

## **Outturn Protocols - for Road / Rail**

### **Access and Operating Conditions for Road / Rail Movements at Company Facilities**

Movements of Grain from Company Facilities using road or rail transport must meet the following operating conditions, as applicable to the mode of transport. Clients must ensure that Carriers engaged to transport the Clients grain comply with these provisions at all times.

### **OPERATIONAL REQUIREMENTS**

#### **Weather Working Day**

Unless otherwise agreed in writing with the Client, the standard hours of a Weather Working Day at Emerald Grain sites are normally 7:30am to 3:30pm on a Working Day, and are subject to change without notice, at the complete discretion of Emerald Grain.

#### **Outturn Order Protocol**

Requests for outturn of grain must be lodged with Emerald Grain no later than 3.00pm on a Working Day. Requests for outturn lodged after 3.00pm will be received on the next Working Day.

Requests for outturn of grain are to be submitted to Emerald Grain in writing and in a form approved by

Emerald Grain at least:

- 10 working days prior to the date on which the outturn is requested for Rail outturns and
- 2 clear working days prior to the date on which the outturn is requested for Road outturns.

Emerald Grain does not guarantee that all movements can take place at the time requested by the Client, however will endeavour to accommodate correctly submitted outturn requests.

Delays In the event of a delay at an Emerald Grain Facility that is not caused by the Client or its carrier, Emerald Grain will endeavour to advise the Client and / or any of the Client's carrier(s) as soon as reasonably practicable after the Company becomes aware of the delay.

#### **Vehicles**

Clients are responsible for ensuring that their Carriers comply with

- All equipment used by the Client or the Carrier at a Company Facility must be operationally suitable and correctly maintained.

- Drivers of vehicles operating with increased mass limits or b-double or greater vehicle configuration must provide the Company on request with the appropriate Road Traffic Act permit.
- Drivers of vehicles must select the correct Mass Limit Code from the Company's Mass Limit chart for loading or delivery.
- Vehicles are to have purpose built ground-operated tarping.
- Vehicles must operate a reversing alarm/buzzer when reversing at Company Facilities.
- Maintenance, repair and service/grease of the motor vehicle and its trailer are not permitted at a Company Facility except in the case of vehicle breakdown.
- Vehicles must be in a clean condition free of any material, insect or contaminant that could adversely affect the Grain.
- The Client must ensure vehicles and associated equipment are cleaned down before they enter the Company site for loading.
- The Client acknowledges that Emerald Grain may refuse to load vehicles that are not adequately cleaned.
- Vehicles may not be cleaned down on Company property.
- The Client must ensure that the carrier has adequate quality procedures to ensure that no contamination occurs from any equipment used by the carrier.
- Road vehicle operators are required to complete a Road Hygiene Log prior to loading at Outturn Company Facility.

### **Vehicle Loading**

For road vehicles, the legal loading weight of the combined vehicle must be displayed on the right hand side of the prime mover or truck.

The Company will refuse to load a vehicle above its legal mass limits.

The Client must ensure all road carriers agree to unload any excess tonnage above the legal limit upon request. Refusal to comply with a request by the Company to unload will result in suspension of the vehicle operator and the vehicle from loading at Company Facilities for a period of time to be determined by the Company.

Note - Vehicles must be loaded according to a mass limit code selected by the vehicle operator from the Company mass limits charts.

### **Grain Loss or Spillage**

If Grain spills from the carrier's vehicle either inside or outside a Company Facility, the Client and/or their carrier is responsible for effecting immediate clean-up.

### **Insects and Quality**

Upon request the Company will provide the Client with information on the insect treatment program. The Company will sample and test loads in accordance with the Receiving Standards and Company Classification Procedures prior to departure of the vehicle.

### **Compliance with Laws**

The Client must ensure that the Client's carrier complies with and observes at its cost any law, bylaw, regulation, or requirement of any federal, state or local authority. Specifically, the Client must comply with recently introduced transport legislation, focussing on the chain of responsibility in the transport, ordering and delivery of grain parcels.

### **Amendments**

The access and operating conditions and any part of Schedule D may be amended by the Company from time to time.

## **SAFETY**

### **Site SHE Rules**

Vehicle operators must comply with the Company's General Safety Rules Handbook. All site safety rules must be adhered to without negotiation. Site safety rules may vary between sites. It is the responsibility of vehicle operators to understand the requirements at each Company Facility.

### **Instructions**

Vehicle operators must follow instructions given by Company Facility personnel.

### **Clothing**

All vehicle operators must wear suitable footwear and high visibility jackets that comply with Australian Standards at all times. Road vehicle operators must also have access (in the truck) to long trousers, long sleeved shirts, safety glasses, hard hats, gloves, dust masks and any other protection that are to be worn if required by the General Safety Rules Handbook or Site Rules or as directed by Company Facility Personnel.

### **Climbing on vehicles**

Bulk vehicles must have a safe system of tarping. There should be no circumstances in which a vehicle operator leaves the ground in order to 'tarp'.

Entry into bulk vehicles for any activity must be via safety platforms, steps or ladders, complying with Australian Standards suitable for the task of maintaining three-point contact.

Access to and alighting the tray of a flat top vehicle must only be by way of safety platforms, steps or ladders, complying with Australian Standards. Vehicle operators must not ascend from the tray top onto loaded material.

If bulk product needs to be adjusted, the vehicle operator must only access via safety platforms, steps or ladders and work from platforms, complying with Australian Standards.

The vehicle operator must not leave the platform.

Convertibles are recognised as high-risk equipment. Vehicle operators must provide the Company with a "safe system of work" for assembly, disassembly or loading of a convertible that meets working at heights legislative requirements and Australian Standards.

Non-compliance with the above conditions may result in the Company refusing to load the vehicle.

### **Visitors**

Children must remain in the vehicle whilst on site. Animals must remain in vehicles and dogs must be leashed.

### **Vehicles on site**

Speed limits and other specific traffic regulations while on Company property or whilst operating in the Company area of responsibility adjoining a silo must be adhered to at all times. Parking for personal motor vehicles is not provided on site.

### **Smoking**

Smoking is prohibited in all Grain out-loading and in-loading areas. Smokers may smoke only in designated areas. Any vehicle whose operator is not complying will not be loaded.

### **Incident Reports**

Any incident that results in personal injury or property damage must be reported to the Company within twenty-four (24) hours.

## **OUTTURN DEFECT CLAIMS**

### **Quality Variances**

Emerald Grain will conduct Testing on grain outturned in accordance with its published procedures and Receival Standards.

Testing conducted on a sample is indicative of the quality of Grain, it is not determinative of the quality of all of the Grain delivered. As testing is conducted on samples only, and not the whole quantity of Grain delivered or outturned, some variation in test results between Emerald Grain's outturn test and the test conducted upon a sample taken on receival at the destination is not abnormal.

Accordingly, the Client accepts the following variances between the Emerald Grain testing on outturned grain and that conducted at the destination:

- up to and including a +/- 0.3% variation in protein;
- up to and including a +/- 1.0% variation in screenings;

- up to and including a +/- 15% variation in the falling number or rapid visco analyser;
- presence of bin burnt / storage mould affected grains of up to and including 1 grain per litre averaged over the entire delivery;
- presence of contaminants of up to and including 0.01% by weight
- phosphine gas level measured above the surface of the load up to and including 0.3 parts per million.

### **Quality Claim Procedure**

The Client must notify Emerald Grain immediately on becoming aware of an outturn defect claim; and confirm the claim in writing within 24 hours of the grain being received at the Client's delivery location or within 2 clear business days of the outturn date whichever occurs first.

### **Outturn defect claims must include:**

- A full description of the quality parameters that are the subject of the claim.
- Details of the sampling methodology and equipment used to draw a representative sample.
- Details of the method used by the Client to determine the quality of the grain and which must be in all respects consistent with the Emerald Grain sampling and testing methodology.
- Details of the test equipment used by the Client to establish their claim including as relevant:
  - NIR device NMI class, type, make, model and copy of current NMI certification;
  - Grain screens, including evidence of current certification
  - Test weight measures, including evidence of certification
  - Scales, including evidence of current certification
- Details of any other equipment used that has the capacity to affect the classification of the grain.

Emerald Grain will retain a sample from every load outturned (the 'Outturn Sample') as a reference in the case of a quality dispute. Analysis of the Outturn Sample and comparison of the test results against Emerald Grain's outturn obligations as described in this agreement shall provide final resolution of any claim.

In the event that Emerald Grain is not able to provide the site sample, then the Client must provide a sample to Emerald Grain for testing. The sample must be a representative sample drawn using the same methodology as used and published by Emerald Grain

Unless otherwise agreed in writing with the Client, Emerald Grain will not be liable to the Client for any claims or loss including in relation to any alleged or actual variation in standard or grain quality where:

- Emerald Grain has loaded the grain and tested the grain using Emerald Grain's sampling methodology and the load so sampled and tested has met Emerald Grain's obligation for outturn quality; or
- The variation 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 Emerald Grain; or
- Emerald Grain has received and loaded the grain in accordance with the Receival Standards or other minimum receival specifications and sampling methodology agreed in writing between Emerald Grain and the Client under this agreement; or
- The Client has requested Emerald Grain 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 as tested by Emerald Grain.

### **Phosphine Claim Procedure**

A Client making a claim on Emerald Grain relating to phosphine gas levels in outturned grain must notify Emerald Grain immediately upon becoming aware of the claim and confirm the claim in writing within 2 working days of the initial notification. The written notification must include:

- A full description of the testing methodology used to test the load/s; and
- Calibration records for the gas testing instrument demonstrating that the equipment is maintained and calibrated in accordance with the manufacturer's recommendations.

### **Client's Obligations**

In order to make a valid claim of variation from quality, the Client must:

- Take all reasonable steps to mitigate all actual or potential losses; and
- Advise Emerald Grain immediately of suspected downgraded grain, cease discharging suspected loads, and allow Emerald Grain to inspect suspected downgraded grain; and
- Allow Emerald Grain every possible opportunity to mitigate all actual or potential losses, including following the reasonable directions of Emerald Grain; and
- Inform Emerald Grain of any potential claim which it has against Emerald Grain in respect of downgraded grain received by the Client within 2 business days of receiving the grain; and
- Provide Emerald Grain with a sample of the downgraded grain subject to the claim, obtained as directed by Emerald Grain; and
- Allow Emerald Grain to test this sample and compare this sample with the outturn sample retained by Emerald Grain from the Emerald Grain storage.

If the Client does not comply with any of the above requirements, Emerald Grain may reject the claim.

### Quality Remedies

If the Outturn Standards are not met, any claims by the Client against Emerald Grain in respect of downgraded grain will be dealt with in accordance with these Protocols and the Storage and Handling Agreement executed by both the Client and Emerald Grain.

Emerald Grain may, at its discretion, mitigate or satisfy any claim in respect of downgraded grain by:

- o Averaging the quality parameters of the downgraded grain with other rail or road trucks outloaded to the Client on that day and / or outturn order, provided that the averaged quality meets the outturn standards as agreed between Emerald Grain and the Client and / or
- o Blending a sufficient quantity of other grain so as to restore the grain to the agreed outturn standards and / or
- o Substituting (at Emerald Grain expense) other grain of the same type of the required grade and quantity; and / or

- Retaining the downgraded grain and providing for the claim as part of the outturn adjustment (refer to applicable clause in S&H agreement)
- Emerald Grain will endeavour to outturn grain where the phosphine level does not exceed 0.3ppm, on average, in the work area above and around the load. The Client acknowledges that Emerald Grain is not liable for any costs associated with venting of outturned grain where Emerald Grain has issued a clearance certificate in accordance with Emerald Grain's standard procedures.

### Compensation

Any compensation payable by Emerald Grain to the Client will be limited to:

$$C = T \times (MV1 - MV2)$$

Where

C = compensation payable

T = quantity of grain downgraded (tonnes)

MV1 = fair market value of grain of the pre downgrading

MV2 = fair market value of downgraded grain

Any compensation payable by Emerald Grain will be limited in accordance with the Storage and Handling Agreement executed by both the Client and Emerald Grain.

9 December 2010