

Milk Cooling Rebate – Terms and Conditions

These terms and conditions govern the Milk Cooling Rebate program (**Milk Cooling Rebate**) offered by Saputo Dairy Australia Pty Ltd (ABN 52 166 135 486) (**SDA, we, us and our**) to approved participants (**MCR Terms**). In these MCR Terms, words which are capitalised are defined terms and definitions are located in clause 11 below.

1. Title and purpose

The Milk Cooling Rebate provides approved participants with a Rebate in circumstances where an Eligible Investment is made which improves milk cooling capacity or efficiency on their Farm. Participation in the Milk Cooling Rebate is subject to our formal approval and these MCR Terms.

2. Participation

- (1) In order to participate in the Milk Cooling Rebate, you must:
 - (a) have made an Eligible Investment;
 - (b) submit satisfactory documentary proof of the Eligible Investment to us; and
 - (c) receive and execute an MCR Application from us.
- (2) An Eligible Investment must be established to our reasonable satisfaction, and you must provide a commissioning report from a qualified installer establishing the Eligible Investment as having been completed. On request, you must permit us access to your Farm to inspect or validate the Eligible Investment.
- (3) We may, in our sole discretion, issue an MCR Application to you. Upon executing an MCR Application you will become a participant in the Milk Cooling Rebate and a contract between us and you will be formed (comprising the MCR Application and these MCR Terms, in descending order of priority in the event of any inconsistency).

3. Commitment to Supply

- (1) In participating in the Milk Cooling Rebate, you agree to exclusively supply all Milk from your Farm to us during the MCR Commitment Period.
- (2) If you cease supplying all Milk from your Farm to us before expiry of the MCR Commitment Period, you will immediately cease to be eligible to participate in the Milk Cooling Rebate and clause 5 (Termination) will apply (under which you have repayment obligations to us).

4. MCR Rebate

- (1) The Rebate is a monthly amount, payable for the duration of the MCR Commitment Period (subject to these MCR Terms). The amount payable as the Rebate will be equivalent to 30% of the agreed GST exclusive cost of the Eligible Investment divided by 36 (being the number of months in the MCR Commitment Period).
- (2) In reliance on your agreement to exclusively supply all Milk from your Farm to us during the MCR Commitment Period, we will advance the entire Rebate payable during the MCR Commitment Period to you in one-lump sum payment.
- (3) The maximum amount we will pay in Rebates for any one Eligible Investment (or across multiple Eligible Investments on a Farm in any rolling ten-year period) is \$60,000. In no circumstances will we pay more than this maximum amount in respect of a Farm in any ten-year rolling period.
- (4) If your Farm has a sharefarmer, Rebates will only be paid to you as owner of the Farm (unless otherwise agreed and directed to us in writing by the owner and sharefarmer). If you are the sharefarmer on that Farm, you are responsible for providing this agreed written direction to us.

5. Termination

- (1) If you cease exclusively supplying all Milk from your Farm to us (other than as permitted under the Standard Milk Payment Terms) before expiry of the MCR Commitment Period, or clause 5(2) otherwise applies, your participation in the Milk Cooling Rebate will immediately terminate and you must immediately repay, as a debt due and payable, all Rebate amounts advanced to you under clause 4(2) for the remaining months in the MCR Commitment Period (including the month in which supply first ceased) (**Repayment Amount**). The Repayment Amount may be deducted in whole or in part from any amount due and payable by us to you.

For example: we agree a suppliers' Eligible Investment is \$90,000. Under the Milk Cooling Rebate, the supplier is eligible for a monthly Rebate of \$750 during the MCR Commitment Term and we advance the full amount of \$27,000. The supplier then ceases supply at the end of month 20 (with 16 months remaining in the MCR Commitment Term). The supplier must repay \$12,000 (\$750 x 16 months) of the advanced monies.

- (2) In addition to clause 3(2), we may immediately terminate your participation in the Milk Cooling Rebate if:
 - (a) your supply arrangement with us (under our Standard Milk Payment Terms or, if applicable, a milk supply agreement) terminates for any reason (other than termination for convenience by us, if permitted);
 - (b) any information provided to us in connection with the Eligible Investment or this Milk Cooling Rebate is false or intentionally misleading, or the Eligible Investment did not proceed as indicated for any reason;
 - (c) you sell any part of the Eligible Investment, or sell the Farm which the Eligible Investment applies to; or
 - (d) you become insolvent or bankrupt, or are not able to pay debts as when they fall due, or make an assignment for the benefit of creditors, or cease to function as an on-going concern or to conduct your operations in the normal course of business.
- (3) The rights and benefits comprising the Rebate are not transferrable or assignable and are automatically extinguished on sale or lease of your Farm, unless otherwise expressly agreed in writing with us.
- (4) Where clause 5(1) applies, if the Repayment Amount is not repaid in full by you within thirty (30) days, interest will accrue daily from the date on which the Repayment Amount first became due and payable. Any payment received will be applied first to interest accrued and then to the overdue Repayment Amount.

6. Liability

- (1) Under no circumstance will our liability to you in connection with the Milk Cooling Rebate exceed the amount of any Rebate (excluding interest) which you have qualified for under these MCR Terms, and you agree to release us from any claim howsoever arising in excess of this amount.
- (2) If a Repayment Amount is not paid by you as required under these MCR Terms, any costs incurred by us to recover the Repayment Amount (and any applicable interest) will also be recoverable from you.

7. Confidentiality

Other than these MCR Terms which are publicly available, all information provided by one party to the other in connection with the Milk Cooling Rebate must be treated as confidential to the disclosing party and must not be disclosed by the receiving party unless required by law or a stock exchange, or if the disclosure is to their legal or other professional advisers. This obligation does not apply to any confidential information already in the public domain (other than as a breach of this clause).

8. Other supply arrangements

Nothing in these MCR Terms affects the operation of any milk supply agreement or other supply arrangement(s) between you and us.

9. Governing Law

The laws of Victoria govern these MCR Terms (and any MCR Application). The parties submit to the non-exclusive jurisdiction of Victorian courts.

10. Miscellaneous

All terms, conditions, warranties and representations expressed or implied by statute, common law, equity or the general law are expressly excluded from these MCR Terms to the maximum extent permitted by law. Any unlawful provision in these MCR Terms will be severed and the remaining provisions will be enforceable. A waiver of a right, power or remedy is only binding if given in writing. The MCR Application and these MCR Terms constitute the entire agreement between us and you in respect of the Milk Cooling Rebate.

11. Definitions

In these MCR Terms the following definitions apply:

- **Eligible Investment** means a capital investment (or a binding commitment to make a capital investment) on the Farm for the purchase and/or installation of eligible milk cooling equipment and related infrastructure* which applies to (or results in):
 - (1) milk storage capacity being at least 1.5 times peak daily milk production volume;
 - (2) dairy generators which are sufficient to simultaneously operate the dairy plant and milk cooling system; and
 - (3) milk being delivered into the vat or below 25°C and in compliance with applicable State dairy regulations, and cooled to 5°C within 3.5 hours of the commencement of milking.
- ** includes but not limited to milk vats, vat wash hot water services, refrigeration units, compressors, chiller systems, plate coolers, associated pumps, storage tanks, concrete slab foundations and shelters required for installation of these systems, associated installation costs (except mains power and plumbing upgrade or installations).*
- **MCR Application** means the application prepared and issued by us to you to participate in the Milk Cooling Rebate.
- **MCR Commitment Period** means a 36-month period commencing on the date specified in the MCR Application.
- **Rebate** means the rebate specified in the MCR Application and paid by us to you according to these MCR Terms.
- **Repayment Amount** has the meaning given in clause 5(1).
- **Standard Milk Payment Terms** means our Standard Milk Payment Terms (available in the relevant Supplier Handbook at <http://www.saputodairyaustralia.com/en/our-policies>) (as may be amended or replaced from time to time) which are applicable to your supply arrangement with us.
- **You** and **Your** means the Supplier.

Each of the following terms **Farm**, **Milk** and **Supplier** have the same meaning under these MCR Terms as defined in the Standard Milk Payment Terms.