

TERMS AND CONDITIONS OF SALE

IT IS AGREED

1. DEFINITIONS

1.1 In this Contract, the following definitions will apply except where the context otherwise requires:
"Authorised Distributor" means PB Seeds, or a distributor authorised by us to buy and/or sell Seed and/or Grain;

"Contract" means these Terms and Conditions of Sale together with any schedules;
"Details" means Licensed Varieties, quantities of Seed and/or Grain used for any Permitted Use by you and the nature of that Permitted Use, details of any Seller, and your information including but not limited to: your name, address, phone, mobile and fax numbers, email addresses; NGR card number (if applicable); trading name(s) and ABN(s) under which you will Sell Grain;

"End Point Royalty" or **"EPR"** means the end point royalty for each Licensed Variety that you must pay for every tonne of Grain sold or consumed (other than Retained Seed) as set out in the Schedule;
"EPR Collector" means any third party with whom PB Seeds (or an agent of PB Seeds) has entered into an EPR collection arrangement;

"Essentially Derived" has the meaning given to it in the PBR Act, namely, a Plant Variety is taken to be an essentially derived variety of another Plant Variety if it:

- is predominantly derived from that other Plant Variety;
- retains the essential characteristics that result from the genotype or combination of genotypes of that other variety; and
- does not exhibit any important (as distinct from cosmetic) features that differentiate it from that other variety;

"Financial Year" means a twelve (12) month period ending on 30 June;
"Governing Law" means the laws of the place named in Item 4 of the Schedule;

"Grain" means harvested material from the Licensed Varieties;

"Licence" means the licence granted under clause 2 of this Contract;

"Licensed Varieties" means any varieties of Seed that you purchase from us or any Authorised Distributor which are subject to protection under the PBR Act, including those varieties set out in Item 1 of the Schedule;

"Loss" means all liabilities, expenses, losses, damages and costs (including legal costs on a full indemnity basis and whether incurred by or awarded against us);

"PBR" means plant breeder's rights as defined in the PBR Act;

"PBR Act" means the Plant Breeder's Rights Act 1994 (Cth) as amended from time to time;

"PB Seeds" means PB Seeds Pty Ltd (ACN 121 515 642) of 1324 Blue Ribbon Road, Kalkee, Victoria, 3401. The terms "us" and "our" refer to PB Seeds;

"Permitted Use" means:

- the production or re-production of Seed to grow Grain;
- the production or re-production of Seed for use as Retained Seed; or
- to Sell the Grain to EPR Collectors;

"Plant" has the meaning given to it in the PBR Act;

"Plant Variety" has the meaning given to it in the PBR Act;

"Propagating Material" has the meaning given to it in the PBR Act;

"Purchase Price" means the purchase price payable to the Seller for the Seed;

"Reproduction" has the meaning given to it in the PBR Act;

"Retained Seed" means Seed retained as Propagating Material for the purposes of subsequent planting by you in order to produce Seed or Grain for the Permitted Use;

"Seed" means seed of the Licensed Variety and includes seed that you buy and Retained Seed;

"Sell" includes any commercial disposition and the meaning given to it in the PBR Act, and "Sale" has an equivalent meaning; and

"Seller" means PB Seeds or an Authorised Distributor.

2. GRANT OF LICENCE

In consideration of payment of the Purchase Price and the EPR, PB Seeds grants you a non-exclusive licence to use the Seed and Grain for the Permitted Use.

3. RESTRICTIONS

3.1 You must not Sell or otherwise dispose of Grain as Seed in breach of our rights under the PBR Act and will only use the Grain or Seed for the Permitted Use.

3.2 You acknowledge that PB Seeds is entitled to commercialise the PBR in any Essentially Derived variety developed from the Licensed Varieties in accordance with the PBR Act.

4. PAYMENT OF EPR

4.1 You must pay PB Seeds or the EPR Collector the EPR for all Grain other than Retained Seed in accordance with the Schedule.

4.2 You authorise the EPR Collector to make all deductions necessary to enable the EPR Collector to pay the EPR to PB Seeds.

5. YOUR OBLIGATIONS

5.1 You must use the Seed and the Grain only in accordance with this Contract and all applicable laws and regulations.

5.2 You must promptly notify PB Seeds if you become aware of any unauthorised propagation, production, sale or use of Seed or Grain.

5.3 If you plan to sell any property on which Seed or Grain is grown at the time of the proposed sale then you must:

- notify PB Seeds and provide details of the purchaser;
- ensure that the purchaser takes over your obligations under this Contract; and
- pay or have paid all EPRs due on any Grain that is on the property at the date of sale.

6. RECORDS, AUDIT AND VARIETY CHECK

6.1 You must:

- keep records in sufficient detail to enable the accurate calculation of the EPR;
- within thirty (30) days after receiving a written request from PB Seeds make those records described in 6.1(a) available to PB Seeds or a nominated third party, including for the purposes of conducting an audit;
- pay PB Seeds costs for any audit that shows you have underpaid PB Seeds or an EPR Collector by more than 5% and make up the shortfall; and
- keep the records described in 6.1(a) for at least seven (7) years from the date you buy Seed or produce the Retained Seed, whichever is later.

6.2 If any audit shows that you have overpaid PB Seeds or the EPR Collectors by more than 5% PB Seeds will credit the overpayment against future payments.

6.3 You must at the direction of PB Seeds:

- allow PB Seeds or its nominee to enter your property for the purpose of collecting samples and/or images of any crops you grow; or
- provide PB Seeds or its nominee with samples of each crop grown on your property; or
- allow PB Seeds or its nominee access to any place or device, structure or vehicle where Seed or Grain produced by you is kept, stored or treated;

to allow the carrying out of variety identification checks so as to determine compliance by you with your obligations under this Contract including payment of the EPR.

7. REPORTING

7.1 Upon making any EPR payments in accordance with this Contract you will provide reports to PB Seeds containing the Details.

7.2 You will also provide the reports in Item 3 of the Schedule by the date the EPR payments are due as described in Item 2 of the Schedule.

7.3 In addition, upon PB Seeds (or an agent of PB Seeds) sending you written notice requesting the reports (described in Item 3 of the Schedule) you must within 30 days of receiving the notice comply with the request. If you do not receive such a written notice you will nonetheless send a copy of the reports (described in Item 3 of the Schedule) to PB Seeds (or an agent of PB Seeds) by 31 March immediately following production of the Seed and/or Grain.

7.4 You agree and acknowledge that:

- any Authorised Distributor may provide Details to PB Seeds;
- any EPR Collector may provide Details to PB Seeds; and
- any entity that stores, warehouses or Sells Grain that you produce may provide Details to PB Seeds.

8. PROMISES AND EXCLUSIONS

8.1 PB Seeds warrants and represents that:

- PB Seeds has all rights necessary to grant you the Licence of the Licensed Varieties; and
- the Seed is free from obligations to, or encumbrances in favour of any third party unless PB Seeds has advised you to the contrary.

8.2 Except as otherwise provided under this Contract and to the extent that such an exclusion may apply under law, PB Seeds hereby excludes all terms, conditions and promises implied by custom, the general law or statute.

8.3 PB Seeds' liability to you for breach by PB Seeds of any term or condition under this Contract, is limited (at the option of PB Seeds) to the replacement of the Seed or a refund of the Seed purchase price.

8.4 From time to time and without obligation, PB Seeds may provide notice to you of a rebate or similar scheme. If offered, such scheme may amend the terms of this Contract only to the extent and for such time as set out in the notice detailing the scheme, and in all other respects the terms of this Contract will remain in force and unaffected.

9. LIABILITY

9.1 You use the Licensed Varieties at your own risk and you indemnify PB Seeds against all Loss incurred by PB Seeds arising and resulting from your use of the Seed, or breach of this Contract by you (except where such Loss is caused by or is a direct result of the wilful negligence or misconduct of PB Seeds).

9.2 PB Seeds excludes all liability for any special, indirect or consequential damages arising out of your use of the Licensed Varieties, the Seed or Grain.

10. DISPUTE RESOLUTION

Prior to commencing any action under this Contract through the courts, any dispute or difference arising out of or in connection with this Contract will first be referred for mediation in the State of Victoria by a mediator nominated by the Australian Commercial Disputes Centre ("ACDC") for resolution in accordance with the mediation rules of ACDC. If not so resolved within sixty (60) days of such referral (or longer period agreed by PB Seeds and you) either PB Seeds or you may initiate proceedings in a court. The cost of any mediation will be shared equally between PB Seeds and you.

11. TERM

This Contract takes effect from the date on which you open the bag in which the Seed was purchased and continues until PBR for the variety of Seed lapses.

12. END OF CONTRACT

12.1 Either PB Seeds or you may terminate this Contract immediately by giving notice to the other if the other:

- breaches any provision of this Contract and fails to remedy the breach within thirty (30) days after receiving notice of the breach; or
- breaches a provision of this Contract where that breach is not capable of remedy.

12.2 PB Seeds may terminate this Contract immediately by giving notice to you if you are unable to pay any of your debts as and when they fall due.

12.3 Either PB Seeds or you may end this Contract as it applies to a particular Licensed Variety upon either party becoming aware that PB Seeds is not the owner of the rights in a Licensed Variety and is therefore unable to grant the Licence.

13. AFTER END OF CONTRACT

After the termination or expiration of this Contract:

- the Licence ends;
- you must pay the EPR Collector or PB Seeds any amounts outstanding at the date of termination;
- unless otherwise provided in this Contract or as directed by PB Seeds in writing, you must promptly Sell to an Authorised Distributor or destroy all Grain or Seed or Retained Seed in your possession or control and pay any applicable EPR;
- you may grow out any crop planted at the date of termination and Sell the Grain from that crop to an Authorised Distributor and must pay EPR on that Grain, but must not plant any new crops;
- clauses 6 (Records, audit and variety check), 8 (Promises and Exclusions), 9 (Liability) and this clause 13 will survive termination or expiration of this Contract; and
- any accrued rights and remedies will not be affected.

14. NOTICES

14.1 Any notices given under this Contract must be in writing, addressed to the contact person specified in the Schedule.

14.2 A notice given in accordance with this clause will be deemed received:

- if left at the recipient's address, on the date of delivery;
- if sent by prepaid post, ten (10) days after the date of posting unless it is in fact received earlier, in which case, on the date of receipt; and
- if sent by fax, when the sender's facsimile system generates a message confirming successful transmission of the total number of pages of the notice.

15. WAIVER

Any failure by PB Seeds to compel performance by you of any of the terms or conditions of this Contract will not constitute a waiver of those terms or conditions, nor will it affect or impair the right to enforce those rights at a later time or to pursue remedies for any breach of those terms or conditions. A waiver of any right under this Contract will be in writing.

16. AMENDMENT

16.1 PB Seeds may change the terms of this Contract at any time by providing you at least thirty (30) days written notice.

16.2 For changes in EPR rates PB Seeds must notify you in writing by 1 October in order for the change to take effect in the following Financial Year.

17. SEVERABILITY

Any illegal or invalid provision of this Contract will be severable and all other provisions will remain in full force and effect.

18. ASSIGNMENT

Except to the extent necessary to comply with clause 5.3(b), you must not assign or attempt to assign any obligation, or otherwise transfer any right arising out of this Contract, without our written consent.

19. ENTIRE CONTRACT

This Contract and Schedule records the entire Contract between each of us and supersedes all earlier contracts and representations by either of us.

20. GOVERNING LAW

This Contract will be governed by the Governing Law, and the courts of that State or Territory will have jurisdiction over all matters arising under it.

SCHEDULE

Item 1 Licensed Varieties

Variety Name	Crop Type	EPR	EPR Total (excl GST)	EPR Total (incl GST)
GIA Lightning ϕ	Lentil	\$5.40 per tonne	\$5.40 per tonne	\$5.94 per tonne
PBA Noosa ϕ	Blue pea	\$6.50 per tonne	\$6.50 per tonne	\$7.15 per tonne
GIA Leader ϕ	Lentil	\$5.40 per tonne	\$5.40 per tonne	\$5.94 per tonne
PBA Magnus ϕ	Chickpea	\$6.50 per tonne	\$6.50 per tonne	\$7.15 per tonne
PBA HighlandXT ϕ	Lentil	\$5.40 per tonne	\$5.40 per tonne	\$5.94 per tonne
PBA Hallmark XT ϕ	Lentil	\$5.40 per tonne	\$5.40 per tonne	\$5.94 per tonne
PBA Giant ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne
PBA Greenfield ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne
PBA Jumbo2 ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne
PBA Hurricane XT ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne
PBA Ace ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne
PBA Bolt ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne
PBA Blitz ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne
PBA Jumbo ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne
PBA Flash ϕ	Lentil	\$5.00 per tonne	\$5.00 per tonne	\$5.50 per tonne

Item 2 End Point Royalty

You must pay PB Seeds or the EPR Collector the EPR as set out in Item 1 by no later than 30 calendar days immediately following the delivery of Grain to an EPR Collector, calculated by reference to each metric tonne of Grain delivered.

Item 3 Reporting Obligations

The reports must include the following:

- trading name(s) and ABN(s) under which you will Sell Grain, and your address, and National Growers Register (NGR) Card Number (if applicable);
- name of Licensed Variety and total quantity of Seed and/or Grain produced from the whole and entire harvest from a single season;
- name of Licensed Variety and total quantity of Grain sold to an EPR Collector
- name and address of the EPR Collector to whom Grain is sold;
- name of Licensed Variety and total quantity of Seed and/or Grain unsold or warehoused at an advised date; and
- name of Licensed Variety and total quantity of Seed saved for future planting.

Item 4 Governing Law

Victoria

Item 5 Address for Notices

The Licensor: PB Seeds Pty Ltd, 1324 Blue Ribbon Road, Kalkee Vic 3401

The Licensee: Being the address provided to the Licensor pursuant to this Contract.