

THIS AGREEMENT is made on the _____ day of _____ 2020

Between:

I **Mondelez International AMEA Pte Ltd** (Reg No. 198305787K) of
346 Jalan Boon Lay, Singapore, 619528 (the “**Company**”); and

II _____ (ABN _____) of
Address _____
Supplier Number _____
 (“**Supplier**”).

Whereas:

The Supplier is agreeable to supply to the Company and the Company is agreeable to buy from the Supplier liquid milk upon the terms and conditions of this Agreement.

Now it is agreed as follows.

1. Definitions

The meanings of the terms used in this Agreement are set out below.

“**Base Price**” has the meaning given in clause 6.

“**Business Day**” means a day on which banks are open for business in Melbourne.

“**Deemed Supply**” means the total quantity of milk solids supplied by the Supplier to the Company during each contract year throughout the term of the agreement.

“**KGMS**” means the sum of the fat and protein test results measured by the Company on each delivery of milk from the Supplier and recorded in the farmer payment system.

“**Manual**” refers to the Company's requirements as set out in the Cadbury Supplier Manual (which are incorporated into and form part of this Agreement), consisting of:

- parts 1-2 (Supplier Manual), and
- parts 3-4 (On Farm Food Safety Manual),

the most recent versions of which are included as an Annexure to this Agreement.



"Minimum Price" means the price payable for each grade of milk as set out in clause 6 and Appendix 1.

"Price" has the meaning given in clause 6.

"Season" means the milk supply season from 1 July – 30 June.

"Volume Incentive" has the meaning given in clause 6(b).

"\$" means Australian dollars.

2. Term

- (a) This Agreement shall commence on 1 July 2020 ("**Commencement Date**") and expire on 30 June 2021 ("**First Supply Period**").
- (b) Provided the Supplier is not in breach of this Agreement, the Supplier has two options to extend the term of this contract for an additional 12 month period ("**Subsequent Supply Period**"), subject to the Supplier's acceptance of the amended Minimum Price, for the following Season published by the Company in accordance with paragraph (c).
- (c) The Company will publish the Minimum Price and any changes to the Manual for any Subsequent Supply Period no later than 1 June of the relevant Season.
- (d) The first extension ("**First Subsequent Supply Period**") will commence on 1 July 2021, and the second extension ("**Second Subsequent Supply Period**") will commence on 1 July 2022.
- (e) The Supplier must provide written notice to the Company of the exercise of its option to extend the term at least 21 days before the commencement of any Subsequent Supply Period.

3. Supply of Liquid Milk

- (a) The Supplier must supply the liquid milk to the Company in accordance with this Agreement (including the Manual). The Supplier will act in good faith, use due care and skill and comply with all laws, regulations and standards to provide the liquid milk to the specifications and requirements of the Company including compliance with the Tasmanian Code of Practice for Dairy Premises
- (b) The Supplier will keep records and audits in respect of the supply of liquid milk as required by the Manual.



4. Milk Collection

- (a) The Company or its nominee will arrange to collect the liquid milk and the Company will pay all liquid milk collection costs for “once a day” and “every second day” pick up only.
- (b) The parties' rights and obligations in respect to milk collection are specified in the Manual.

5. Title and Risk

- (a) **Title** – Title to the liquid milk passes to the Company upon collection by the Company or its nominees, and after determining through tests conducted that the liquid milk supplied to the Company meet the Company’s quality requirements as set out in the Manual.
- (b) **Risk** – Risk to the liquid milk passes to the Company upon delivery of the liquid milk to the Company’s premises at 135/141 Bass Highway Cooe Tasmania or at such other addresses as the Company deems fit. In the event should it be determined after tests conducted that the liquid milk supplied to the Company fail to meet the Company’s quality requirements as set out in the Manual, risk to the liquid milk shall be passed back to the Supplier.

6. Pricing

- (a) The **Minimum Price** is expressed as a monthly schedule of AUD / Kilogram Milk Solids (\$/KGMS) as specified in Appendix 1 for each Grade of milk. Factors used to determine the Minimum Price are:
 - (i) the **Base Price** (\$/KGMS) set by the Company after reviewing market conditions and pricing in the Southern Australian milk pool;
 - (ii) the **Monthly Pricing Ratios** set in May of each year to reflect the Company's supply needs for the Season;
 - (iii) the **Grade** of the milk supplied, as determined using the criteria set out in Appendix 3; and
 - (iv) payment of the **Cadbury Premium**, which is the additional 10 cents per KGMS paid by the Company to the Supplier
- (b) **Volume Incentive** – The Company will pay a Volume Incentive in accordance with clause 9(b) and Appendix 2, provided the Supplier supplies the Company with the agreed quantities of milk solids.



Should there be more than one agreement between the Supplier and the Company for the supply of milk solids, the Volume Incentive shall be calculated based on the combined quantity of all existing agreements between the parties. However, the Supplier is only allowed to claim for the Volume Incentive under one agreement.

(c) Variation in exceptional circumstances

- (i) Exceptional circumstances is defined by section 28(3) of the Dairy Code of Conduct which in general terms requires circumstances that are temporary and occurring outside Australia with a highly significant effect on supply, demand or costs in the dairy industry not resulting from decisions made by Australia's milk processors and may include:
 - A. a foreign country unexpectedly restricting the importation of Australian dairy products; and
 - B. a trade shock involving one of Australia's major trading partners.
- (ii) If during the Season there are exceptional circumstances, the Company may, subject to paragraph (iii), vary the Base Price or the Monthly Pricing Ratio for the period of the exceptional circumstances.
- (iii) In varying the Base Price or the Monthly Pricing Ratio, the Company must comply with sections 28(4)-(8) of the Dairy Code of Conduct which includes:
 - A. taking all available reasonable steps to prevent or limit the impact of the exceptional circumstances on the Supplier;
 - B. providing at least 30 days' notice in writing; and
 - C. allowing the Supplier to terminate within 21 days of that notice and rescind that termination within those 21 days.

7. Price Setting Periods and Base Price Review

For each Season of the term of this Agreement there are three key price setting periods:

- (a) **Opening Price:** By 1 June each Season the Company will set an opening price in its sole discretion after reviewing market conditions and pricing in the Southern Australian milk pool. This price will apply from July to December.
- (b) **Quarterly Review:** In mid-September, mid-December and mid-March each Season, the Company may vary the Base Price based on an assessment of the Company's Base Price as compared to the market price in the Southern Australian milk pool. This adjustment will apply to the price to be used for the next quarter only if the adjusted price is higher than the Opening Price.



- (c) **Increase of Base Price:** At any point in the Season, the Company may increase the Base Price payable to the Supplier by written notice in advance. This notice will specify the period for which the increased Base Price will apply.
- (d) **End Of Season close out:** In June of each Season the Company may review the Base Price against prices in the Southern Australian milk pool and may, if the adjusted price is higher than the Opening Price, adjust the Base Price in its sole discretion. This adjustment will apply retrospectively for the Season in accordance with clause 9(b).

8. Quantity and Delivery

- (a) The quantity of milk solids to be supplied to the Company during the First Supply Period is specified in Appendix 5.
- (b) The quantity of milk solids to be supplied by the Supplier to the Company for any Subsequent Supply Period shall be mutually agreed in good faith by the parties in writing no later than 14 days before the start of that Subsequent Supply Period and the agreed quantity of milk solids for the Subsequent Supply Period will be included in a replacement of Appendix 5.
- (c) The Parties agree that delivery of the agreed quantities of milk solids for any supply period shall take place as follows:
 - (i) for the First Supply Period, the Supplier shall commence delivery of the agreed quantities on 1 July 2020 and complete delivery on or before 30 June 2021;
 - (ii) for the First Subsequent Supply Period, the Supplier shall commence delivery of the agreed quantities on 1 July 2021 and complete delivery on or before 30 June 2022; and
 - (iii) for the Second Subsequent Supply Period, the Supplier shall commence delivery of the agreed quantities on 1 July 2022 and complete delivery on or before 30 June 2023.
- (d) Supplier agrees that supply of the agreed quantities of milk solids for any supply period shall take place spread over a minimum 300 days lactation period (prorated where applicable) or the average of previous 5 season lactations if less than 300 days.
- (e) If, for any reason (including such as the Supplier supplying an alternative milk processor), the Supplier considers that it is unable to supply the Company with the agreed quantity of milk solids each month as per Appendix 5, the Supplier must give the Company 30 days written notice of changes in the Supplier's ability to supply the Company with the agreed quantity of milk solids for the month(s).



- (f) The Company will provide the Supplier with the reports specified in the Manual in respect of quantity and delivery of milk supplied, including relevant volume accuracy assurance.
- (g) The parties agree to keep all records and audits as required by the Manual in respect of quantity and delivery.
- (h) The Supplier acknowledges that it has an ongoing obligation to supply the Company on a non-exclusive basis with the agreed quantity of milk solids each Season during the term of the Agreement (and any extension of the Agreement). The parties agree that failure to supply the agreed quantity of milk solids under paragraphs (a), (b) and (c) above is a material breach.

9. Terms of Payment

- (a) Payment of the Price and Cadbury Premium will be made to the Supplier within 15 Business Days of the end of each fortnightly milk collection period.
- (b) Payment of the Volume Incentive and End of Season Close Out set out in clauses 6(b) and 7(d) shall be made with the first pay period one (1) month after the end of the relevant supply period.
- (c) All payments due to the Supplier under this Agreement will be made by direct credit to the Supplier's nominated bank account.

10. Quality

- (a) The parties' rights and obligations in respect to the quality of milk, including recording and reporting obligations, are specified in Appendix 3 and in the Manual. Appendix 3 and the Manual are to be read together.
- (b) The Supplier warrants that:
 - (i) on each day during the term of this Agreement, all liquid milk supplied to the Company will meet the Company's quality requirements as set out in Appendix 3 and in the Manual; and
 - (ii) it will not provide five (5) consecutive collections of rejected milk.
- (c) The parties agree that failure to comply with any warranty in paragraph (b) is a material breach.



11. Change of control

The Supplier warrants that it will not, during the term of the Agreement:

- (a) sell its property (as listed in the party details on page 1 of this Agreement); or
- (b) sell or otherwise cease their dairy business or retire; or
- (c) have a change in the identity of the person who Controls the Supplier from that which was in effect on the Commencement Date, where "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise,

unless it first provides thirty (30) days' written notice to the Company of its intentions or of the change occurring.

12. Additional obligations on the Supplier

- (a) The Supplier agrees that it:
 - (i) will not, during the term of the Agreement, enter or threaten to enter into bankruptcy, liquidation or any other form of insolvency, receivership or administration;
 - (ii) and its employees, agents or representatives must not be guilty of fraud, dishonesty or any other serious misconduct; and
 - (iii) will remain authorised by the Tasmanian Dairy Industry Authority or any other competent authority to perform its obligations under this Agreement, and will address any regulatory authority audit non-conformances within the nominated timeframe.
- (b) The Supplier also agrees that it:
 - (i) and its affiliates will not be mentioned in media of any kind in connection with environmental breaches, product contamination or quality failures; and
 - (ii) will comply with the Company's policies in Appendix 4 in performing under this Agreement, and will cooperate with the Company's reasonable efforts to assess the Supplier's compliance.
- (c) The parties agree that a breach of any of the obligations in paragraph (a) above is a material breach of this Agreement.
- (d) **Remedy of breach.** In the event that a party (the First Party) is in breach of a term of this Agreement, the other party (the Second Party) may:
 - (i) if the breach is capable of being remedied, issue to the First Party written notice requiring that breach to be remedied and specifying a reasonable period for remedy of no less than 14 days. Any failure to remedy the breach within the required period is a material breach. If the First Party has not remedied the breach within the period specified in the notice, then



- the Second Party may terminate this Agreement immediately by sending the First Party a written notice, or
- (ii) if the breach is incapable of being remedied, issue to the First Party written notice of termination with immediate effect.

13. Termination

- (a) The Supplier may terminate this Agreement at any time by providing 180 days written notice to the Company.
- (b) The Supplier may terminate this Agreement immediately with written notice within the first 14 days after this Agreement is entered into.
- (c) Without prejudice to any other right, the Company may terminate this Agreement immediately by sending the Supplier a written notice of that fact if:
 - (i) the Supplier is in material breach of its obligations under this Agreement; or
 - (ii) the Supplier is in breach of any of the warranties or obligations in clauses 8(a), 8(b), 8(c) , 10(b) , 11, or 12(a).

Subject to any contribution to the breach by the Company, the Supplier will not be entitled to any compensation or payment as a consequence of any such termination, other than payment for milk already supplied and the pro rata payment of any entitlement to the Volume Incentive.

- (d) Any unilateral termination under this Agreement must:
 - (i) be in writing;
 - (ii) specify the reason(s) for the termination; and
 - (iii) specify the date on which the termination will take effect.
- (e) The termination of this Agreement shall not affect the accrued rights or obligations of either party under this Agreement.

14. Force Majeure

- (a) Notwithstanding anything to the contrary in this Agreement, a party will not be liable or responsible for any failure to perform or delay in performance of any of its obligations under this Agreement if such failure or delay is due or attributable to any act of God, orders, restrictions or regulations of the Government, war, warlike conditions, hostilities, riots, civil commotion, strikes (other than strikes of its own employees), lockouts, power supply, embargoes, disease, epidemics, pandemics or any other cause or circumstance



of whatsoever nature not caused by and beyond the reasonable control of that party (“**Force Majeure Event**”).

- (b) The party affected by the Force Majeure Event must make all efforts to resume performance as soon as possible and must mitigate the effect of the Force Majeure Event.
- (c) Where any failure by the Supplier to perform its obligations under this Agreement due to Force Majeure Event continues for a period of three months or more then the Company may terminate this Agreement without liability by written notice.

15. Alternative supply during Force Majeure

The Company may acquire liquid milk from other sources for so long as a Force Majeure Event exists. The Supplier must provide, at its own cost, all assistance reasonably required by the Company in this regard. The Company may complete arrangements with other suppliers for the purchase of liquid milk for a reasonable period after the end of the Force Majeure Event where such orders were placed by the Company during the Force Majeure Event and where such orders were reasonable, having regard to the Company’s need to carry on its business throughout the Force Majeure Event.

16. Assignment

Except as permitted below, neither of the Company or the Supplier will assign any of their rights or obligations under this Agreement without the other party's prior written approval, which must not be unreasonably withheld. By giving written notice to Supplier, the Company may assign this Agreement in whole or in part without Supplier’s approval to:

- (a) any subsidiary (as defined in s46 of the Corporations Act) of Mondelēz International Inc.;
- (b) any affiliate of the Company;
- (c) any corporation or entity purchasing any part of the business operations of Mondelez Australia (Foods) Ltd, Mondelez Australia Pty Limited or the Company to which this Agreement relates; or
- (d) any corporation or entity with which the Company has contracted to provide services formerly performed by the Company (commonly known as outsourcing).



Supplier agrees to any such assignment and will assist the Company in any necessary documentation. If an assignment is made under this subsection, the assigning party will not be liable for any obligations arising after the assignment under this Agreement.

17. Confidentiality

The Supplier must keep, and must ensure that its employees, advisor's, consultants, partners, agents and representatives keep, the existence and terms of this Agreement confidential as well as any technical, scientific, commercial, financial or other information of or about the Company, or any of its businesses, business processes or products, that is disclosed to, or of which the Supplier or any of its employees, advisor's, consultants, partners, agents and representatives become aware of, in relation to or in connection with this Agreement.

18. Variation of the Agreement and Amendments to the Manual

- (a) Subject to paragraph (b), this Agreement may only be varied by written agreement between the parties.
- (b) The Company may unilaterally vary the Agreement if there is a change in a Commonwealth, State or Territory law, to the extent necessary to comply with the changed law but without reducing the Minimum Price under the Agreement.

19. Benefits Forbidden

- (a) Supplier will not, and will not use any third party to:
 - (i) provide any benefit of more than nominal value to any employee of the Company or any of its related corporations. Gifts of personal travel and lodging are prohibited absolutely;
 - (ii) do business with the Company if any employee of the Company owns a Substantial Interest in the Supplier's organization and is in a position to affect the decision to engage or terminate the Supplier or the terms of this Agreement between the Company and the Supplier;
 - (iii) give bribes, kickbacks, secret commissions or other unlawful or improper methods of remuneration to any person; or purchase, sell or otherwise trade in securities of Mondelez International, Inc.. (the US listed parent of the Company) or the Company or any of its related corporations while in possession of material non-public information and shall not provide material non-public information, directly or indirectly, to anyone.



Immediate disclosure in writing to the Company is required if the Supplier becomes aware of a breach of this section. The Company may terminate this Agreement if the Supplier knowingly breaches this section.

- (b) For purposes of this section, the following definition applies:

“**Substantial Interest**” means an economic interest, held personally or by family members (including family members not more remote than a first cousin and including immediate family of an employee’s spouse or de facto spouse), that might influence or reasonably be thought to influence judgment or action but does not include the holding of less than one percent of the estimated value of the outstanding equity securities of a publicly held company).

20. No Bribery

- (a) The Supplier will not offer or pay, directly or indirectly, money or anything of value for or on behalf of the Company to a Government Official for the purpose of obtaining or retaining the Company’s business or obtaining a business advantage for the Company or to assist the Company in directing business to any person. “Government Official” includes officials or employees of government, state-owned businesses, international organizations, or political parties, political candidates, or any person otherwise acting in an official capacity for or on behalf of a government entity or international organization.
- (b) The Supplier will not offer or pay, directly or indirectly, money or anything of value for or on behalf of the Company to any other person or legal entity for any illegal purpose.
- (c) If the Company has reason to believe that a breach of any of the representations in this clause has occurred or may occur, the Company may withhold further payments under this Agreement until such time as it has received confirmation to its satisfaction that no breach has occurred or will occur.
- (d) The Company may terminate this Agreement immediately upon written notice to the Supplier if the Company concludes, in its sole opinion, that the Supplier has breached any representation in this clause or that a breach is substantially likely to occur.



21. Miscellaneous

- (a) This Agreement only covers the property that has been allocated the supply number set out in this Agreement and does not cover or extend to any additional farm property purchases that the Supplier may acquire during the term of the Agreement.
- (b) Dairy Australia levies paid by the Company on behalf of the Supplier (as advised by the Company or its nominee annually) will be deducted from the Price paid by the Company under this Agreement.
- (c) The Company is entitled to set off against any amount which the Company owes the Supplier under this Agreement, or any amount which the Supplier owes the Company from time to time whether under this Agreement or otherwise.
- (d) The Company will reimburse the Supplier 5% points of interest costs (calculated over a 5 year term) associated with the purchase and installation of approved vats (as approved by the Company or its nominee) each year during the term of the Agreement. Vats eligible for interest subsidy must fully comply with current cooling curve requirements and hold 3 milkings at peak. The Supplier acknowledges that this interest subsidy will immediately be cancelled on termination of this Agreement (for whatever reason) or if clause 11 applies.

22. Complaint Handling and Dispute Resolution

- (a) The Internal Complaints Handling Officer for the Company is Mohit Sharma.

Email: mohit.sharma@mdlz.com
Contact number: +61 402 655 945

The Company may change the identity of the Internal Complaints Handling Officer by written notice to the Supplier or through the Company's Web Portal.

- (b) Complaints under this Agreement must be dealt with in accordance with section 47 of the Dairy Code of Conduct including the following:
 - (i) The complainant must notify the other party (the **respondent**) in writing of the nature of the complaint, the outcome they want, and that they want the complaint dealt with under the internal complaint handling procedure.
 - (ii) No more than five Business Days after receiving notice of the complaint, the respondent must provide written acknowledgement of receipt, stating the steps to be taken to deal with the complaint.



- (iii) The parties must attempt to resolve the complaint in good faith and in accordance with the internal complaint handling procedure before taking action to resolve the complaint by other means.
 - (iv) If the complaint is not resolved under the internal complaints handling procedure within sixty (60) days after acknowledgement is given under paragraph (ii), either party may take action to have the complaint resolved by mediation in accordance with sections 48, 49 and 50 of the Dairy Code of Conduct.
 - (v) The complainant may withdraw their complaint at any time by written notice to the respondent.
- (c) Any mediation procedure must be conducted in accordance with sections 48, 49 and 50 of the Dairy Code of Conduct including the following:
- (i) The party seeking mediation must request the person appointed by the Agriculture Minister for the purposes of sub-division F of the Dairy Code of Conduct as the mediation advisor to appoint a mediator for the dispute.
 - (ii) The parties to the dispute must attend the mediation and attempt to resolve the dispute in good faith, either personally or by an authorised representative as directed by the mediator.
 - (iii) Unless agreed otherwise, the parties to a mediation will pay their own costs and half the costs (if any) of the mediation.
 - (iv) The mediator must terminate the mediation:
 - A. If requested by the party seeking mediation;
 - B. if satisfied that a resolution of the dispute is not likely to occur, or
 - C. if the dispute that is subject to the mediation is not resolved within thirty (30) days of the mediation commencing and the respondent requests that the mediation be terminated.
 - (v) The party who requested the mediation may withdraw their complaint and terminate the mediation at any time by written notice to the respondent and mediator.

23. Notice

Notice under this Agreement:

- (a) must be in writing;
- (b) may be delivered to the intended recipient by way of prepaid post or by hand or email to the address last notified by the intended recipient to the sender;
- (c) will be conclusively taken to be duly given or made and received:
 - (i) in the case of delivery in person, when delivered;



- (ii) in the case of delivery by express post to an address in the same country, two Business Days after the date of posting;
- (iii) in the case of delivery by any other method of post, six Business Days after the date of posting;
- (iv) in the case of email, at the earliest of:
 - A. the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - B. the time that the intended recipient confirms receipt of the email by reply email; or
 - C. three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three-hour period, an automated message that the email has not been delivered,
but if the result is that a notice would be taken to be given or made and received:
 - D. after 5pm; or
 - E. on a day that is not a Business Day,
it will be conclusively taken to have been duly given or made and received at the start of business on the next Business Day.

24. Governing Law

This Agreement is governed by the laws of Victoria. The Supplier irrevocably and unconditionally submits to the jurisdiction of the courts of Victoria.



APPENDIX 1 - LIQUID MILK PRICES

The Minimum Price is:

a	b	c	d	e	f	a*d*f+b
Base Price (AUD/KGMS)	Cadbury Premium (AUD/KGMS)	Month	Monthly Price Ratio	Grade	Grade %age	Minimum Price (AUD/KGMS)
5.3	0.1	July'20	130%	First	100%	6.990
			130%	Second	96%	6.714
			130%	Third	80%	5.612
		August'20	125%	First	100%	6.725
			125%	Second	96%	6.460
			125%	Third	80%	5.400
		September'20	100%	First	100%	5.400
			100%	Second	96%	5.188
			100%	Third	80%	4.340
		October'20	87%	First	100%	4.711
			87%	Second	96%	4.527
			87%	Third	80%	3.789
		November'20	87%	First	100%	4.711
			87%	Second	96%	4.527
			87%	Third	80%	3.789
		December'20	87%	First	100%	4.711
			87%	Second	96%	4.527
			87%	Third	80%	3.789
		January'21	96%	First	100%	5.188
			96%	Second	96%	4.984
			96%	Third	80%	4.170
		February'21	100%	First	100%	5.400
			100%	Second	96%	5.188
			100%	Third	80%	4.340



			102%	First	100%	5.506
		March'21	102%	Second	96%	5.290
			102%	Third	80%	4.425
			105%	First	100%	5.665
		April'21	105%	Second	96%	5.442
			105%	Third	80%	4.552
			120%	First	100%	6.460
		May'21	120%	Second	96%	6.206
			120%	Third	80%	5.188
			130%	First	100%	6.990
		June'21	130%	Second	96%	6.714
			130%	Third	80%	5.612

REJECT milk has no value and is paid at \$0.00/ KGMS. Collection of milk will cease after 5 consecutive collections of rejected milk, and risks supplier termination in accordance with clause 13.

The Minimum Price above shall be paid by the Company less Dairy Australia statutory levies, Details on levies applicable can be found at <https://www.agriculture.gov.au/ag-farm-food/levies/rates/dairy>. Details of current levies can also be obtained from the Company. Statutory levy is not subject to GST

Levies are required to be deducted, but are subject to change by the relevant authorities.



APPENDIX 2 - THE COMPANY'S VOLUME INCENTIVE TABLE

Volume Benefit	
KGMS	Price / KGMS
-	\$ 0.04
100,000	\$ 0.13
200,000	\$ 0.16
300,000	\$ 0.20

Note: Once a total figure is reached the higher rate applies to all milk solids produced. For example, if 100,500 kgs of milk solids are produced and supplied to the Company, the Supplier will receive \$0.13 per kg for the total of the 100,500 supplied, and not \$0.04 for the first 100,000 kgs supplied and \$0.13 for that which is supplied between 100,001 and 100,500 and so on.



APPENDIX - 3 THE COMPANY'S SEASON GRADING STANDARDS

Appendix 3 provides a summary of the key aspects of the Company's grading standards. Further detail can be found in the annexed Manual.

	REJECTED GRADE	THIRD GRADE	SECOND GRADE	FIRST GRADE
Bactoscan	Greater than 280,001/ml Collection to cease after 5 consecutive collections	Greater than 120,001/ml for 4 consecutive collections or greater than 220,000/ml & not greater than 280,000	Above 120,001/ml & not greater than 220,000/ml (4 consecutive collections, then Third grade)	120,000/ml or less
Somatic Cell Count (On 2 week rolling average)	Greater than 500,001/ml Collection to cease after 5 consecutive collections	Above 400,001/ml & not greater than 500,000/ml	Above 250,001/ml & not greater than 400,000/ml	250,000/ml or below
Antibiotics	Positive	Positive accepted by company	absent	Absent

Milk Temperature Requirements: All milk must be cooled in accordance with the Manual. The Company will pay for one milk rejection per year due to refrigeration failure. This will be based on previous 10 days results and be paid at Second grade. If the results for that 10 day period were averaging second grade or third grade then this delivery will be paid at third grade rates.

Antibiotics: All milk supplied to the company must be free of antibiotics. Any notification of potential failure prior to collection and shown to be contaminated will not be collected by the Company. The company will pay for one failure per year that has been notified prior to collection and the supplier be paid second or third grade as described in Milk Temperature Requirements. Any detection post collection of the milk will result in a claim by the company against that supplier for the full load value, including cost of disposal. Any milk tested positive and accepted by the company will be paid at third grade rates.

SCC: All milk supplied to the company must be maintained at the highest possible quality with corrective actions implemented to address non-conforming quality.



Collection from farm will cease and milk will be rejected from any supplier providing milk for five (5) consecutive collections with SCC **rolling average** result being 500,000/ml or greater. Collection will not resume until supplier can demonstrate corrective actions have been implemented and daily SCC result being less than 400,000/ml.

Bactoscan: Each collection of milk with elevated bactoscan results shall be treated independently and tested daily.

Collection from farm will cease and milk will be rejected from any supplier providing milk for five (5) consecutive collections with bactoscan result being 280,000/ml or greater. Collection will not resume until supplier can demonstrate corrective actions have been implemented and Bactoscan results are less than 280,000/ml.

Quality Grading Process: Bactoscan results and SCC will be treated separately with respect to grading.

- Bactoscan – any result
 - 2 consecutive tests greater than 120,000/ml required to trigger initial grading.
 - Each collection from “trigger” will be treated per grading rules.
 - Missing tests - next immediate test will generate result for missing test day per example below (Assume SCC below 250,000/ml)
 - Following grading outside of First Grade, four (4) consecutive collections will be tested (Excluding Saturday collections)
- SCC – 14 day rolling average will be used to determine grading result for each specific day. In the event of no result being available for a day then the average of the 5 days results prior to the missing result will be recorded.



APPENDIX - 4 THE POLICIES

CORPORATE SOCIAL RESPONSIBILITY

- (a) **Forced Labour.** Supplier will not use any forced labour, which means any work or service performed involuntarily under threat of physical or other penalty. Supplier shall respect the freedom of movement of its workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment. If workers enter into employment agreements with Supplier, workers should do so voluntarily.
- (b) **Child Labour.** Supplier will not directly (or indirectly through the use of its subcontractors) employ any children under the age of 18 years of age unless legal, necessary, and the following are met:
- (i) Supplier will comply with the minimum employment age limit defined by national law or by International Labor Organization (“ILO”) Convention 138, whichever is higher. The ILO Convention 138 minimum employment age is the local mandatory schooling age, but not less than 15 years of age (14 in certain developing countries), subject to exceptions allowed by the ILO and national law.
 - (ii) Supplier will ensure that employees working in facilities that are manufacturing or packaging the Company’s finished products, serving as temporary employees to the Company, or present at the Company facilities, are at least 15 years of age (and no exceptions allowed by the ILO or national law will apply).
 - (iii) Supplier must demonstrate that their employment does not expose them to undue physical risks that can harm physical, mental, or emotional development
- (c) **Diversity and Inclusion.** Supplier will hire, compensate, promote, discipline, and provide other conditions of employment based solely on an individual’s performance and ability to do the job (except as required under collective bargaining agreements). Supplier will not discriminate based on a person’s race, sex, age, nationality, marital status, ethnic origin, or any legally protected status.
- (d) **Harassment and Abuse.** Supplier will provide a workplace free from harassment, which can take many forms, including sexual, verbal, physical or visual behaviour that creates an offensive, hostile, or intimidating environment.
- (e) **Safety and Health.** Supplier will (i) endeavour to provide safe working conditions, (ii) provide its employees with appropriate protection from exposure to hazardous



materials, and (iii) provide its employees with access to potable water and clean sanitation facilities.

- (f) **Third-Party Representation.** Supplier will respect the decision of its employees to join and support a union as well as their decision to refrain from doing so where legally permitted.
- (g) **Working Hours and Compensation.** Within the bounds of normal seasonal and other fluctuations in business requirements, Supplier will (i) maintain a reasonable overall pattern of required working hours and days off for its employees so that total work hours per week do not regularly exceed industry norms; (ii) pay fair and timely compensation, including any required premium payments for overtime work; and (iii) advise new employees at the time of hiring if mandatory overtime is a condition of employment.
- (h) **Disciplinary Practices.** Supplier will not use corporal punishment or other forms of mental or physical coercion as a form of discipline.
- (i) **Business Integrity.** Supplier will promote honesty and integrity in its business conduct by raising ethical awareness among its employees and providing direction and education on ethical issues. Further, Supplier will not: pay or accept bribes, arrange or accept kickbacks, or participate in illegal inducements in business or government relationships.
- (j) **Environment and Sustainability.** Supplier will work to continuously improve its environmental performance by setting and then working toward quantifiable goals that reduce the environmental impact of its activities.





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APPENDIX - 5 THE COMPANY'S ANNUAL FORECAST MILK SUPPLY AGREEMENT

This Appendix lists the quantities of milk solids that are agreed to be supplied under the Agreement.

Date: _____

Supplier No and Name:

Month	Previous Seasons Data (MDLZ)			Supplier Estimate for Season _____		
	Litres	KGMS	%KGMS	Litres	KGMS	%KGMS
July						
August						
September						
October						
November						
December						
January						
February						
March						
April						
May						
June						
Total						

Mondelez will provide each supplier with current data, each supplier is requested to either enter numbers as an estimate, or a percentage change will be acceptable.

Signed:

.....

.....

.....

.....

(Owner(s))

(Sharefarmer(s))

.....
(by The Regional Procurement Manager / representative)





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SIGNED AS AN AGREEMENT.

For and on behalf of the Company by its duly authorised representative in the presence of:

Signature of Authorised Representative

Signature of Witness

Name of Authorised Representative
(please print)

Name of Witness (please print)

For and on behalf of the Supplier by its duly authorised representative in the presence of:

Signature of Authorised Representative

Signature of Witness

Name of Authorised Representative
(please print)

Name of Witness (please print)

Date: _____

