs associated with any other milk contaminated as a result as well as the costs associated with the loss of the milk in the tanker.

The process: Following on-farm collection of milk and upon arrival at the milk processing facility, a sample of milk will be taken from the tanker. This will then be tested using a 'rapid' test for antibiotics and other prohibitive substances. If there is a positive result, individual samples taken from each farm will then be tested to determine the source of contamination. The SWDL member responsible for the milk contamination will be notified immediately.

The SWDL member will then be required to have their milk tested and cleared of antibiotic or inhibitory substance residue, prior to milk collection. It is the responsibility of the SWDL member to arrange for suitable testing of milk samples.

SWDL is required to report the positive test result to Dairy Food Safety Victoria and will be required to follow up with the member to determine the cause and preventative measures in place to ensure further occurrences are eliminated.

ANNEXURE 2

4. MILK STORAGE AND TRANSPORT ACCESS

A. MILK STORAGE

SWDL requires that every supplying SWDL members milk cooling storage system meets the following requirements and processes:

- A vat that is capable of safe and secure storage of milk that keeps the member's daily milk volumes cool (below 5°C)
- The cooling system is capable of ensuring the milk is cooled to below 5°C within 3.5 hours from the start of milking
- Make visible to tanker drivers a statement of milking times.
- Maintain a regularly maintenance program to ensure the above can be maintained at all times
- Promptly notify SWDL and/or McColl's Transport if there is a break down that results in the member's ability to maintain the milk at 5°C or below
- Following any break down that the member ensures the issue is rectified promptly.
- In the event that milk is rejected or unable to be collected, that the member disposes of the milk through an appropriate process.

B. TRANSPORT ACCESS

To facilitate efficient collection of milk and to ensure the safety of SWDL members, tanker drivers and animals, SWDL requires SWDL members to meet the following minimum standards in relation to their property access for milk transport vehicles:

- Road access it to be well signed & clear at all times
- Road access to comply with the rules of the local authority and is accessible by truck and trailer without the need to cross the centre of the road when turning left into the farm track
- An all-weather track to provide clear, safe and comfortable access for the milk tanker to the dairy at all times.
- Track to the dairy should not be used as a stock track or holding
- Every effort should be made to ensure that trucks are able to access the dairy without the need to reverse
- SWDL members are responsible for ensuring the farm meets the requirements of the relevant laws and regulations with regards to the health and safety of employees, contractors, representatives or agents (including for the purpose of milk collection)

Prior to the first milk collection, SWDL and McColl's Transport may wish to visit the member's dairy to ensure that the above requirements are met.

If at any time the SWDL member is concerned about their ability to meet any of the above requirements, they are asked to immediately notify SWDL or McColl's Transport.

ANNEXURE 2

5. ANIMAL WELFARE, FEED, DISEASE AND INTRAVENTIONS

A. ANIMAL WELFARE STANDARDS

SWDL is committed to ensuring SWDL members are aware of and maintaining high standards in relation to animal welfare.

All SWDL members must ensure they are aware of the relevant laws, regulations, industry guidelines and animal welfare codes of practice. Including the following:

- Australian Animal Welfare Standards and Guidelines
- Land Transport of Livestock Standards and Guidelines
- Bobby Calf Transport Standards and Guidelines.

More information regarding these standards is available on the Dairy Australia website dairyaustralia.com.au. It is each members' responsibility to ensure they meet and adhere to animal welfare laws, standards and practices.

SWDL does not support on-farm activities that are not in line with the Australian Animal Welfare Guidelines.

If SWDL has reason to believe there is a material animal health or welfare issue with respect to the SWDL member's milking herd or other stock, then SWDL may suspend the collection of milk or end the Milk Supply Agreement.

B. ANIMAL FEED

Declarations: Vendor declarations must be sought for all animal feed as part of each member's Food Quality Program. The vendor declarations should comply with industry regulations and identify the supplier of the feed, stock and supply dates and should include a guarantee that the feed is suitable for dairy cows as per the Dairy industry Standards. Including a statement that it doesn't contain residues and ruminant animal material.

Genetically modified feed: SWDL's policy is to limit the use of genetically modified (GM) or genetically engineered (GE) animal feed wherever possible. SWDL members must be aware of the GM/GE status of their stock feed, and that this is noted via their vendor declarations where appropriate and limit the use in milking cow diets. It is recognised that at certain times the availability of non-GE/GM stockfeed may be limited and for economic reasons SWDL members may need to use this as a feed source.

Mycotoxins are poisonous chemical compounds produced by certain fungi. There are many such compounds, but only a few of them are regularly found in food and animal feedstuffs. SWDL members are to avoid feeding any feedstuff that contains mould or are high risk products (e.g. peanut meal) unless thorough testing for mycotoxins has been undertaken. If at any stage a SWDL member is concerned about an issue with Mycotoxin, they are advised to contact SWDL for further support.

ANNEXURE 2

C. DISEASES & INTERVENTIONS

Enzootic Bovine Leucosis (EBL) has been free from Australian dairy herds since 2012, with 100% of dairy herds having a Monitored Free status. Maintenance of the status of the Australian dairy herd will require ongoing surveillance and SWDL supports this work. EBL is present, at a very low prevalence, in sectors of the Australian beef herd. This means that ongoing strict controls will be required on the introduction of beef cattle into dairy herds. Dairy Australia will manage the EBL testing of all dairy herds every 3 years to ensure that introduced cattle are free from EBL.

Bovine Johnes Disease (BJD) is a chronic bacterial enteritis caused by infection of the gut affecting cattle and other ruminants. It occurs in Australia and is more common in dairy cattle in south-eastern Australia and is a notifiable disease in all States and Territories of Australia. Victoria is in a BJD Management area and therefore SWDL requests that SWDL members comply with the control measures to ensure the reduction of BJD. SWDL members must follow the three-step calf plan:

- Calves should be taken from the cow within 12 hours of birth
- The calf rearing areas should ensure no effluent from mature susceptible animals comes into contact with the calves and
- Calves up to 12 months of age should not be reared on pastures that have been grazed by adult stock, or animals that are known to carry BJD on them during the past 12 months.

Cloned animals in dairy herds are not supported by SWDL and all members are required not to supply milk from:

- A genetic clone
- The progeny of a genetic clone.

Oestradiol use is not permitted in lactating cows in Australia. In 2008 the Australian dairy industry implemented a restriction on the use of oestradiol in dairy herds. While the use is permitted in non-lactating heifers (oestrus synchrony programs) SWDL do not permit their members to administer this to lactating dairy herds.

ANNEXURE 2

6. CONTACTS

SW Dairy Limited
12A Curdie Street
Cobden, VIC, 3266
ACN: 621 473 587

SW Dairy Limited Staff

Duncan Morris	Administration Manager	Mobile: 0408 528 915 Email: admin@swdl.com.au
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McColl's Transport

McColl's Leading Hand	24 hour contact: 0417 802 322
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SW Dairy Board Directors

Brad Couch (Chairman)	Mobile: 0400 569 256 Email: mondo9@hotmail.com
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Field Services

Rachel Mclean Field Services Officer	Mobile: 0437 835 378 Email: Rachel@swdl.com.au
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APPENDIX 1

Quality Indicator	Testing Frequency	Band 1	Band 2	Band 3	Band 4	Calculation of quality standard
Discount		0%	5%	15%	30%	
Temperature	Per collection	≤ 5 degrees				Applies per consignment. Does not apply during exclusion times or when prior arrangement has been made. Milk above the milk cooling curve will be rejected
BMCC	Per collection	≤250,000	250,001- 350,000	350,001-400,000	≥400,001	The band for the month is determined by the 10-day weighted averages.
Bactoscan	At least twice per month	≤80,000	80,001- 200,000	200,001-300,000	≥300,001	If the result is outside of Band 1, then subsequent testing will take place until three consecutive Band 1 results are achieved. The first 8 results outside of the preferred range will not incur penalty and will be regarded as 'advisory' however a high result for the 9 th and any further test will incur the applicable discount.
Thermoduric	At least twice per month	≤2,000	2,001-5,000	5,001-10,000	>10,000	If the result is outside of Band 1, then subsequent testing will take place until three consecutive Band 1 results are achieved. The first 8 results outside of the preferred range will not incur penalty and will be

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						regarded as 'advisory' however a high result for the 9 th and any further test will incur the applicable discount.
Inhibitory substances	Per collection	0				Any result other than band 1 will result in the rejection of the milk. The supplier must pay for costs associated with the disposal of the milk and any other affected milk.
Freezing Point	Random	Less than - 0.517			Above -0.517	Per consignment
Sediment	Random	Disc 1			Disc 2, 3 or 4	Per consignment
Colostrum	Random	0.3% or less			Above 0.3%	Colostrum Levels above 0.5% will be rejected. The supplier must pay for all costs regarding the disposal of the milk