



WOOL CONSIGNMENT, STORAGE AND SALE OF WOOL TERMS & CONDITIONS

To: AWN FOOD & FIBRE HOLDINGS PTY LTD ACN 627 193 104 including, but not limited to any related body corporate, any subsidiary or associated entity and as trustee of any trust from time to time (individually and together called "AWN").

1. APPLICATION & APPOINTMENT OF AWN AS AGENT

- (a) These terms and conditions govern the consignment, storage and sale of Wool.
- (b) The Grower agrees to appoint AWN as its wool selling agent in respect of any sale of the Wool and to consign Wool for storage at a store as nominated by AWN.
- (c) The Grower authorizes AWN to sell the Wool in accordance with any instruction the Grower may give to AWN, or otherwise, at the discretion of AWN.
- (d) These terms and conditions must be read together with any applicable General Credit Terms.
- (e) To the extent of any inconsistency between these terms and conditions and the General Credit Terms, the General Credit Terms will prevail.
- (f) The Grower agrees that the proceeds of any sale of the Wool are to be paid to AWN and that AWN may deduct from those proceeds and retain for itself all monies payable by the Grower to AWN under these terms and conditions before forwarding the balance to the Grower.
- (g) If the proceeds of the sale of the Wool are insufficient to pay all monies payable by the Grower to AWN, the Grower must pay AWN, on demand, all outstanding Fees, Costs and Payments in relation to the Wool and any other outstanding monies.
- (h) The Grower must pay to AWN any costs, charges and expenses (including all stamp duty and legal fees and costs and debt recovery expenses on a full indemnity basis as a liquidated debt) incurred by AWN in connection with the entry into these terms and conditions, the exercise or attempted exercise of any power, right or remedy under these terms and conditions and/or the failure to comply with these Terms and Conditions.
- (i) As security for payment of all moneys payable by the Grower and for the Grower's obligations generally under these terms and conditions, the Grower charges in favour of AWN the whole of the Grower's undertaking, property and assets (including without limitation all of the Grower's interests, both legal and beneficial, in freehold and leasehold land) both current and later acquired. The Grower irrevocably appoints each Officer as the Grower's attorney to do all things necessary to create and register each such charge. Upon demand by AWN, the Grower agrees to immediately execute a mortgage or other instrument in terms satisfactory to AWN to further secure payment of the money payable by the Grower. If the Grower fails within a reasonable time of such demand to execute such mortgage or other instrument, then the Grower acknowledges that AWN may execute such mortgage or other instrument as the Grower's attorney pursuant to the appointment of AWN as the Grower's attorney set out in these terms and conditions.

2. TITLE

- (a) The title to the Wool remains with the Grower until it passes to the Buyer upon confirmation of the sale of the Wool by the Buyer and after full payment is received from the Buyer for the Wool purchased.
- (b) Title to the Wool does not pass to AWN unless AWN becomes the Buyer of the Wool in which case clause 2 (a) will apply.

3. RISK & INSURANCE

- (a) AWN has procured Marine Transit (Sheep's Back to Store) Insurance which covers only those risks as described in this document, and is subject to such terms, conditions, exclusions and limitations as are reasonably available from a reputable

insurer.

- (b) If a Grower does not wish to have the benefit of this protection, the Grower must notify AWN in writing prior to appointing AWN as its wool selling agent and consignment of the Wool to AWN.
- (c) AWN will accept risk in the Wool for loss or damage for a period:
 - (i) Commencing when the Grower pens their sheep for shearing or the day AWN is appointed as its wool selling agent (whichever is the latter); and
 - (ii) Ending 90 days after the day the Grower pens their sheep for shearing.
 - (iii) If the Wool has not been delivered to an AWH store at the end of the period specified above, AWN will accept risk in the Wool only while it is in transit to an AWN nominated store, up to and including 21 days of interim storage whilst in transit.
 - (iv) From the date of arrival at a store as nominated by AWN until date of sale.
- (d) If the Wool is lost, stolen, destroyed or damaged during the period in which AWN accepts risk in the Wool, AWN will, subject to clause 3 (c) and (e)-(g), compensate the Grower for the loss of, or damage to the Wool.
- (e) The amount of any such compensation will be limited to an amount equal to the market value of the Wool as at the date of the sale of the clip as determined by AWN, or if the Wool at the time of the loss is subject to a contract of sale, the price of the Wool under that contract of sale, less the Grower's usual selling costs.
- (f) The Grower acknowledges that they must take all reasonable precautions to ensure that the Wool is kept safe and secure while under the Grower's care and control and records of bale numbers, bale weights and descriptions corresponding to those declared in the classer's specification provided to AWN in respect of the Wool are maintained.
- (g) The Grower further acknowledges and agrees that AWN will have no obligation to compensate the Grower under clauses 3 (a) to (f), if, as a result of the Grower's actions, omissions, or failure to act, any claim by AWN in relation to the Wool is declined by its insurer.

4. DELIVERY

- (a) The Grower will arrange, at their own cost, for the delivery of the Wool to an AWH store as nominated by AWN.
- (b) The Grower acknowledges that AWN is authorized as its wool selling agent to execute any form, document or agreement necessary for the consignment of the Wool to an AWH store on behalf of the Grower.

5. FEES, COSTS AND PAYMENTS

- (a) The Grower agrees to pay AWN:
 - (i) commission as calculated by AWN, applicable to the manner of sale of the Wool;
 - (ii) All other purchases through AWN by the Grower (including, but not limited to, woolpacks), all AWN Wool / shearing advances received together with any wool advance interest where applicable, all other costs and expenses incurred by AWN in relation to the freight, handling, testing and inspection of the Wool prior to its sale or attempted sale (including storage charges) and all other costs in connection with the sale or attempted sale of the Wool (including, but



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not limited to, duties, taxes, industry service charges and levies);

- (iii) Interest on any monies owing to AWN which are not paid by the due date. Interest will be calculated daily from the invoice date up to and including the date of payment in full, at a rate of 15% p.a as determined and calculated by AWN, in its discretion.
- (b) All Fees, Costs and Payments are due and payable on the earlier of:
 - (i) date of the sale of the Wool;
 - (ii) the termination of this contract; or
 - (iii) if applicable, on demand by AWN.
- (c) If AWN incurs any costs on behalf of the Grower after the date on which AWN pays the Grower the balance of the Wool sale proceeds, the Grower must reimburse AWN for such costs immediately upon demand.

6. RIGHT OF SET OFF

- (a) AWN in its sole discretion, may at any time set-off any amount owing by the Grower to any AWN entity on any AWN account held on the Grower's behalf whatsoever whether or not the amount owing by the Grower has become due or payable.

7. AWN'S LIMITED LIABILITY

- (a) The Grower acknowledges that AWN's liability under these terms and conditions is limited to its duty to the making of any payment (if applicable) to the Grower as in the manner detailed in clause 1.
- (b) AWN excludes liability for any and all indirect or consequential losses or damages (including loss of profits or lost opportunity) together with any liability to any third party arising from the Wool itself or the Grower's handling of the Wool, howsoever arising and notwithstanding the fact that such losses or damages were reasonably foreseeable.

8. GROWER LIABILITY AND WARRANTIES

- (a) The Grower acknowledges that the Wool is, to the best of their knowledge, in good condition and accurately described in any documents or materials provided to AWN relating to the Wool.
- (b) If any Wool is subject to any security interest, the Grower warrants that they must disclose that interest to AWN and have procured, prior to signing / entering this Contract and appointment, the consent of the holder of that security interest to the Grower's entry into this Contract and appointment, in such form as AWN reasonably requires, including the security holder's written approval and authorization of the payment of all Fees, Costs and Payments in relation to the Wool.
- (c) If the Grower proposes to grant any new security interest over the Wool, the Grower must first obtain AWN's written approval, which will be conditional on the proposed security holder first granting the kind described in clause 8 (b).
- (d) The Grower further warrants that they have not appointed another wool selling broker or agent to sell the Wool.
- (e) The Grower indemnifies and keeps AWN indemnified at all times against all liabilities, losses, damages, costs or expenses incurred or suffered by AWN and all actions, proceedings, claims or demands made against AWN relating to the non-disclosure of any existing security over the Wool or the quality or condition of the Grower Wool including but not limited to the description or the National Wool Declaration (NWD) of the Wool by the Grower or wool classer or any other person acting on behalf of the Grower, other than any willful or negligent acts or omissions caused by AWN.

9. PERSONAL PROPERTY SECURITIES ACT (PPSA)

- (a) The Grower acknowledges that this Contract constitutes a security agreement under section 20 of the Personal Property Securities Act 2009 (PPSA) and that the Grower:
 - (i) grants a Security Interest (SI) and Purchase Money Security Interest (PMSI) as defined in the PPSA in favour of AWN over the Wool (and their proceeds).
 - (ii) grants to AWN a SI in all of its present and after-acquired property and in all of its present and future rights in relation to any personal property (as defined in the PPSA) from time to time as security for payment of any amount owed by the Grower to AWN and as security for the performance of the Grower of the obligations set out in these terms and conditions.
 - (iii) agrees that any wool or proceeds of sale of the Wool coming into existence after this Contract will come into existence subject to the PMSI and SI granted herein and these terms and conditions without the need for any further action or agreement by any party;
 - (iv) agrees that the PMSI and SI has attached to the Wool and that the attachment of the PMSI has in no way been deferred or postponed.
- (b) The Grower acknowledges they will execute documents and such further acts as may be required by AWN to register the SI under the PPSA.
- (c) The Grower waives its rights, to the extent permissible by law, under the provisions of Part 4 of the PPSA to receive notices.
- (d) The Grower also acknowledges that where AWN has rights in addition to Part 4 of the PPSA, those rights will continue to apply.
- (e) The Grower acknowledges that it has received value as at the date of the sale or attempted sale of the Wool and has not agreed to postpone the time for attachment of the SI granted to AWN under this Contract.
- (f) If AWN has cause to exercise its rights under Sections 123 and 128 of the PPSA, the Purchaser irrevocably grants AWN the right to enter the Grower's property or any other premises where the Wool are located, without notice, and without being liable to the Grower or to any third party.

10. TERMINATION

- (a) The Grower or AWN may terminate this Contract by notice in writing to the other if that other party:
 - (i) commits a breach of this Contract which is incapable of remedy within 7 days after receiving written notice from the other party requiring it to do so; or
 - (ii) the Grower is in default of any payments or is unable or state they are unable to pay its debts as and when they fall due; or
 - (iii) the Grower, being an individual, commits an act or bankruptcy or has a controller or trustee appointed to the Grower's estate, property or assets (or any part thereof); or
 - (iv) the Grower, being a company, passes a resolution to wind up or enters into liquidator or has an application for winding up filed against it; or
 - (v) a receiver, receiver and manager, controller or voluntary administrator is appointed over any part of the property or assets of the Grower; or
 - (vi) The Grower experiences any analogous events having substantially similar effects to any of the events specified above.
- (b) Termination will not affect the Grower's obligation to pay all monies owing to AWN and any other costs and expenses accrued up to and including the date of termination. AWN's right to recover all Fees, Costs and Payments and all other



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monies owing to it by the Grower survives termination of this Contract.

- (c) The Grower grants Awn a lien over the Grower's Wool until all outstanding monies have been paid in full.
- (d) If this Contract is terminated before the Grower's Wool is sold, Awn is entitled to retain possession of the Grower's Wool until all outstanding monies have been paid in full.

11. GENERAL

- (a) If a party comprises two or more persons, this Contract applies to those persons jointly and each of them individually.
- (b) If any provision of these terms and conditions is illegal or unenforceable or its application to any person or circumstances is or becomes invalid, illegal or unenforceable the provision shall so far as possible be read down to such extent as may be necessary to ensure that it is not invalid, illegal or unenforceable. If any provision or part of it cannot be so read down the provision or part of it shall be deemed to be void and severable and the remaining terms and conditions shall not be affected or impaired.
- (c) This agreement is governed by the laws of the State in which the consigned Wool is located. The parties submit to and consent to the laws of the State and central courts of that State as having jurisdiction over these terms and conditions.
- (d) These terms and conditions may be amended by Awn from time to time, will be made available on the Awn website and will take effect from the date the amended terms and conditions are listed on Awn's website.

12. DEFINITIONS

"Buyer" means the person identified as the buyer at auction or in an any Contract or otherwise and includes their authorized representatives.

"Contract" means any contract for the sale, consignment or supply of Wool through Awn.

"Fees, Costs and Payments" means all of the fees, costs and payments referred to in clause 5.

"General Credit Terms" means the terms and conditions contained in the Application for Commercial Credit as amended from time to time.

"Grower" means the person identified as the grower in any Contract or otherwise and includes their authorized representatives.

"Officer" means each director, secretary, credit manager and authorized representative of Awn.

"Wool" means the wool that the Grower has delivered, proposes to deliver or has delivered to Awn.