

## **Terms of Trade and Specifications – AgriExchange Pty Ltd – Katherine, and Vitor Marketing Pty Ltd.**

These Terms of Trade and Specifications only apply to sales of produce on the Australian domestic market.

When terms of trade apply

1. These terms of trade set out the terms and conditions on which any of Vitor Marketing Pty Ltd ABN 81 068 236 144, AgriExchange Pty Ltd ABN 13 050 165 921 and AgriExchange Farm Management Pty Ltd ABN 24 109 237 283, as Trustee for the Vitor Unit Trusts, (collectively or individually referred to as Trader) is prepared to trade in horticultural products with growers as required by the Horticultural Code of Conduct (Code).
2. The Code requires that a Trader and grower may only trade in horticultural produce with each other if they have entered into a horticulture produce agreement that complies with the Code. These terms of trade will be subject to our horticulture produce terms. In the event of any inconsistency between these trading terms and the horticultural produce terms, the horticultural produce terms shall prevail.
3. If the Trader and grower agree, these terms of trade may be included in a horticulture produce agreement between the Trader and a grower and form part of the terms and conditions of that agreement.

Trader's role

4. The Trader is prepared to trade in horticulture produce with a grower as a merchant.

Delivery requirements

5. Horticulture produce must be delivered by a grower at the grower's cost and risk in the following manner:
  - in plastic field bins to one of AgriExchange Pty Ltd's nominated premises.
  - In accordance to the requirements specified in the Vitor/AgriExchange Growers' Manual.

Quality of produce

6. Horticulture produce provided by a grower must strictly comply with the Specifications in the Vitor/AgriExchange Growers' Manual. The grower agrees that the fruit will be sorted by AgriExchange Pty Ltd in accordance with the quality specifications as determined by Vitor Marketing Pty Ltd at its absolute and unfettered discretion. The grower acknowledges that the Specifications may

be varied by Vitor at its absolute and unfettered discretion for any reason, for example, change in market conditions at the time of packing.

#### Rejection of produce

7. Horticultural produce supplied by a grower may be rejected if the horticulture produce does not strictly meet the Specifications. Produce may also be rejected by the Trader or subsequent merchants or retailers for reasons not apparent at the time of packing (for example, inherent defects, chemical residues, contamination etc.).

The Grower acknowledges and agrees that its produce may contain latent quality defects which do not manifest until after delivery. Vitor reserves its right to exercise its rights and remedies under this clause with respect to produce that manifests such latent quality defects after transfer of title to the produce.

Vitor shall confirm in writing of the rejection shall set out details of the latent quality defect together with reasonable evidence of the latent quality defect which shall be prima facie evidence of such latent quality defect, the cost to Vitor of the defect and when the defect became apparent to Vitor.

8. The Trader will notify the grower by telephone, fax, email or other electronic means if it rejects any previously sorted and packed horticulture produce and will subsequently advise the grower in writing of the rejection and the reasons for the rejection.
9. The consequences of the Trader rejecting the horticulture produce are as follows:

If the produce is rejected by the packer as being unsuitable for the packed fresh fruit markets before being delivered to the Trader, the fruit will at the absolute and unfettered discretion of the Trader either be sold to a processing company or dumped. Dumping costs are the responsibility of the grower.

#### Payment

10. Payment will occur within 25 days of the end of the month during which the produce was delivered to the Trader. Payment will be made by Electronic Funds Transfer (EFT).

#### Insurance

11. The Trader has limited domestic insurance in respect of the horticulture produce once the produce is under the Trader's control. The grower acknowledges that the Produce is at the risk of the grower whilst it is under the control of the Trader and that the Trader has no responsibility for any damages to the produce whilst it is in the Traders' control.

12. The Trader uses Vero Insurance Ltd. The maximum amount of claims covered by the Trader's insurance policy is \$250,000 subject to an excess of 10% of the value or \$10,000, whichever is the greater.
13. The insurance held by the Trader covers deterioration of product following unforeseen loss or damage to items of plant or equipment (other than deterioration of quality of any other inherent losses). This is not an acknowledgement of responsibility by the Trader for any such loss.

#### Bad debts

14. If the Trader is trading as an agent, the Trader will if requested and with the authority of the grower, at the cost of the grower, and subject to the grower indemnifying the Trader, seek to recover the bad debts of the grower arising from a failure of a person, who has agreed to buy the horticulture produce of the grower through the Trader, to pay the Trader for some or all of the grower's horticulture produce by the time that payment is required.
15. If the Trader is unable to recover a debt from any debtor within 30 days of a written demand by the Trader to a debtor an amount equivalent to, the unrecovered amount shall be repaid by the grower to the Trader if the grower had already been paid by the Trader for the horticulture produce.