

SAPUTO DAIRY AUSTRALIA

SUPPLIER LOAN SCHEME LOAN TERMS

The provision of any new or continuing financial accommodation under the Scheme is subject to the following Loan Terms:

1. Definitions

In these Loan Terms, unless the context otherwise requires:

- 1.1 **Advance Date** means the date on which Principal (or any part thereof) is first advanced by the Lender to or for the account of the Borrower.
- 1.2 **Amount Owing** means, on a day, the total of the Principal and any other moneys then outstanding (including accrued interest) to the Lender in respect of the Loan.
- 1.3 **Application** means a written application in the form prescribed by the Lender which each Borrower must complete in respect of the Loan.
- 1.4 **Approval** means a written notice of approval by the Lender to the Borrower in respect of the Loan.
- 1.5 **Availability of Funds** means that the Lender is satisfied, in the Lender's entire discretion, that funds are available from its external financiers on acceptable terms and in sufficient amounts for the continuing operation of the Scheme and the provision of finance to the Borrower.
- 1.6 **Borrower** means the person or persons identified as the 'Applicant' in the Application.
- 1.7 **Business Day** means a day which is not a Saturday, Sunday or public holiday in Melbourne.
- 1.8 **Corporations Act** means the *Corporations Act 2001* (Commonwealth).
- 1.9 **Current Supplier** means an active Supplier of Saputo Dairy Australia.
- 1.10 **Default Event** means any of the following events:
 - (a) the Borrower does not pay on time and in the manner required any amount payable by the Borrower under the Loan;
 - (b) distress is levied or a judgement, order or encumbrance is enforced, or becomes enforceable, against any property of a Borrower for amounts totalling more than \$10,000;
 - (c) a Borrower becomes Insolvent;
 - (d) a Borrower fails to satisfy or ceases to satisfy any Eligibility Criteria;
 - (e) any warranty or representation made by or on behalf of any Borrower in connection with the Loan, whether in the Application or otherwise, is false or misleading in any material respect;
 - (f) a Prospective Default Event exists;
 - (g) any part of the Loan or the Loan Terms is or becomes unenforceable or unlawful; or
 - (h) any breach or default by the Borrower of the Loan Terms or any related or unrelated order or contract with the Lender.
- 1.11 **Eligibility Criteria** means, in relation to each Borrower, the satisfaction of each of the following criteria:
 - (a) if a natural person, that the Borrower is an Australian resident over 18 years of age;

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- (b) the Borrower satisfies the applicable customer identification procedure implemented by the Lender under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) and the AML/CTF Rules made under that Act;
 - (c) the Borrower is a Current Supplier and provides details in the Application corresponding with the details provided by the Borrower in the I&I Form completed by the Borrower upon application to supply milk to Saputo Dairy Australia;
 - (d) the Principal is applied for one or more of the following purposes in connection with the Borrower's business:
 - (i) feed purchase;
 - (ii) farm related working capital;
 - (iii) farm projects;
 - (e) if the Borrower is a body corporate, that guarantees in a form acceptable to the Lender are provided by each director of the Borrower.
- 1.12 **Extension Notice** means a notice given by the Lender to the Borrower under clause 5.1.
- 1.13 **I&I Form** has the meaning given in the Standard Milk Payment Terms.
- 1.14 **Insolvent** means that one or more of the following occurs in relation to a Borrower:
- (a) if the Borrower is a body corporate:
 - (i) it is, or states that it is, insolvent (as defined in the Corporations Act);
 - (ii) it has any Controller (as defined in the Corporations Act) appointed, is in liquidation, provisional liquidation, under administration or wound up or has had a receiver or a receiver and manager appointed to any party of its property; or
 - (iii) it is subject to any arrangement, assignment, moratorium, composition or reconstruction, other than to carry out a reconstruction or amalgamation while solvent and on terms approved by the Lender;
 - (b) if the Borrower is a natural person, the Borrower is or is deemed to be unable to pay his or her debts, becomes bankrupt or makes or enters into any assignment, arrangement, scheme or composition with or for the benefit of his or her creditors or any of them or summons or permits any meeting of creditors with a view to or for the purpose of considering any such assignment, arrangement, scheme or composition.
- 1.15 **Interest Payment Date** means:
- (a) the first day of each calendar month which falls during the Term; and
 - (b) the last day of the Term.
- 1.16 **Interest Period** means:
- (a) the period (if any) beginning on the Advance Date and ending on the day before the first Interest Payment Date;
 - (b) each period beginning on an Interest Payment Date ending on the day before the next following Interest Payment Date, if any; and

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- (c) the period beginning on the final Interest Payment Date and ending on the last day of the Term.
- 1.17 **Interest Rate Cessation Notice** is defined in clause 4.4.
- 1.18 **Interest Rate Rebate Arrangement** is defined in clause 4.4.
- 1.19 **Lender** means Saputo Dairy Australia and includes its successors and assigns.
- 1.20 **Loan** means an advance of Principal by the Lender to the Borrower upon the Loan Terms.
- 1.21 **Loan Terms** means these terms and conditions as they may be varied from time to time under clause 9.1 and as varied or supplemented by the Approval.
- 1.22 **Milk Proceeds** means the amount payable for milk supplied by a Borrower to Saputo Dairy Australia from time to time including, without limitation, any step-up payments.
- 1.23 **PPS Register** means 'the register' as defined in the PPSA.
- 1.24 **PPSA** means the *Personal Property Securities Act 2009* (Cth).
- 1.25 **Principal** means amounts advanced or to be advanced by the Lender to the Borrower under the Loan, being amounts in total not exceeding the approved amount specified in the Approval.
- 1.26 **Prospective Default Event** means any event which exists and which the Lender determines through the effluxion of time may or will become a Default Event.
- 1.27 **Published Rate** means the per-annum interest rate applicable to the Loan from time to time as published by the Lender, which publication (without limitation):
- (a) may provide for a differential or additional interest rate or rates to apply:
 - (i) on the occurrence of any Default Event and while that Default Event continues unrectified; and
 - (ii) in any other circumstances as specified; and
 - (b) may be by way of email to the Borrower or notification on the Lender's web site.
- 1.28 **Rectification Notice** means a notice given by the Lender to the Borrower under clause 8.1.
- 1.29 **Repayment Date** means:
- (a) if an Extension Notice has been given, the date specified in the Extension Notice; or
 - (b) otherwise, the date specified in the Approval as the date for repayment in full of the Principal.
- 1.30 **Repayment Schedule** means the schedule for repayment of Principal set out in the Approval.
- 1.31 **Saputo Dairy Australia** means Saputo Dairy Australia Pty Ltd ABN 52 166 135 486.
- 1.32 **Scheme** means the scheme which may be operated by the Lender from time to time for the provision of financial accommodation to Current Suppliers who meet the Eligibility Criteria.
- 1.33 **Standard Milk Payment Terms** means Saputo Dairy Australia's Standard Milk Payment Terms, which set out the terms and conditions that apply to the supply of milk by a Supplier to Saputo Dairy Australia, and which can be located in the applicable Saputo Dairy Australia supplier handbook (available at www.mgc.com.au/legal).

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1.34 **Supplier** has the meaning given in the Standard Milk Payment Terms.

1.35 **Taxes** includes without limitation any taxes, levies, duties and imposts.

1.36 **Term** means the period:

- (a) beginning on the Advance Date; and
- (b) ending on the date on which the Amount Owing is repaid finally and in full.

1.37 **Termination Notice** means a notice given by the Lender to the Borrower under clause 8.4.

2. Eligibility

The provision of any financial accommodation by the Lender to the Borrower under the Loan is conditional upon the Borrower meeting the Eligibility Criteria. Each Borrower warrants that at the time of completing the Application, at the time of each advance of Principal and at the time of requesting any Extension Notice that the Borrower meets the Eligibility Criteria.

2A. Privacy and Credit Reporting

2A.1 In this clause 2A:

- (a) “credit-related information” has the meaning given to that term in the Credit Reporting Collection Statement attached to these Loan Terms; and
- (b) “personal information” has the meaning given to that term in the *Privacy Act 1988* (Cth).

2A.2 By signing the Application, the Borrower:

- (a) acknowledges accessing or receiving a copy of the Lender’s privacy collection statement (a copy of which is accessible at www.mgc.com.au/working-with-us/privacy/), which sets out how the Lender collects, uses, holds and discloses personal information; and
- (b) agrees to make any individual whose personal information the Borrower has provided to the Lender aware of the matters contained in that privacy collection statement (including that their personal information has been provided to the Lender).

2A.3 If the Borrower is a natural person, a partnership of natural persons or a strata corporation, then each person who signs the Application (each **them** or **their**) also by their signature gives the acknowledgements, consents and agreements set out below in their personal capacity as an individual. Each of them:

- (a) acknowledges receiving the Lender’s credit reporting collection statement (a copy of which is attached to these Loan Terms), which sets out how the Lender collects, uses, holds and discloses credit-related information;
- (b) consents to the Lender’s collection, use, holding and disclosure of personal information and credit-related information about them as described in the Lender’s privacy collection statement and credit reporting collection statement;
- (c) agrees that the Lender may obtain a credit report from a credit reporting body about their consumer and/or commercial creditworthiness. The Lender may use this report for the purpose of assessing the creditworthiness of the Borrower and for collecting (or engaging any third party to collect) any overdue payments under these Loan Terms; and

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- (d) gives these acknowledgments, consents and agreements for the Lender's benefit and for any credit reporting body or other credit provider that the Lender discloses personal or credit-related information to.

3. Advance of Principal

Subject to:

- (a) the Availability of Funds at the time of the proposed advance; and
- (b) the Borrower meeting and continuing to meet the Eligibility Criteria,

the Lender will advance the Principal to the Borrower.

4. Interest

4.1 Interest on the Amount Owing will be calculated on a daily basis by applying the Published Rate then current to the Amount Owing at the close of business on each day during the Term (on the basis of a 360 day year). The Lender will provide 60 days' prior notice of any changes to the Published Rate.

4.2 Interest will accrue and will be payable on each Interest Payment Date in respect of the Interest Period which has most recently ended.

4.3 Interest not paid when due will form part of the Amount Owing and will itself accrue interest in accordance with this clause 4.

4.4 From time to time the Lender may, in its absolute discretion, enter into a separate arrangement (**Interest Rate Rebate Arrangement**) with the Borrower under which the Lender agrees to rebate or reduce the Published Rate in respect of the Loan. Any Interest Rate Rebate Arrangement entered into shall only operate while Saputo Dairy Australia is the Lender and shall immediately cease to apply to the parties as soon as the Lender serves on the Borrower a notice (**Interest Rebate Cessation Notice**) terminating the Interest Rate Rebate Arrangement.

5. Repayment

5.1 The Lender may in its discretion, on the application of the Borrower, extend the date for repayment of the Principal by giving written notice to the Borrower. No extension will be permitted if:

- (a) the Borrower is in arrears in meeting any repayment obligations under the Repayment Schedule; or
- (b) a Default Event or a Prospective Default Event has occurred and is subsisting.

5.2 The Borrower must repay the Amount Owing to the Lender, immediately and in full:

- (a) upon issue by the Lender of a Termination Notice; or
- (b) on the Repayment Date, whichever comes first.

5.3 Subject to clause 5.2, instalments of the Principal must be repaid during the Term in accordance with the Repayment Schedule.

5.4 Each Borrower unconditionally and irrevocably authorises and directs Saputo Dairy Australia, without prejudice to Saputo Dairy Australia's other rights under the Loan Terms or at law:

- (a) to deduct and withhold from the Borrower's Milk Proceeds amounts due to the Lender under the Loan; and

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- (b) to set off against any other moneys which become due and payable by Saputo Dairy Australia to the Borrower on any account whatsoever any amounts due to the Lender under the Loan.
- 5.5 Saputo Dairy Australia may make the deductions, withholdings and set offs referred to in clause 5.4, even if Saputo Dairy Australia has assigned its rights in respect of the Loan, provided that Saputo Dairy Australia must procure that amounts thereby deducted, withheld, set off or realised must be applied towards payment of the Amount Owing.
- 5.6 To the extent to which amounts deducted, withheld, set off or realised in accordance with clause 5.4 or 5.5 are insufficient to satisfy in full amounts owing by the Borrower under the Loan, the Borrower's obligation to pay those amounts continues.
- 5.7 The Borrower may make additional repayments of all or any part of the Principal at any time. Such payments will be applied by the Lender in accordance with clause 7 and will not affect the obligation of the Borrower to comply in full with its obligations under clauses 5.2 and 5.3.
- 6. Taxes and costs**
- 6.1 The Borrower must pay on demand pay to the Lender, and indemnifies and will keep indemnified the Lender against:
- (a) all Taxes which the Lender incurs or remits or becomes liable to remit in connection with the Loan or the payment of any interest or any other amount by the Borrower to the Lender;
- (b) all reasonable costs (on a solicitor and own-client basis) incurred by the Lender in relation to the enforcement or attempted enforcement of any of the Lender's rights under the Loan Terms or in relation to the Loan.
- 6.2 Any amount demanded by the Lender under clause 6.1 but not paid by the Borrower will form part of the Amount Owing and will accrue interest in accordance with clause 4.
- 7. Application of funds**
- Funds received by the Lender from or on behalf of the Borrower will be applied in the following order:
- (a) first – in payment of any Taxes and costs which have been demanded by the Lender under clause 6 but which remain unpaid by the Borrower;
- (b) second – in payment of any interest which has accrued and is payable under clause 4 but which remains unpaid by the Borrower; and
- (c) third – in reduction of the Principal.
- 8. Default and termination**
- 8.1 The Lender may give a notice (**Rectification Notice**) to the Borrower if any one or more Default Events occur.
- 8.2 The Rectification Notice must specify the nature of each Default Event to which it relates and must specify a time period for the rectification of each Default Event (being a period of not less than 3 Business Days).
- 8.3 If the Borrower is able to demonstrate to the satisfaction of the Lender (acting reasonably) that each Default Event specified in a Rectification Notice has been rectified within the time specified in the Rectification Notice, the Lender will withdraw the Rectification Notice.

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8.4 If the Borrower is not able to demonstrate to the satisfaction of the Lender (acting reasonably) that each Default Event specified in a Rectification Notice has been rectified within the time specified in the Rectification Notice, the Lender may issue a written notice (**Termination Notice**) to the Borrower terminating the Loan.

8.5 A certificate signed by or on behalf of the Lender and stating the Principal, accrued interest, taxes and costs or any other amount of money owed by the Borrower on a certain date, or any other matter in respect of the Loan, is conclusive evidence of that amount or matter unless proved incorrect.

9. General

9.1 The Lender may change:

- (a) the Published Rate, or any term of these Loan Terms that affects the frequency, time for repayment of Principal or interest, the method of calculation of interest, or the application of any fees and charges, by giving the Borrower at least 60 calendar days' prior written notice of the change; or
- (b) any other terms of these Loan Terms by giving the Borrower notice in writing.

A change of the kind contemplated by (b) takes effect when the notice is given or at any other time specified in the notice.

9.2 If a party named in these Loan Terms consists of 2 or more individual parties then:

- (a) any agreement, representation, warranty on the part of the named party binds the individual parties jointly and each of them severally; and
- (b) any agreement representation or warranty for the benefit of the named party is for the benefit of the individual parties jointly and each of them severally.

9.3 Where the Borrower makes any Application or receives any advance of Principal in the Borrower's capacity as the trustee of a trust (and whether or not that trust is disclosed to the Lender), the Borrower warrants to and for the benefit of the Lender that the terms of the deed or other instrument establishing the trust authorise the Borrower to enter into and perform its obligations under these Loan Terms.

9.4 The Lender may at any time, and without needing to obtain the consent of the Borrower, assign in whole or in part its rights in respect of the Loan. The Lender will use its best endeavours to notify the Borrower of any such assignment.

9.5 The Borrower may not assign, and must not purport to assign, any of the Borrower's rights, powers or obligations in respect of the Loan without the prior written consent of the Lender, which the Lender may give or withhold in the Lender's entire discretion.

9.6 Except as expressly permitted under these Loan Terms, payments must be made in Australian dollars without set-off, deduction or withholding of any kind.

9.7 The Loan and these Loan Terms are governed by the law of Victoria and the parties submit unconditionally to the courts of that jurisdiction.

9.8 Notices in relation to the Loan must be in writing and must be delivered or sent by post:

- (a) if addressed to the Lender – to the Lender at its registered office for the time being; or
- (b) if addressed to the Borrower – to the postal address specified in the Application or such other address as may be notified to the Lender from time to time.

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Privacy and Credit Reporting

Your information is being collected by Saputo Dairy Australia Pty Ltd ACN 166 135 486 (**we** or **us**). You can contact us via email at privacyofficer@mgc.com.au or by telephone on (03) 9040 5000.

Privacy Collection Statement

We collect, use, hold and disclose your personal information about you in accordance with our privacy collection statement, a copy of which can be accessed at www.mgc.com.au/working-with-us/privacy/.

Credit Reporting Collection Statement

In this statement, “**credit-related information**” means credit information, credit eligibility information and CRB derived information as those terms are defined in the *Privacy Act 1988* (Cth).

We collect, use, hold and disclose credit-related information about you for the purposes of assessing your creditworthiness (or the creditworthiness of your related company or other entity) in connection with an application for credit that has been made to us. You expressly consent to us undertaking a consumer and/or commercial credit check on you in connection with any credit to be provided to you (or to your related company or other entity) or any credit which you agree to guarantee. If you offer to, or we request that you, guarantee any credit provided to your related company or other entity, we may use your credit-related information to assess your suitability as a guarantor of that credit. We may also obtain a credit rating or credit assessment score about you from a credit reporting body and/or derive our own score, and then use this score in assessing your credit worthiness for the purposes listed above. If the application is successful, we may also use your credit-related information to manage our business or other relationship with you (or your related company or other entity) and to arrange payment for the products and services that we supply (including to enforce any guarantees if applicable).

We may collect your credit-related information about you from the credit reporting bodies that we deal with and from other credit providers who have provided credit to you. We may use and hold this credit-related information in order to conduct a credit assessment on you and to decide whether to provide you (or your related company or other entity) with products and services on credit. We may also conduct searches of publically available information relating to you, or make informal enquiries of your trade creditors, in order to determine who else may provide credit to you. We may then contact these other credit providers and collect credit-related information and other information about you from them. If requested, we may also disclose credit-related information that we hold about you to these other credit providers.

We may disclose your credit-related information to our related companies and to third parties, including debt collectors, credit management agencies, other credit providers, credit reporting bodies and to government bodies and regulatory authorities (where required or authorised by law). We may also disclose your information to third party service providers who provide services to us or who provide services to you on our behalf. Some of these third parties may be located in one or more overseas countries or hold this information in overseas countries, including in New Zealand.

The credit reporting bodies that we may disclose your information to are:

- Dun & Bradstreet (Australia) Pty Ltd (see www.checkyourcredit.com.au/ContactUs for contact details); and
- Veda Advantage Information Services and Solutions Limited (see <http://www.veda.com.au/contact-us> for contact details).

Credit reporting bodies collect credit-related information about individuals from a range of sources to provide credit reports about these individuals to their customers (including us). Where we provide your credit-related information to these credit reporting bodies, they may include this information in reports that they subsequently provide about you to other credit providers in order to assist those entities to assess your credit worthiness. You have a right to obtain a copy of the credit reporting policies of any credit reporting bodies that we disclose your credit-related information to. If you would like to obtain a copy of any of these policies, you should contact the relevant credit reporting body directly using the contact details set out above.

If you (or your related company or other entity) do not pay for our products and services in accordance with our agreement with you, if you (or your related company or other entity) defraud us or try to do so, or if you (or your related company or other entity) otherwise commit a serious credit infringement, we may disclose details of these defaults to the credit reporting bodies that we deal with. If we need to take these steps, this may affect your ability to obtain a loan or other credit in the future.

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You have a right to access the credit-related information that we hold about you, to correct that credit-related information and to make a complaint about our handling of your credit-related information. Our Credit Reporting Policy provides more information on how you can exercise these rights. This policy may be accessed at www.mgc.com.au, or you may obtain a copy in an alternative format by contacting us using the details set out at the top of this statement.

You also have a right to:

- request that credit reporting bodies do not use any credit-related information held by them for the purposes of pre-screening any direct marketing by credit providers (including us); and
- request that credit reporting bodies do not disclose your credit-related information in circumstances where you reasonably believe that you have been a victim of fraud or identity theft.

If you would like to make either of these requests, you should contact the credit reporting bodies using the contact details set out above.