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29.01.2020

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Dear

Trade between US/Mexico and APAL jurisdictions. Formal notification of conditions.

Following the announcement late last year of the agreement reached between Apple and Pear Australia Limited (APAL), Brandt's Fruit Trees (BFT) and Pink Lady America (PLA), we are writing to inform you of the conditions under which trade between APAL jurisdictions and the US/Mexico can proceed and invite you to apply to APAL for licensing.

Who is APAL?

APAL is the peak body for Australian apple and pear industry and owner of the Pink Lady® trademark in all jurisdictions outside of the US and Mexico. The Pink Lady® trademark is one of the leading fresh produce brands in the world and is traded through a peer to peer network licensed and managed by APAL which includes over 250 licensed importers and exporters. Pink Lady® branded apples are sold through this network in over 100 countries worldwide. The brand is registered and actively protected by APAL in over 90 countries.

What was agreed?

The agreement was struck to remove the commercial impediments for trade between the US/Mexico and the APAL global network and work together to jointly develop this trade. This would be achieved with APAL's appointment by PLA as Exclusive Master Licensee for all imports to and exports from the US/Mexico and as manager of the business associated with this.

The key elements to this agreement relevant to you are:

- APAL and BFT/PLA will work together to build trade between the US/Mexico and the global Pink Lady® network
- APAL, due to its experience, knowledge and systems, will manage all aspects of the import and export business
- Any Volumes Fees and applied by APAL on behalf of this trade, will be in accordance with its practice in other global jurisdictions
- APAL and PLA will work to transition the US/Mexico domestic market to the current Pink Lady® (APAL developed) contemporary branding
- The domestic (US and Mexico) licensing and ownership of the Pink lady® brand remain with PLA and BFT.

Licensing

As the Exclusive Master Licensee for all trade to and from the US and Mexico, APAL has the exclusive, sole rights and discretion to issue licenses for export from and imports to the US/Mexico. The only exception to this is Canada and Mexico, where PLA will continue to issue licenses for exports from the US to Canada and Mexico.

All administration and communication to support this trade will also be exclusively managed by APAL, including collection of all related fees (volume fees such as royalties, marketing/promotional funding and support etc.) and penalties.

APAL will apply its Volume Fee per MT of product imported and/or exported (previously defined as royalties*). These are collected in order to support product in market and manage the business.

* We now refer to these fees as Volume Fees. These include a royalty component, marketing/promotional funds collected to spend as support for product in markets and a small administration element. This change has two purposes; to give transparency to what the funds collected are spent on, and to ensure (as was previously the case) we are not all paying withholding tax unnecessarily on the marketing and administration components.

What next?

In the first instance we are writing to you as either a previous License holder issued by PLA (for export or import) or a party that has been brought to our attention as being a valuable addition to the Pink Lady® network. Should you be interested in applying, we ask that you confirm this by return email (ahooke@apal.org.au) and advise us of the following:

- Company profile
- Were you a previous holder of a PLA License and if so identify type (import and/or export) and period of being Licensed
- Markets you have traded with and history of trade (volume by market and by year)
- The markets (export) and/or sources of supply (imports) you would like to specifically focus on; identifying whether this includes this season, and indicative volumes.

Once we have received your email with the above details:

1. APAL reviews application
2. APAL will send you our standard License (export or import) for your review
3. Once approved and issued, with a license, APAL provides you with access to our member area of the global web site. This provides you with access to a list of licensed importers and exporters by market and key contact information, and access to all the requisite branding and packaging specifications necessary to support your trade.
4. You are then connected with key functional support;
 - a. Andrew Mandemaker, our Global Head of Quality and Innovation who will provide support around specification and any technical requirements. Andrew will visit the US in the first half of this year,
 - b. Craig Chester, our Global Head of Brands who will provide support on branding and packaging. Craig will visit the US in the first half of this year,
 - c. Michelle Evans, our Global Head of marketing who will provide marketing insights and content
 - d. Alvin Kee, for all your reporting obligations and any global market data and analytics, and
 - e. Amy Larking for any issues around licensing, trademark breaches and in-market legal support

APAL, BFT and PLA are very excited about the opportunity this agreement presents and are all committed to making this work. The integration of the US/Mexico into the global Pink

Lady® network is overdue and provides a great opportunity for all our Licensees and key stakeholders.

Charles Andola, our local US representative, will continue to work alongside our team to provide any support necessary. Should you have any queries or concerns, please do not hesitate to contact either myself or Charles in the first instance charlesandola7@gmail.com.

Should you have any queries with respect to market insights (in particular Asia and the Gulf States), please contact Peter Richardson at Peterr.matrix@aapt.net.au.

Please find attached a Q&A which all parties concerned (APAL, PLA and BFT) have put together, to assist in answering some of the more detailed questions you may have in respect to this opportunity.

I wish you a very successful 2020 and hope that we can jointly build a successful business.

Sincerely
Andrew Hooke
Chief Operating Officer