



NUTWORKS

2018 NIS Purchase Offer & Supply Contract.

Date: 22nd February 2018

2017 was a significant year for Nutworks and we would very much like to say thank you for those growers that supported us throughout the season. Thanks to that support and in conjunction with a diversified sales mix, including the securement of a number of contracts at above market value, our 2017 financial year (year ending later this month) yielded another profitable result. This was despite a record season of low nut yields being experienced by most growers.

Of equally important note, 2017 was a significant year for laying the foundation for the success of our long term growth strategy. Major achievements in the last 12 months include:

1. The development of a de husking and collections facility at Welcome Creek, Bundaberg.
2. Major improvements and modifications in the NIS processing facility in Yandina for increased efficiencies and throughput. This includes increased storage capacity, improved receivals and an increased focus on quality control and testing.
3. The purchase of the adjoining land in Yandina to allow for future expansion of both the factory and tourist facility.
4. The employment of key staff to drive and implement our plans for immediate and future growth.
5. Increased marketing activity, opening new channels Internationally for Nutworks range of value add products.


In 2017 Nutworks was pleased to offer an industry leading rate, and for 2018 we are proud to again be in the position to present a very competitive offer. We are looking forward to sharing what should be a fruitful and exciting year with our growers.


Regards,
Kylie Watson.





NUTWORKS
Australia

Crestnut Products Pty Ltd | ABN 65 071 850 729
PO Box 211, 37 Pioneer Rd Yandina QLD 4561

 +61 7 5472 7777

 info@nutworks.com.au

 +61 7 5472 7577

 www.nutworks.com.au

2018 NIS Purchase Offer and Supply Contract.



TERMS OF THE OFFER

1. \$5.35 PER KG NIS (33% SKR @ 10% moisture content).

- 1.1 Also, a quality bonus of up to **\$0.30** per kg as per the attached Schedule A.
- 1.2 No financial penalties for unsound kernel.
- 1.3 No penalties for 'Commercial' grade kernel, this kernel will be counted as sound kernel and paid as such.
- 1.4 Where applicable Nutworks will provide a Freight Allowance based on the distance to Nutworks or one of its depots.

| | | | |
|-------|--------------|---------------|----------------|
| 1.4.1 | Up to 30km | \$0.03 per kg | @ 10% moisture |
| 1.4.2 | 31 to 100km | \$0.04 per kg | @ 10% moisture |
| 1.4.3 | 101 to 250km | \$0.05 per kg | @ 10% moisture |
| 1.4.4 | 251 to 500km | \$0.06 per kg | @ 10% moisture |
| 1.4.5 | Over 501km | \$0.08 per kg | @ 10% moisture |
- 1.5 NIS is to be greater than 17mm diameter, measured as the maximum diameter of the equatorial section, or the longest diameter.
- 1.6 Nutworks reserves the right to refuse delivery of NIS with unsound kernel over 6%.

2. PAYMENT TERMS.

Nutworks presents the following payment term options;

Option 1 10 Equal Monthly Payments.

- i) Payment will be made in ten equal monthly payments, the first of which occurs 30 days from the end of month of delivery. Payments under this option will be at the rates indicated above and under "Schedule A".

Option 2 Early Payment Option.

- i) \$2.00 per kg (@10%) paid within 1 week of delivery.
- ii) Remainder paid in 6 equal monthly payments, the first payment commencing 30 days from the end of month of delivery.
- iii) For this option, the base rate offered is reduced by \$0.07 per kg @ 10% moisture as a cost of finance. Payments under this option will be at the rates indicated under "Schedule A" less \$0.07.



NUTWORKS
Australia

Crestnut Products Pty Ltd | ABN 65 071 850 729
PO Box 211, 37 Pioneer Rd Yandina QLD 4561

P +61 7 5472 7777

E info@nutworks.com.au

F +61 7 5472 7577

W www.nutworks.com.au

2018 NIS Purchase Offer and Supply Contract.



3. INDUSTRY LEVY.

Nutworks will calculate the levy payable, deduct this from the grower's payment and remit on behalf of the grower.

4. NUT QUALITY TESTING.

4.1 A representative sample will be taken on delivery in Yandina (or one of our collection facilities) half of which will be tested by our accredited staff for payment purposes, the other half to be retained at Nutworks. The sample (or samples) will be tested by Nutworks staff accredited by the Australian Macadamia Society in kernel assessment.

4.2 For consignments over 5 tonne the grower can elect to have the sample / samples tested by Cropwatch Independent Laboratories at Nutworks expense.

4.3 Retests of the retained sample can be requested up to 6 weeks after delivery, when this occurs an average of both test results will be used for payment purposes.

5. GROWER DISCONT IN NUTWORKS RETAIL SHOP.

5.1 Nutworks is proud of our value added products. We also believe that our growers should be able to enjoy the fruits of their labour and be able to gift macadamia products to their friends and family at a reasonable price. As such Nutworks growers who commit over 3 tonne of macadamia enjoy a 50% discount of Nutworks branded products in our retail shop. Detailed terms and conditions will be provided by our Retail Manager when the growers discount card is issued including purchase limits etc. T & C's apply.

5.2 A grower discount card will be issued upon receipt of this signed Supply Contract. Discounts cannot be offered unless this card is presented.

6. DELIVERY OPTIONS.

6.1 Delivery of NIS can be accepted by our representatives at the following deports, Nutworks will cover freight costs from these ;

| | | | |
|-------|------------------|-------------------|-------------------------|
| 6.1.1 | Nutworks Factory | Yandina QLD | 37 Pioneer Rd |
| 6.1.2 | Gympie region | Wolvi QLD | 309 Neusavale Road |
| 6.1.3 | Bundaberg region | Welcome Creek QLD | 123 Pashleys Road |
| 6.1.4 | NSW region | Alstonville NSW | The House With No Steps |



NUTWORKS
Australia

Crestnut Products Pty Ltd | ABN 65 071 850 729
PO Box 211, 37 Pioneer Rd Yandina QLD 4561

P +61 7 5472 7777

E info@nutworks.com.au

F +61 7 5472 7577

W www.nutworks.com.au

2018 NIS Purchase Offer and Supply Contract.



7. GROWER DETAILS / OFFER ACCEPTANCE.

To accept this offer please complete the below details and sign below.

7.1 Grower / Sellers Name: _____

7.2 Address: _____

7.3 ABN: _____ 7.4 Tonnage committed @ 10% moisture

7.5 Email: _____ Phone: _____

7.6 Bank Account Name: _____

BSB: _____ Account: _____

8. AUTHORISATION.

By signing this offer the seller commits to deliver the above tonnage to Nutworks in 2018 and that they are the owner of the NIS offered for sale.

BETWEEN:

SELLER / GROWER

BUYER

Seller / Grower _____

Buyer Nutworks _____

Signature _____

Signature _____

Wayne Gersbach

Agreement made this _____ day of _____ 2018
date month

_____ day of _____ 2018
date month

Please tick; PAYMENT OPTION 1
(10 Equal monthly payments)

PAYMENT OPTION 2
(Early payment option)



NUTWORKS
Australia

Crestnut Products Pty Ltd | ABN 65 071 850 729
PO Box 211, 37 Pioneer Rd Yandina QLD 4561

P +61 7 5472 7777

E info@nutworks.com.au

F +61 7 5472 7577

W www.nutworks.com.au

2018 Schedule A Price Table.



| Saleable Kernel Recovery (SKR) | Payment |
|--------------------------------|---------|
| 45% | \$7.330 |
| 44% | \$7.165 |
| 43% | \$7.000 |
| 42% | \$6.835 |
| 41% | \$6.670 |
| 40% | \$6.505 |
| 39% | \$6.340 |
| 38% | \$6.175 |
| 37% | \$6.010 |
| 36% | \$5.845 |
| 35% | \$5.680 |
| 34% | \$5.515 |
| 33% | \$5.350 |
| 32% | \$5.185 |
| 31% | \$5.020 |
| 30% | \$4.855 |
| 29% | \$4.690 |
| 28% | \$4.525 |
| 27% | \$4.360 |
| 26% | \$4.195 |
| 25% | \$4.030 |
| 24% | \$3.865 |
| 23% | \$3.700 |
| 22% | \$3.535 |
| 21% | \$3.370 |
| 20% | \$3.205 |
| 19% | \$3.040 |
| 18% | \$2.875 |

| Reject Kernel (RKR) | Quality Bonus |
|---------------------|---------------|
| 0.00% | \$0.300 |
| 0.10% | \$0.285 |
| 0.20% | \$0.270 |
| 0.30% | \$0.255 |
| 0.40% | \$0.240 |
| 0.50% | \$0.225 |
| 0.60% | \$0.210 |
| 0.70% | \$0.195 |
| 0.80% | \$0.180 |
| 0.90% | \$0.165 |
| 1.00% | \$0.150 |
| 1.10% | \$0.135 |
| 1.20% | \$0.120 |
| 1.30% | \$0.105 |
| 1.40% | \$0.090 |
| 1.50% | \$0.075 |
| 1.60% | \$0.060 |
| 1.70% | \$0.045 |
| 1.80% | \$0.030 |
| 1.90% | \$0.015 |
| 2.00% | \$0.000 |

Example:

33% Premium + 2% Commercial + 1% Quality Bonus
\$5.35 + \$0.33 + \$0.15 = \$5.83 / kg

