



Australian Banana Company Terms of Trade in accordance with the Horticulture Code of Conduct

These Australian Banana Company Terms of Trade are effective from 10 October 2007 and apply to trade in horticulture produce with Australian Banana Company Pty Ltd (ABN 41 110 475 833)

HOW WE WILL TRADE WITH OUR SUPPLIERS

We will act as an **agent** in all transactions with you.

DEFINITIONS

ABC or **Australian Banana Company** mean Australian Banana Company Pty Ltd (ABN 41 110 475 833) of 319 Clifford Road, Innisfail, Queensland 4860.

Designated Wholesaler means a wholesaler chosen by us to sell each consignment of produce in a wholesale market in Australia.

GST means goods and services tax.

Horticulture Code of Conduct means the Horticulture Code of Conduct set out in the Schedule to the Trade Practices (Horticulture Code of Conduct) Regulations 2006.

Packhouse ('packhouse', 'us', 'we', 'our') means ABC.

Reporting Period ('reporting period', 'the report') means either the period between delivery of each individual consignment of horticulture produce that you send to us and the date that consignment is fully sold by a Designated Wholesaler, or two months, whichever is shorter.

Statement Period ('statement period', 'the statement') means 21 days after the end of the Reporting Period.

Supplier ('supplier', 'you') means a person who supplies horticulture produce to us.

HORTICULTURE PRODUCE AGREEMENT

All Suppliers of horticulture produce to ABC are required to have signed a Horticulture Produce Agreement with ABC as a condition of acceptance of any consignment of produce, unless the Supplier has a written agreement with ABC which was executed on or before 14 December 2006.

OUR FEE STRUCTURE

Our fee structure for all transactions is as follows:

- Packing charge:
 - Supplier marketed produce:
 - Class 1: \$6.40 plus GST
 - Premium: \$5.90 plus GST
 - ABC marketed produce:
 - Class 1: \$6.10 plus GST
 - Premium: \$5.60 plus GST
 - Supplier marketed produce (received in crates from the Supplier):
 - Class 1: \$5.95 plus GST
 - Premium: \$5.45 plus GST
 - ABC marketed produce (received in crates from the Supplier)
 - Class 1: \$5.65 plus GST
 - Premium: \$5.15 plus GST
- Bunch pick up fee:
 - \$0.02 per bunch per kilometre for a round trip of less than 40 kilometres – plus GST
 - \$0.015 per bunch per kilometre for a round trip of 40 kilometres or more – plus GST

If GST is payable on a supply of services by us to you, you must also pay the amount of that GST.

Our total fees and charges will consist of the fees or charges for the specific services we provide to you.

Applicable fees and charges will be deducted from the net FOB return price received by ABC from the Designated Wholesaler for a consignment which includes your produce, before any deductions for statutory levies and other charges. If no return price is received by ABC for a consignment of your produce, you must still pay ABC's applicable fees and charges for the services supplied to you by ABC in respect of that consignment.

ADDITIONAL SERVICES

If you elect to use any other services provided by us then the charge for these services will be deducted from your return after we have deducted our commission.

The price for other services will be agreed in writing before such services are scheduled to commence.

RESPONSIBILITIES OF EACH PARTY

We agree to:

1. trade in horticulture produce with you as an agent;
2. advise you in writing of any quality specifications or requirements in relation to the horticulture produce prior to you sending horticulture produce shipments;
3. advise you, upon request, of an indicative price before you send each horticulture produce shipment;
4. hold insurance for horticulture produce under our control. The details of the insurance policy for ABC is as follows:
 - (a) the insurance policy is with Wesfarmers;
 - (b) the maximum value of claims covered by the policy is \$80,000;
 - (c) the policy covers fire, theft and accidental damage (other than deterioration of quality or any other inherent losses);
5. confirm the net price with you as soon as practical after the sale of the horticulture produce by us;
6. pay the confirmed net price to you within 21 days of the end of the Statement Period;
7. be responsible for the collection of all outstanding debts on your behalf;
8. deduct all State, Federal and voluntary charges relating to the produce concerned from the price paid to you;

9. inform you of any problem or discrepancy with the horticulture produce immediately upon discovery of the problem or discrepancy in writing, and provide you with the reasons for the rejection and consequences of the rejection within 48 hours of discovery of the problem or discrepancy. A discrepancy may occur where you have not met quality, quantity or labelling specifications set out by us in clause 2 below under "You agree to", you have delivered horticulture produce to us without it conforming with necessary specifications, or you have delivered horticulture produce to us without first having signed a Horticulture Produce Agreement;
10. if we can not reach agreement with you on how to trade the rejected produce you may either engage a Horticulture Produce Assessor (at your cost) to undertake an independent assessment or notify us in writing that you instruct us to return your consignment of produce, in each case within 24 hours of our notice of rejection of the produce. If you do not elect to appoint an assessor or instruct us to return your consignment, we will deal with the produce as we see fit, taking into account our obligation to exercise all reasonable care and skill in handling and storage, whether this is through achieving a sale at a reduced price, or disposing of the horticulture produce and obtaining a disposal certificate;
11. provide additional services requested by you as agreed by both parties;
12. promptly answer any concerns or deal with any complaints from you firstly in accordance with our dispute resolution procedures, and then by the procedures set out in the Horticulture Code of Conduct; and
13. permit you, at any reasonable time by appointment, to visit us and discuss details such as the sale price, customers etc. relating to the sale of your horticulture produce.

You agree to:

1. advise us before despatching each horticulture produce shipment;
2. ensure that horticulture produce delivered to us meets the specifications normally expected for that class of produce, and:
 - (a) the horticulture produce supplied is grown under a third party accredited HACCP program; and
 - (b) the horticulture produce supplied meets the DPI protocol ICA06;
3. be responsible for all costs of delivery of the horticulture produce to our designated point of receipt for each consignment, the cost of which you can choose to meet by:
 - (a) electing to allow us to pick up the produce and charge a bunch pick up fee as outlined above; or
 - (b) electing to secure your own transport and pay your own costs directly with the transport company;
4. ensure that all deliveries reach our designated point of receipt for each consignment within the agreed timeframe set for each consignment;
5. promptly advise us of any horticulture produce that does not meet the requirements set out in clause 2 above, or that does not comply with our specifications as advised by us from time to time; and
6. promptly advise us of any concerns or complaints and use our dispute resolution procedures in the first instance, before following the procedures as set out in the Horticulture Code of Conduct.

VARIATION OF ABC TERMS OF TRADE

We may vary or replace these Terms of Trade by giving you seven days notice and publishing the new terms of trade.

We reserve the right to vary or exclude the application of any of these terms in any Horticulture Produce Agreement entered into with a Supplier.

QUESTIONS AND CORRESPONDENCE

Any questions in relation to our Standard Terms of Trade or your Horticulture Produce Agreement should be directed to Nicole Spencer on (07) 4061 6833