

## Schedule 2 – Pricing Formula

1. [OPTIONAL:] At the beginning of each season, Montague will provide the Supplier with a season-long price list, which will specify the minimum price or the range of prices that Montague will pay [per field bin / per storage bin / per carton etc] for each variety of fruit (**Produce**) to be Delivered to Montague. Payment of the minimum price specified will be subject to:
  - a. the Produce Delivered to Montague conforming to the required Specifications;
  - b. Montague's acceptance or rejection of the Produce; and
  - c. Any other exclusions or limitations as may be advised by Montague to the Supplier when issuing the price list.
2. "Delivery" of the Produce will be deemed to occur at the times and in the manner specified in the Annexure 1 Merchant Terms of Trade to the Horticulture Produce Agreement and "Delivered" will have a grammatical corresponding meaning.
3. Within [3 days] following Delivery of the Supplier's Produce to Montague, Montague will give the Supplier in writing:
  - a. A pre-sizing report, setting out detail of the size and grading of that portion of the Produce that has been pre-sized;
  - b. [insert any other reports that will be provided]; and
  - c. An indicative price [per field bin / per storage bin / per carton etc] that Montague forecasts will be payable by Montague to the Supplier, calculated by reference to the quantity and quality of the Produce as indicated in the pre-sizing report, and Montague's then-current and applicable price list for each variety of Produce (**Pricing Methodology**).
4. The Supplier must notify Montague of the Supplier's acceptance or rejection of the Pricing Methodology, within [2 days] of receipt from Montague.
5. If the Supplier accepts the Pricing Methodology, then the Supplier acknowledges, accepts and agrees as follows:
  - a. the Pricing Methodology will be used to calculate the ultimate purchase price payable by Montague to the Supplier for the Accepted Produce;
  - b. the quantity of any Rejected Produce, Non-Complying Produce or Oversupplied Produce will not be used in calculating the purchase price payable under the Pricing Methodology;
  - c. any Rejected Produce, Non-Complying Produce or Oversupplied Produce will be returned to the Supplier at the times and in the manner set out in the Annexure 1 Merchant Terms of Trade to the Horticulture Produce Agreement; and
  - d. title in and to the Accepted Produce will pass to Montague at the times and in the manner set out in the Annexure 1 Merchant Terms of Trade to the Horticulture Produce Agreement.
6. Montague will make payment of the ultimate purchase price to the Supplier, for all Accepted Produce, calculated by reference to the Pricing Mechanism, within [x] days of production of the Supplier's invoice.
7. If the Supplier rejects the Pricing Methodology, then the Supplier must re-take possession of the Produce and clauses 28 and 29 of in the Annexure 1 Merchant Terms of Trade to the Horticulture Produce Agreement shall apply.