



GRAINCORP OPERATIONS LIMITED

(ABN: 52 003 875 401)

COUNTRY STORAGE AND HANDLING AGREEMENT ("Agreement")

2009/2010 SEASON

Date:

Parties:

GRAINCORP OPERATIONS LIMITED (ACN 003 875 401)

of Level 26, 175 Liverpool Street, Sydney, NSW, 2000 ("**GrainCorp**")

and:

Client Name:	
Address 1:	
Address 2:	
ABN / ACN :	
Client Contact:	
Phone:	
Fax:	
Email:	
Client Code:	

("Client")

1. CONSIDERATION & TERM OF AGREEMENT

1.1. In consideration of the Client:

- (a) paying to GrainCorp the Fees payable under this Agreement; and
- (b) complying with the terms and conditions of this Agreement,

GrainCorp agrees to provide services to the Client at a Country Site owned and/or operated by GrainCorp for the storage, handling, sampling, testing, weighing and loading to vessel, rail wagon (where available) or road truck of the Client's Grain ("**Services**") in accordance with the terms and conditions set out in this Agreement excluding services at GrainCorp Port Terminals which are subject to separate agreements (**Bulk Wheat Port Terminal Services Agreement and Bulk Grain Port Terminal Services Agreement (Non Wheat)**).

- 1.2. This Agreement applies to all Services supplied by GrainCorp for or on behalf of the Client in relation to the Client's Grain for the period commencing on 1 October 2009 ("**Commencement Date**") and concluding on 30 September 2010 ("**Termination Date**") ("**Term**").
- 1.3. This Agreement shall be deemed to have been accepted by the Client and the Client and GrainCorp will be bound by the terms and conditions of this Agreement from the earlier of:
 - (i) the later date of execution of this Agreement by either party; or
 - (ii) the date that GrainCorp provides any.
- 1.4. On and from the Commencement Date, this Agreement supersedes any prior agreement between the parties that relates to the Services.

2. SCOPE OF AGREEMENT

- 2.1. This Agreement applies to the Services provided by GrainCorp for the Client at a Country Site including in relation to:
 - (a) Grain physically received into GrainCorp Storage directly from or on behalf of the Client;
 - (b) Grain which is transferred to the Client where the transferred Grain was the subject of a Grower Warehouse Agreement; and
 - (c) Grain which is transferred to the Client where the transferred Grain was the subject of a Bulk Wheat Port Terminal Services Agreement, a Storage and Handling Agreement or a Bulk Grain Port Terminal Services Agreement (Non Wheat).
 - (d) For the avoidance of doubt, where a Client has a relationship with GrainCorp governed by a Country Storage and Handling Agreement, a Bulk Wheat Port Terminal Services Agreement and a Bulk Grain Port Terminal Services Agreement (Non Wheat), all of the Client's stock contracted under the separate agreements will be considered in concert for the purposes of **Clauses 5.28 and 5.29** of this Agreement.
- 2.2. During the Term, GrainCorp will sample, provide quality testing services for, weigh, store and load to rail or (if available) road transport, all Grain received by it under the terms of this Agreement.
- 2.3. The terms of this Agreement do not extend to loading Grain into shipping containers at Port Terminals. Other than as set out here, the terms for loading containers are the subject of separate terms and conditions which may be agreed between the parties.

- 2.4. These terms and conditions do not extend to the importation of Grain from vessels at the Port Terminal which are subject to separate terms and conditions between the parties.
- 2.5. This Agreement is not an open offer or a representation that GrainCorp will provide the Services to the Client for any minimum or maximum quantity or quality of Grain, nor is it a representation that GrainCorp will provide the Services for all of the Client's requirements. Where GrainCorp does provide the Services, it does so in compliance with the terms of this Agreement which include the annexures, and both parties commit to the procedures included in the Agreement.
- 2.6. The Client acknowledges that any Annexure which forms part of this Agreement may be amended by GrainCorp providing at least 30 days prior written notice to the Client. Following this notice period, the revised Annexure will form part of the Agreement and shall apply from the date of such notice.

3. SERVICES PROVIDED BY GRAINCORP UNDER THIS AGREEMENT

Receival of Grain

- 3.1. During the Term of this Agreement GrainCorp will use its reasonable endeavours to receive Grain into storage in accordance with the Client's request and subject to any restrictions, limitations or other conditions in this Agreement. At all times GrainCorp retains the final discretion as to what specifications and quantities of Grain or grade it will receive into GrainCorp Storages.
- 3.2. Notwithstanding any other provision of this Agreement, the Client acknowledges that:
 - (a) Grain received and stored by GrainCorp may be stored in common (i.e. commingled) with Grain received from other GrainCorp clients, and Grain may be segregated due to, but not limited to, pesticide residues, genetic status and phytosanitary requirements;
 - (b) Grain received and stored by GrainCorp of Feed Grade may be commingled with Grain of the same type and grade but of a different growing season;
 - (c) it understands and has advised all of its suppliers, that Grain suspected to contain residues or which may otherwise be contaminated may **not** be delivered to or accepted at any GrainCorp facility. If such delivery is made for or on behalf of the Client, GrainCorp will not be responsible to any party for any Claim of Loss howsoever alleged or suffered; and
 - (d) this Agreement shall not be construed as a lease or licence of any storage facilities or land upon which any storage facility is located.
- 3.3. For the purposes of this Agreement, the grade of Grain will be determined by GrainCorp in accordance with the Receival Standards unless otherwise agreed in advance of any testing or sampling by GrainCorp, and in writing between GrainCorp and the Client.

Reclassification of Malting Barley

- 3.4. Notwithstanding **Clause 7.9** GrainCorp may reclassify any malting barley stored under this Agreement to that of feed barley standard where the germinative quality as determined by the timetable established under **Clause 3.11** is less than 95% and GrainCorp's stock provision obligation will be reduced to that of feed barley standard. Any such reclassification will only be conducted after consultation with the Client.

Grain Price Display

- 3.5. GrainCorp will display the Client's Cash Price and/or Pool Price for the receipt of Grain on behalf of the Client at agreed Sites in accordance with this **Clause 3.5** and the procedures agreed between the Client and GrainCorp from time to time. GrainCorp provides these services at no additional cost to the Client. GrainCorp is not liable for any Claims by the Client, a Grower or any other person in respect of a purchase of Grain by, or sale of Grain to, the Client arising out of or in connection with the Cash Price and/or Pool Price displayed by GrainCorp under this **Clause 3.5**.
- 3.6. The Client expressly indemnifies and releases GrainCorp and its employees, agents and contractors for and against any Loss howsoever arising, suffered or incurred by them in connection with all Claims. GrainCorp's employees, agents and contractors have the benefit of this indemnity and release and to that extent, GrainCorp enters into this Agreement as agent or trustee on their behalf.
- 3.7. The Client may at any time between 9:00am and 5:00pm (AEST) on a normal working day (weekend and bank and public holidays in the state of Victoria excluded) request GrainCorp to withdraw a Cash Price or Pool Price from any GrainCorp Storages on or during the day of applicability of that price. GrainCorp will endeavour to administer this price withdrawal within 3 hours of receipt of the appropriate written notice. An administrative fee may be applicable for this withdrawal (refer to Annexure A). Notification of a price withdrawal request must be made in the following manner:
- (a) by facsimile detailing price to be withdrawn listing grade, Sites and date of applicability to GrainCorp Supply Chain on (02) 8570 4700; and
 - (b) by email to cashprice@graincorp.com.au.

GrainCorp will send an acknowledgment to the Client of the receipt of the faxed and emailed request for price withdrawal.

- 3.8. GrainCorp may, with the Client's written consent, provide a copy of the Client's daily price file to CLEAR Commodities Pty Ltd.

Quality Testing Services

- 3.9. Where Grain has been received into GrainCorp Storages, the same grade classification of this Grain given at the GrainCorp Storages will apply to Grain being received into the Port Terminals.

- 3.10. GrainCorp will provide protein (if applicable), oil (if applicable), moisture, screenings, defective grain and contaminant testing services for Grain received at Country Sites. GrainCorp will provide falling number testing of Grain upon receipt at GrainCorp Storages as determined by GrainCorp. Grain analysis resulting in grade or scale classification will be performed using instruments which comply with the provisions of the Commonwealth Government's National Measurement Act (1960) and National Measurement Regulations (1999). All other testing will be performed in accordance with the Receival Standards for the relevant Grain type and grade.
- 3.11. Germination testing of barley will only be conducted during non harvest periods at times and locations mutually agreed between GrainCorp and the Client.
- 3.12. GrainCorp defines "Nil" as less than 0.01% by weight where a Nil tolerance is specified in the Receival Standards.

Pest Control

- 3.13. Unless otherwise agreed in advance by the parties in writing, GrainCorp may treat all Grain with approved chemicals or treatments as per applicable codes and regulations including the Australian Pesticides and Veterinary Medicines Authority and Food Safety Australia and New Zealand codes. GrainCorp will provide a list of approved chemicals and treatments to the Client on request.
- 3.14. If the Client requests and GrainCorp agrees to a different chemical or treatment strategy for a specific Country Site, an additional fee may be charged by GrainCorp and payable by the Client for the agreed treatment.
- 3.15. Where fumigation or other certificates are required by the Client, GrainCorp will apply a charge for the administration of these certificates. Any certification requirements must be lodged as part of a Cargo Nomination Application or Grain Stock Order Form. These certificates may not be obtainable in a format suitable for some requirements. GrainCorp accepts no responsibility for certification requests that have not been agreed between the Client and GrainCorp prior to a Cargo Nomination Application or Grain Stock Order Form approval.
- 3.16. GrainCorp will regularly inspect Grain stored for the Client. If infestation is detected in Grain in a Country Site, the Grain will be disinfested and treated at GrainCorp's cost. GrainCorp is not required to obtain the Client's approval to disinfest Grain but will advise the Client of the infestation and any disinfestation performed if this pertains to stock nominated by the Client for outturn.

Outloading of Grain

- 3.17. If a Client wishes to remove a tonnage of its Grain from GrainCorp Storage by loading rail or road transport, the Client must complete and execute a GrainCorp approved Grain Stock Order Form and follow the procedure set out in the instructions on that form. GrainCorp is not required to load Grain until:
 - (a) the Grain Stock Order Form has been properly completed and executed by the Client to GrainCorp's satisfaction; and

- (b) the procedures set out on the Grain Stock Order Form have been followed to GrainCorp's satisfaction.

The minimum period for notifying GrainCorp of rail outloading is 12 noon on Monday (or the next working day if the Monday is a public holiday in the state of Queensland from where GrainCorp manages its company wide logistics operations) in the week prior to the week that the Client requires the outloading services.

The minimum period for notifying GrainCorp for road outloading Services, is:

- (1) at Primary Silos, outloading requests must be received by GrainCorp prior to 3pm on the business day (in the state of Queensland) before the date that the Client requires the outloading Services. Minimum order tonnage is not applicable. The Client's outloading request is subject to the grade being shown as available on the Grain Availability Sheet of the current week; and
- (2) at non-Primary Silos, outloading requests must be received by GrainCorp prior to 3pm two business days (in the state of Queensland) before the date that the Client requires the outloading Services. Minimum order tonnage limitations are not applicable however the Client's outloading request is subject to the grade being shown as available on the Grain Availability Sheet of the week in which the outloading Services are to be performed. Where the grade is shown as 'by arrangement', outloading will be subject to labour availability to GrainCorp.

Further, the Client must:

- (3) ensure that its road transport provider advises GrainCorp of vehicle registration details by 5pm the business day prior to the date when the outloading Services are to be performed. If the Client uses the GrainCorp web truck booking program (available at www.graincorp.com.au) this will be extended to 6:00am on the day of outloading; and
- (4) provide destination details for all road orders.

The outloading notification requirement may change from time to time and if so, it will be advised by GrainCorp in advance. The outloading of Grain is subject to local operating arrangements, legislative and regulatory requirements and compliance, availability of rail and road transport, fumigation requirements and periods of non access and prevailing weather conditions.

3.18. Once Grain is removed from GrainCorp Storage (ordinarily determined as the point where the Grain passes over the rail of the vessel/ vehicle/rail carriage):

- (a) As per **Clauses 5.1-5.9**, the Grain no longer forms part of the Stored Grain and the Client becomes the full owner of that Grain bearing all risk and responsibility; and

- (b) the GrainCorp Stock Management System will be updated either manually or automatically to reflect the remaining Interest (if any) of the Client.

Preconditions to Any Outturning or Outloading Services

3.19. Without limiting any other provision in this Agreement, the following preconditions apply before any outloading or outturning Services are to be provided:

- (a) GrainCorp is not responsible for the cleanliness, fitness for loading or carriage of Grain, of any mode of transportation nominated by the Client. If AQIS determines or if acting reasonably, GrainCorp determines that the Client's selected mode of transportation is not clean, fit for loading or carriage then it may suspend or refuse to provide and outturning or outloading Services and in no circumstances will GrainCorp be liable for any delay, Loss or Claim and the Client shall meet all of GrainCorp's costs, expenses or losses associated with the rejection, suspension or cancellation of the scheduled outturning or outloading Services; and
- (b) Prior to physically outturning or outloading any Grain, GrainCorp reserves the right to invoice the Client and receive payment in full for any related outturning or outloading services, failing which GrainCorp is not required to commence any such outturning or outloading services. On completion of any outturning or outloading services, the Client must within 30 days pay for any additional costs, services and Fees for Grain outturned or loaded additional to the quantity invoiced. If the quantity outturned or outloaded is less, then GrainCorp will within 30 days refund to the Client the difference.

4. CONDITIONS OF SERVICES PROVIDED BY GRAINCORP UNDER THIS AGREEMENT

New Season Agreement and Holding Over

4.1. The parties will be bound by the terms and conditions of the Country Storage and Handling Agreement issued for the 2010/11 grain season (**2010/2011 Agreement**) from the earlier of:

- (i) the date of execution by the Client of the 2010/2011 Agreement; or
- (ii) the date that GrainCorp stores and handles Grain on behalf of the Client during the 2010/2011 grain season commencing on 1 October 2010.

In the event that such agreement is not published prior to 1 October 2010 or is otherwise delayed, then GrainCorp and the Client continue to be bound by the terms of this Agreement subject to amendments, and revised Fees that apply for the 2010/11 season, as will be notified to the Client before 1 October 2010.

Hours of Operation

4.2. GrainCorp is not required to receive or load Grain except as set out in this Agreement other than during the normal business hours and days including

travelling time as may be required (as determined by GrainCorp from time to time) of the GrainCorp Storage at which receipt or loading is proposed. If GrainCorp agrees at the Client's request to receive or load Grain outside of those hours or days the Client must pay for the receipt or for loading to rail or road transport the Fees as set out in Annexure A for the appropriate facility type. Appropriate fees will be negotiated between GrainCorp and the Client in those circumstances where the service required by the Client is not covered in the Fees detailed in Annexure A.

Appropriate fees will be negotiated between GrainCorp and the Client in those circumstances where the service required by the Client is not covered in the fees detailed in Annexure A

Rail Transport Providers

- 4.3. If GrainCorp receives the Client's Grain by rail transport or is required to outturn the Client's Grain to rail transport the Client must:
- (a) ensure that the Client's rail service provider:
 - (1) has all approvals, licences and authorisations required to operate rail services, and has adequate systems to provide the necessary rail and related services to the Client in a timely, safe and professional manner;
 - (2) provides rail wagons and other related equipment utilised in the transport of Grain that are clean and empty of any grain residue and/or contaminants, free from defects, well maintained, rail and carriage worthy, and that avoid risk of any damage to property or injury to any person including GrainCorp employees, agents and contractors;
 - (3) (where the train crosses certified rail weighbridges) issues actual weights of tonnage carted for the purpose of determining actual stock outloaded. This information must be forwarded direct to GrainCorp from the rail service provider;
 - (4) provides an acceptable audit system for the notification of defects in rail wagons. (Any defect reported by GrainCorp will be recorded and the Client must ensure that remedial action taken by the Client's rail service provider or alternative transportation must then be arranged by other means or a different rail service provider. GrainCorp will be advised when corrective action has been completed on the defective rail wagon. The rail service provider will not allow the defective rail wagons to be loaded until the defect has been remedied and confirmed to GrainCorp);
 - (5) minimises and avoids all risk of damage or injury to all persons, and the protection of same, including the protection of GrainCorp employees, agents and contractors by providing wagons with top door opening/closing mechanisms which do not require GrainCorp employees to climb onto the wagon to open or close the rail wagon doors; and
 - (6) participates in safety audits conducted at or near GrainCorp Storages so that risks of injury to any persons including to GrainCorp employees are

identified, and addresses and remedies any risks related to rail wagons identified in the course of such safety audit.

The Client shall bear all risk and responsibility for the actions and / or omissions of its rail service provider, including any Loss or Claim howsoever connected to the engagement of the rail service provider, or the performance of the rail or related services.

- (b) The Client acknowledges that, unless advised otherwise by GrainCorp, the loading of Grain into rail wagons by GrainCorp does not include:
- (1) the movement or shunting of rail wagons by any means; or
 - (2) the opening and closing of wagon lids and discharge hatches on rail wagons.

4.4. GrainCorp does not warrant that the tonnage loaded into rail transport provided by or on behalf of the Client to a GrainCorp Storage will be loaded to the Nominated Capacity.

Road Transport Providers

4.5. If the Client requires GrainCorp to receive or outturn Grain by road transport, the Client must:

- (1) ensure that vehicle operators engaged by the Client for the purposes of delivering or outturning Grain by road to/from GrainCorp Storages comply with all laws and regulations, including those in respect of safety, the environment, carriage of goods and chain of responsibility, are conversant with site safety procedures and have undergone a site induction program prior to entering GrainCorp Storages;
- (2) ensure that vehicle operators are advised that they must not, and thereafter do not, require or request GrainCorp staff to climb on vehicles for any purpose or assist with securing of loads;
- (3) engage road transport providers and ensure that they provide associated equipment that is registered, insured, operated by licensed and physically capable operators, is clean, safe, and fit for purpose prior to entering a GrainCorp Storage;
- (4) provide the prescribed minimum notice to outturn to road as set out in **Clause 3.17** above. Notwithstanding this minimum notice period, GrainCorp does not guarantee the availability of outloading operations regardless of the period of notice. GrainCorp may levy additional charges as described in Annexure A where this minimum notice period is not observed; and
- (5) provide the vehicle registration numbers of all road transport allocated to load Grain from GrainCorp Storages for the purpose of transporting Grain from GrainCorp Storage for or on behalf of the Client.

4.6. If the Client requires GrainCorp to outturn Grain by road transport, GrainCorp will not permit loading beyond the legal mass prescribed by the relevant legislation in

each state for that road transport configuration, and the Client will have no Claim against GrainCorp for any Loss connected to such directions or restrictions.

5. TITLE TO GRAIN AND GRAIN ACCOUNTING OBLIGATIONS

Co-ownership

- 5.1. Notwithstanding any other provision of this Agreement (but subject to **Clauses 5.25 and 5.26**), the Client acknowledges that when GrainCorp receives the Client's Grain and both of the following occur:
- (a) the weighbridge documentation notates the tare weight and the final net mass of the load is known, and
 - (b) the Client (or the Client's agent) has signed the Receival Docket,
- then the Client's Grain becomes Stored Grain. At this time, full ownership in the Grain automatically transfers from the Client to the Co-owners, and in return, an Interest transfers from the Co-Owners to the Client. As a result, the Client becomes a Co-owner of all the Stored Grain.
- 5.2. For the purposes of this Agreement, the percentage of the Stored Grain which the Grain makes up, and which therefore constitutes the Client's Interest in the Stored Grain, will be determined by GrainCorp, using the records GrainCorp is required to keep pursuant to **Clauses 5.38 to 5.40**. For the avoidance of doubt the Client's Interest represents an ownership right to Grain of the same type and grade of the Grain that was classified by GrainCorp and delivered by the Client (and not the same physical Grain that is delivered by the Client).
- 5.3. Each Co-owner holds its Interest as a tenant in common.
- 5.4. If GrainCorp becomes insolvent, each Co-owner will assert its right of ownership commensurate to its Interest.
- 5.5. A Co-owner may, subject to the terms and conditions of this Agreement, deal with its Interest as an owner, including:
- (a) transferring all or part of its Interest to another Co-owner;
 - (b) removing Grain with GrainCorp's approval from the Stored Grain;
 - (c) transferring all or part of its Interest to a third party;
 - (d) mortgaging or assigning all or part of its Interest by way of security; and
 - (e) granting a fixed or floating charge over all or part of its Interest.
- 5.6. In respect of each Co-owner, provided that the Co-Owner complies with all its obligations under this Agreement, GrainCorp has possession of the Co-owner's Stored Grain but no legal or equitable title to any part of it, except to the extent that GrainCorp is a Co-owner.
- 5.7. GrainCorp may become a Co-owner by adding Grain to the Stored Grain. In accordance with **Clause 5.1**, full ownership in any Grain added to the Stored Grain by

GrainCorp is transferred to the Co-owners. In return, the Co-owners transfer to GrainCorp an Interest.

- 5.8. GrainCorp must maintain records in respect of its Interest in accordance with **Clauses 5.38 to 5.40**.
- 5.9. Except as set out in **Clause 6.13**, in respect of each Co-owner, provided that the Co-Owner complies with all its obligations under this Agreement, GrainCorp may only deal with Stored Grain as owner of its own Interest and not as the owner of the Interest of the Co-owner. This applies in particular, to the removal of Grain from the Stored Grain.

Transfer of Title

- 5.10. If a Client (as seller) wishes to transfer a tonnage of Grain (being all or part of its Accounting Stock Tonnage) to another GrainCorp client (or swap a tonnage of Grain between the Client and another GrainCorp client), the Client must either:
 - (a) complete and execute a Buyer to Buyer Title Transfer Form (or Stock Swap Form) and follow the procedures set out in the instructions on that form. Grain is not transferred until the Buyer to Buyer Title Transfer Form (or Stock Swap Form) is also executed by both the GrainCorp client receiving the transfer and GrainCorp. The GrainCorp Stock Management System will be updated manually to reflect the revised Interests of the Client and the transferee. The transfer (swap) is effective, after execution by all parties, on the date on which the seller (initiator) signs the Buyer to Buyer Title Transfer Form (or Stock Swap Form); or
 - (b) complete and execute the Buyer to Buyer Title Transfer Form on the GrainCorp web page using the GrainCorp Buyer to Buyer Software as per **Clauses 5.11 to 5.22** and follow the procedures as agreed to between the Client and GrainCorp from time to time. Title will transfer in the GrainCorp Stock Management System upon the Client clicking on the 'Confirm' button. The transfer (swap) is effective on the date on which the seller (initiator) processes the transfer of title on the GrainCorp web page.

Grain may be transferred in accordance with this provision only to another GrainCorp client.

- 5.11. GrainCorp provides this service to the Client to facilitate the transfer of all or a part of the Interest of the Client, as recorded in the GrainCorp Stock Management System, to another GrainCorp client. This service provided by GrainCorp does not constitute or represent the agreement or terms and conditions for the sale of Grain from the Client to another GrainCorp client.
- 5.12. The Client must regularly update and keep secure the password created by the Client to access the GrainCorp Buyer to Buyer Software. To limit the Client's liability, the Client must notify GrainCorp immediately by telephone on (02) 9325 9191 during business hours in the state of New South Wales (9.00am to 5.00pm AEST, excluding bank and public holidays) if the Client believes that a user's password has become known to anyone other than the intended user.

- 5.13. The Client must provide a minimum of two (2) email addresses for the transmission of confirmation of transfer and it is the Client's responsibility to maintain the email addresses to be used for confirmation of transfers and these email addresses must be kept current. GrainCorp is not liable for any Claim or Loss incurred by the Client or any other person arising out of or in connection with the Client's failure to advise GrainCorp of the changes to email addresses.
- 5.14. GrainCorp may allow any employee of the Client, authorised by the Client in writing, access to this software. More than one user from the Client can have access to the application and password sharing is not required, nor recommended.
- 5.15. The Client must advise GrainCorp of all persons whom the Client no longer requires or authorises to have access to the Software on behalf of the Client. GrainCorp is not liable for any Loss incurred by the Client or any other person arising out of or in connection with the unauthorised use of this software by a former staff member of the Client where the Client has failed to advise GrainCorp of changes to staff with access to this software.
- 5.16. The Client must not attempt to transfer to another party more than the Client's Accounting Stock Tonnage at the time of the transfer, as recorded in the GrainCorp Stock Management System. Any attempt to do so will result in the revocation of access rights.
- 5.17. All or a part of a Accounting Stock Tonnage will transfer in the GrainCorp Stock Management System upon the seller clicking on the 'Confirm' button.
- 5.18. All or a part of a Accounting Stock Tonnage may be transferred in accordance with this **Clause 5** only to another GrainCorp client. The transfer is effective, upon the seller clicking on the 'Confirm' button.
- 5.19. GrainCorp may reverse any transfer if:
- (a) the user is in default of payment of any Fees to GrainCorp; or
 - (b) the user has attempted to transfer more than their Accounting Stock Tonnage at the time of the transfer, as recorded in the GrainCorp Stock Management System; or
 - (c) in GrainCorp's opinion, the security of the Client has been breached; or
 - (d) the user is in breach of any term of this Agreement; or
 - (e) the user has selected a Buyer who is not a GrainCorp client,
- in which case GrainCorp has no liability for any Claim or Loss in connection with the reversal.
- 5.20. GrainCorp may at any time add, remove, change or impose restrictions on the functionality of the service without limitation and without recourse by the Client.
- 5.21. The Client acknowledges that GrainCorp will not be liable for any Claim or Loss incurred by the Client or any other person arising directly or indirectly by the use of the Buyer to Buyer Software due to:

- (a) any breakdown or interruption to the service that related to circumstances beyond GrainCorp's direct and immediate control; or
 - (b) the buyer of all or part of the Client's Accounting Stock Tonnage failing to honour the transfer or any contractual agreement between the two parties.
- 5.22. If a tonnage of Grain is transferred to the Client (as buyer) from another GrainCorp client (as seller) using the Buyer to Buyer Software as set out in this **Clause 5**, then:
- (a) if the Client rejects all or a part of the Grain that is transferred by the seller, the Client must transfer that Grain back to the seller within 5 days of the original transfer. If the Client fails to do so, it will be deemed to have accepted the transfer; and
 - (b) the Client acknowledges that the Grain accepted from the seller may not be at the location agreed on the transfer at the time of outturn.

Stock Swaps

- 5.23. The Client acknowledges that for Operational Reasons, GrainCorp can swap a grade of Grain with the same grade of Grain between GrainCorp Storages in the Natural Port Zone, and by entering into this Agreement the Client consents to any such stock swap occurring. GrainCorp will affect these swaps by filling out a Stock Swap Form, forwarding this form to the Client and amending the location of the Client's Accounting Stocks in the GrainCorp Stock System. An administration Fee may be applied by GrainCorp for this service.
- 5.24. For each stock swap effected under **Clause 5.23**, GrainCorp will advise the Client of the price differential in the applicable GTA location differential (if any) to the relevant Port Terminal. Where a payment is to be made by GrainCorp a Recipient Created Tax Invoice (as required under the relevant GST legislation) and a payment by electronic funds transfer will be sent to the Client within 21 days of the transaction. The Client has the option of providing GrainCorp an invoice in lieu of a GrainCorp produced Recipient Created Tax Invoice. Where an invoice is to be sent to the Client the invoice will form a part of the Client's normal GrainCorp monthly invoice as per **Clauses 6.1** and **6.2**.

Shrinkage

- 5.25. GrainCorp will reduce the recorded tonnage of Grain by a shrinkage allowance of
- (1) 0.5% by weight from each load of wheat, barley, ryecorn, triticale, safflower, canola, sorghum, rice and oats;
 - (2) 0.75% by weight from each load of soybean, faba bean, lentils, lupins and maize; and
 - (3) 1% by weight from each load of field peas, chick peas and sunflowers
- delivered into the Client's name into GrainCorp Storage. This includes Grower deliveries, Reival Docket transfers from Grower Warehousing and road and rail

receivals from any site, not being a Country Site. This excludes Grain which has been delivered to the Client by Title Transfer from another GrainCorp client in GrainCorp Storage.

- 5.26. These deductions will be applied such that the quantity of Grain available to the Client for Outloading or Title Transfer will be the reduced quantity. Where a shrinkage allowance is deducted under **Clause 5.25** title in the shrinkage residue (being a volume of Grain representing the amount deducted) will transfer to GrainCorp (and not the Co-Owners pursuant to **Clause 5.1**). After the Client's Accounting Stock Tonnage (which for the purpose of this **Clause 5.26** is taken to represent the Interest of the Client) as recorded in the GrainCorp Stock Management System has been outloaded, any shrinkage residue will be available for sale by GrainCorp as it sees fits. GrainCorp will retain all proceeds from the sale of any shrinkage residue.
- 5.27. Receival fees will be levied against the delivered tonnage. All other charges will be levied against the shrunk tonnage. Any dust and damaged Grain disposed of by GrainCorp will be to the account of GrainCorp and will not be considered to be outloaded on behalf of the Client.
- 5.28. Further to **Clause 2.1(d)**, if the actual outloading (after the deduction of shrink) of a particular type and grade of Grain is less than the Accounting Stock Tonnage, GrainCorp will in its discretion either:
- (a) provide sufficient additional Grain of the same type and grade from any GrainCorp Storage site to ensure that the net outloading of Grain to the Client is equivalent to the Accounting Stock Tonnage for the Client; or
 - (b) provide financial compensation to the Client for the shortfall in the net outloading. The financial compensation will be based on the fair market price for Grain of the relevant type and grade for the applicable season at the time of the last outloading.
- 5.29. If the actual outloading (after the deduction of shrink) of a particular type and grade of Grain is more than the Accounting Stock Tonnage, GrainCorp will at its discretion either:
- (a) transfer the Client's Grain of the same type and grade from a previous season or subsequent season to ensure that the net outloading of Grain to the Client is equivalent to the Accounting Stock for the Client, or
 - (b) receive financial compensation from the Client for the excess in the net outloading. The financial compensation will be based on the fair market price for Grain of the relevant type and grade for the applicable season.
- 5.30. Where the Accounting Stock Tonnage of a particular type and grade of Grain at any GrainCorp Storage is between the values -1.00 and $+1.00$ tonne, the Accounting Stock Tonnage of that particular type and grade of Grain will be deemed to have no value and will be removed from the GrainCorp Stock Management System and neither party will have any liability for any Claim or Loss to the other for that amount of Grain.

Documentation and Weights

- 5.31. For receipt from and loading to road transport, GrainCorp weighbridges at GrainCorp Storages will be used to determine the Receipt and Outloading Tonnage.
- 5.32. For receipt from and loading to rail transport, the following will apply:
- (a) for rail movements from GrainCorp Storages to a Port Terminal GrainCorp's certified weighers at the unloading destination will be used to determine the final Receipt and Outloading Tonnage;
 - (b) the Client must ensure the currency of certification and compliance with the various state Trade Measurement Acts and Regulations of all end-user rail weighbridges providing final Outloading Weights;
 - (c) GrainCorp must ensure the currency of certification of the Port Terminals and compliance with the various state Trade Measurement Acts and Regulations; and
 - (d) the Client acknowledges that GrainCorp has the right to refuse to either load Grain to rail or receive Grain by rail if it believes that if in doing so there is not a certified weighing mechanism in operation.
- 5.33. If GrainCorp determines that the Client or the domestic end-user has not declared detailed weights in a timely manner GrainCorp may use appropriate GrainCorp average weights to determine the Outloading Tonnage until the Client provides details of weights.
- 5.34. GrainCorp may dispute at any time any weights declared to GrainCorp by the Client or the domestic end-user. If there is a dispute about declared weights, GrainCorp may substitute appropriate State-wide average weights in place of any weight declared by the Client or the domestic end-user.
- 5.35. The Client acknowledges that as a result of variances between weighing devices, the actual Outloading Tonnage for a Country Site or Port Terminal may be more or less than the tonnage received at that Country Site or Port Terminal. The resulting negative or positive stock-on-hand at that Country Site or Port Terminal, subject to **Clause 5.30**, will still form a part of the Accounting Stock Tonnes for invoicing purposes and will still be subject to the shrinkage outloading adjustment provisions in **Clauses 5.28 to 5.29**.
- 5.36. If a variance occurs between Port Terminals and GrainCorp Storages as per **Clause 5.35**, GrainCorp may adjust Accounting Stock Tonnes to resolve the variances provided that the Client's total Accounting Stock Tonnage is unchanged and any GrainCorp Fees pertinent to the transaction are reconciled.

Record-keeping

- 5.37. GrainCorp will keep separate records for the Client, of the Receipt Tonnage and Outloading Tonnage determined pursuant to **Clauses 5.31 to 5.36** for each type and grade of Grain received at or outloaded from GrainCorp Storages.
- 5.38. GrainCorp will keep daily records of the total amount of Stored Grain in its possession and where the Stored Grain is stored.

- 5.39. The Client warrants that all and any information or documentation it provides to, or arranges to be provided to GrainCorp including all shipping or other documents which contain details of grade, origin, location, treatment and type of Grain ("Client Documents"), will contain accurate and truthful statements and descriptions. The Client indemnifies GrainCorp from and against any Loss or Claim suffered, threatened, or commenced including in connection with any inaccuracy, anomaly, misrepresentation, illegibility or omission.

Provision of Stock Information

- 5.40. Upon request by the Client, GrainCorp will supply the Client with particulars of Grain received, held in storage and outturned on behalf of the Client (**Stock Information**) in the manner agreed between the parties from time to time. GrainCorp will act with best endeavours and in the interest of the Client in providing the Stock Information in as timely and accurate manner as the available technology allows. The Client acknowledges that the Stock Information may be subject to further update upon the availability of additional Stock Information that may affect the Accounting Stock Tonnage of the Client. GrainCorp is not liable to the Client or any other person for any Claim or Loss arising out of or in connection with the supply of Stock Information. The Client expressly indemnifies and releases GrainCorp and its employees, agents and contractors for any Loss suffered or incurred by them in connection with any Claims.
- 5.41. If any documents issued to the Client contain incorrect information as to the quantity or other particulars of Grain, then GrainCorp must promptly notify the Client by sending a new or amended version of the document.
- 5.42. If an error is not ascertained until after the complete outturn of the Client's Grain, and it results in the Client receiving Grain in excess of the Accounting Stock Tonnage, then the Client must either:
- (a) pay to GrainCorp an amount equal to the market value of the excess quantity of Grain at the date of outturn, within 21 days of the date of invoice; or
 - (b) replace the Grain with grain of the same type and quality and in the quantity exactly equal to the surplus volume provided in excess to the Client's Accounting Stock Tonnage as, when and where so requested by GrainCorp.

6. PAYMENT OF FEES, CHARGES AND OTHER MONEYS

Invoices

- 6.1. The Client agrees to pay all Fees to GrainCorp in accordance with the terms of this Agreement and all other amounts claimed by GrainCorp.
- 6.2. Fees payable under this Agreement will be invoiced (other than amounts payable on demand by GrainCorp under this Agreement) after the end of the month or other period during which or in respect of which the Fees were incurred. Fees for the receipt of Grain during the period October 2009 to January 2010 inclusive may be invoiced every 7 days during this period at the discretion of GrainCorp.

Subject to **Clause 6.10**, all Fees, charges and other moneys payable which are invoiced must be paid within 21 days of the date of the invoice. GrainCorp may amend these credit terms at any time if the Client does not strictly adhere to these payment terms, and may reject Grain from any party where they have outstanding accounts under this Agreement or any other agreement the Client has with GrainCorp or its Related Bodies Corporate.

GrainCorp reserves the right to make adjustments for any error in the calculation of Fees in one invoice in any subsequently issued claim for payment, and the Client must pay the adjustment amount as and when claimed by GrainCorp.

Goods and Services Tax

- 6.3. If GST applies to any supply made under this Agreement, GrainCorp will, in addition to the Fees or any other consideration expressed as payable in this Agreement, subject to issuing a valid tax invoice, recover from the Client an additional amount on account of GST, such amount to be calculated by multiplying the fee or any other amount or consideration payable by the Client for the supply by the prevailing GST rate.
- 6.4. If it is determined on reasonable grounds that the amount of GST paid or payable on any supply made under this Agreement differs for any reason from the amount of GST recovered from the Client including by reason of:
- (a) an alteration in the GST law;
 - (b) the issue of or an alteration in a ruling or advice of the Commissioner of Taxation;
 - (c) the allowance to the Client of a refund of GST in respect of any supply made under this Agreement; or
 - (d) a decision of the Administrative Appeals Tribunal (or its equivalent) or a court,
- then the amount of GST recovered or recoverable from the Client shall be adjusted accordingly.

Information

- 6.5. GrainCorp does not represent, warrant or guarantee, neither expressly or impliedly, that the information provided by third parties (e.g. NGR) under or in connection with this Agreement, is complete, sufficient or accurate. To the fullest extent permitted by law, GrainCorp accepts no responsibility for any inaccuracies, errors, false or misleading content in or omissions contained in any such information, or any other information or matter arising or coming to its notice which may affect this information, or any party's reliance on same.

Payment

- 6.6. If a tonnage of Grain is transferred to the Client (as buyer) from another GrainCorp client (as seller) where the transferred Grain was the subject of a Grower Warehouse Agreement, then:

- (a) the Client must pay to GrainCorp under this Agreement all Country Receival Fees and accumulated Storage Fees in respect of the transferred Grain relating to the period before and on the date of transfer as shown on the Grower Warehouse Grain Title Transfer Form. The Client acknowledges that the fees, shown on that Grower Warehouse Grain Title Transfer Form, are payable by the Client as Fees under this Agreement.
 - (b) If the warehoused Grain has been moved by rail as part of an overflow movement during the harvest period, the Client must pay GrainCorp the country outloading Fee as prescribed in Annexure A and the net difference in the location differentials as published by GTA between the GrainCorp Storage at which the warehoused Grain was received and the Port Terminal.
- 6.7. Under a Buyer to Buyer Title Transfer form or Grower Warehouse Grain Title Transfer form, if Grain which is stored by GrainCorp is transferred to the Client (as buyer) by another GrainCorp client or Grower (as seller), the Client must pay under this Agreement:
- (a) Storage Fees; and
 - (b) Outloading Fees; and
 - (c) all other fees, charges and other moneys payable to GrainCorp,
- in respect of the transferred Grain relating to the period after the date of transfer.
- 6.8. Under a Buyer to Buyer Title Transfer form, if Grain which is stored by GrainCorp is transferred by the Client (as seller) to another GrainCorp client (as buyer), the Client must pay under this Agreement and before the Grain is transferred:
- (a) all unpaid Receival Fees; and
 - (b) Storage Fees; and
 - (c) all other unpaid fees, charges and other moneys payable to GrainCorp,
- in respect of the transferred Grain relating to the period up to and including the date of transfer.

Interest on Overdue Accounts

- 6.9. Subject to **Clause 6.10**, the Client will be liable for interest on overdue amounts due and payable under this Agreement from the date on which payment was due to the date on which payment is made. The interest rate applicable under this **Clause 6.9** is the rate which is 6% above the bank bill buying rate for bills with a tenor of 90 days quoted from time to time by National Australia Bank. The initial interest rate will be based on the average of the relevant bank bill rates quoted by National Australia Bank on the second last business day of the month before the date interest begins to accrue. The interest rate will be adjusted on the first day of every calendar month based on the average of the relevant bank bill rates quoted by National Australia Bank on the second last business day of the immediately preceding month. Interest will be calculated on a daily basis on the outstanding amount until paid in full.

Credit Facilities and Requirements

- 6.10. In order to receive the Services from GrainCorp under this Agreement, the Client must comply with one or more of the following requirements, at GrainCorp's discretion, namely –
- (a) the Client will have the benefit of the 21-day payment terms for the payment of Fees in **Clause 6.2**, provided that prior to the Service commencing the Client shall provide to GrainCorp, in a form approved by GrainCorp, an irrevocable, unconditional and continuing bank guarantee or security deposit to be maintained and available at all times for the amount agreed prior to the commencement of this Agreement or during the Term. GrainCorp may from time to time and at its sole discretion apply some or all of the bank guarantee or security deposit in respect of any service charges or any other moneys which may from time to time be due and payable by the Client to GrainCorp. The amount of the bank guarantee or security deposit may be reduced if GrainCorp so agrees and must be increased should GrainCorp so require. If the Client has an obligation to provide a bank guarantee or security deposit under more than one agreement with GrainCorp, it may provide the one bank guarantee or security deposit to meet the requirements of all agreements it has with GrainCorp, so long as the total security provided is sufficient to cover the amounts required in each of those agreements;
 - (b) the Client will have the benefit of the 21-day payment terms for the payment of Fees in **Clause 6.2**, provided that the Client otherwise complies with all of its obligations pursuant to this Agreement and any other agreement with GrainCorp or its Related Bodies Corporate and makes payment to GrainCorp in respect of any service charges or any other moneys which may from time to time be due and payable by the Client to GrainCorp under this or any other Agreement with GrainCorp or its Related Bodies Corporate. It is further agreed and acknowledged that the Client shall make immediate payment of all moneys owing by the Client at any time upon written demand from GrainCorp in accordance with **Clause 6.10(c)** and
 - (c) GrainCorp may require the Client to pay the Fees prior to providing the Services in which event notification of the amount to be paid shall be provided to the Client and paid by the Client, prior to provision of the Services.

Costs

- 6.11. The Client indemnifies, releases and holds harmless GrainCorp from and against all Claims and any Loss incurred by GrainCorp which may result from or be connected to the Client's failure to pay any Fees, charges and other moneys due and payable in accordance with this or any other agreement.

Set-off

- 6.12. At its sole discretion, GrainCorp may apply any amounts whatsoever then due and payable by it to the Client in satisfaction of any amounts whatsoever then due and payable by the Client to GrainCorp under this or any other agreement between the Client and GrainCorp or its Related Bodies Corporate.

Amounts Owing

6.13. Without limiting **Clause 6.10**, if any amount is owed to GrainCorp by the Client for any reason and on any account whatsoever (whether or not directly in connection with this Agreement or the Grain) then GrainCorp may:

- (a) execute a Grain Stock Order Form or load Grain under **Clause 3.17**; or
- (b) execute a Buyer to Buyer Title Transfer Form (or Stock Swap Form) or transfer Grain under **Clause 5.10**.

in which case GrainCorp will instead retain possession of the Grain that the Client would otherwise be entitled to and, on 30 days notice to the Client, may sell the Grain (in a manner determined at the sole discretion of GrainCorp) and apply the sale proceeds to the amount owed by the Client to GrainCorp with any surplus to be paid to the Client. The rights of lien granted to GrainCorp under this **Clause** are in addition to any other rights of lien it has under statute or common law.

This **Clause 6.13** applies irrespective of the capacity in which the Client owes any amount to GrainCorp, whether or not the Client is liable as principal or surety, and whether or not the Client is liable alone, or jointly or jointly and severally with another person.

7. DAMAGES

7.1. Unless otherwise agreed in writing with the Client, GrainCorp will not be liable to the Client for any Claims or Loss including in relation to any alleged or actual reduction in standard or quality of Grain where:

- (a) the reduction in quality or standard of Grain has not resulted in the downgrading of the Grain from the grade to which the Grain was classified on receipt by GrainCorp; and/or
- (b) GrainCorp has received and loaded the Grain in accordance with the Receival Standards or other minimum receival specifications and sampling methodology agreed in writing between GrainCorp and the Client under this Agreement; and/or
- (c) the Client has requested GrainCorp to blend two or more grades of Grain into one grade of Grain and the blended Grain is at least the same quality of the lower grade; and/or
- (d) the moisture content of the representative sample for all grades loaded to road, rail, or vessel is within 0.3% of the maximum allowable under the Receival Standards; and/or
- (e) the Client has not provided notification of the road outloading destination.

7.2. If the Receival Standards or the minimum receival specifications and sampling methodology as the case may be referred to in **Clause 7.1** are not met, any Claims made by the Client against GrainCorp in respect of Downgraded Grain will be limited to: $T \times (P - V)$ where: T is the quantity in tonnes of Grain downgraded from one grade

- to a lower grade; and P is the fair market value of the non Downgraded Grain on the date at which the Claim was made by the client; and V is the fair market value of the Downgraded Grain on the date at which the Claim was made by the Client.
- 7.3. Where a Claim is recognised by GrainCorp to be valid and GrainCorp agrees to compensate the Client or, in any other event where GrainCorp is liable to compensate or indemnify the Client, then GrainCorp's maximum liability in respect of any Loss or Claim shall not exceed \$10,000 for Grain outloaded on to rail or road trucks on any one day for a GrainCorp Storage, capped at 7 days.
- 7.4. GrainCorp's liability for any Claim under this **Clause 7** is subject to the Client:
- (a) advising GrainCorp immediately of suspecting Downgraded Grain, cease discharging suspected loads, and allow GrainCorp to inspect suspected Downgraded Grain;
 - (b) allowing GrainCorp every possible opportunity to mitigate all actual or potential losses;
 - (c) informing GrainCorp of any potential Claim which it has against GrainCorp in respect of Downgraded Grain received by the Client within 2 business days of receiving the Grain;
 - (d) providing GrainCorp with a sample of the Downgraded Grain subject to the Claim; and
 - (e) allowing GrainCorp to test this sample and compare this sample with sample of Grain retained by GrainCorp on the outloading of Grain from the GrainCorp Storage.
- 7.5. GrainCorp may, in its discretion, mitigate or satisfy any Claim in respect of Downgraded Grain by:
- (a) averaging the quality parameters of the Downgraded Grain with other road or rail trucks outloaded to the Client on the same day provided that:
 - (1) the protein, moisture and screening parameters of the downgraded load of Grain are within 0.3% of the minimum protein and maximum moisture and 1.0% of the maximum screening of the grade's Receival Standard; and
 - (2) no more than two road or rail trucks have Downgraded Grain; and/or
 - (b) blending a sufficient quantity of other Grain so as to upgrade the Client's Grain; and/or
 - (c) substituting (at GrainCorp's expense) other Grain of the same type of the required grade and quantity; and/or
 - (d) retaining the Downgraded Grain and providing for the Claim as part of the outload adjustment under **Clauses 5.28** and **5.29**.
- 7.6. GrainCorp is not liable for any Loss relating to Downgraded Grain, or any Claim made by or through the Client.

- 7.7. The Client acknowledges that GrainCorp cannot guarantee complete freedom from Grain defects and contaminants listed with a nil tolerance in the Receival Standard, and is not liable for any quality Claims resulting from the detection of defects and contaminants whenever detected at levels of 0.01% by weight or less.
- 7.8. GrainCorp does not take responsibility for chemical residues in Grain detected at levels below 0.1mg/kg. This is regardless of whether the chemicals were applied as part of GrainCorp's pest control program, or any fumigation process, or were received from grower deliveries or any other source.
- 7.9. The Client acknowledges that GrainCorp, while using best endeavours to outturn Grain in accordance with the Receival Standard, is not liable for any non conformance to the specification where the attribute does not form part of the original testing procedure or cannot be comprehensively determined by GrainCorp at the time of receival at GrainCorp Storages. This includes, but is not limited to germinative quality of barley, varietal purity, falling number, vitreous kernel in Durum Wheat, and the presence of objectionable, toxic and chemical residues.

8. EXCLUSION OF LIABILITY

- 8.1. Unless specifically provided otherwise in this Agreement, GrainCorp is not liable for any Loss or Claim including damage, destruction, contamination or loss of Grain unless and then only to the extent such is caused directly by the negligence of GrainCorp or its employees.
- 8.2. The Client acknowledges that GrainCorp is unable to test Grain on receival (whether received from the Client or from another person) for toxic or other chemical residues, genetically modified seed or other contamination. GrainCorp is not liable for any direct or Consequential Loss suffered or incurred by the Client caused by or otherwise relating to the storage or handling of contaminated Grain at any GrainCorp Storage.
- 8.3. The Client acknowledges that any transportation of Grain is at the Client's risk, including transportation of Grain arranged by or on behalf of or at the request of either the Client or GrainCorp. To the fullest extent permitted by law, GrainCorp is not liable for any Loss incurred by the Client caused by or otherwise relating to the transportation of Grain.
- 8.4. The Client acknowledges that GrainCorp can remove and dispose of dust or Downgraded Grain generated from the Client's Grain in any manner its sees fit.
- 8.5. The Client acknowledges that GrainCorp, while using its best endeavours to do so, cannot guarantee the level of whole and split grain for Pulses and Soybeans or cracked and broken levels for Maize stored and outloaded to the Client.

Insurance

- 8.6. GrainCorp will take out and keep in force an insurance policy, and may only by prior written agreement jointly insure with the Client, in respect of loss or damage to the Grain whilst it is held in GrainCorp Storage.

- 8.7. If GrainCorp makes a claim under the insurance policy then in relation to determining the fair market price for the purposes of any shortfall liability under **Clause 5.29**, the Client:
- (a) authorises GrainCorp to:
 - (1) receive and give good discharge for all monies payable under the insurance policy;
 - (2) settle, adjust and compromise all claims under the insurance policy; and
 - (3) determine, by agreement with the insurer, the time of loss;and
 - (b) will not make any claim against GrainCorp, nor contest or dispute any GrainCorp decision, in relation to any action by GrainCorp in accordance with this **Clause 8.7** unless GrainCorp acts fraudulently and in bad faith.

Force Majeure

- 8.8. In this Agreement 'Force Majeure Event' means any event which is beyond the reasonable control of GrainCorp, including:
- (a) acts of God, fire, storm, lightning, floods, earthquakes, pandemic, epidemic;
 - (b) acts of the public enemy, war, rebellion, insurrection, terrorist act, sabotage;
 - (c) materials shortages, utility failures, adverse effects of weather or weather related events;
 - (d) changes in any laws, regulations or schemes; and
 - (e) blockade, embargo, strikes, lockouts, labour disputes or disturbances.
- 8.9. GrainCorp will not be liable to the Client or any other person for any delay in performance or inability to perform any of its obligations under this Agreement to the extent that such failure is caused or contributed to by a Force Majeure Event. If GrainCorp's performance is delayed by a Force Majeure Event, the time for performance will be extended for at least the time and to the extent that such performance is prevented by the Force Majeure Event.

9. TERMINATION

- 9.1. GrainCorp may terminate this Agreement:
- (a) immediately upon written notice to the Client if the Client:
 - (i) fails to pay any amount as and when due and payable under this Agreement or any other agreement between the Client and GrainCorp or its Related Bodies Corporate;
 - (ii) breaches a material term, representation, obligation or warranty as set out in this Agreement or any other agreement between the Client and GrainCorp or its Related Bodies Corporate;

- (iii) fails to follow a direction of GrainCorp made reasonably and lawfully;
or
 - (iv) commits an act or omission which compromises the safety of any person or brings GrainCorp in to disrepute.
- (b) upon 14 days written notice to the Client if the Client breaches any provision of this Agreement or any other agreement between the Client and GrainCorp or its Related Bodies Corporate, and does not remedy the breach to GrainCorp's satisfaction within GrainCorp's reasonably stipulated time frame.

9.2. The Client may terminate this Agreement:

- (a) immediately in the event that GrainCorp has a liquidator or administrator appointed;
- (b) upon 14 days prior written notice where GrainCorp breaches any provision of this Agreement or any other agreement between the Client and GrainCorp or its Related Bodies Corporate, and does not remedy the breach to the Client's satisfaction within the Client's reasonably stipulated time frame.

The Client must pay all Fees and other amounts due and payable in connection with this Agreement not later than 5 days following the termination date.

9.3. Notwithstanding expiry of the Term, or termination of this Agreement as set out in this **Clause 9**, the Client must ensure that prior arrangements are made to outturn and / or outload any Grain held by GrainCorp prior to termination; otherwise the Client shall be bound by the terms of this Agreement or the new season Storage and Handling Agreement (as applicable).

9.4. Termination of this Agreement shall not prejudice any rights of either party that have accrued prior to the date of termination and the provisions set out in **Clauses 6, 7, 8, 9, 10, 11.5, 11.6, 11.7** shall survive termination of this Agreement.

10. DISPUTES

- 10.1. Any dispute concerning the grade, quality, sampling, testing or classification of Grain which GrainCorp and the Client cannot resolve themselves after using reasonable endeavours to do so may be referred to a mutually agreed independent testing facility for resolution in accordance with the provisions of this Agreement. GrainCorp and the Client agree to be bound by the decision of the mutually agreed independent testing facility. If an independent testing facility cannot be agreed between GrainCorp and the Client, GrainCorp will determine the independent testing facility. GrainCorp and the Client shall bear their own costs in determining the resolution to the dispute.
- 10.2. The parties will endeavour to resolve any other dispute concerning the terms of this Agreement ('Dispute') between themselves, including where necessary escalating the dispute for negotiation between both parties' chief executives. A party must not start court proceedings in respect of the Dispute unless it has complied with this clause.
- 10.3. If the parties cannot resolve themselves within 30 days of one party giving notice of the dispute to the other party they will immediately:
- (1) appoint an arbitrator to determine the dispute within the following 30 day period; or
 - (2) if the parties are unable to agree upon an arbitrator, either party may refer the dispute for arbitration by an arbitrator nominated by the then President of the Law Society of New South Wales, Australia.
- 10.4. Any arbitration will be conducted in Sydney in accordance with the *Commercial Arbitration Act 1984 (NSW)* except that:
- (1) the arbitrator must observe the rules of natural justice but is not required to observe the rules of evidence;
 - (2) a party may have legal representation; and
 - (3) the arbitrator must apportion costs of the arbitration and each party's costs of and incidental to the arbitration as the arbitrator sees fit.
- 10.5. During any dispute resolution process, the pre-dispute status quo will continue. Accordingly:
- (1) each party will comply with its obligations, and may exercise its rights under this Agreement; and

- (2) the fact that a party ceases to do anything in dispute will not be taken to be an admission by that party that it had breached, or had been in breach of, this Agreement.

11. MISCELLANEOUS

Legal Operation

- 11.1. GrainCorp is not required to perform any obligation under this Agreement if, in GrainCorp's opinion, it would contravene or might contravene any Commonwealth, State, Territory or Local Government statute, code or other law, including any condition of accreditation or access or under any laws, government or endorsed scheme or arrangement.

Notices

- 11.2. Any notice or other communication in connection with this Agreement (unless specifically permitted by e-mail):
 - (a) is effectively signed by or on behalf of a party if it is executed by that party, any of that party's officers or that party's solicitor or attorney;
 - (b) may be served on a party by being:
 - (1) sent by post in a pre-paid envelope to;
 - (2) sent by facsimile transmission to; or
 - (3) personally delivered to or left at that party's registered office, address specified.

If the notice is served by GrainCorp on the Client, then the details for the purposes of **Clause 11.2(b)** will be as specified on page 1 of this Agreement. If the notice is served by the Client on GrainCorp then that notice for the purposes of **Clause 11.2(b)** will be addressed to the GrainCorp Company Secretary c/ the address for GrainCorp stated on page 1 of this Agreement.

- 11.3. Any notice or other communication in connection with this Agreement will:
 - (a) if posted, be taken to be served two business days after the date of posting; and
 - (b) if sent by facsimile transmission, be taken to be served on conclusion of successful transmission.

- 11.4. Service by any of the methods referred to in **Clause 11.2** will be valid and effective even though a party does not receive the document or if the document is returned to a party through the post unclaimed.

Exercise of Rights

- 11.5. A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or an

exercise of any other right, power or remedy. Failure by a party to exercise or delay in exercising a right, power or remedy does not prevent its exercise. A party is not liable for any loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising the right, power or remedy.

Remedies Cumulative

- 11.6. The rights, powers and remedies provided in this Agreement are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this Agreement.

Governing Law

- 11.7. This Agreement is governed by and shall be construed in accordance with the laws for the time being in force in the State of New South Wales and the parties agreed to submit to the non-exclusive jurisdiction of the courts of that State.

Assignment & Privacy

- 11.8. This Agreement:

- (a) may be assigned by GrainCorp to any of its Related Bodies Corporate without the consent of the Client; and
- (b) subject to **paragraph (a)**, must not be assigned by either party to this Agreement to any third party without the written consent of the other party, which may not unreasonably be withheld.

- 11.9. The Client acknowledges the right of GrainCorp to access information pursuant to this Agreement in line with the Privacy Act. The Client agrees that any information related to the performance of this Agreement may be collected, held and used by GrainCorp as follows:

- (a) for any purpose required or permitted by any governmental department or regulator, or as required by any law;
- (b) in order to maintain stock records and administer grower payments on behalf of Clients;
- (c) used by GrainCorp for purposes connected with the provision of products or services by GrainCorp which the Client has agreed to obtain from GrainCorp;
- (d) used by GrainCorp and disclosed to GrainCorp's Related Bodies Corporate to market other products and services to the Client; and
- (e) disclosed by GrainCorp to any party for the purpose of enforcing any rights that party may have in connection with the stated Grain or commodity or variety.

Site Access

- 11.10. GrainCorp regards the health and safety of all persons, and protection of property and the environment at or about all GrainCorp Storages as paramount. In order to protect people, property and the environment, the Client must, and must also ensure that the Client's employees, agents, contractors and invitees comply with all procedures, policies and instructions of GrainCorp representatives prior to entering,

while visiting and while leaving any GrainCorp Storage. The Client must also provide prior advance written notice to GrainCorp if they are to attend any GrainCorp Storage, stating the date they wish to attend, the identity of the Client's representative and the purpose of the visit.

GrainCorp may, in its absolute discretion, refuse or reject a visitation request or propose alternative times and/or places for the visit and the Client shall not attend at any GrainCorp Storage without receiving the prior consent of GrainCorp for each visit and shall not enter or stay on any GrainCorp Storage without appropriate GrainCorp supervision.

The Client is responsible for ensuring that it and the Client's employees, agents, contractors and invitees comply with this clause, any laws and regulations, and all GrainCorp's Storage site and access/ egress requirements and they that do not cause and risk of harm, damage, injury, hazard, or cause any contamination, of any Grain or on or about any GrainCorp Storage;

Confidentiality & Endorsement

11.11. The parties agree not to disclose the contents of this Agreement to any other party except for the purposes of professional or financial advice or as required by law. Further the Client shall not unless it has received GrainCorp's express prior written approval, make any statements or authorise or publish any material in relation to any GrainCorp personnel, site, facility or any matter connected to the Services or this Agreement, and in no circumstance will the Client make any statements or authorise or publish any material which may be construed as having been approved by or endorsed by GrainCorp.

Legal advice and costs

11.12. Each party agrees that it has had an opportunity to obtain its own legal advice. Each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this Agreement.

Amendment

11.13. This document may only be varied or replaced by a document executed by the parties.

Counterparts

11.14. This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

Entire understanding

11.15. This Agreement contains the entire understanding between the parties as to the subject matter of this document. All previous negotiations, understandings,

representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

No oral explanation or information provided by any party to another affects the meaning or interpretation of this document; or constitutes any collateral agreement, warranty or understanding between any of the parties.

12. INTERACTION WITH ACCESS UNDERTAKING

12.1. To avoid doubt, **the** Services provided under this Agreement **do not necessarily** constitute Port Terminal Services for the purpose of any access undertaking provided by GrainCorp to the Australian Competition & Consumer Commission under section 44ZZA of the *Trade Practices Act 1974 (Cth)*. Services which are not Port Terminal Services for that purpose include:

- (a) Services relating to Grain which is not Bulk Grain;
- (b) loading Grain to rail or road truck;
- (c) services relating to Stock Swaps or the transfer of title of all or part of the Accounting Stock Tonnage of Stored Grain between GrainCorp Clients, including the Client; and
- (d) supply chain management from Country Sites to Port Terminals including liaison with the Client's transport provider.

13. INTERPRETATION & DEFINITIONS

Interpretation

13.1. In this Agreement unless the contrary intention appears:

- (a) a reference to this Agreement or another instrument includes any variation or replacement of any of them;
- (b) a reference to laws, any statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements;
- (c) any reference to a GrainCorp client, and not the Client in this Agreement, shall be a reference to a party who has a relationship with GrainCorp that is governed by a current Bulk Wheat Port Terminal Services Agreement, a current Bulk Grain Port Terminal Services Agreement, and / or a current Storage and Handling Agreement.
- (d) the singular includes the plural and vice versa;
- (e) the word "person" includes a firm, a body corporate, an unincorporated association or an authority;

- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) the use of the words "including", "includes", "for example" or "such as" does not limit the meaning of the words to which the list relates, to those items or to items of a similar kind;
- (h) headings are inserted for convenience and do not affect the interpretation of this Agreement.
- (i) a reference to a Clause, schedule, annexure or appendix is a reference to a Clause, schedule, annexure or appendix to this Agreement and references to this Agreement include any recital, schedule, annexure or appendix, unless otherwise indicated.
- (j) except as otherwise provided expressly in this Agreement, a reference to a business day or working day is any day on which the relevant GrainCorp Storage is open for business in the relevant state or territory where the relevant services and activities in connection with this Agreement are occurring.

Definitions

13.2. The following words have the following meanings in this Agreement unless a contrary intention appears.

Access Undertaking means any undertaking provided by GrainCorp and accepted by the ACCC from time to time under Division 6 of Part IIIA of the *Trade Practices Act 1974 (Cth)* that applies to access to Port Terminal Services at the Port Terminals.

Accounting Stock Tonnage means, in respect of a period, the quantity of each type and grade of Grain in, or which was in, a Country Site or Port Terminal Site in the GrainCorp System during that period as shown in GrainCorp's accounting records and is calculated as follows:

- (a) Receival Tonnage (including transfers from Grower Warehousing), less,
- (b) Shrinkage Allowance in accordance with **Clauses 5.25 and 5.26**], plus,
- (c) Tonnage title transferred to the Client, less,
- (d) Tonnage title transferred from the Client, plus,
- (e) The net of seasonal or grade reclassification in proportion to the Client's interest, plus,
- (f) The net of Grain moved as site to site movements in proportion to the Client's interest, less,
- (g) Grain outloaded from the GrainCorp System at any time during the period in proportion to the Client's interest.

Agreement means this document and all schedules and annexures attached to it, as may be amended from time to time.

Approved Storage means an organisation that is a GTA registered bulk handler, complies with Trade Measurement requirements for grain testing and weighing, has current ISO9001 certification with grain testing, storage and handling included in their scope of certification and has a history of regulatory and market compliance with pest control requirements, including chemical usage and residue management.

AQIS means Australian Quarantine and Inspection Service (ABN 24 113 085 695) of 2 Hayes Road, Rosebery, NSW, 2018.

Bulk Grain means Grain for export from Australia other than Grain that is exported in a bag or a container that is capable of holding not more than 50 tonnes of grain.

Buyer to Buyer Title Transfer Form means the form for the Title Transfer of Grain entitled "Buyer to Buyer Title Transfer Form" available from GrainCorp.

Claim means any allegation, demand, claim, suit, action, proceeding, damage, Loss, cost, expense or liability incurred by or made or recovered by or against a person, however arising, whether present, immediate, actual, contingent or future.

CLEAR Commodities Pty Ltd means Clear Commodities Pty Ltd (ABN 50126444219) of Level 1, 616 St Kilda Road, Melbourne, Victoria, 3004.

Commencement Date has the meaning given in **Clause 1.2**.

Consequential Loss means any indirect, special, incidental or consequential loss, any loss of profits, loss of revenue, loss of opportunity, loss of anticipated savings and any increased operating costs suffered by or incurred by any person, whether arising in contract or tort (including negligence) or under any statute, arising out of or in connection with this Agreement.

Co-owner means, in respect of a particular type and grade of Grain, each client of GrainCorp who has delivered grain of that type and grade to GrainCorp and for whom GrainCorp has stored, handled or is storing or handling grain of that type and grade at any particular time, pursuant to a Bulk Wheat Port Terminal Services Agreement or Storage and Handling Agreement. For the avoidance of doubt, GrainCorp may also be a Co-owner as contemplated in **Clause 5.7** of this Agreement.

Downgraded Grain means grain that fails to meet the minimum/maximum of one or more quality specifications in a grade defined by Receival Standards. For clarity, "downgrading" hierarchy occurs through the Grade Cascade, where applicable, as defined in the GTA website, unless otherwise agreed between the Client and GrainCorp.

Dynamic Binning Strategy means that a load delivered during harvest to any GrainCorp Storage may be graded and binned outside the grade Receival Standards, provided that the overall bin average is maintained above the minimum grade requirement.

Feed Grade means Grain specifically for the purpose of non-human animal stock feed consumption. For Wheat it means FED1 and other grades as advised by GrainCorp from time to time.

Fees means the fees and charges that are due and payable under this Agreement as consideration for the Services, as set out in **Annexure A** and may be amended from time to time.

Grain means Wheat that is not subject to a Bulk Wheat Port Terminal Services Agreement, malt barley, feed barley, canola, oat, rye, triticale, legumes, rice sunflower seed, sorghum, maize and cotton seed (and any other type of grain which GrainCorp agrees to store and handle) which is the subject of this Agreement and includes Stored Grain. It does not include grain at Port Terminals which is subject to a separate agreement ("Bulk Wheat Port Services Agreement" and "Bulk Grain Port Services Agreement (Non Wheat)").

Grain Availability Sheet means the GrainCorp Stock Availability Sheet as published on the GrainCorp website from time to time
(<http://www.graincorp.com.au/prodserv/SL/Pages/Brochures.aspx>).

Grain Stock Order Form means the form for the outloading of Grain entitled "Grain Stock Order Form" available from or approved by GrainCorp which is found at
(<http://www.graincorp.com.au/prodserv/SL/Pages/Brochures.aspx>).

GrainCorp means GrainCorp Operations Limited (ABN 52 003 875 401) of Level 26, 175 Liverpool Street, Sydney, NSW, 2000.

GrainCorp Stock Management System means the computer based software operated by GrainCorp for the purposes of recording the transactions that affect the Client's Accounting Stock Tonnage.

GrainCorp Storages means the grain storage facilities operated from time to time by GrainCorp except the Port Terminals.

GrainCorp System means the grain receipt, storage and handling facilities operated from time to time by GrainCorp, including the GrainCorp Storages, and Port Terminals.

GTA means **Grain Trade Australia Incorporated** PO Box R1829 Royal Exchange NSW 1225.

Grower means any entity registered by AWB or NGR pursuant to a Grower Registration Form.

Grower Warehouse Agreement means an agreement entitled "Grower Warehouse Agreement" between GrainCorp and client being a Grower.

Grower Warehouse Grain Title Transfer Form means the form for Title Transfer of grain entitled "Grower Warehouse Grain Title Transfer Form" pursuant to which Grain is transferred out of Grower Warehousing.

Grower Warehousing means storage of grain with GrainCorp pursuant to a Grower Warehouse Agreement.

GST means the tax imposed by the A New Tax System (Goods and Services Tax) Act 1999 (Cth) and the related imposition Acts of the Commonwealth.

Interest means, in respect of a Co-owner, the portion of the Stored Grain to which legal title as Co-owner is held, and which is equivalent to the percentage the Grain of the relevant type and grade received from that Co-owner makes up of the total Stored Grain.

Loss means any loss (including Consequential Loss), liability, damage, cost (including full legal costs on a full indemnity basis), charge, expense, diminution in value or deficiency of any kind or character which a party pays, suffers or incurs or is liable for.

Natural Port Zone means GrainCorp Storages that lie in geographical area bounded by the normal movement of trains to GrainCorp Port Terminals.

NGR means National Grower Register (NGR Pty Ltd) of PO Box 3526, Toowoomba Village Fair, QLD, 4350.

Nominated Capacity means the total mass weight of Grain of a particular type that can be loaded into a given rail wagon class that does not exceed the legal loading limits as set by the relevant authority. These nominated capacities may change from time to time as advised by GrainCorp. The Nominated Capacity as at August 1st, 2009 is as per the following table:

Wagon Type	CGDY	NGDX	NGHF	NGIF	NGKF	NGPF	NGVF	NGXH	VGK	VHGF	VHHF	XGAY
Wheat Tonnes	54.47	54.01	48.96	53.05	59.38	58.80	48.00	48.35	49.55	52.44	53.30	52.58
Barley Tonnes		46.58			46.60	49.45				44.27	46.90	46.80
Canola Tonnes					45.11	46.34				42.62		
Pea Tonnes									46.10			
Sorghum Tonnes			48.86	50.70		56.44				54.42		
Sunflower Tonnes						27.04						

Operational Reasons means delays or Grain unavailability due to weather problems, grain infestation or fumigation, grain quality problems, inaccessible Grain, mechanical failure, rail availability or delays, last of grain in storage being outloaded and failure to accumulate cargo at a Port Terminal in a timely manner.

Outloading Tonnage / Outloading means tonnage of Grain removed from a Country Site to the Client's rail or road transport.

Port Terminals means GrainCorp's seaboard terminals at Gladstone, Mackay, Pinkenba, Fisherman Islands, Newcastle, Kooragang, Port Kembla, Geelong and Portland.

Primary Sites and Non-Primary Sites have the meaning set out in Annexure A.

Receival Docket means grain receipts issued by GrainCorp on receipt of Grain by GrainCorp from or on behalf of the Client or pursuant to Grower Warehousing.

Receival Standards means those standards, including those published on the GTA, AOF, Pulse Australia and GrainCorp Websites. These standards may include harvest management tools utilised by GrainCorp such as commingling of grades and Dynamic Binning Strategy. The grade recorded on the Receipt Docket confirms the entitlement of the Buyer to the outturn of the tonnage of that grade. Additional Receival standards may be created by GrainCorp due to seasonal requirements or agreed between GrainCorp and the Client for specific requirements.

Receival Tonnage means tonnage of Wheat delivered to the Client from Growers on a Receival Docket, or transfers of Receival Dockets from Grower Warehousing or other deliveries from outside of the GrainCorp System.

Related Bodies Corporate has the meaning given to it in the *Corporations Act 2001 (Cth)*

Stock Swap means where the Accounting Stock Tonnages, or parts thereof, of two Co-owners (which, for the purposes of this definition, are taken to represent the respective Interests of the two Co-owners) at two specific Country Sites or Port Terminals, as recorded in the GrainCorp Stock Management System, are transferred between the two Co-owners.

Stock Swap Form means the form for the Stock Swap of Grain entitled "Stock Swap Form" available from GrainCorp.
<http://www.graincorp.com.au/prodserv/SL/Pages/Brochures.aspx>

Storage and Handling Agreement means any agreement in the same or similar form to this Agreement between GrainCorp and another GrainCorp client but does not include a Grower Warehouse Agreement or Grower Storage and Handling Agreement.

Stored Grain means, in respect of a particular type and grade of Grain, all of the grain of that type and grade received by GrainCorp for storage and/or handling at any particular time (pursuant to a Bulk Wheat Port Terminal Services Agreement, Bulk Grain Port Terminal Services Agreement (Non Wheat) or Storage and Handling Agreement) and which the Co-owners collectively own.

Term has the meaning given in **Clause 1.2**).

Title Transfer means where the Interest, or part thereof, of the Client at a specific GrainCorp Storage, as recorded in GrainCorp Stock Management Systems, is transferred to another GrainCorp client.

Wheat means *Triticum aestivum*, *Triticum duri*, (Durum)

Each individual signing this Agreement on behalf of a party warrants that the individual has been duly authorised to execute this Agreement and to bind that party on whose behalf the individual is signing.

THIS CONTRACT is executed on the _____ day of _____ 200#.

SIGNED for and on behalf of **GRAINCORP**)
OPERATIONS LIMITED by its duly)
authorised representative in the presence)
of)

Signature of witness

Signature of signatory

Name of witness (print)

Name of signatory (print)

[Select as appropriate for Customer. Important - Do not simply insert a trading name. You must check if the Customer is a sole proprietor, partnership or company and use the appropriate signing clause]

A. If the Customer is an individual / sole proprietor, use this clause:

SIGNED by **[INSERT CUSTOMER'S NAME]**)
in the presence of)
)

Signature of witness

Signature of Customer

Name of witness (print)

B. If the Customer is a partnership, use the following clauses:

SIGNED for and on behalf [**INSERT**)
CUSTOMER PARTNERSHIP NAME] by)
 [Insert the names of all partners] in the)
 presence of

 Signature of witness

 Signature of Partner

 Name of witness (print)

 Print name of Partner

 Signature of Partner

 Print name of Partner

[Insert additional lines if necessary so that
 each partner executes the agreement]

C. If the Customer is a company use one of the following clauses:

Signed by [**INSERT CUSTOMER COMPANY**)
NAME] -in accordance with Sec 127 (1) of)
 the Corporations Act, 2001)
)

 Signature of director

 Signature of director/company secretary
 (Please delete as applicable)

 Name of director (print)

 Name of director/company secretary
 (print)