

## **TERMS & CONDITIONS OF CATTLE PURCHASE, SALE AND MANAGEMENT**

Please read the following terms and conditions carefully. These terms and conditions will form part of and be read together with any Order you make by completing and submitting the site Registration and Order Form. The information provided on the site is an invitation by B.S.M. Beef Pty Ltd ACN 098 395 576 of Glen Arden, Roma, Queensland trading as Beef Stock Market QLD BN 17024250 to invest in the Beef Stock Market scheme on these terms and conditions.

**BSM BEEF PTY LTD ACN 098 395 576 WHILE ACTING AS YOUR AGENT FOR THE PURPOSE OF SALE OF THE STOCK MAY ACQUIRE A BENEFICIAL INTEREST IN THE STOCK.**

**BY AGREEING TO THESE TERMS AND CONDITION YOU ARE CONSENTING TO BSM BEEF PTY LTD ACN 098 395 576 WHEN ACTING AS YOUR AGENT OBTAINING AN INTEREST IN STOCK.**

**I AGREE**

**I DISAGREE**

### **1. PURCHASE OF STOCK**

- 1.1 We will issue you with an invoice once the Stock has been identified and allocated to you and we have accepted your Order.
- 1.2 Once your payment for the invoice and the bank direct debit authority have - been received, you become the owner of the stock.

### **2. AGISTMENT OF STOCK**

- 2.1 We agree to depasture and agist on your behalf on land owned or contracted by us, the Stock from the Purchase Date to the date the Stock is delivered to you under clause 5, sold under clause 6 or placed in our feedlot under clause 8.

### **3. MANAGEMENT OF STOCK**

- 3.1 Until the Stock are sold or delivered to you, we must carry out the following:
  - (a) oversee the processing and electronic identification of the Stock and apply treatments in a humane manner; and
  - (b) adjust the stocking rate to make maximum use of available feed and seasonal conditions.
- 3.2 Where you so elect in your Registration and Order Form, we will provide you with monthly reports by e-mail incorporating such aspects of production as estimated weight gain, seasonal conditions, rainfall and market trends.
- 3.3 Where you so elect in your Registration and Order Form, we will provide you with a Free Sale Management Service ensuring that the stock is sold in optimum body condition for the target market or alternatively, inform you through e-mail to your email address stated in your Registration and Order Form (or your email address as may be later advised to us in writing) of what we regard is the optimum time for you to sell the Stock and receive the Finished Sell Price.
- 3.4 On your instructions, we will arrange for sale of the Stock and payment of the Net Proceeds of Sale to you by direct deposit to the bank account stated in your Registration and Order Form.
- 3.5 You appoint us to act as your agent for the sale of the stock. You acknowledge that while acting as your agent we may also be the buyer or maybe acting as agent for the buyer.

- 3.6 You acknowledge that while acting as your agent we may receive a beneficial interest in Stock.
- 3.7 You consent to us, when acting as your agent, obtaining an interest in Stock.

#### **4. PAYMENT OF FEES**

- 4.1 You agree to pay us the fees and charges set out in the Fee Schedule at the times and by the methods specified.
- 4.2 If for the purposes of calculating the Selling Weight and Buying Weight the Stock has not been weighed within 48 hours of being bought, sold or delivered to you (as the case may be), we can estimate the weight of the Stock using any reasonable method which includes ascertaining the likely weight gain per day based on past averages.
- 4.3 You also agree to pay any stamp duty, taxes or other charges relating to this agreement.

#### **5. YOUR RIGHTS REGARDING STOCK**

- 5.1 You obtain ownership of the Stock on the Purchase Date and may inspect the Stock at any time upon giving seven business day's written notice to us of your intention to do so. You may ask us to provide accommodation for an inspection but we are not required to provide any and may charge a reasonable fee if we do so.
- 5.2 You may require us to deliver the Stock to you at any time provided you:
- (a) give us thirty days notice in writing;
  - (b) pay for any transportation costs, mustering costs, processing and other labour costs we incur in delivering the Stock as directed by you;
  - (c) pay the Grazing Fee and any other amounts owing under this agreement to us before the Stock are released to you; and
  - (d) pay any other fees, taxes and charges we are required to collect and pay to any third party as associated with our sale, management and transfer of your Stock.
- 5.3 Once the conditions in clause 5.2 are satisfied, you must arrange for removal of the Stock promptly if they have not already been delivered to you.

#### **6. SALE OF STOCK**

- 6.1 You may direct us to sell the Stock at any time and for this purpose, appoint us as your agent to do so. We will use our best endeavours to find a buyer for the Stock. You authorise us to incur marketing costs.
- 6.2 You acknowledge that while acting as your agent we may also be the buyer of the Stock or may be acting as agent for the buyer.
- 6.3 You acknowledge that while acting as your agent we may receive a beneficial interest in Stock.
- 6.4 You consent to us, when acting as your agent, obtaining an interest in Stock.
- 6.5 If you do not require the Free Sale Management Service, we will notify you by email when we believe you can obtain the optimum Finished Sell Price for your Stock. If you wish to sell the Stock at the Finished Sell Price, you must notify us within one week of receiving our notice or such other timeframe as may be stated in our notice. If the Stock are not sold during this period, we will sell it at the Unfinished Sell Price when you instruct us to do so.
- 6.6 If you have indicated on the Registration and Order Form that you wish to use the Free Sale Management Service, we will use our best endeavours to sell the Stock at such time as we believe you will receive the optimum price for the Stock and will do so without prior notification and consent from you.
- 6.7 We do not however, guarantee that the highest possible market price will be obtained where Stock are sold at the Finished Sell Price and we take no responsibility for any loss or unrealised future possible gain resulting from a sale at the Finished Sell Price.
- 6.8 You agree:
- (a) that we will calculate the Buy Price and Unfinished Sell Price based on our reasonable estimations of these prices for livestock within the region and by reference to relevant beef cattle market indexes and other relevant indicia of market value as may apply;

- (b) that we may revise the Buy Price and Unfinished Sell Price on a weekly basis and we will publish these revised figures on the Site without further notification to you;
  - (c) to be bound by the current Buy Price and Unfinished Sell Price as published by us on the Site or as notified by us from time to time in relation to any Stock buy and sell transaction you undertake; and
  - (d) that you understand that we are not:
    - (i) affiliated with any securities exchange, stock market investment service or any other trading or investment service dealing in shares, stocks, bonds or other financial investments; and
    - (ii) we are not associated with nor do we purport to operate in any manner as a licensed entity providing or approved to provide such services in relation to the investments stated in paragraph (d)(i) above and the investments described in the Site.
- 6.9 Within fourteen days of receiving proceeds from the sale of Stock, we must:
- (a) subject to clause 6.7 pay to you the Net Proceeds of Sale by direct credit to your nominated bank account, the details of which are set out in the Registration and Order Form;
  - (b) provide you with a written cattle sale advice and invoice (where appropriate) setting out all fees relating to the sale and the manner in which the Net Proceeds of Sale have been calculated.
- 6.10 In addition to the Commission you authorise us to deduct from the Net Proceeds of Sale:
- (a) any other fees that you are required to pay under this agreement which may be outstanding including interest on unpaid grazing fees; and
  - (b) any other taxes and charges we are required to collect and deduct at law. If such fees, taxes and charges are payable to a third party, we will arrange for payment to that party as soon as practicable.

## **7. Risk**

- 7.1 Risk in the Stock passes to you on and from the Purchase Date. You must bear the risk of ownership of the Stock from that time, including the risk of death or illness of the Stock.
- 7.2 The Stock is at no stage at our risk and you release us from any claims, costs, damage or loss you may suffer relating to the Stock. You must also indemnify us against any claims, costs, damages and losses paid, suffered or incurred by us or any third party, directly or indirectly in respect of the Stock including any claims, costs, damages and losses resulting from neglect or default on our part.

## **8. FEEDLOT**

- 8.1 If the Stock are eligible for Feedlot placement and subject to our acceptance and your payment of all outstanding fees including grazing fees, the Stock will be placed in our Feedlot.
- 8.2 We will use our best endeavours to ensure that the Stock achieve the optimum weight gain in the Feedlot and for such time (being a minimum of 100 days) as we believe you will receive the optimum price, we will use our best endeavours to sell the Stock and will do so without the prior notification and consent from you.
- 8.3 We do not however guarantee the highest possible market price will be obtained for the Stock and we take no responsibility for any loss or unrealised future possible gain resulting from a sale of Stock processed through the Feedlot.
- 8.4 All Stock processed through the Feedlot will be sold at the Finished Sell Price.

## **9. DEFAULT**

- 9.1 If either party is in default of its obligations under this agreement, the other party may terminate this agreement if after giving the defaulting party 14 days notice in writing in which to remedy the default, the default continues.

- 9.2 If you fail to remedy a default within the specified time, we can sell the Stock as if we had been directed to do so under clause 6.1 and recover any amounts owing to us from the sale proceeds.
- 9.3 If you fail to pay any money payable under this agreement when payable, you agree that such money shall bear interest from the due date for payment to the date of payment (both inclusive) at the rate of 12% per annum.

#### **10. YOUR COMMITMENTS**

- 10.1 You represent and warrant that you are 18 years of age or over and that you have legal capacity to enter into contractual relations with us.
- 10.2 You represent and warrant that you or the party authorising you to undertake this transaction on their behalf (if applicable) are Australian residents located in Australia when submitting the Order to us.
- 10.3 You represent and warrant that you or the party authorising you to undertake this transaction on their behalf (if applicable) have a validly registered Australian Business Number or otherwise have completed and will provide to us a Statement by a Supplier (hobby declaration) where you have not provided an Australian Business Number.
- 10.4 You will supply to us a bank direct debit authority for payment of the grazing fee.
- 10.5 If you are a trustee, you warrant that you have full power and authority to enter into this Agreement and to exercise the rights to perform the obligations under this Agreement. If you are entering into this agreement on behalf of another party, you warrant that you are authorised to do so on behalf of that party.
- 10.6 If you comprise more than one person, you are jointly and severally bound by this agreement and we are entitled to act upon the instructions of any one of you as agent for the other parties.
- 10.7 You represent that at all times during your dealings with us you will be in a position to meet all your commitments and obligations arising from this agreement.
- 10.8 You acknowledge and agree that you have and will continue to provide us with true and accurate information and that you will promptly notify us of any changes to the details you have provided in the Registration and Order Form.
- 10.9 You acknowledge that it is entirely your obligation to guard against the unauthorised use of your Password and Username. You agree that we are entitled to rely on any instructions received using your Password and Username regardless of whether the person giving the instructions is authorised by you to use your Password and Username. You will be liable for any obligations incurred as a result of the Password and Username being used to give instructions to us and we will not be liable for any cost, damage, loss or claim arising from the use of the Password and Username regardless of whether such use was authorised by you. You undertake to notify us immediately if your Password and Username has been misused or has become known to someone else.

#### **11. GST**

- 11.1 We acknowledge that we are registered for GST when we enter this agreement and that we will notify you if we cease to be registered for GST.
- 11.2 All amounts which you must pay to us under this agreement are inclusive of GST.
- 11.3 If we are required to pay GST on any amount payable by you under this agreement the sum which you are required to pay will be increased to an amount which is sufficient to preserve our net dollar margin.
- 11.4 If you are required to make a payment under this agreement which includes an amount of GST we must provide a tax invoice to you no later than 7 days after the date for payment or a shorter period if required by the GST Act.

- 11.5 You must supply us with either an ABN and GST registration declaration allowing us to supply you with a recipient created tax invoice (RCTI), an ABN alone or alternatively must declare yourselves as a "hobbyist" in the business of beef cattle production by clicking the appropriate field on the "Join Us Now" page of our website [www.beefstockmarket.com](http://www.beefstockmarket.com). and [beefstockmarket.com.au](http://beefstockmarket.com.au). "Hobbyists" must follow the link to the ATO website and supply a declaration to us as directed in these pages.
- 11.6 If you have declared that you are registered for GST you agree to notify us if you cease to be registered for GST. You agree that we can issue tax invoices in respect of Stock sold to ourselves by you.
- 11.7 You agree not to issue tax invoices in respect of the Stock sold to us by you.
- 11.8 We agree not to issue a document that would otherwise be a RCTI, on or after the date when we or you have failed to comply or notified the other of a failure to comply with any of the requirements of this clause 11.

## 12. Notices

- 12.1 All notices under this agreement must be in writing and must be given by any one of the following means:
- (a) by delivering it to the address of the party on a business day during normal business hours;
  - (b) by sending it to the address of the party by pre-paid post;
  - (c) by sending it by facsimile transmission to the facsimile number of the party; or
  - (d) by sending an e-mail to the party.
- 12.2 A notice will be deemed to be given and received:
- (a) if given in accordance with clause 12.1(a), on the day of delivery;
  - (b) if given in accordance with clause 12.1(b), three business days after the day of posting;
  - (c) if given in accordance with clause 12.1(c), on the day of transmission; and
  - (d) if given in accordance with clause 12.1(d), on the day the e-mail is sent.
- 12.3 It will be sufficient if the notice is addressed to the address, facsimile number or e-mail address set out in the Registration and Order Form or such other address, facsimile number or e-mail as may be notified in writing by one party to the other.

## 13. GENERAL

- 13.1 All amounts of money expressed in this agreement are in Australian dollars.
- 13.2 We may assign any of our rights under this agreement without your consent.
- 13.3 This agreement must be read and construed according to the laws of Queensland and you agree to submit to the jurisdiction of the courts of Queensland and any appeal courts from them.
- 13.4 If any provision of this agreement is held by a court to be unlawful, invalid, unenforceable or in conflict with any rule of law, statute or regulation, the validity and enforceability of the remaining provisions will not be affected.

## 14. INTERPRETATION

In this agreement, unless the context requires, the terms defined in the Fee Schedule have the meanings given to them in that schedule and otherwise, the following terms have the following meanings:

**"Bank Direct Debit Authority"** means a written authority directed by you to your bank authorising us to debit the grazing fees to your nominated account (such authority to be in a form acceptable to us).

**"Buying Weight"** has the meaning as stated in the Fee Schedule.

**"Buy Price"** has the meaning as stated in the Fee Schedule.

**"Feedlot Ration Cost"** has the meaning as stated in the Fee Schedule.

## Fee Schedule

Payment	Manner of Calculation	Time and Method of Payment
Purchase Price	<p><i>Buying Weight x Buy Price</i>            where:  <i>Buying Weight</i> means the total weight of the Stock on the Purchase Date  <i>Buy Price</i> means the price quoted as such on our Site on the Order Date.</p>	<p>Within two business days of receiving invoice            - by BPAY®</p>
Grazing Fee	<p><i>Weight gain x \$1.15 (inc GST)</i> per kilogram of weight gain where <i>weight gain</i> means <i>current weight</i> minus <i>last weight</i> where <i>current weight</i> means the weight taken for the purpose of calculating the grazing fee.  <i>Last Weight</i> means the latest weight of the stock in relation to which a grazing fee has been calculated or if no grazing fee has been previously calculated then the <i>buying weight</i>.  <i>Buying Weight</i> means the weight of the stock as at the purchase date.</p>	<p>Grazing Fee will be paid by you from your bank account pursuant to direct debit authority.</p>
Feedlot Ration Cost	<p>All costs incurred by us while the Stock are placed in our feedlot and includes all feed and non-feed ration inputs charged on a per head per day basis calculated and billed monthly based on pen averages.</p>	<p>Feedlot Ration Cost will be paid by you from your bank account pursuant to direct debit authority.</p>

<p>Commission</p>	<p>A sum equivalent to 3% of the <i>Sale Price</i> where:  <i>Sale Price</i> means the <i>Selling Weight</i> x <i>Finished Sell Price</i> or <i>Unfinished Sell Price</i> (as the case may be)  <i>Unfinished Sell Price</i> means the prices quoted as such on our Site on the date the Stock is sold. <i>Finished Sell Price</i> means the gross sale price (before deduction of marketing costs) received by us upon sale of the stock</p>	<p>The Commission is deducted from gross sale proceeds.</p>
<p>Miscellaneous (for example):          -marketing costs          -Transportation costs of delivering Stock as directed by you (if requested)          - Veterinary charges (for non routine treatments)          - All Feedlot induction expenses including veterinary treatments, inoculations and tagging of livestock.</p>	<p>As per invoice by party providing goods or services</p>	<p>As directed by us or deducted from gross sale proceeds</p> <p>Feedlot induction expenses will be paid by you from your bank account pursuant to direct debit authority.</p>