



PINK LADY® BRAND EXPORT LICENCE 2020 Export Season

This Licence is dated:

Between the parties:

Apple and Pear Australia Limited (ACN 101 551 348), a company limited by guarantee and incorporated in Australia, at the registered address of 128-136 Jolimont Road, East Melbourne, VIC 3002 (**APAL**)

and

The party named in item 1 of Schedule 1 (the Licensee)

Recitals

- A. BFT1 owns all rights in the PINK LADY Trade Marks in the Territory. BFT1 has granted to PLA an exclusive license to administer and manage the PINK LADY Trade Marks in the Territory.
- B. APAL owns all rights in the Trade Marks in Canada, the Export Territory and the SMSP Territories. PLA has granted to APAL an exclusive Master Licence to manage and administer the PINK LADY Trade Marks in the Territory for the purpose of importing and exporting Licensed Product from, and to, the Territory including the right to issue licenses to third parties in the Territory.
- C. The Licensee wishes to use the Trade Marks with Product in the Territory on Product to be exported to the Export Territory and APAL wishes to grant this right.

Terms of this Licence

1 Definitions and Interpretation

In this Licence, including the Recitals and Schedules, unless the context otherwise requires:

Annual Fee means the amount set out in item 4A of Schedule 1;

At Destination Volume Fee means the fee payable by a Licensed Importer to APAL or its Master Licensee when a shipment of Licensed Product is exported to a Licensed Importer at the rate and to the territories described in item 4B of Schedule 1;

At Source Volume Fee means the fee payable by the Licensee to APAL when a shipment of Licensed Product is exported to a Licensed Importer at the rate and to the territories described in item 4B of Schedule 1;

BFT1 means Brandt's Fruit Trees 1, Inc a Washington corporation located at 1330 Suite A North 16th Avenue, Yakima, WA 98902, USA;

Commencement Date means the date specified in item 2 of Schedule 1;

Consequential Loss means loss of reputation, loss of profits, loss of actual or anticipated savings, loss of bargain, loss of opportunities, loss of goodwill or business, and loss which is otherwise beyond the normal measure of damages;

Expiry Date means the date specified in item 3 of Schedule 1;

Export Territory means a country in which APAL owns, has registered, or has applied to register, any of the Trade Marks but excludes Canada and the SMSP Territories;

GFSI Recognised Schemes means a food safety management scheme recognised by the [Global Food Safety Initiative](#);

Law means principles of law or equity established by decisions of courts, statutes, regulations or by-laws, economic sanctions or export control programs and requirements and approvals (including conditions) that have the force of law, in any jurisdictions that have application to a party to this Licence or activity conducted by the Licensee;

Licence means the Licence granted by APAL to the Licensee under clause 2 of this Licence;

Licensed Exporter means a person or entity which has been expressly authorised in writing by APAL (either by licence or sub-licence) to export Licensed Product into an Export Territory, and is expressly referred to in the official list of Licensed Exporters available at <https://pinklady.secure.force.com/Licensee/>;

Licensed Importer means an entity which has been authorised in writing by APAL (either by licence or sub-licence) to import Licensed Product into an Export Territory, and is expressly referred to in the official list of Licensed Importers available at <https://pinklady.secure.force.com/Licensee/>;

Licensed Product means Product which bear or will be sold in association with the Trade Marks;

Master Licence means the licence between APAL and PLA granting to APAL the right to use the PINK LADY Trade Marks in the Territory for exports from, and imports to, the Territory;

Penalties means the fees set out in item 4D of Schedule 1 and payable pursuant to clause 4;

PINK LADY Trade Marks means the unregistered and registered PINK LADY trade marks in the Territory and the Export Territory set out in Schedule 2;

PLA means Pink Lady America LLC located at 1330 Suite A North 16th Avenue Yakima, WA, 98902 USA;

Product means fresh apples of the Cripps Pink variety and the Cripps Pink mutation varieties listed in item 5 of Schedule 1 which meet the Quality Specifications;

Quality Specifications means the quality specifications set out in Schedule 3;

SMSP Territories means the territories covered by APAL's Selective Market Supply Program as notified to the Licensee in writing by APAL from time to time and which include Thailand, Vietnam, Qatar, United Arab Emirates and the Kingdom of Saudi Arabia;

Territory means the United States of America and Mexico;

Trade Marks means the unregistered and registered PINK LADY and PINKIDS trade marks in the Territory and the Export Territory set out in Schedule 2; and

Volume Fee means the fee payable by a Licensee to APAL or its Master Licensee which includes a royalty, an administration fee, plus promotional funding and is calculated per metric tonne.

2 Grant of Licence

- 2.1 Subject to the terms of the Licence, APAL grants to the Licensee a non-exclusive licence to use the Trade Marks in association with Product exported from the Territory to an Export Territory. APAL does not grant any right to use the PINK LADY Trade Marks on Product which will be sold within the Territory.
- 2.2 Subject to clause 4.4, the Licensee must only export or otherwise sell Licensed Product to a Licensed Importer.
- 2.3 The Licensee may apply to export Licensed Product to the SMSP Territories and such export may be authorised if APAL provides its prior written approval. The Licensee acknowledges that access to the SMSP Territories will be subject to the same terms and conditions which apply to an Export Territory under this Export Licence, as well as any additional terms and conditions notified to the Licensee at the time of authorisation.

3 Term

The Licence will commence on the Commencement Date and terminate on the Expiry Date unless otherwise terminated in accordance with clause 13.

4 Fees and Payment

- 4.1 The Licensee must pay the Annual Fee to APAL within 30 days of the Commencement Date of this Licence.

- 4.2 The Licensee must pay the At Source Volume Fee when Licensed Product are exported to a Licensed Importer in an Export Territory as provided in item 4B of Schedule 1.
- 4.3 The Licensee must pay the Penalties as set out below and detailed in item 4D of Schedule 1 in respect to:
- (a) Any export of Licensed Product to an unlicensed importer or retailer without prior written approval from APAL;
 - (b) Any export of Product to an Export Territory or the SMSF Territories which meets the Quality Specifications in Schedule 3 but which are not branded with the Trade Marks. For the avoidance of doubt, Product must be packed in a box bearing the Trade Mark and a PLU sticker featuring the Trade Mark must be applied to each Product;
 - (c) Any unreported volume of Product, Licensed Product or apples of the Cripps Pink variety or Cripps Pink mutation varieties that have been exported; and
 - (d) Any late or incomplete reports in non-compliance with clause 12.
- 4.4 Penalties will not be imposed if APAL has provided written approval for the export and the export is to an unlicensed importer or an unlicensed retailer. In these circumstances, the Volume Fee payable by the Licensee is set out in item 4C of Schedule 1 at different rates depending on whether the export is to an unlicensed importer or unlicensed retailer. Approval must be sought no later than 20 days prior to the proposed shipment.
- 4.5 For the purposes of seeking approval pursuant to clause 4.4, the Licensee should direct communication to APAL at the following email address: licensing@pinkladyapples.com. Such communication should include notice of the total number of kilograms to be exported, the name and address of the importer and the country to which the Licensed Product will be exported.
- 4.6 All fees referred to in clauses 4.3 and 4.4 are due and payable within 30 days of receipt of an invoice from APAL.
- 4.7 All fees referred to in this clause are exclusive of all value added taxes, goods and services tax or any other taxes (including, without limitation, any Volume Fee withholding taxes), duties, bank fees or statutory imposts and the Licensee shall pay for all such fees and shall reimburse APAL for all amounts APAL would otherwise be liable for.
- 4.8 Interest shall be payable to APAL calculated daily at a rate fixed from time to time by APAL, but not exceeding 10% per annum, and computed upon the money overdue during the period of default and shall be paid on demand by the Licensee without prejudice to any other rights of APAL under this Licence.

5 Sublicensing and assignment

This Licence is personal to the Licensee, and the Licensee must not sell, convey, transfer, sub-licence, encumber, or assign all or any part of the Licensee's right to use any of the Trade Marks without the express written permission of APAL.

6 Marketing, promotion and brand development

- 6.1 The Licensee acknowledges that APAL has developed a brand manual for the Pink Lady® brand and associated sub-brands to provide a consistent look and feel to the brand internationally. The brand manual includes guidelines for use of the Trade Marks and packaging for Licensed Product. The Licensee must apply the Trade Marks to Product and any packaging associated with Licensed Product in the manner and form prescribed by APAL in the Pink Lady® brand manual. Packaging details and layouts are available at pinkladyapples.com. Any alteration to the approved packaging designs must be submitted to APAL for prior approval at pinkladypackaging@apal.org.au.
- 6.2 Within 5 days of a request from APAL, the Licensee must submit to APAL for inspection and written approval, samples of all materials bearing the Trade Marks including (without limitation) all marketing, promotional, advertising, sales or other merchandising materials.
- 6.3 The Licensee must not obliterate, deface, destroy, cancel, or otherwise alter the commercial impression of the Trade Marks in any way in connection with the Licensee's use, and the Licensee must always use the registered trade mark symbol ® in connection with Product bearing the Trade Marks that is exported to any country where the Trade Marks are registered.
- 6.4 The Licensee acknowledges and agrees that use of the Trade Marks without simultaneous use of the correct varietal designation would diminish the value of the Trade Marks. Accordingly, the Licensee must not use the Trade Marks without simultaneously using the correct varietal designation.

7 Plant variety rights

- 7.1 The Licensee is not authorized to export any Licensed Product if it they are harvested from trees that infringe any plant patent, plant breeder's rights, or plant variety rights in the Territory or the Export Territory.
- 7.2 Notwithstanding clause 7.1, the Licensee acknowledges that Licensed Product may be protected by laws relating to the protection of plant varieties in the country of export or in the United States or Mexico and the grant of this Licence does not constitute a warranty or guarantee that use, export or sale of the Licensed Product as contemplated by this Licence will not infringe any organisation's rights or be in breach of any laws relating to the protection of plant varieties.

8 Quality

- 8.1 The Licensee is not authorized to use the Trade Marks with apples that do not meet the Quality Specifications and the Licensee must ensure that all Licensed Product exported from the Territory under this Licence meets the Quality Specification set out in Schedule 3. The Licensee must also comply with any reasonable standards set by APAL in respect of Product storage, grading, packing and shipping.
- 8.2 The Licensee agrees to fully cooperate in all quality control activities or investigations conducted by APAL (or it's appointed representative) and that APAL (or it's appointed representative) has the right, upon a minimum of 3 hours' notice to the Licensee, to enter any of the Licensee's warehouses, packing and shipping facilities to observe the Licensee's activities and to inspect and view any apples of the Cripps Pink variety and other approved Cripps Pink mutation varieties, Product, Licensed Product or Licensed Product packaging that is stored, graded, packed, shipped, or otherwise in the process of being exported out of the Territory by the Licensee. The Licensee further agrees to provide the packing list or box inventory to APAL (or it's appointed representative) to enable the inspection to be conducted over boxes specifically chosen for this process.

9 Infringement

- 9.1 The Licensee must give written notice to APAL of any infringement or threatened infringement of any of the Trade Marks that the Licensee learns about. This notice must be made by the Licensee within 5 days from the date it becomes aware of the infringement.
- 9.2 The Licensee must not commence, or threaten to commence, any proceedings against third parties relating to infringement of the Trade Marks.
- 9.3 If APAL commences, or threatens to commence, any proceedings relating to the Trade Marks, the Licensee must do all things and give all assistance as reasonably required to assist the party taking that proceeding, and the party requesting assistance will reimburse the Licensee for any reasonable expenses incurred as a result of the request for assistance.

10 Rights in Trade Marks

- 10.1 The Licensee acknowledges that APAL owns all rights in the Trade Marks in Canada, the Export Territory and the SMSP Territories. Any and all goodwill which accrues from the use of any of the Trade Marks by the Licensee shall accrue for the exclusive benefit of APAL.
- 10.2 The Licensee must not:
- (a) directly or indirectly infringe the Trade Marks or any copyright subsisting in any of the Trade Marks, induce any other person to infringe, or encourage or permit any infringement of any of the Trade Marks of any copyright subsisting in any of the Trade Marks;
 - (b) challenge APAL's rights in, or ownership of, any of the Trade Marks;

- (c) attempt to register, or apply for or use any trade mark, business name, corporate name or style or get up which is the same as or similar to any of the Trade Marks except with the prior written approval of APAL or use any of the Trade Marks for purposes outside the scope of this Licence.

11 Licensee's obligations

- 11.1 The Licensee must provide APAL with evidence of its registration under one of the GFSI Recognised Schemes, and must maintain such registration and accreditation during the term of this Licence.
- 11.2 The Licensee shall use the Trade Marks in accordance with the terms and conditions of this Licence and shall comply with all reasonable directions issued by the APAL from time to time regarding the manner of use of the Trade Marks.
- 11.3 The Licensee must not use any trade mark, logo or name in conjunction with any of the Trade Marks except with the prior written approval of APAL.
- 11.4 The Licensee acknowledges that any failure to meet the Quality Specifications in associations with the Trade Marks will cause irreparable damage to the value of the Trade Marks.
- 11.5 The Licensee designates and appoints the person listed in item 1 of Schedule 1 to be the official liaison between the Licensee and APAL, and the Licensee agrees to keep APAL informed of any change in this person's contact information.

12 Reporting

- 12.1 In order to coordinate quality inspections, the Licensee shall advise the APAL no later than 48 hours prior to the Licensee beginning to pack the first Licensed Product of the season.
- 12.2 The Licensee shall, in accordance with item 4E of Schedule 1, provide a written report to APAL in an approved format, including the following information:
 - (a) the quantity of Licensed Product, Product and apples of the Cripps Pink variety and other approved Cripps Pink mutation varieties exported by the Licensee. The full bin volume in kilograms must be reported if the fruit is not packaged for export;
 - (b) the ports of departure and arrival of Licenced Product, Product and apples of the Cripps Pink variety and other approved Cripps Pink mutation varieties exported by the Licensee;
 - (c) the name and address of each importer and the quantities exported and imported of Licensed Product, Product and apples of the Cripps Pink variety and other approved Cripps Pink mutation varieties exported by the Licensee; and
 - (d) such other information as APAL may reasonably require from time to time including at the end of the season, the actual volume shipped and the size profile of Licensed Product shipped by destination.

- 12.3 The Licensee acknowledges and agrees that the provision of timely reporting pursuant to clause 12.2 is necessary to enable APAL to operate its business and if the Licensee fails to comply with clause 12.2, then it is possible that the Licensee may not be offered a similar Licence in subsequent years.
- 12.4 Subject to clause 12.5, the documents and information provided by the Licensee pursuant to clause 12.2 shall be considered confidential by APAL.
- 12.5 The Licensee agrees that any reports provided to APAL, or prepared by APAL, may be shared with PLA and BFT1 to enable APAL to fulfil its obligations under the terms of its commercial agreement with PLA and BFT1. The Licensee also agrees that the APAL may prepare reports of aggregate data for distribution to relevant parties in the Pink Lady® business.
- 12.6 The Licensee agrees that APAL will include the contact names, phone number and email address of the Licensee on its website.
- 12.7 The data referred to in this clause shall be kept a maximum 5-year period, subsequent to the termination of the contractual relations between the parties. The Licensee may request access to, or correction to this data and may lodge a complaint with a supervisory authority.
- 12.8 The Licensee expressly authorises APAL, or its nominated representative, to inspect, audit and view the Licensee's administrative offices, and books and records (electronic or otherwise) in relation to the Trade Marks, Product, Licensed Product and volumes of apples of the Cripps Pink variety and other approved Cripps Pink mutation varieties, upon giving seven (7) days' notice to the Licensee during normal business hours.
- 12.9 The Licensee agrees to allow APAL, or its nominated representative, access to the place where its books and records are stored and will assist and do all such things as are necessary for the purpose of enabling the inspection and audit to be conducted.

13 Termination

- 13.1 This Licence is terminated effective immediately if the Master Licence is terminated for any reason.
- 13.2 APAL may immediately terminate this Licence if the Licensee is in breach of this Licence and fails to remedy such breach within 30 days of a written notice from APAL requesting that the breach be remedied. Should this Licence be terminated by reason of a breach, the date of termination shall be two days after the 30-day period referred to in this clause.

14 Consequences of termination

- 14.1 Upon termination by APAL under clause 13, the Licensee must:
- (a) immediately cease applying or authorizing the application of the Trade Marks;
 - (b) within 21 days cease using all of the Trade Marks in any way; and

- (c) provide a written report in the form specified in clause 12 in respect of the period between the date of termination and the preceding reporting date.

14.2 The Licensee's acknowledgment and obligations as set out in clause 10 shall survive termination of this Licence.

15 Warranties

The Licensee represents and warrants that in its performance of this Licence, and in respect of its conduct in connection with this Licence (including between the parties) it will at all times during the term of this Licence, comply with all Laws dealing with or relating to: competition law, trade practices and anti-trust; export control laws and economic sanctions programs, including those of the United Nations and the European Union; improper or illegal payments, gifts or gratuities or Laws dealing with corrupt activities; occupational health and safety, advertising or marketing law, product and food health and safety, food labelling or health laws, quarantine requirements or otherwise dealing with the safety of persons and products.

16 Indemnities

The Licensee shall be liable for and indemnifies APAL (together with APAL's officers, employees and agents) on a full indemnity basis against any loss, liability, damage, costs, legal costs, professional and other expenses of any kind whatsoever incurred directly or indirectly suffered by APAL (and includes, but is not limited to, any Consequential Loss) arising out of or in connection with any actual, threatened or alleged breach of this Licence or arising out of any dispute or contractual, tortious or other claims or proceedings brought against APAL by a third party claiming relief against APAL by reason of the marketing or sale of the Licensed Product or the use of any of the Trade Marks in the Territory or any other country.

17 Waiver

APAL's failure at any time to require the Licensee's performance of a provision of this Licence does not constitute a waiver of the APAL's rights under this Licence.

18 Entire Agreement

This Licence constitutes the entire agreement of the parties on all these subjects. This Licence may not be modified, interpreted, waived or revoked orally, and can only be changed by a written document signed by all parties. This Licence supersedes and replaces all prior agreements, licences, discussions and representations between the Licensee and APAL on all these subjects, including any previous trade mark licences or export or shipping agreements with respect of the Trade Marks. No party is entering into this Licence in reliance on any oral or written promises, inducements, representations, understandings, interpretations, or agreements, other than those contained in this Licence.

19 Severability

If any specific clause or provision of this Licence is found to be invalid or in violation of any statute, rule, regulation or common law it shall be considered null and void, with the remaining provisions remaining viable and in effect. In addition, the parties hereby agree that the arbitrator shall add as part of this Licence a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid and enforceable.

20 Headings Not Controlling

The paragraph headings included herein are for reference only and are not a part of this Licence. The headings shall not control or alter the meaning of this Licence as set forth in the text.

21 No Partnership/Joint Venture/ Employment

Nothing in this Licence shall be deemed or construed to constitute or create between the parties hereto a partnership, joint venture, agency or employer/employee relationship.

22 Counterparts

This Licence may be signed in any number of counterparts. All signed counterparts taken together constitute one agreement.

23 Governing Law and Jurisdiction

The parties agree that this Licence and any disputes arising under this Licence will be governed by the laws of Victoria, Australia and the parties submit to the non-exclusive jurisdiction of the courts in Victoria, Australia in respect of such disputes. This clause is without prejudice and does not in any way limit the rights of APAL to commence proceedings or other action against the Licensee in any jurisdiction other than Australia.

Signing Page

SIGNED by **PHILIP TURNBULL** as attorney for)
APPLE AND PEAR AUSTRALIA LIMITED)
ACN 101 551 348 under power of attorney dated)
8 March 2017 in the presence of:)

By executing this agreement, the attorney declares that
he has complied with the terms of, and has no notice of
revocation of, the said power of attorney
)
)

Signature of witness

Date

Name of witness (*please print*)

SIGNED for and on behalf of:
by **Name and Title:**

in the presence of:

Signature of Name and Title:

Signature of witness

Date

Name of witness (*please print*)

Schedule 1

1. The Licensee

Company name and Company number:

Postal address:

Physical address:

Telephone No:

Contact name:

Title:

Email:

Phone/Cell No:

2. Commencement Date

1 February 2020

3. Expiry Date

31 January 2021

4. Fees and Penalties

A. Annual Fee

Annual Fee payable within 30 days of Commencement Date	USD 4,000.00
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B. Volume Fees for EXPORT to Licensed Importer

Destination Country and Master Licensee	2020 Export Season Volume Fee (per tonne)	Volume Fee Collection Point
<p>Europe/EU (Albania, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Ukraine)</p> <p>Caucasus (Azerbaijan, Georgia, Kazakhstan, Kirghizstan, Tajikistan, Turkmenistan, Uzbekistan)</p> <p>Northern Africa (Algeria, Egypt, Libya, Morocco, Tunisia)</p> <p>Northern Middle East (Israel, Jordan, Lebanon, Syria, Turkey)</p>		<p>At Destination</p> <p>EURO €90 (equivalent of USD\$110) is paid by the importer at destination)</p>

<i>Master Licensee: Star Fruits</i>		
United Kingdom <i>Master License: Coregeo</i>		At Destination GBP £76 (equivalent of USD\$110) is paid by the importer at destination)
Canada (License for US & Mexico exporters through PLA)		Not Applicable – separate export license to be obtained from Pink Lady America
China <i>Managed by APAL</i>	USD \$110*	At Source
All other countries Asia Including Bangladesh; Brunei, Burma (Myanmar), Cambodia, Hong Kong, India, Indonesia, Japan, Laos, Malaysia, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam. <i>Managed by APAL</i> Africa <i>Master License: Top Fruits</i> South America <i>Master License: Viveros Requinoa</i> The Gulf States <i>Managed by APAL</i> <i>Note: supply to the Selective Market Supply Program Tier 1 countries, requires written approval from APAL. Please refer to Schedule 4.</i>	USD \$90*	At Source

*For withholding tax purposes, the Royalty component of the Volume Fee is USD\$30 per tonne.

C. Volume Fees to Unlicensed Importer/Retailer, with PRIOR APPROVAL from APAL**

ALL Countries	
Shipments to <u>unlicensed importers</u> , with PRIOR APPROVAL from APAL	Standard Volume Fees as detailed in the above table
Shipments to <u>unlicensed retailers</u> , with PRIOR APPROVAL from APAL	USD\$150 per tonne

D. Penalties

Scenario	Penalty Rate
Shipments to unlicensed importers or retailers (no approval)**	The greater of Volume Fee + USD \$100 per tonne or USD \$5,000
Pink Lady® quality apples unbranded	3 x applicable Volume Fee per tonne
Late reporting	USD \$500 per week (or part thereof)
Unreported Volume	USD \$330 per tonne

** To search for a PINK LADY Importer or Exporter go to <https://pinklady.secure.force.com/Licensee/>

E. Reporting

Report	Detail required	Due by
FORECAST shipment program for 2019 season.	Forecast volumes by destination and licensee. Indicating fruit size and any uncommitted volume.	To accompany your export license application.
ACTUAL volume shipped – monthly.	Monthly volume reports need to include volumes of: - Pink Lady® - Cripps Pink (including approved mutation varieties -Rosy Glow and Lady in Red).	Within 7 days of the end of each calendar month.
ACTUAL volume shipped – end of season.	Size profile of total Pink Lady® shipped during the season by destination.	At the end of the shipping season.
SMSP volume	Weekly volume reports need to include volumes of: - Pink Lady®	Weekly

	- Cripps Pink (including approved EDVs (mutations) Rosy Glow and Lady in Red).	
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5. Approved Varieties

The following varieties are approved for inclusion under the Pink Lady® Trade Mark.

- Cripps Pink
- Rosy Glow
- Lady In Red

SAMPLE

Schedule 2

TRADE MARKS

Trade Mark	Image
Pink Lady® Brand	
PINK LADY (word mark)	N/A
PINK LADY FLOWING HEART LOGO	
PinKids® Sub-Brand	
PINKIDS (word mark)	N/A
PinKids logo	

SAMPLE



Schedule 3
PINK LADY® MINIMUM INTERNATIONAL QUALITY SPECIFICATIONS
AT DESTINATION

CHARACTERISTICS

Approved Varieties: <i>Cripps Pink, Rosy Glow and Lady in Red</i>
Brix: Average of 13% or greater
Colour: Cream-pale green background, covered by greater than 60% surface colour (all Asian territories and Gulf State territories) or 40% surface colour (all other territories) in a continuous block, where surface colour is not interrupted by an area of more than 5 cm ² . Allow tolerance of 10% for fruit with colour interruption greater than 5 cm ² . Allow tolerance of 5% for fruit with less than required total surface colour. European CTIFL code: B3-B6 for background and minimum I4 for surface
Firmness (Pressure): Minimum average 6.5 kg/cm ² (14.3 lbs/cm ²) or greater. Minimum average at departure 7.0 kg/cm ² (15.4 lbs/cm ²) or greater. <i>Measured with an 11 mm penetrometer</i>
Waxed fruit not allowed into European or Gulf State territories

DESCRIPTION OF THE DEFECT AND CLASSIFICATION

CRITICAL	May not exceed 1% of sample size as described	
	<ul style="list-style-type: none"> ▪ Core Rot ▪ Decay including <i>Gloeosporium</i>, Bull's eye rot and other fungal developments ▪ Internal Browning ▪ Scald 	
	May not exceed 3% of sample size as described	
	<ul style="list-style-type: none"> ▪ Apple Scab also known as Black Spot, <i>Venturia inaequalis</i>, <i>Fusicladium dendriticum</i> or <i>Spilocaea pomi</i>: When more than three spots of 2 mm diameter on a single fruit ▪ Bitter Pit ▪ Bruising – major: When flesh is discoloured and watery ▪ Cracks – major: Open cracks showing the flesh of the apple ▪ Greasiness: When fruit is sticky or when fingerprints can be left on the epidermis ▪ Hail Marks – major: When skin is injured or flesh is discoloured ▪ Insect Damage – major: Fresh unhealed damage or when skin penetration results in flesh discoloration or with evidence of excrement ▪ Skin Penetrations such as stalk or mechanical injuries: When two marks greater than 3 mm diameter on a single fruit. European market: Apples must be intact with no skin penetrations ▪ Sunburn – major: When flesh is discoloured 	
TOTAL CRITICAL DEFECTS 1 % + MAJOR DEFECTS 3 % MAY NOT EXCEED 3% OF SAMPLE SIZE		
MINOR DEFECTS	May not exceed 10% of sample size as described	
	<ul style="list-style-type: none"> ▪ Blemishes such as scars, scratches, rub marks and frost injury: When a single mark is more than 20 mm long and a total area greater than 1 cm² on a single fruit ▪ Bruising – minor: When total bruised area per apple is greater than 1 cm² and recovered ▪ Chemical Burn: When surface colour is affected ▪ Calyx and Cracks – minor: Light healed cracks around greater than half of calyx basin ▪ Dirty fruit: Fruit must be clean but dust allowed in lower halves of stem and calyx ends¹ ▪ Hail Marks – minor: When more than two light marks less than 2 mm diameter on a single fruit and no more than 1 mm depth or 2 mm high ▪ Hammering and Ridging: When surface is discoloured ▪ Insect Damage – minor: When superficial mark (no skin penetration) with an area greater than 3 mm ▪ Lenticel Damage: When more than two spots greater than 1 mm diameter on a single fruit ▪ Malformations: When malformations more than 10 mm on a single fruit ▪ Net like russet: When rough to touch and surface colour is affected ▪ Other defects that mark fruit such as <i>Flyspeck (Schizothyrium pomi)</i> and <i>Sooty Blotch (Gloeodes pomigena)</i>: When greater than 1 cm² on a single fruit ▪ Russet: When extended outside the stem end and calyx basin ▪ Sunburn – minor: When surface colour is affected 	
	TOTAL CRITICAL DEFECT 1% + MAJOR 3% + MINOR DEFECTS MAY NOT EXCEED 10% OF SAMPLE SIZE	

Additional requirement for PinKids® Sub-Brand – Fruit size: 135 grams or smaller

¹ Under EU Regulations: *Apples must be practically free of visible soil, dust, residue or other foreign matter.*

Schedule 4

SELECTIVE MARKET SUPPLY PROGRAM (SMSP) TIER 1 PARTICIPATION APPROVAL

In accordance with clause 2.3 of this license, the Licensee has requested and been granted Northern Hemisphere (NH) supply access to the following Tier 1 Selective Market Supply Program (SMSP) countries. The licensee agrees to be bound by the SMSP program requirements which may include minimum volume requirements and upfront Volume Fee payments.

Tier 1 SMSP Markets/Countries	Access Granted	Minimum Volume Commitment (2020)
South East Asia Thailand Vietnam Malaysia The Gulf States Kingdom of Saudi Arabia (KSA) Qatar United Arab Emirates (UAE)		100mt 100mt 200mt 200mt 100mt 100mt

SAMPLE