

CHANTEC



Dear Grower,

Please find enclosed two copies of our Horticulture Produce Agreement (HPA). We have signed both of these, and would appreciate it if you would sign them and return **ONE COPY** to this office in the stamped addressed envelope as soon as possible. The second copy is for your records.

What does it all mean?

On the 14th of May 2007 the Australian Government implemented the Trade Practices (Horticulture Code of Conduct) Regulation 2006 (the Horticulture Code). The Horticulture Code is a regulation made under the Trade Practices Act 1974. The Horticulture Code is a prescribed mandatory industry code of conduct and has the force of the law.

Failure to comply with the code amounts to a breach of the Trade Practices Act.

Under this act, we cannot sell your produce without firstly having signed HPA agreement with our growers/suppliers.

Horticulture Code is our industry guide for any person that trades commercially with horticulture produce in Australia.

Source:ACCC website.

Who in the produce industry has to comply?

You must comply if you;
Are a grower
Agent or merchant
Trade in horticulture produce

Source: ACCC website.

Chantec Pty Ltd has endeavored to keep this HPA agreement as simple as possible, whilst complying with the Horticultural Code. The HPA Merchant agreement makes references to Horticulture Code Compliance Manual and should be read in conjunction with Horticulture Code Compliance Manual, which is and available from the ACCC web site and or your legal representative.



CHANTEC



Why is this necessary?

The law has been in place since 14th May 2007 to ensure that we do not operate in breach of the Code, but at the same time avoid the inefficiencies and costs resulting from trading under the new Code. You will note that in signing the HPA, we have made a commitment to you to provide full disclosure of sales relating to any consignment that you request.

We stand by our promise to Suppliers to provide professional service and marketing in a manner that is ethical, efficient and transparent.

Should you require any further explanations, please to not hesitate to contact me on the telephone numbers listed below. We look forward to receiving the signed HPA in the near future to ensure compliance with the Code is observed.

Yours sincerely,

Richard Henry Bloomfield

Managing Director

Office: 08 9455 2436 Mobile: 0419 747 201

This Agreement is made between:

- CHANTEC; and
- 2. GROWER,

(Company)

on the date specified in the Schedule WHEREBY GROWER and CHANTEC AGREE in the terms of the Terms.

SCHEDULE			
GROWER	Name:		
	ABN:		
	Address:		
	Address:		
	Postcode:		
	Tel/Fax:	Tel: Fax:	
	Email	A/c Sale/Remittance Advice: Post Fax Email (circone)	
	Documents		
	Code:		
	Contact Person Name:		Tel:
ACCOUNT	Name:		
	Bank:		
	BSB:	(6 digits xxx - xxx)	
	Account No:		
Date of Agreement:			
Contract Number:			
Chantec Contact Person	Name:		
Signed by Grower		Signed by Chantec	
(Individual or Partnership)		f f	11/2007
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Signature of Individual or	Partners	Director	
		Director/S	Secretary
Signed by Grower			

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Director or Sole Director/Sole Secretary	
Director/Secretary	

Privacy Statement

By entering into a business relationship with Chantec, you consent to Chantec collecting the personal information on this Terms of Trade Agreement for business and Taxation law purposes. Its primary purpose is for the sale and payment of your produce. Any secondary use is for directly related business purposes (e.g. Crate Exchange). We will take every care to ensure this information is held securely and is accurate, complete and up to date. However, we rely on you to advise us of any changes as they occur. You may request access to your personal information by telephoning the Administration Manager on (08) 9407 0000.

General

- 1.1 These terms and conditions relate to and are incorporated in the Chantec Merchant Agreement to which they are attached.
- 1.2 Under this Agreement, Chantec acts as a merchant which purchases Produce from the Grower.
- 1.3 Chantec and the Grower must each notify the other of any changes in their details listed in the Schedule.

Interpretation

Account means the account detailed in the Schedule.

Adjustments mean the amounts due for crates.

Business Day means a day on which the Perth Market is trading other than a weekend or public holiday in Western Australia.

Clause means a clause of these Terms.

Code means the Horticulture Code of Conduct.

Consignment means a delivery to Chantec of Produce by or on behalf of the Grower, which Produce leaves the premises of the Supplier after the date of this Agreement..

Chantec means Chantec Pty Ltd ACN 009 314 836 trading as Chantec (ABN 17 009 314 836) of 250 Bernard Road North, Carabooda, Western Australia 6033.

Price means the price payable by Chantec for each type and classification (as applicable) of Produce sold under this Agreement.

Produce means fruit, vegetables and other produce, including containers and packaging, supplied by the Grower for sale in accordance with these Terms.

Rejected Produce means Produce which Chantec refuses to accept in accordance with clause 4 or to which clause 6.4 applies.

Terms means these terms and conditions.

This Agreement means this document as varied under clause 9.

Consignments

- (a) The Grower agrees to deliver Produce to Chantec by Consignments at the Grower's cost and expense. Only Produce solicited by Chantec will be despatched to Chantec.
- (b) The Grower will provide with each consignment documentation which is suitable to Chantec that accurately describes the quantity, variety, size, class and description of the Produce supplied including any containers or packaging. Chantec may from time to time give directions as to documentation requirements.
- (c) All Produce delivered to Chantec under this Agreement must comply with all statutory and other legal requirements concerning product quality, food safety, packaging and/or labelling.
- (d) The Produce must be packed and presented and comply with the following product specifications including quality and shelf life:

If dealing with Class One product, specifications as directed by FreshSpecs Produce Specifications as disclosed on the Fresh Markets website (www.freshmarkets.com.au/FreshSpec/freshspecs.html)

If dealing in other classes of product, the specifications normally expected of that type of produce.

4. Acceptance of Produce, Title and Risk

- (a) Chantec may reject Produce by no later than 3 Business Days after delivery if any of the requirements of clauses 3(a), (c) and (d) have not been complied with or if all of the Produce is not in Chantec's opinion saleable in the ordinary course of Chantec's business. Chantec will notify the Grower/Supplier of any rejection immediately. The Grower, at the Grower's own cost and expense, must arrange for the removal of the Rejected Produce from Chantec premises. Property in, all right and title to, and risk with respect to, Rejected Produce at all times remains with the Grower/Supplier.
- (b) On acceptance of Produce at or after the time of delivery, and agreement on Price, property in and all right and title to, the Produce passes to Chantec pursuant to clause 6.
- (c) Notification of rejection will be given by telephone, fax, email or other electronic means. Written notice of the rejection and the reasons for rejection are to be sent by Chantec to the Grower within 2 Business Days after the rejection.
- (d) Until acceptance and agreement on Price under clause 6, or rejection by Chantec, all Produce will be insured by Chantec through O'Reagan Group Insurance Brokers with a Standard and Poors A+ insurance rating Fire and specified perils. A market value limit of \$1,000,000 in the aggregate with a limit of \$100,000 per claim for accidental damage applies. Chantec usually insures with respect to its property generally. The interest of the Grower is covered under that insurance.

5. Sale of Produce

The Grower agrees to SELL and Chantec agrees to PURCHASE Produce for the Price and upon and subject to these Terms.

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The Price for each Consignment, or each type of Produce in each Consignment, (as applicable) shall be agreed in writing immediately upon delivery of the Consignment to Chantec in accordance with the following procedures:

- 6.1 Chantec and the Grower will use their best endeavours to agree the Price without delay;
- 6.2 In negotiating the Price, the parties will take into account the operating requirements of their respective businesses and determine a mutually acceptable means by which they agree a Price;
- 6.3 If a Price is agreed, the agreement will be made in, or reduced to, writing;
- 6.4 If despite the parties negotiating pursuant to clauses 6.1 and 6.2 the parties fail to agree a Price for any Produce, that Produce will be immediately deemed Rejected Produce and Chantec shall give notices of rejection pursuant to clauses 4(a) and (c).
- 6.5 upon agreement in writing of a Price of a Consignment or any type of Produce in a Consignment, property in the Consignment or the accepted type of Produce will pass to Chantec and the Grower will become entitled to payment of the agreed Price subject to all Adjustments under clause 7.

7. Payment Terms

Chantec must make payment of the Price for all Produce agreed under clause 6 subject to all Adjustments in accordance with the following:

- Each Tuesday, Chantec will issue a statement to the Grower of all purchases of Produce by Chantec and all Adjustments in the preceding 7 days;
- (b) The amount due to the Supplier under the statement will be posted to the Grower by cheque or electronically transferred to the Grower's Account on the next Friday.

8. Reporting Period

The reporting period under clause 28 of the Code will be 1 July to the following 30 June.

9. Variation of Agreement

This Agreement may be varied in writing between the Grower and Chantec.

10. Termination

- 10.1 Either Chantec or the Grower may terminate this Agreement by giving notice in writing to the other stating that this Agreement will terminate at the end of a stated day (being not less than 2 Business Days after the date the notice is given).
- 10.2 After termination, final payment for Produce purchased by Chantec prior to termination will be made in accordance with clause 7.

11. Notices

- 11.1 Notices in writing under this Agreement may be sent by post, fax or email.
- 11.2 Notices must be sent to the address in the Schedule, or as varied under clause 1.3.

12. Compliance with The Code

- 12.1 Chantec and the Grower must comply with the Code in all respects.
- 12.2 If any provision of this Agreement is inconsistent with the Code, the Code will prevail to the extent of the inconsistency.

13. Legal Advice

As this agreement may extend for a period in excess of 90 days, in accordance with Clause 8 of the Code, the Grower confirms that either:

The Grower obtained legal advice.

The Grower states that it retained ______ ("Advisor") and has received independent legal advice from the Advisor about this Agreement before entering into the Agreement.

☐ The Grower did not obtain legal advice.

The Grower acknowledges that Chantec has recommended that the Grower seek independent legal advice about this Agreement and confirms that the Grower has decided not to seek that advice.