### QUEENSLAND BAUXITE LIMITED ACN 124 873 507 NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

**TIME**: 11:30 am (EST)

**DATE**: Tuesday, 12 September 2017

**PLACE**: Computershare Investor Services Pty Limited

Level 4, 60 Carrington Street

Sydney NSW 2000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:30 am (EST) on Sunday, 10 September 2017.

#### BUSINESS OF THE MEETING

#### **AGENDA**

## 1. RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE - SHARES IN CONSIDERATION FOR ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of Resolutions 2 and 3, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 49,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

**Voting Exclusion**: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## 2. RESOLUTION 2 - CREATION OF A NEW CLASS OF SECURITIES - PERFORMANCE SHARES

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, subject to and conditional upon the passing of Resolutions 1 and 3, for the purposes of section 246B of the Corporations Act, clause 22.6 of the Constitution and for all other purposes, the Company is authorised to issue Performance Shares on the terms and conditions set out in the Explanatory Statement."

## 3. RESOLUTION 3 - PLACEMENT - PERFORMANCE SHARES IN CONSIDERATION FOR ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of Resolutions 1 and 2, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue to the shareholders of Medical Cannabis Limited (or their nominees) up to 50,000,000 Performance Shares on the terms and conditions set out in the Explanatory Statement."

**Voting Exclusion**: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 11 August 2017

By order of the Board

#### Sholom Feldman Company Secretary

#### Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

#### Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who
  must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9291 9000.

#### **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

#### 1. BACKGROUND ON MEDICAL CANNABIS LIMITED AND PROPOSED TRANSACTION

#### 1.1 General

As announced on 3 March 2017, the Company agreed to acquire, subject to certain conditions, a 55% interest in the issued capital of Medical Cannabis Limited ACN 604 732 612 (MCL).

This investment was considered as it was a relatively cheap entry into a potentially growing market, with no cash outlay for the Company, rather the issue of capital as set out below. Part of that issue is performance based.

MCL is an Australian based Cannabis company, formed in early 2015 to specifically target the global potential of the fast growing medical Cannabis and hemp seed foods markets utilising two decades of Cannabis and hemp industry experience, contacts and exclusive access to a unique low THC and high CBD sub-tropical genetic strains of Cannabis.

MCL has a lawful, certified low THC seed bank, which is 1 of only 4 in Australia. MCL is currently growing cannabis sativa spp (dioecious, boy and girl plants) and cannabis ruderalis (monoecious, self-pollinating) for analyses and research on the plants' cannabinoid profiles.

The ruderalis varieties are primarily for seed/fibre production, while the dioecious varieties could become more suitable as multipurpose crops because of their superior and robust cannabinoid profile.

A copy of a legal opinion from the Australian legal adviser to the Company in relation to the regulatory environment in Australia relating to the cultivation of cannabis plants, production of cannabis and cannabis resin and the manufacture of medicinal cannabis products, and how this regulatory environment affects the business of MCL, is set out in Schedule 2.

#### Andrew Kavasilas, Director & co-founder of MCL

Director of MCL and Vitahemp Pty Ltd (a subsidiary of MCL), and Secretary of the Australian HEMP Party. Long and in-depth association with hemp growing and researching therapeutic properties of cannabis. In 2001/02, Andrew was the only grower in Australia/NSW permitted to cultivate high THC cannabis for trials leading to the 2004 publication of Medical Uses of Cannabis - Information for Medical Practitioners Author of the first medical cannabis user survey. The 2004 book sparking a national survey by the National Drug and Alcohol Research Centre (NDARC). He is a regular participant at Parliamentary Inquiries on medical and other cannabis related law reform issues with significant contact and communication with Members of Parliament including senior Ministerial staff and bureaucrats, leading scientific researchers and medical practitioners.

#### 1.2 Proposed transaction

MCL is a public unlisted company.

By a Heads of Agreement between the Company and MCL dated on or about 1 March 2017 (**Acquisition Agreement**), the parties agreed the following principal terms:

- (a) The Company will issue 49,000,000 Shares in the Company in exchange for 55% of MCL shares (which Shares have now been issued).
- (b) A further 50,000,000 Performance Shares will be issued to MCL Shareholders after Shareholder approval. The terms of the Performance Shares have been approved by ASX and these terms are set out in this Notice.
- (c) The sum of the Shares and Performance Shares to be issued to MCL Shareholders as contemplated by paragraphs (a) and (b) above equals a total of 99,000,000 Shares in the Company if the milestone is reached.
- (d) The Company will own 55% of MCL as a result of this entire transaction.

#### 1.3 Effect of proposed transaction on the capital structure on the Company

As a result of the transaction, the capital structure will be as follows:

Particulars	Prior to acquisition	Acquisition increase	Pro-forma	% change
Total number of shares	1,427,208,7601	99,000,000 <b>²</b>	1,526,208,760	6.49%
Total number of options	42,846,046	Nil	42,846,046	Nil

#### Notes:

- 1. As at the date of this Notice, excluding the 49,000,000 Shares issued on 30 May 2017 in connection with the acquisition.
- 2. Assumes the Performance Shares are converted.

## 2. RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE - SHARES IN CONSIDERATION FOR ACQUISITION

#### 2.1 General

As outlined in Section 1.2, the Company entered into the Acquisition Agreement pursuant to which the Company has now issued a total of 49,000,000 Shares to the shareholders of MCL.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### 2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 49,000,000 Shares were issued;
- (b) the Shares do not have a set issue price as they have been issued in consideration of the acquisition of the 55% interest in the issued capital of MCL;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to the shareholders of MCL. None of these subscribers are related parties of the Company; and
- (e) the Shares were issued for nil cash consideration in part consideration for the acquisition by the Company of a 55% interest in the issued capital of MCL. Accordingly, no funds raised were raised from this issue of the Shares.

## 3. RESOLUTION 2 - CREATION OF A NEW CLASS OF SECURITIES - PERFORMANCE SHARES

#### 3.1 General

As outlined in Section 1.2, under the transaction with MCL the Company is also required to issue a total of 50,000,000 Performance Shares to the shareholders of MCL.

Resolution 2 seeks Shareholder approval for the Company to be authorised to create the necessary class of and issue the Performance Shares.

The terms and conditions of the Performance Shares are set out in Schedule 1.

#### 3.2 Legal requirements

Section 246B of the Corporations Act and clause 22.6 of the Constitution provides that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the holders of the issued shares of the affected class; or
- (b) the written consent of the holders of 75% of the votes of the affected class.

The Company must give written notice of the variation to the members of the affected class within 7 days after the variation is made.

Section 246C(5) of the Corporations Act confirms that if a company with only one class of shares issues a new class of shares, the issue of the new class of shares is taken to vary the rights attached to shares in the existing class if:

- (a) the rights attaching to the new class of shares are not the same as the rights attached to the existing class of shares; and
- (b) the rights attaching to the new class of shares are not provided for in:
  - (i) the company's constitution (if any); or
  - (ii) a notice, document or resolution that is lodged with ASIC.

#### 3.3 Application to the Company

The Company currently has only one class of share on issue being fully paid ordinary shares (**Shares**). The terms of the Performance Shares will not be the same as the Shares and the rights attaching to the Performance Shares are not provided for in the Constitution.

Accordingly, the Company seeks Shareholder approval by special resolution at the Meeting for the creation of a new class of shares known as Performance Shares.

The Performance Shares are proposed to initially be issued in one class having a milestone event which triggers their conversion into Shares. The proposed terms and conditions of the Performance Shares are set out in Schedule 1.

In the event Resolution 2 is passed by the requisite majority the Company will give written notice of the variation to the rights attaching to Shares to Shareholders within 7 days.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

## 4. RESOLUTION 3 - PLACEMENT - PERFORMANCE SHARES IN CONSIDERATION FOR ACQUISITION

#### 4.1 General

Resolution 3 seeks Shareholder approval for the actual issue of 50,000,000 Performance Shares in part consideration for the acquisition by the Company of a 55% interest in the issued capital of MCL.

The effect of Resolution 3 will be to allow the Company to issue the Performance Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

In relation to the status of the conversion of the Performance Shares, on 19 July 2017 MCL, through its Director Andrew Kavasilas, applied to the Australian Government for a research cultivation licence, which is required prior to making an application for a permit to operate under that licence to grow cannabis varieties for medical cannabis research for the purposes of product development. As at the date of this Notice, the above permit has not been granted (and therefore the milestone relating to the conversion of the Performance Shares, as set out in paragraph (I) of Schedule 1 of this Notice, has not been achieved). From recent discussions with the Office of Drug Control, it is anticipated that, all things being equal, the grant of the permit will occur by October 2017.

#### 4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Performance Shares:

- (a) the maximum number of Performance Shares to be issued is 50,000,000;
- (b) the Performance Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Performance Shares will occur on the same date;
- (c) the Performance Shares will not have a set issue price as they will be issued in consideration of the acquisition of the 55% interest in the issued capital of MCL;
- (d) the Performance Shares will be issued to the shareholders of MCL, each of which is not a related party of the Company;
- (e) the Performance Shares issued will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Performance Shares as the Performance Shares are being issued in part consideration for the acquisition by the Company of a 55% interest in the issued capital of MCL.

#### **GLOSSARY**

\$ means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Queensland Bauxite Limited (ACN 124 873 507).

**Constitution** means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

General Meeting or Meeting means the meeting convened by the Notice.

**Notice** or **Notice** of **Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Performance Share** means a performance share on the terms set out in Schedule 1.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

#### SCHEDULE 1 - TERMS AND CONDITIONS OF PERFORMANCE SHARES

The terms and conditions of the Performance Shares are as follows:

#### Rights attaching to the Performance Shares

- (a) (**Performance Shares**) Each Performance Share is a share in the capital of Queensland Bauxite Limited (ACN 124 873 507) (**Company**).
- (b) (**General meetings**) Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**Shareholders**). Holders have the right to attend general meetings of Shareholders.
- (c) (**No voting rights**) A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) (No dividend rights) A Performance Share does not entitle the Holder to any dividends.
- (e) (**No rights to return of capital**) A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) (**Rights on winding up**) A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) (Not transferable) A Performance Share is not transferable.
- (h) (Reorganisation of capital) If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (i) (Application to ASX) The Performance Shares will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Shares into fully paid ordinary shares (Shares), the Company must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX.
- (j) (Participation in entitlements and bonus issues) A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) (**No other rights**) A Performance Share gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

#### **Conversion of the Performance Shares**

- (I) (Conversion on achievement of milestone) Subject to paragraph (n), a Performance Share in the relevant class will convert into one Share upon achievement of:
  - (i) Class A: the Australian Government granting a permit to MCL to grow cannabis varieties for medical cannabis research for the purposes of product development between the date of issue of the Performance Shares and 5 years after that date (**Milestone**).

- (m) (Conversion on change of control) Subject to paragraph (n) and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:
  - (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's shares on issue and being declared unconditional by the bidder; or
  - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

that number of Performance Shares that is equal to 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

- (n) (Deferral of conversion if resulting in a prohibited acquisition of Shares) If the conversion of a Performance Share under paragraph (I) or (m) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (General Prohibition) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:
  - (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.
  - (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (n)(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.
- (o) (Redemption if Milestone not achieved) If the relevant Milestone is not achieved by the required date, then each Performance Share in that class will be automatically redeemed by the Company for the sum of \$0.00001 within 10 Business Days of non satisfaction of the Milestone.
- (p) (Conversion procedure) The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.
- (q) (Ranking upon conversion) The Share into which a Performance Share may convert will rank pari passu in all respects with existing Shares.

SCHEDULE	2 -	LEGAL	OPINIO	<b>-</b> ИС	REGUI	LATORY	ENVI	RONME	NT	



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21 July 2017

Our Ref: 3133-02

Contact: Roger Steinepreis

Partner

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The Directors
Queensland Bauxite Limited
67 Penkivil Street
BONDI NSW 2026

By Email: sfeldman@queenslandbauxite.com.au

Dear Sirs

#### LEGAL OPINION - QUEENSLAND BAUXITE LIMITED AND MEDICAL CANNABIS LIMITED

#### BACKGROUND

We act as an Australian legal adviser to Queensland Bauxite Limited (QBL or Company), a company incorporated in Australia and listed on the Australian Securities Exchange (ASX).

We have been requested by the Company to provide this legal opinion in relation to:

- the regulatory environment in Australia relating to the cultivation of cannabis plants, production of cannabis and cannabis resin and the manufacture of medicinal cannabis products; and
- (b) how this regulatory environment affects the business of Medical Cannabis Limited (MCL).

#### 2. **DEFINITIONS**

In this opinion:

**Transaction** means the proposed acquisition by the Company of a 55% interest in MCL on the terms as announced on ASX.

**Transaction Documents** means the documents listed in section 3 of this opinion letter.

#### 3. DOCUMENTS EXAMINED

For the purpose of issuing this opinion we have examined and relied on scanned, and in the case of the document described below at sub-paragraph (a), signed copies of the following documents only and have examined no other documents or records and undertaken no other enquiries:

- (a) Asset Purchase Agreement dated on or about 2 April 2015 entered into by Vitahemp Pty Ltd (Vitahemp) and Andrew Kavasilas (together the Vendors) and MCL (Purchaser), pursuant to which the Vendors agreed to sell and MCL agreed to purchase the Assets (as defined therein) (Assets) on the terms and conditions set out in the Asset Purchase Agreement (Asset Purchase Agreement).
- (b) Permit to import conditionally non-prohibited goods granted by the Australian Government Department of Agriculture and Water Resources to Mr Andrew Kavasilas on 20 September 2016 (Permit number 0000840623) (**Permit 1**) (a copy of which is attached as Annexure "1" to this opinion).
- (c) Permit to import conditionally non-prohibited goods granted by the Australian Government Department of Agriculture and Water Resources to Mr Andrew Kavasilas on 15 November 2016 (Permit number 0000963336) (**Permit 2**) (a copy of which is attached as Annexure "2" to this opinion).
- (d) Low THC Hemp Cultivation and Supply Licence granted by the New South Wales Government Department of Primary Industries to Mr Andrew Kavasilas, in force until 3 December 2018 (Licence number 11) (Licence) (a copy of which is attached as Annexure "3" to this opinion).
- (e) Permit for movement and display of Industrial Hemp plants within New South Wales granted by the New South Wales Government Department of Primary Industries to Mr Andrew Kavasilas, with an expiry date of 16 May 2016 (**Permit 3**) (a copy of which is attached as Annexure "4" to this opinion).
- (f) Computer produced extracts containing information on MCL derived from the database maintained by ASIC on 20 June 2017.

We are instructed that there are no additional relevant documents or records held by or accessible to QBL, MCL or Mr Andrew Kavasilas in relation to the subject matter of this opinion.

#### 4. AUSTRALIAN REGULATORY ENVIRONMENT

#### Federal Government - Overview

We set out below a summary of the regulatory environment that applies in Australia, at a Federal and State level. We have inserted certain sections from the Explanatory Memorandum for the Narcotic Drugs Legislation Amendment Bill 2016 (Explanatory Memorandum) and the Australian Government's Department of Health, Office of Drug Control website (ODC website) as these summaries have been separately reviewed by us and we are satisfied with the disclosures made. These summaries are referred to with a direct attribution after the relevant summary, as applicable. It should be noted that we have not included all disclosures as set out in the above sources, rather we have included those most relevant to this opinion, and we have not included the headers.

"Cannabis... is a narcotic drug that is tightly controlled in Australia. The cultivation, production, manufacture, import, export, distribution, trade, possession, use and supply of cannabis and cannabis derived products are regulated by a number of Commonwealth laws. These laws include the following:

- 1. Criminal Code 1995, which makes it illegal to traffic, import, export, manufacture, cultivate or possess cannabis in any form;
- 2. Narcotic Drugs Act 1967, which addresses the manufacture of narcotic substances (including cannabis);
- 3. Customs Act 1901, which addresses the import and export of narcotic substances, including a regime under the Customs (Prohibited Imports) Regulations 1956 that allows for the importation of cannabis for medical and scientific purposes;
- 4. Therapeutic Goods Act 1989, which addresses the regulation of authorised medicines and medical products; and
- 5. Quarantine Act 1908, which provides the legislative basis for human, plant and animal quarantine activities in Australia.

In addition, various Commonwealth, State and Territory laws provide penalties for possessing, using, making, selling, or driving under the influence of cannabis. There are also laws that prevent the sale and possession of bongs and other smoking equipment in some States and Territories, including the following:

Jurisdiction	Legislation		
New South Wales	Drug Misuse and Trafficking Act (1985) New South Wales Government laws – General		
Australian Capital Territory	Drugs of Dependence Act (1989) Criminal Code Regulation (2005) Australian Capital Territory Government laws - General		
Tasmania	Misuse of Drugs Act (2001) Interpretation: Poisons Act (1971) Tasmanian Government laws – General		
Western Australia	Cannabis Law Reform Act (2010)		
Victoria	Drugs, Poisons and Controlled Substances Act (1981) The Therapeutic Goods (Victoria) Act (2010) Victorian Government laws – General		
Queensland	Drugs Misuse Act (1986) Police Powers and Responsibility Act (1984) Summary Offences Act (1953) South Australian Government laws – General		
South Australia	Controlled Substances Act (1984) Section 33L of the Controlled Substances Act (1984) Summary Offences Act (1953) South Australian Government laws – General		

Northern Territory	Misuse of Drugs Act
	Northern Territory Government laws – General

Australia is [also] a party to international agreements that aim to restrict production, manufacture, export, import, distribution, trade, and possession of narcotic drugs (including cannabis) exclusively to medical and scientific purposes.

The Commonwealth has responsibility for ensuring that any Commonwealth, State or Territory scheme for the cultivation of cannabis for medicinal purposes is consistent with Australia's international obligations under the following three international drug control conventions:

- 1. the Single Convention on Narcotic Drugs (1961), which specifies the obligations of signatory states in relation to narcotic drugs listed in schedules annexed to the Convention;
- 2. the Convention on Psychotropic Substances (1971), which aims to limit the use of psychotropic substances to medical and scientific purposes and also to ensure their availability for those purposes; and
- 3. the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988), which aims to promote cooperation between parties to address various aspects of illicit traffic in narcotic drugs and psychotropic substances.

Under the United Nations Single Convention on Narcotic Drugs, 1961 (Single Convention) as amended by its 1972 amending Protocol, Australia, through the Commonwealth Government, has an obligation to carefully control, supervise and report on various stages of cannabis cultivation, production and manufacture. The purpose of the Single Convention is to establish a framework to both prevent abuse and diversion of controlled narcotics and to facilitate the availability of such drugs for medical purposes. The enabling legislation for these obligations is the Narcotic Drugs Act, which is administered by the Health Portfolio, in concert with the Attorney General's Department...

Currently, States and Territories can authorise cultivation of cannabis for horticulture and industrial purposes as allowed under the Single Convention...

There are... mechanisms in place to enable access to medicinal cannabis products through the Therapeutic Goods Act 1989, which allows for access under clinical trials and access under the Special Access and Authorised Prescriber Schemes for individual patients. The difficulty and cost of obtaining medicinal cannabis products from international suppliers, however, creates an access issue for the conduct of clinical trials and for people who may potentially benefit from using cannabis for medicinal purposes. Enabling the potential to cultivate cannabis for medicinal purposes locally will mean that there is potentially a level of supply that meets the demands for clinical trials or other access options...

There are... provisions in the Narcotic Drugs Act through which manufacturing of a narcotic drug can be licensed (as have been used for the processing of poppy straw for many years). The cultivation of cannabis is not currently controlled under the Act. Refining, extraction or other processes (e.g. making extracts, tinctures, cannabis oil) from cannabis (including industrial hemp) is subject to the manufacturing controls set out in the Narcotic Drugs Act.

In relation to consumer access, there are a number of pathways for lawful access to cannabis for medical use through the Therapeutic Goods Act... Assuming there is a suitable source of cannabinoids available; pathways for lawful access to cannabinoids for medicinal use are:

- 1. medicines registered on the Australian Register of Therapeutic Goods (ARTG);
- 2. clinical trials; and
- 3. the Special Access Scheme (SAS) and Authorised Prescriber Scheme (AP).

Access to cannabis for medicinal purposes through the first pathway... requires a robust dossier of clinical trial and other data and is commonly submitted after some years of significant commercial investment. Access through the second pathway is a matter of either seeking the approval of a human research ethics committee and notifying the Therapeutic Goods Administration (TGA) or seeking approval of both an ethics committee and the TGA, depending on the levels of risk associated with the clinical trial proposal. The third pathway has always been a potential mechanism and it has been used to prescribe imported product. Access to products under SAS, however, is undertaken by application to the TGA on an individual basis and requires the patients to source their own products from international suppliers, which can be cumbersome and costly exercise. Under the Authorised Prescriber Scheme, the TGA approves a medical practitioner to prescribe defined but unregistered medications to patients with defined conditions. This has not been used for a medicinal cannabis product, to date.

Some cannabis product has been supplied through SAS Category B over the last 10 years. However, global sources of appropriate medicinal product are limited...".

(refer to Explanatory Memorandum)

#### Federal Government – The Narcotic Drugs Amendment Act 2016 (Cth)

The Narcotic Drugs Amendment Act 2016 (Cth) (**ND Amendment Act**) was assented to on 29 February 2016.

The ND Amendment Act "...will provide a legislative framework that will enable cannabis cultivation in Australia and provide Australian patients in need with access to medicinal cannabis for therapeutic purposes. These amendments will also ensure that when cultivation and production of cannabis and manufacture of cannabis products for medicinal purposes begin, Australia will remain compliant with its international treaty obligations as defined in the United Nations Single Convention on Narcotic Drugs, 1961...". (refer to Explanatory Memorandum)

The amendments to the Narcotic Drugs Act 1967 (Cth) "...establish a licensing scheme for the cultivation of cannabis for medicinal and related scientific purposes. The key features of the cannabis cultivation licence scheme include... Two cannabis licences, one that authorises the cultivation of cannabis for manufacture into medicinal cannabis products; the second that authorises cultivation of cannabis plants for research into medicinal purposes. This could include research into growing conditions, cannabinoid yields from different strains, ensuring consistency in yields and other matters related to ensuring a safe, predictable raw material." (refer to Explanatory Memorandum)

#### Federal Government – The Office of Drug Control – Overview

The Office of Drug Control (**ODC**) is the government body that administers the relevant reforms outlined above. According to the ODC website:

- "Legislation to enable the cultivation of cannabis for medicinal and related research purposes in Australia was passed by Parliament on 29 February 2016. The amendments relating to licensing came into effect on 30 October 2016. A detailed regulatory framework has been put in place to enable applications for licences and permits for the cultivation, production and manufacture of medicinal cannabis products.
- Medicinal cannabis products will only be available for specific patient groups under medical supervision. Cannabis grown for medicinal purposes, as well as the resulting product, is subject to stringent security and quality control measures.
- Domestic cultivation of medicinal cannabis will enable sufficient quantities of raw materials to be available to meet the needs of local manufacturers. It also ensures that quality control measures on medicinal cannabis-derived products can be enforced to protect patient safety.
- It is important to note that cannabis cultivated for other purposes (other than for industrial hemp) remains illegal.
- There are three types of licences relating to the supply of medicinal cannabis products available:
  - Medicinal cannabis licence authorising cultivation or production or both.
  - o Cannabis research licence authorising similar process for research purposes.
  - o Manufacturing licence authorising the manufacture of a drug or product.
- All applicants for licences under the Medicinal Cannabis framework will be subject
  to regulations. These regulations include detail on the 'fit and proper person' test,
  which involves consideration of the applicant's criminal history, financial viability,
  business history and capacity to comply with licensing requirements.
- Before any activity under a licence can commence, the licensee will need to obtain a permit, which will set out the types and amount of cannabis that can be grown and/or produced and the types and quantities of medicinal cannabis products that can be manufactured under the licence".

(refer to ODC website)

#### Federal Government - The Office of Drug Control - Cultivators

In relation to cultivators, the ODC website provides as follows:

- "A cultivator will need to hold either a medicinal cannabis licence or a cannabis research licence granted by the Office of Drug Control under the Narcotic Drugs Act 1967... to cultivate cannabis for medicinal or related research purposes.
- A medicinal cannabis licence authorises either cultivation (the growing of cannabis plants) or production (the separation of cannabis and cannabis resin), or both.

- There is no restriction on the number of licences that can be granted; however, under international conventions, the overall quantities produced must not exceed domestic requirements. Therefore, the number of cultivators that will be licensed to grow and supply cannabis to licensed manufacturers will depend on the demand from prescribers and the patient groups they treat.
- ODC will not be able to grant a medicinal cannabis licence unless it is satisfied that the cultivation and production of cannabis is for supply either to a person licensed to produce cannabis or a person licensed to manufacture medicinal cannabis products.
- When applying for a permit, a licensee will need to have, and submit to ODC, a contract with the producer/manufacturer that satisfies any requirements set out in the regulations.
- Mixed use crops (i.e. separating cannabis from the plant for medicinal/research purposes and using the remainder for industrial purposes) are not permitted under both Australian domestic legislation and international drug conventions. Therefore, cannabis grown for medicinal purposes will need to be grown and used solely for that purpose. A person may hold a medicinal cannabis licence from ODC and an industrial hemp licence from the relevant state/territory, but will have to maintain strict separation between the two crops and comply with the applicable security requirements. Regular site inspections will be undertaken to ensure compliance.
- A cannabis research licence authorises the cultivation and/or production of cannabis for research related to the medicinal use of cannabis.
- In order to obtain a cannabis research licence, an applicant will need to explain
  the purpose of the research and how it relates to medicinal cannabis and/or
  medicinal cannabis products. See the forms and guidance section of the
  website for further guidance on research activities.
- A cultivator may cultivate for both medicinal purposes and related research purposes, but they will need to hold licences and appropriate permits for each.
- In all cases the licensee will need to hold a permit(s) issued under the ND Act before any cultivation or production commences."

(refer to ODC website)

#### Federal Government – The Office of Drug Control – Manufacturers

In relation to manufacturers, the ODC website provides as follows:

- "A person may apply for a licence to manufacture narcotic drugs involving cannabis under the Narcotic Drugs Act 1967. You must hold both a ND Act licence and a permit before manufacture can occur. Applications to manufacture medicinal cannabis products are now being accepted.
- Medicinal cannabis products must be manufactured to Good Manufacturing Practice (GMP). The Therapeutic Goods Administration (TGA) is responsible for licensing GMP... While it is not a prerequisite to hold a GMP licence before applying for a Commonwealth manufacturing licence, you must provide evidence that you hold a GMP licence when applying for a permit to manufacture.

- Supply of medicinal cannabis products is limited to clinical trials, Special Access Scheme and Authorised Prescribers (AP). State and territory governments may also have additional requirements for supply, such as patient cohorts or specific indications. Manufacturing licences will be refused if the applicant cannot demonstrate that supply will be in accordance with all pre-requisites.
- It is not a prerequisite to hold a state/territory licence authorising activities related to Schedule 8 (Controlled Drugs) before applying for a Commonwealth Manufacturing Licence. However, you must provide evidence that you hold the necessary licences/approvals (if required by the State or Territory where the manufacturing site is located) when applying for a manufacturing permit.
- The export of medicinal cannabis (plant material, extracts and preparations) is not permitted unless the product is registered on the Australian Register of Therapeutic Goods (ARTG) and the exporter holds a licence and permit to export drugs from the Office of Drug Control. An Export Only Listing under the Therapeutic Goods Act 1989 is not sufficient under the ND Act to allow for exportation.
- A person holding a Commonwealth licence to manufacture narcotic drugs involving cannabis and a Commonwealth licence and permit to import drugs, may import cannabis material, including extracts, for use in manufacture. However, the importer must (1) hold a state/territory licence allowing possession of cannabis material before import approval may be granted and (2) only import from countries where cannabis for medicinal use is approved at the federal level.
- Persons licensed under the ND Act to manufacture medicinal cannabis products will be able to enter into contractual arrangements with cannabis cultivators/producers to produce cannabis.
- Cultivation of cannabis may not commence until both parties (cultivator and manufacturer) hold permits.
- A permit may not be issued if the manufacturer does not hold the appropriate state/territory licences/authorisations or if the manufacturer does not hold a GMP licence from the TGA.
- Applicants will be subject to a fit and proper test. This may be in addition to any test undertaken by a state/territory Government.
- A licence issued under the Narcotic Drugs Act 1967Act does not compel a state or territory to issue any applicable licences required (i.e. licence to manufacture, wholesale, supply) under their respective legislation."

(refer to ODC website)

#### State Governments – Overview

#### (a) Victoria

On 12 April 2016, the Access to Medicinal Cannabis Act 2016 (Vic) was passed by the Parliament of the State of Victoria.

According to section 1 of the above Act, the main purposes of the Act are:

- (a) to provide for medicinal use of products derived from cannabis by establishing a scheme:
  - (i) for supply to and treatment of Victorians with specified conditions with approved medicinal cannabis products of reliable quality and known composition; and
  - (ii) which preserves the prohibition of unlawful trafficking, cultivation, supply and use of the drug of dependence Cannabis
- (b) to provide for the lawful manufacture of medicinal cannabis products; and
- (c) to consequentially amend the *Drugs, Poisons and Controlled Substances Act 1981* (Vic) and make related amendments to certain other Acts.

#### (b) New South Wales

On 1 August 2016, the Poisons and Therapeutic Goods Amendment (Designated Non-ARTG Products) Regulation 2016 (made under the Poisons and Therapeutic Goods Act 1966 (NSW)) came into effect.

According to the Explanatory Note for the above Regulation, the objects of the above Regulation are:

- (a) to regulate the manufacture, supply and use of medicinal cannabis products and other therapeutic goods that consist of Schedule 8 substances that are not on the Australian Register of Therapeutic Goods as registered goods;
- (b) to regulate the supply and use of the veterinary product, etorphine;
- (c) to prohibit the manufacture, supply and use of Schedule 10 substances without an authority; and
- (d) to allow the Secretary to grant exemptions from storage requirements on the grounds that compliance is not reasonably practicable because the particular goods concerned require refrigeration.

#### (c) Queensland

According to the Department of Health of the Queensland Government, the Public Health (Medicinal Cannabis) Act 2016 was passed by Queensland Parliament on 12 October 2016, and commenced on 1 March 2017.

The above Act creates a regulatory framework to allow medicinal cannabis products to be prescribed and dispensed to patients in Queensland and prevent unauthorised use of these products. Any cannabis used outside of the regulatory framework is illegal.

The Act balances allowing greater use of medicinal cannabis products, and ensuring medicinal cannabis products are used safely and not diverted for unlawful purposes.

The Public Health (Medicinal Cannabis) Regulation 2017 commenced on 1 March 2017, which prescribes matters to support the operation of the Act and includes provisions covering:

- (a) prescribing and dispensing;
- (b) standard conditions that apply to approvals;
- (c) applications for manufacturing and wholesaling approvals;
- (d) record-keeping, prescriptions and storage, packaging and labelling of medicinal cannabis; and
- (e) requirements for complying with a relevant code, guideline, protocol or standard.

#### (d) <u>Western Australia</u>

In Western Australia, the Cannabis Law Reform Bill 2009 (WA) was given Royal Assent on 28 October 2010. The purpose of this Bill was, amongst other things, to amend the Misuse of Drugs Act 1981 (WA), which was originally passed to prevent the misuse of certain drugs and plants.

According to the Medicines and Poisons Regulation Branch of the Department of Health of the Government of Western Australia, in broad terms, prescribing cannabis-based products as Schedule 8 medicines (controlled drugs) requires approval from the Western Australian Department of Health, and medicines that are not registered therapeutic goods require the approval of the Therapeutic Goods Administration.

#### **Hemp Industry**

The *Biosecurity Act 2015* (Cth) (**Biosecurity Act**) relates to the management of diseases and pests that may cause harm to human, animal or plant health or the environment.

The Hemp Industry Act 2008 (NSW) (**Hemp Industry Act**) relates to, amongst other things, the authorisation and regulation of the cultivation and supply of low-THC hemp for commercial production and other legitimate uses.

The object of the Hemp Industry Regulations 2016 (NSW) (Hemp Industry Regulations) is to remake, with minor amendments, the provisions of the Hemp Industry Regulations 2008 (NSW), which was repealed on 1 September 2016. The Hemp Industry Regulations are made under the Hemp Industry Act.

Set out below is a summary of the relevant provisions of the Biosecurity Act, the Hemp Industry Act and the Hemp Industry Regulations in relation to the content of the Transaction Documents.

#### (a) Biosecurity Act

Section 177 of the Biosecurity Act states that:

(1) A person may apply to the Director of Biosecurity for a permit authorising, for the purposes of this Act, the person, or a person acting on behalf of the person, to bring or import particular goods to which this Division applies into Australian territory.

(2) An application must (a) be in the form approved by the Director of Biosecurity and (b) include the information prescribed by the regulations.

Section 179(1) of the Biosecurity Act states that:

The Director of Biosecurity may, on application by a person under section 177 for a permit in relation to particular goods, grant the permit.

Section 180 of the Biosecurity Act states that:

- (1) A permit may be granted under section 179, subject to such conditions as are specified in the permit.
- (2) The Director of Biosecurity may, in accordance with the regulations:
  - (a) vary or revoke a condition of a permit granted under section 179; or
  - (b) impose further conditions on such a permit.

Section 181(1) of the Biosecurity Act states that:

The Director of Biosecurity may, in accordance with the regulations, do any of the following in relation to a permit granted under section 179: (a) vary the permit; (b) suspend the permit for a specified period; (c) revoke the permit.

#### (b) Hemp Industry Act

Section 5 of the Hemp Industry Act states that:

The Secretary may grant a licence authorising a person to cultivate or supply low-THC hemp for any one or more of the following purposes:

- (a) for commercial production;
- (b) for use in any manufacturing process;
- (c) for scientific research, instruction, analysis or study; or
- (d) for any other purpose prescribed by the regulations.

Section 12(1) of the Hemp Industry Act states that a licence is subject to:

- (a) such conditions as are imposed by this Act or prescribed by the regulations; and
- (b) such conditions as may be imposed by the Secretary, at the time the licence is granted, renewed <u>or transferred</u> or at any later time, and specified in the licence.

Section 14 of the Hemp Industry Act states that:

(1) An application for the transfer of a licence may be made jointly by the holder of the licence and the person named in the application as the transferee.

(2) Subject to the regulations, an application for the transfer of a licence is to be dealt with as if it were an initial application by the transferee for a licence. Accordingly, section 7 – 9 apply in relation to an application under this section.

#### (C) Hemp Industry Regulations

Regulation 10 of the Hemp Industry Regulations sets out the prescribed conditions for licences issued under the terms of the Hemp Industry Act.

Regulation 10(1)(a) of the Hemp Industry Regulations states that:

A licensee must ensure that the activities authorised by the licence remain under the licensee's control at all times.

Regulation 10(1)(h) of the Hemp Industry Regulations states that:

A licensee must ensure that all low-THC hemp cultivated under the licence is, before leaving the property on which it was cultivated, substantially stripped of its leaves.

Regulation 10(2) of the Hemp Industry Regulations states that a licensee is exempt from the requirements in sub-clause (1)(h) (above):

- (a) in respect of any low-THC hemp taken from the property on which it was cultivated for scientific purposes or analysis; and
- (b) in such other circumstances that the Secretary considers appropriate.

#### 5. BUSINESS OF MCL AND ASSETS

#### 5.1 Business of MCL

MCL is a public unlisted Australian based cannabis company formed by Andrew Kavasilas in early 2015 to specifically target the global potential of the fast growing medical cannabis and hemp seed foods markets. Medical Cannabis refers to the use of cannabis and its constituent cannabinoids, such as tetrahydrocannabinol (THC) and cannabidiol (CBD), as medical therapy to treat disease or alleviate symptoms. The cannabis plant has a history of medicinal use dating back thousands of years across many cultures.

MCL acquired 100% of the assets of Vitahemp and Andrew Kavasalis under the Asset Purchase Agreement. Relevantly, the Assets included (amongst other things):

- (a) Business Records, Business Name, Contracts and Plant and Equipment these Assets relate to the business of cannabis and cannabinoid research and cultivation operated by Vitahemp;
- (b) Regulatory Licences all licences, approval permits consents or any other authorisation required from any relevant Governmental Agency, required for MCL to operate the Business as a going concern. Mr Kavasalis has confirmed that the Regulatory Licences now expressly include the Licence, Permit 1, Permit 2 and Permit 3 (expired). It must be noted that these Regulatory Licences are currently granted in his personal name and we consider these licences will need to be applied for in the name of MCL; and

(c) Seed Stock and Crops – the seed stock on hand, other raw materials and crops of the Business as at completion under the Asset Purchase Agreement.

We are instructed by MCL, Vitahemp and Mr Kavasalis that completion has taken place under the Asset Purchase Agreement.

MCL aims to establish state of the art breeding facilities with a view to upgrading to cultivation for medical research and develop its unique foundation seed bank including sub-tropical hemp varieties. The Company will work towards gaining 'plant breeder's rights' for a variety of applications, placing it in a prime position to license and tailor-make specific varieties with known Cannabinoid profiles for the medical Cannabis manufacturing industry.

A revenue stream is anticipated from future royalties on licensed hemp varieties as well as from being a premier supply hub for bulk and packaged seed for the local and international marketplace.

MCL's strategy is to develop, register, and commercialise pharmaceutical grade cannabis, hemp based products and treatments, to the highest GMP quality standards.

#### 5.2 Summary of Permits and Licence held in relation to MCL business

#### (a) Permit 1 and Permit 2

On 20 September 2016, Permit 1 and Permit 2 were issued under section 179(1) of the Biosecurity Act to Mr Kavasilas.

Permit 1 authorises Mr Kavasilas to import from France multiple consignments between 20 September 2016 and 20 September 2017 of "cannabis spp. seed from a non-khapra beetle host country" for the proposed end use of "seeds for sowing".

Permit 2 authorises Mr Kavasilas to import from China multiple consignments between 15 November 2016 and 15 November 2017 of the same goods for the same proposed end use.

#### (b) Licence

The Licence is in force until 3 December 2018 and was granted by the New South Wales Government Department of Primary Industries to Mr Andrew Kavasilas to authorise him under section 5 of the Hemp Industry Act to:

- (1) cultivate low-THC hemp for commercial production and for manufacturing process; and
- (2) supply low-THC hemp for commercial production and for manufacturing process.

#### (c) Permit 3

Permit 3, which expired on 16 May 2016, was issued pursuant to clause 9(2)(b) of the now repealed Hemp Industry Regulations 2008 (NSW).

Permit 3 states that it applies to the transport and display of low-THC industrial hemp plants grown under standard licence conditions by the permit holder,

with an exemption from the requirement that Plants be substantially stripped of leaves prior to leaving the property of production.

The effect of Permit 3 was that it provided an exemption from the requirement under the now repealed Regulation 9(1)(h) of the Hemp Industry Regulations 2008 (NSW).

#### (d) **Pending Permits**

We are instructed that MCL intends to apply to the ODC for cannabis licences for cultivation and production activities in its own right. The grant of this licence will be necessary for the purpose of MCL conducting its business objectives in full in its own right. The document entitled "Guidance: Completing Downloadable Licence Applications" version 1.1 dated February 2017 and published by The ODC indicates that an applicant for a new licence under the NDA may be either an individual or a body corporate.

#### 5.3 Relevant terms of Asset Agreement

Clause 4.2 of the Asset Purchase Agreement states that, at completion of the sale and purchase of the Assets in accordance with the terms of the Asset Purchase Agreement, the Vendors are required to:

...assign and transfer to the Purchaser, all Regulatory Licences required for the Purchaser to operate the Business as a going concern and the Purchaser accepts the assignment and transfer and assumes all of the obligations of the Vendors in or arising out of the Regulatory Licences.

Clause 4.3 of the Asset Purchase Agreement states that:

If the consent of a third party is required for the assignment of a contract or Regulatory Licence, the Purchaser and the Vendors must use their best endeavours to obtain that consent as soon as possible.

Clause 4.4 of the Asset Purchase Agreement states that:

In relation to each of the Contracts and Regulatory Licences, until:

- (a) an assignment of the Contract or Regulatory Licence is obtained;
- (b) a replacement Contract or Regulatory Licence is obtained on terms satisfactory to the Purchaser; or
- (c) until the Contract or Regulatory Licence ends,

if the assignment of the Contract or Regulatory Licence is unable to be obtained prior to or at Completion:

- (d) the Vendors may hold the Contract or Regulatory Licence on trust for the Purchaser at the Purchaser's discretion:
- (e) the Vendors must, at the Purchaser's expense (including the Vendor's internal costs and any legal fees), enforce any Contract against the other party to the Contract in the manner that the Purchaser reasonably directs;

- (f) the Vendors must do all things necessary to maintain and preserve the Regulatory Licences;
- (g) the Vendors must, if the Purchaser cannot lawfully perform an obligation or exercise a right of the Vendors under a Contract or Regulatory Licence, at the request and expense of the Purchaser, perform that obligation or exercise that right;
- (h) the Vendors must pay all monetary benefits arising from a Contract or Regulatory Licence to the Purchaser; and
- (i) the Purchaser must duly perform the Contracts on behalf of the Vendors at its own expense.

The expression "Regulatory Licences" is defined in clause 1.1(z) of the Asset Purchase Agreement and means:

... all licences, approvals, permits, consents or any other authorisation required from any relevant Government Agency, required for the Purchaser to operate the Business as a going concern, including but not limited to the Regulatory Licences set out in Item 4 of Schedule 1.

Item 4 of Schedule 1 of the Asset Purchase Agreement lists the following Regulatory Licences:

- (1) Permit to Import Quarantine Material (Cannabis Seed) from the Department of Agriculture, Fisheries and Forestry.
- (2) Low THC Cultivation and Supply Licence from New South Wales Department of Primary Industries.

### 5.4 Recommendations in relation to Permits, Licence and pending authorisations in connection with MCL business

Notwithstanding the terms of the Asset Purchase Agreement, and that MCL has the contractual benefit of the Permits and Licence, in order to ensure the benefit of the relevant permits and licences flows directly to MCL, we recommend that new applications be made by MCL, or a subsidiary entity.

#### (a) Permit 1 and Permit 2

- (i) Permit 1 and Permit 2 are held by Mr Kavasilas in his personal capacity.
- (ii) The conditions of Permit 1 and Permit 2 do not state whether or not Mr Kavasilas may transfer the benefit of these permits to another party such as MCL.
- (iii) The Biosecurity Act also does not state whether or not an authorised person such as Mr Kavasilas may transfer the benefit of permits such as Permit 1 and Permit 2 to another party such as MCL.
- (iv) However, the Department of Agriculture and Water Resources has confirmed by email on 30 March 2017 that:

- (A) it is not possible to transfer from one party to another a permit to import conditionally non-prohibited goods; and
- (B) it is not possible for another party to be authorised to import goods under a permit to import conditionally non-prohibited goods on behalf of the permit holder.
- (v) As MCL cannot lawfully exercise the rights of Mr Kavasilas under Permit 1 and Permit 2, and the rights of Mr Kavasilas under Permit 1 and Permit 2 may not be transferred to MCL, we recommend that MCL apply for new permits to import conditionally non-prohibited goods in its own name.
- (vi) Prior to the new permits being granted to MCL (if granted), Mr Kavasilas contractually holds the benefit of Permit 1 and Permit 2 on trust for MCL in accordance with the terms of the Asset Purchase Agreement, due to the fact that:
  - (A) notwithstanding the fact that Permit 1 and Permit 2 were granted subsequent to the date of execution of the Asset Purchase Agreement, they will be included in the broad definition of the expression "Regulatory Licences";
  - (B) according to the terms of the Asset Purchase Agreement, given that the assignment of Permit 1 and Permit 2 was unable to be obtained prior to or at completion in accordance with the terms of that document, the Vendors hold Permit 1 and Permit 2 on trust for MCL at MCL's discretion; and
  - (C) the Vendors must, if MCL cannot lawfully perform an obligation or exercise a right of the Vendors under Permit 1 or Permit 2, at the request and expense of MCL, perform that obligation or exercise that right.
- (vii) The Biosecurity Act states a "person" may apply for a permit authorising the person to import particular goods to which Division 3 applies into Australian territory. The expression "person" is not defined in section 9 (Definitions) of the Biosecurity Act. However, the Department of Agriculture and Water Resources confirmed by email on 30 March 2017 it is possible for a corporate entity to hold a permit to import conditionally non-prohibited goods.

#### (b) Licence

- (i) The Licence is held by Mr Kavasilas in his personal capacity.
- (ii) The conditions of the Licence do not state whether or not an authorised person such as Mr Kavasilas may transfer the benefit of a licence such as the Licence to another party such as MCL.
- (iii) The Hemp Industry Act provides that an application for the transfer of the Licence may be made jointly by Mr Kavasilas (the holder of the licence) and MCL (the person named in the application as the transferee).

- (iv) As MCL cannot lawfully exercise the rights of Mr Kavasilas under the Licence, and the rights of Mr Kavasilas under the Licence may be transferred to MCL, we recommend that Mr Kavasilas and MCL jointly apply for the transfer of the Licence from Mr Kavasilas to MCL in its own name.
- (v) Prior to the transfer of the Licence to MCL (if transferred), Mr Kavasilas contractually holds the benefit of the Licence on trust for MCL in accordance with the terms of the Asset Purchase Agreement, due to the fact that:
  - (A) the Licence will be included in the broad definition of the expression "Regulatory Licences";
  - (B) according to the terms of the Asset Purchase Agreement, given that the assignment of the Licence was unable to be obtained prior to or at completion in accordance with the terms of that document, the Vendors contractually hold the Licence on trust for MCL at MCL's discretion; and
  - (C) the Vendors must, if MCL cannot lawfully perform an obligation or exercise a right of the Vendors under the Licence, at the request and expense of MCL, perform that obligation or exercise that right.
- (vi) The Guidelines for the Preparation of Licence Applications under the Hemp Industry Act dated 29 August 2011 and published by the New South Wales Government Department of Primary Industries states that "If you are applying on behalf of a corporate entity or business, please include the business name and the ABN. You should also indicate your executive role within this business, such as whether you are the owner, manager or a director of the business". This language indicates that an application for a Low THC Hemp Cultivation and Supply Licence may be made on behalf of a company.

## (c) Pending authorisations – Applications in relation to Hemp Industry Act and Hemp Industry Regulations

We are instructed that Mr Kavasilas proposes to seek additional authorisations from the New South Wales Department of Primary Industries which relate to, in broad terms, the movement and display of certain industrial hemp plants.

Please ensure that if Mr Kavasilas proposes to engage in activities beyond the scope of the authorisations (if granted), he must seek an appropriate authorisation prior to doing so.

Further, notwithstanding that Mr Kavasilas may be eligible to apply for and hold such authorisations, and that such authorisations are held contractually for the benefit of MCL, we recommend that the authorisations be held by a corporate entity rather than an individual, and in the name of MCL or its subsidiary.

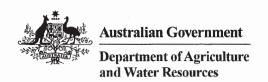
Yours faithfully

**STEINEPREIS PAGANIN** 

Encl.

### ANNEXURE 1

Permit 1



#### Permit to import conditionally non-prohibited goods

This permit is issued under Biosecurity Act 2015 Section 179 (1)

Permit: 0000840623

Valid for: multiple consignments

between 20 September 2016 and 20 September 2017

This permit is issued to: Mr Andrew Kavasilas

465 Crofton Road Nimbin NSW 2480

Australia

Attention: Mr Andrew Kavasilas

#### This permit is issued for the import of Plant and Plant Products (Standard goods).

Exporter details: Various exporters
Country of export: France

This permit includes the following good(s). Refer to the indicated page for details of the permit conditions:

1. Seeds for sowing Description: Cannabis spp.

Proposed end use: Seeds for sowing

Permit Conditions: Cannabis spp. seed from a non-khapra beetle host country Page 3

NOTE: Where a good has more than one set of permit conditions please read each set to determine which set of permit conditions applies to a specific consignment.

----- End of commodity list -----

This permit is granted subject to the requirement that fees determined under section 592(1) are paid.

Luigi Paglia

Delegate of the Director of Biosecurity

Date: 20 September 2016

Permit: 0000840623 Page 2 of 25

### Important information about this permit and the import of goods

Note: This permit covers Department of Agriculture and Water Resources biosecurity requirements. It is your responsibility to ensure all legal requirements relating to the goods described in this import permit are met. While you should rely on your own inquiries, the following information is provided to assist you in meeting your legal obligations in relation to the importation of the goods described in this import permit.

#### Authority to import

You are authorised to import the goods described in this import permit under the listed conditions.

#### Compliance with permit conditions and freedom from contamination

All imports may be subject to biosecurity inspection on arrival to determine compliance with the listed permit conditions and freedom from contamination. Imports not in compliance or not appropriately identified or packaged and labelled in accordance with the import conditions they represent may be subject to treatment, export or destruction at the importer's expense, or forfeited to the Commonwealth.

#### Compliance with other regulatory provisions

Additionally, all foods imported into Australia must comply with the provisions of the *Imported Food Control Act 1992*, and may be inspected and/or analysed against the requirements of the Australia New Zealand Food Standards Code.

All imports containing or derived from genetically modified material must comply with the Gene Technology Act 2000.

It is the importer's responsibility to identify and ensure they have complied with all requirements of any other regulatory organisations and advisory bodies prior to and after importation. Organisations include the Department of Immigration and Border Protection, the Department of Health, Therapeutic Goods Administration, Australian Pesticides and Veterinary Medicines Authority, the Department of the Environment, Food Standards Australia New Zealand and any state agencies such as Departments of Agriculture and Health and Environmental Protection authorities. Importers should note that this list is not exhaustive.

#### Change of import conditions

Import conditions are subject to change at the discretion of the Director of Biosecurity. This permit may be suspended or revoked without notice.

#### Notification of import

Notification of the import must be provided to the Department of Agriculture and Water Resources for all imported goods other than goods imported as accompanied baggage or goods imported via the mail and not prescribed under *the Customs Act 1901*. Notification must be consistent with the Biosecurity (Pre-arrival Notices and Reports) Regulation 2016.

#### Valid import permit

The importer must hold a valid import permit when the goods are presented for clearance.

The importer must verify that an import permit has been issued in relation to the consignment by one of the following means:

i. The positive identification of the import permit to the Department of Agriculture and Water Resources at the time that the goods are being processed for biosecurity clearance, such as by presenting the import permit.

OR

ii. Any form of physical, digital or verbal correspondence presented with information that allows an import permit to be identified.

#### Provision of required documentation

All required documentation must accompany each consignment. Alternatively, necessary documentation will need to be presented to the Department of Agriculture and Water Resources at the time of clearance. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked "Attention Department of Agriculture and Water Resources". Documentation may include the import permit (or import permit number), government certification and invoice.

If the product description on the import permit varies from the identifying documentation provided for clearance, the importer is responsible for providing evidence to the biosecurity officer that the import permit covers the goods in the consignment.

Any documentation provided must comply with the Department of Agriculture and Water Resource's minimum documentation requirements policy.

Permit: 0000840623 Page 3 of 25

### Permit conditions

It is the importer's responsibility to ensure that the following permit conditions are met in relation to each consignment. Where more than one set of permit conditions is shown for a good please read each set of conditions to determine which applies to a specific consignment.

### 1. Cannabis spp. seed from a non-khapra beetle host country

This section contains permit conditions for the following commodity (or commodities):

1.	Seeds for sowing		
	Product Description:	Cannabis spp.	

The following import scenarios are applicable to this import case:

Table 1: Navigation for

	Section		
	If goods arrive as full	Treated preshipment	1.1
	container load sea freight	Treated on arrival	1.2
Purity tested offshore	If goods arrive as freight	Treated preshipment	1.3
	(excluding full container load sea freight), mail or passenger baggage	Treated on arrival	1.4
	If goods arrive as full container load sea freight	Treated preshipment	1.5
Not purity tested		Treated on arrival	1.6
offshore	If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage	Treated preshipment	1.7
		Treated on arrival	1.8

# 1.1. Purity tested offshore — If goods arrive as full container load sea freight — Treated preshipment

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Prior to export, the plants or plant products must be inspected or tested by the National Plant Protection Organisation (NPPO) according to appropriate procedures and be considered free from biosecurity pests.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The declaration "This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests."

If the phytosanitary certificate is issued after dispatch; the date of inspection must be identified as an additional declaration.

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c. The seed lot must be officially sampled and analysed for purity by a Department approved seed testing laboratory (Appendix  $\underline{1}$ ).

To demonstrate compliance with this requirement you must present the following on an ISTA Orange International Seed Lot Certificate:

- i. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing Manual.

#### OR

You must present the following on a Seed analysis certificate:

- ii. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing manual.
  - 3. One of the following declarations:
    - 3.1. "Sample tested was officially drawn and analysed in accordance with ISTA rules from an identified seed lot.", or
    - 3.2. For seed species **not listed** in the international rules for seed testing: "Sample tested was officially drawn and analysed in accordance with ISTA methodology."

#### Note:

A maximum lot size of 10 000 kg applies to agricultural and vegetable seeds not listed in the international rules for seed testing.

#### OR

You must present the following on a NAL quality certificate:

- iii. 1. The botanical name (genus and species) of the crop.
  - 2. The lot number.
  - 3. The botanical name and the number of other seeds found per kilogram (any identified genera or species are to be recorded as such).
  - 4. The percentage of any soil found in the sample (soil <0.05% can be recorded as "Trace").
  - 5. If seed is coated:
    - 5.1. record whether seed has been coated (such as seed pellets, encrusted seeds, seed granules, etc.).
    - 5.2. record the weight of lot for raw seed and/or coated seed. If seed is coated and the weight of lot is on raw seed, the weight difference will need to be recorded. Bulk search determined by examination of 7,500 depelleted will need to be recorded.
- d. After testing, the supplier must maintain the security of the seed lot.

To demonstrate compliance with this requirement you must present the following on a Supplier declaration:

The declaration "All care has been taken post-sampling to maintain the security of the following seed lot(s): (supplier to list botanical name and the marks of each seed lot)."

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#### e. Option 1: Freedom from bacterial pathogen and fungicide treatment

The seed must be free from *Pseudomonas syringae pv. cannabina* and treated with a fungicide for *Fusarium oxysporum f.sp. cannabis* prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

- i. One of the following additional declarations:
  - 1. sourced from [insert country] which is free from *Pseudomonas syringae pv. cannabina*, or
  - 2. sourced from a 'pest free area' free from *Pseudomonas syringae pv. cannabina*.

#### **AND**

- ii. Evidence that the seed has been treated with a fungicide containing one of the following active ingredient (a.i.) combinations:
  - 1. carboxin at 0.8 g a.i. per kg seed and thiram at 1 g a.i. per kg seed, or
  - 2. carboxin at 0.8 g a.i. per kg seed and captan at 0.7 g a.i. per kg seed, or
  - 3. imazalil at 80 mg a.i. per kg seed and triadimenol at 220 mg a.i. per kg seed, or
  - 4. imazalil at 80 mg a.i. per kg seed and flutriafol at 80 mg a.i. per kg seed.

#### f. Option 2: Hot water treatment

The seed must be hot water treated prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The additional declaration 'The consignment was hot water treated at a minimum temperature of 50 °C for 20 minutes.'

Note: The 50 degrees Celsius temperature must be maintained throughout the entire 20 minute treatment cycle.

- g. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- h. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- i. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- j. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture regional offices">Department of Agriculture regional offices</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- k. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- l. Seed lots accompanied by acceptable seed purity certificates are subject to a verification inspection at an approved arrangement site by a biosecurity officer. The biosecurity officer

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must physically inspect the consignment to reconcile bag markings and line or lot numbers against the certification.

A random sample must be drawn by the biosecurity officer from each seed lot and inspected for live insects, signs of disease and to confirm the contents match the accompanying certification.



The Department of Agriculture reserves the right, at any time, to conduct verification audits of consignments accompanied by ISTA certificates by drawing ISTA samples and submitting them to a Department of Agriculture approved ISTA accredited seed testing laboratory for analysis.

m. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or destruction.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture entomologist and with the consent of the importer.

n. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or destruction.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- o. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- p. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.
- q. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the charging guidelines.
- r. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

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## 1.2. Purity tested offshore — If goods arrive as full container load sea freight — Treated on arrival

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Prior to export, the plants or plant products must be inspected or tested by the National Plant Protection Organisation (NPPO) according to appropriate procedures and be considered free from biosecurity pests.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The declaration "This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests." If the phytosanitary certificate is issued after dispatch; the date of inspection must be identified as an additional declaration.

c. The seed lot must be officially sampled and analysed for purity by a Department approved seed testing laboratory (Appendix 1).

To demonstrate compliance with this requirement you must present the following on an ISTA Orange International Seed Lot Certificate:

- 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing Manual.

OR

i.

You must present the following on a Seed analysis certificate:

- ii. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing manual.
  - 3. One of the following declarations:
    - 3.1. "Sample tested was officially drawn and analysed in accordance with ISTA rules from an identified seed lot.", or
    - 3.2. For seed species **not listed** in the international rules for seed testing: "Sample tested was officially drawn and analysed in accordance with ISTA methodology."

#### Note:

A maximum lot size of 10 000 kg applies to agricultural and vegetable seeds not listed in the international rules for seed testing.

OR

You must present the following on a NAL quality certificate:

iii. 1. The botanical name (genus and species) of the crop.

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- 2. The lot number.
- 3. The botanical name and the number of other seeds found per kilogram (any identified genera or species are to be recorded as such).
- 4. The percentage of any soil found in the sample (soil <0.05% can be recorded as "Trace").
- 5. If seed is coated:
  - 5.1. record whether seed has been coated (such as seed pellets, encrusted seeds, seed granules, etc.).
  - 5.2. record the weight of lot for raw seed and/or coated seed. If seed is coated and the weight of lot is on raw seed, the weight difference will need to be recorded. Bulk search determined by examination of 7,500 depelleted will need to be recorded.
- d. After testing, the supplier must maintain the security of the seed lot.
  - To demonstrate compliance with this requirement you must present the following on a Supplier declaration:
  - The declaration "All care has been taken post-sampling to maintain the security of the following seed lot(s): (supplier to list botanical name and the marks of each seed lot)."
- e. All seeds must be subjected to hot water treatment at 50°C for 20 minutes at a department approved quarantine premises (Class 4.1 or Class 20.0).



All treatments must be performed at an approved arrangement site (AA site) by a biosecurity officer, by an authorised person under an approved arrangement with the department, or under the supervision of a biosecurity officer.

- f. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- g. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- h. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- i. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture regional offices">Department of Agriculture regional offices</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- j. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- k. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or destruction.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture entomologist and with the consent of the importer.

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1. Seed lots accompanied by acceptable seed purity certificates are subject to a verification inspection at an approved arrangement site by a biosecurity officer. The biosecurity officer must physically inspect the consignment to reconcile bag markings and line or lot numbers against the certification.

A random sample must be drawn by the biosecurity officer from each seed lot and inspected for live insects, signs of disease and to confirm the contents match the accompanying certification.



The Department of Agriculture reserves the right, at any time, to conduct verification audits of consignments accompanied by ISTA certificates by drawing ISTA samples and submitting them to a Department of Agriculture approved ISTA accredited seed testing laboratory for analysis.

m. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or destruction.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- n. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- o. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the <u>charging guidelines</u>.
- p. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

# 1.3. Purity tested offshore — If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage — Treated preshipment

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. The seed lot must be officially sampled and analysed for purity by a Department approved seed testing laboratory (Appendix 1).

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To demonstrate compliance with this requirement you must present the following on an ISTA Orange International Seed Lot Certificate:

- i. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing Manual.

#### OR

You must present the following on a Seed analysis certificate:

- ii. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing manual.
  - 3. One of the following declarations:
    - 3.1. "Sample tested was officially drawn and analysed in accordance with ISTA rules from an identified seed lot.", or
    - 3.2. For seed species **not listed** in the international rules for seed testing: "Sample tested was officially drawn and analysed in accordance with ISTA methodology."

#### Note:

A maximum lot size of 10 000 kg applies to agricultural and vegetable seeds not listed in the international rules for seed testing.

#### OR

You must present the following on a NAL quality certificate:

- iii. 1. The botanical name (genus and species) of the crop.
  - 2. The lot number.
  - 3. The botanical name and the number of other seeds found per kilogram (any identified genera or species are to be recorded as such).
  - 4. The percentage of any soil found in the sample (soil <0.05% can be recorded as "Trace").
  - 5. If seed is coated:
    - 5.1. record whether seed has been coated (such as seed pellets, encrusted seeds, seed granules, etc.).
    - 5.2. record the weight of lot for raw seed and/or coated seed. If seed is coated and the weight of lot is on raw seed, the weight difference will need to be recorded. Bulk search determined by examination of 7,500 depelleted will need to be recorded.
- c. After testing, the supplier must maintain the security of the seed lot.
  - To demonstrate compliance with this requirement you must present the following on a Supplier declaration:

The declaration "All care has been taken post-sampling to maintain the security of the following seed lot(s): (supplier to list botanical name and the marks of each seed lot)."

d. Option 1: Freedom from bacterial pathogen and fungicide treatment

The seed must be free from Pseudomonas syringae pv. cannabina and treated with a

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fungicide for Fusarium oxysporum f.sp. cannabis prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

- i. One of the following additional declarations:
  - 1. sourced from [insert country] which is free from *Pseudomonas syringae pv. cannabina*, or
  - 2. sourced from a 'pest free area' free from *Pseudomonas syringae pv. cannabina*.

#### **AND**

- ii. Evidence that the seed has been treated with a fungicide containing one of the following active ingredient (a.i.) combinations:
  - 1. carboxin at 0.8 g a.i. per kg seed and thiram at 1 g a.i. per kg seed, or
  - 2. carboxin at 0.8 g a.i. per kg seed and captan at 0.7 g a.i. per kg seed, or
  - 3. imazalil at 80 mg a.i. per kg seed and triadimenol at 220 mg a.i. per kg seed, or
  - 4. imazalil at 80 mg a.i. per kg seed and flutriafol at 80 mg a.i. per kg seed.

#### e. Option 2: Hot water treatment

The seed must be hot water treated prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The additional declaration 'The consignment was hot water treated at a minimum temperature of 50 °C for 20 minutes.'

Note: The 50 degrees Celsius temperature must be maintained throughout the entire 20 minute treatment cycle.

- f. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- g. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- h. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- i. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked 'Attention Quarantine'.
- j. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture regional offices">Department of Agriculture regional offices</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- k. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- 1. Seed lots accompanied by acceptable seed purity certificates are subject to a verification inspection at an approved arrangement site by a biosecurity officer. The biosecurity officer

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must physically inspect the consignment to reconcile bag markings and line or lot numbers against the certification.

A random sample must be drawn by the biosecurity officer from each seed lot and inspected for live insects, signs of disease and to confirm the contents match the accompanying certification.



The Department of Agriculture reserves the right, at any time, to conduct verification audits of consignments accompanied by ISTA certificates by drawing ISTA samples and submitting them to a Department of Agriculture approved ISTA accredited seed testing laboratory for analysis.

m. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or destruction.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture entomologist and with the consent of the importer.

n. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or destruction.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- o. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- p. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.
- q. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the <u>charging guidelines</u>.
- r. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

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## 1.4. Purity tested offshore — If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage — Treated on arrival

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. The seed lot must be officially sampled and analysed for purity by a Department approved seed testing laboratory (Appendix 1).

To demonstrate compliance with this requirement you must present the following on an ISTA Orange International Seed Lot Certificate:

- i. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing Manual.

#### OR

You must present the following on a Seed analysis certificate:

- ii. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing manual.
  - 3. One of the following declarations:
    - 3.1. "Sample tested was officially drawn and analysed in accordance with ISTA rules from an identified seed lot.", or
    - 3.2. For seed species **not listed** in the international rules for seed testing: "Sample tested was officially drawn and analysed in accordance with ISTA methodology."

#### Note:

A maximum lot size of 10 000 kg applies to agricultural and vegetable seeds not listed in the international rules for seed testing.

#### OR

You must present the following on a NAL quality certificate:

- iii. 1. The botanical name (genus and species) of the crop.
  - 2. The lot number.
  - 3. The botanical name and the number of other seeds found per kilogram (any identified genera or species are to be recorded as such).
  - 4. The percentage of any soil found in the sample (soil <0.05% can be recorded as "Trace").
  - 5. If seed is coated:
    - 5.1. record whether seed has been coated (such as seed pellets, encrusted seeds, seed granules, etc.).
    - 5.2. record the weight of lot for raw seed and/or coated seed. If seed is coated and the weight of lot is on raw seed, the weight difference will need to be recorded. Bulk search determined by examination of 7,500 depelleted

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#### will need to be recorded.

c. After testing, the supplier must maintain the security of the seed lot.

To demonstrate compliance with this requirement you must present the following on a Supplier declaration:

The declaration "All care has been taken post-sampling to maintain the security of the following seed lot(s): (supplier to list botanical name and the marks of each seed lot)."

d. All seeds must be subjected to hot water treatment at 50°C for 20 minutes at a department approved quarantine premises (Class 4.1 or Class 20.0).



All treatments must be performed at an approved arrangement site (AA site) by a biosecurity officer, by an authorised person under an approved arrangement with the department, or under the supervision of a biosecurity officer.

- e. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- f. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- g. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- h. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked 'Attention Quarantine'.
- i. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture regional offices">Department of Agriculture regional offices</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- j. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- k. Seed lots accompanied by acceptable seed purity certificates are subject to a verification inspection at an approved arrangement site by a biosecurity officer. The biosecurity officer must physically inspect the consignment to reconcile bag markings and line or lot numbers against the certification.

A random sample must be drawn by the biosecurity officer from each seed lot and inspected for live insects, signs of disease and to confirm the contents match the accompanying certification.



The Department of Agriculture reserves the right, at any time, to conduct verification audits of consignments accompanied by ISTA certificates by drawing ISTA samples and submitting them to a Department of Agriculture approved ISTA accredited seed testing laboratory for analysis.

1. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may

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include treatment (if an appropriate treatment is available), export or destruction.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture entomologist and with the consent of the importer.

m. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or destruction.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- n. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- o. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian</u> Customs and Border Protection Service prior to quarantine clearance.
- p. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the charging guidelines.
- q. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

## 1.5. Not purity tested offshore — If goods arrive as full container load sea freight — Treated preshipment

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Prior to export, the plants or plant products must be inspected or tested by the National Plant Protection Organisation (NPPO) according to appropriate procedures and be considered free from biosecurity pests.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The declaration "This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the

Date: 20 September 2016

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importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests."

If the phytosanitary certificate is issued after dispatch; the date of inspection must be

#### c. Option 1: Freedom from bacterial pathogen and fungicide treatment

The seed must be free from *Pseudomonas syringae pv. cannabina* and treated with a fungicide for *Fusarium oxysporum f.sp. cannabis* prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

i. One of the following additional declarations:

identified as an additional declaration.

- 1. sourced from [insert country] which is free from *Pseudomonas syringae pv. cannabina*, or
- 2. sourced from a 'pest free area' free from *Pseudomonas syringae pv. cannabina*.

#### AND

- ii. Evidence that the seed has been treated with a fungicide containing one of the following active ingredient (a.i.) combinations:
  - 1. carboxin at 0.8 g a.i. per kg seed and thiram at 1 g a.i. per kg seed, or
  - 2. carboxin at 0.8 g a.i. per kg seed and captan at 0.7 g a.i. per kg seed, or
  - 3. imazalil at 80 mg a.i. per kg seed and triadimenol at 220 mg a.i. per kg seed, or
  - 4. imazalil at 80 mg a.i. per kg seed and flutriafol at 80 mg a.i. per kg seed.

#### d. Option 2: Hot water treatment

The seed must be hot water treated prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The additional declaration 'The consignment was hot water treated at a minimum temperature of 50 °C for 20 minutes.'

Note: The 50 degrees Celsius temperature must be maintained throughout the entire 20 minute treatment cycle.

- e. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- f. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- g. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- h. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture regional offices">Department of Agriculture regional offices</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- i. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material,

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fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.

- j. The seed lot must be sampled by a biosecurity officer in accordance with ISTA procedures and the sample(s) forwarded to a department approved laboratory for analysis. The consignment and sample should be inspected for disease symptoms and the presence of live insects/snails. Consignments must be held under quarantine pending results of the analysis. Alternatively, the importer may choose to export or destroy the consignment at their expense.
- k. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or destruction.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture entomologist and with the consent of the importer.

If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or destruction.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- m. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- n. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.
- o. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the charging guidelines.
- p. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

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## 1.6. Not purity tested offshore — If goods arrive as full container load sea freight — Treated on arrival

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Prior to export, the plants or plant products must be inspected or tested by the National Plant Protection Organisation (NPPO) according to appropriate procedures and be considered free from biosecurity pests.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The declaration "This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests."

If the phytosanitary certificate is issued after dispatch; the date of inspection must be identified as an additional declaration.

c. All seeds must be subjected to hot water treatment at 50°C for 20 minutes at a department approved quarantine premises (Class 4.1 or Class 20.0).



All treatments must be performed at an approved arrangement site (AA site) by a biosecurity officer, by an authorised person under an approved arrangement with the department, or under the supervision of a biosecurity officer.

- d. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- e. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- f. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- g. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture regional offices">Department of Agriculture regional offices</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- h. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- i. The seed lot must be sampled by a biosecurity officer in accordance with ISTA procedures and the sample(s) forwarded to a department approved laboratory for analysis. The consignment and sample should be inspected for disease symptoms and the presence of live insects/snails. Consignments must be held under quarantine pending results of the analysis. Alternatively, the importer may choose to export or destroy the consignment at their expense.
- j. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or destruction.

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Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture entomologist and with the consent of the importer.

k. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or destruction.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- 1. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- m. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service prior to quarantine clearance</u>.
- n. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the charging guidelines.
- o. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

# 1.7. Not purity tested offshore — If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage — Treated preshipment

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Option 1: Freedom from bacterial pathogen and fungicide treatment

  The seed must be free from *Pseudomonas syringae pv. cannabina* and treated with a fungicide for *Fusarium oxysporum f.sp. cannabis* prior to shipping to Australia.

  To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:
  - i. One of the following additional declarations:
    - 1. sourced from [insert country] which is free from *Pseudomonas syringae pv*.

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cannabina, or

2. sourced from a 'pest free area' free from *Pseudomonas syringae pv. cannabina*.

#### **AND**

- ii. Evidence that the seed has been treated with a fungicide containing one of the following active ingredient (a.i.) combinations:
  - 1. carboxin at 0.8 g a.i. per kg seed and thiram at 1 g a.i. per kg seed, or
  - 2. carboxin at 0.8 g a.i. per kg seed and captan at 0.7 g a.i. per kg seed, or
  - 3. imazalil at 80 mg a.i. per kg seed and triadimenol at 220 mg a.i. per kg seed, or
  - 4. imazalil at 80 mg a.i. per kg seed and flutriafol at 80 mg a.i. per kg seed.

#### c. Option 2: Hot water treatment

The seed must be hot water treated prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The additional declaration 'The consignment was hot water treated at a minimum temperature of 50 °C for 20 minutes.'

Note: The 50 degrees Celsius temperature must be maintained throughout the entire 20 minute treatment cycle.

- d. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- e. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- f. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- g. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked 'Attention Quarantine'.
- h. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture regional offices">Department of Agriculture regional offices</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- i. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- j. The seed lot must be sampled by a biosecurity officer in accordance with ISTA procedures and the sample(s) forwarded to a department approved laboratory for analysis. The consignment and sample should be inspected for disease symptoms and the presence of live insects/snails. Consignments must be held under quarantine pending results of the analysis. Alternatively, the importer may choose to export or destroy the consignment at their expense.
- k. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may

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include treatment (if an appropriate treatment is available), export or destruction.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture entomologist and with the consent of the importer.

1. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or destruction.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- m. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- n. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.
- o. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the <u>charging guidelines</u>.
- p. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

# 1.8. Not purity tested offshore — If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage — Treated on arrival

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. All seeds must be subjected to hot water treatment at 50°C for 20 minutes at a department approved quarantine premises (Class 4.1 or Class 20.0).



All treatments must be performed at an approved arrangement site (AA site) by a biosecurity officer, by an authorised person under an approved arrangement with the department, or under the supervision of a biosecurity officer.

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c. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.

- d. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- e. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- f. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked 'Attention Quarantine'.
- g. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture regional offices">Department of Agriculture regional offices</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- h. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- i. The seed lot must be sampled by a biosecurity officer in accordance with ISTA procedures and the sample(s) forwarded to a department approved laboratory for analysis. The consignment and sample should be inspected for disease symptoms and the presence of live insects/snails. Consignments must be held under quarantine pending results of the analysis. Alternatively, the importer may choose to export or destroy the consignment at their expense.
- j. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or destruction.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture entomologist and with the consent of the importer.

- k. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or destruction.
  - Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.
- 1. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- m. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs</u> and Border Protection Service prior to quarantine clearance.
- n. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and

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Water Resources for all services. Detail on how the department applies fees and levies may be found in the <u>charging guidelines</u>.

o. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

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### Appendix 1: Department approved seed testing laboratories

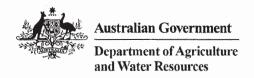
Testing laboratory	Address	Country	Certificate type
Laboratorio Central de Análisis de Semillas Instituto Nacional de Semillas	Venezuela 162 CP 1063 Buenos Aires Argentina	Argentina	ISTA
20/20 Seed Labs, Inc.	507 11th Avenue Nisku, AB Canada T9E7N5	Canada	ISTA
Laboratorio di Ricerca e Analisi Sementi (LaRAS)	DipSA, Universitá di Bologna Viale Fanin, 40 40127 Bologna	Italy	ISTA
Bejo Zaden B.V.	Trambaan 1, 1749 CZ Warmenhuizen, Netherlands	Netherlands	NAL
Enza Zaden Beheer B.V.	Haling 1 E, 1602 DB, Enkhuizen, Netherlands	Netherlands	NAL
Monsanto Holland B.V.	Leeuwenhoekweg 52, NL – 2661 CZ Bergschenhoek, Netherlands	Netherlands	NAL or ISTA
Rijk Zwaan Production B.V.	Burgemeester Crezeelaan 40, 2678 KX De Lier, Netherlands	Netherlands	NAL
Naktuinbouw	Sotaweg 22, PO Box 40, 2370 AA Roelofarendsveen, Netherlands	Netherlands	ISTA .
AsureQuality New Zealand Ltd., National Seed Laboratory	Tennet Drive PO Box 609 Palmerston North	New Zealand	ISTA
AsureQuality Ltd., Lincoln	Lincoln University P.O. Box 6 Lincoln	New Zealand	ISTA
New Zealand Seedlab Ltd.	P.O. Box 16101 Christchurch	New Zealand	ISTA
Seed Tech Services	Massey University Palmerston North	New Zealand	ISTA
Agri Seed Testing, Inc.	1930 Davcor Court SE Salem, Oregon, 97302	United States	ISTA
Oregon State University Seed Laboratory	3291 Campus Way Corvallis, Oregon, 97331	United States	ISTA
Monsanto Vegetable Seeds, Inc.	2700 Camino Del Sol Oxnard, California, 93030	United States	ISTA
SGS Mid-West Seed Services, Inc.	236 32nd Avenue Brookings, South Dakota, 57006	United States	ISTA
Instituto Nacional de Semillas - INASE	Camino Bertolotti s/n y Ruta 8, Km 29 91001 Barros Blancos, Canelones	Uruguay	ISTA

Date: 20 September 2016

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End of permit condi	tions

### ANNEXURE 2

Permit 2



#### Permit to import conditionally non-prohibited goods

This permit is issued under Biosecurity Act 2015 Section 179 (1)

Permit: 0000963336

Valid for: multiple consignments

between 15 November 2016 and 15 November 2017

This permit is issued to: Mr Andrew Kavasilas

465 Crofton Road Nimbin NSW 2480

Australia

Attention: Mr Andrew Kavasilas

#### This permit is issued for the import of Plant and Plant Products (Standard goods).

Exporter details: Various exporters
Country of export: China

This permit includes the following good(s). Refer to the indicated page for details of the permit conditions:

1. Seeds for sowing
Proposed end use:

Description: Cannabis spp. - Seeds for sowing

Seeds for sowing

Permit Conditions: Cannabis spp. seed from a non-khapra beetle host country

Page 3

NOTE: Where a good has more than one set of permit conditions please read each set to determine which set of permit conditions applies to a specific consignment.

------ End of commodity list -----

This permit is granted subject to the requirement that fees determined under section 592(1) are paid.

Luigi Paglia

Delegate of the Director of Biosecurity

Date: 15 November 2016

Permit: 0000963336 Page 2 of 25

### Important information about this permit and the import of goods

Note: This permit covers Department of Agriculture and Water Resources biosecurity requirements. It is your responsibility to ensure all legal requirements relating to the goods described in this import permit are met. While you should rely on your own inquiries, the following information is provided to assist you in meeting your legal obligations in relation to the importation of the goods described in this import permit.

#### Authority to import

You are authorised to import the goods described in this import permit under the listed conditions.

#### Compliance with permit conditions and freedom from contamination

All imports may be subject to biosecurity inspection on arrival to determine compliance with the listed permit conditions and freedom from contamination. Imports not in compliance or not appropriately identified or packaged and labelled in accordance with the import conditions they represent may be subject to treatment, export or destruction at the importer's expense, or forfeited to the Commonwealth.

#### Compliance with other regulatory provisions

Additionally, all foods imported into Australia must comply with the provisions of the *Imported Food Control Act 1992*, and may be inspected and/or analysed against the requirements of the Australia New Zealand Food Standards Code.

All imports containing or derived from genetically modified material must comply with the Gene Technology Act 2000.

It is the importer's responsibility to identify and ensure they have complied with all requirements of any other regulatory organisations and advisory bodies prior to and after importation. Organisations include the Department of Immigration and Border Protection, the Department of Health, Therapeutic Goods Administration, Australian Pesticides and Veterinary Medicines Authority, the Department of the Environment, Food Standards Australia New Zealand and any state agencies such as Departments of Agriculture and Health and Environmental Protection authorities. Importers should note that this list is not exhaustive.

#### Change of import conditions

Import conditions are subject to change at the discretion of the Director of Biosecurity. This permit may be suspended or revoked without notice.

#### Notification of import

Notification of the import must be provided to the Department of Agriculture and Water Resources for all imported goods other than goods imported as accompanied baggage or goods imported via the mail and not prescribed under *the Customs Act 1901*. Notification must be consistent with the Biosecurity (Pre-arrival Notices and Reports) Regulation 2016.

#### Valid import permit

The importer must hold a valid import permit when the goods are presented for clearance.

The importer must verify that an import permit has been issued in relation to the consignment by one of the following means:

i. The positive identification of the import permit to the Department of Agriculture and Water Resources at the time that the goods are being processed for biosecurity clearance, such as by presenting the import permit.

OR

ii. Any form of physical, digital or verbal correspondence presented with information that allows an import permit to be identified.

#### Provision of required documentation

All required documentation must accompany each consignment. Alternatively, necessary documentation will need to be presented to the Department of Agriculture and Water Resources at the time of clearance. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked "Attention Department of Agriculture and Water Resources". Documentation may include the import permit (or import permit number), government certification and invoice.

If the product description on the import permit varies from the identifying documentation provided for clearance, the importer is responsible for providing evidence to the biosecurity officer that the import permit covers the goods in the consignment.

Any documentation provided must comply with the Department of Agriculture and Water Resource's minimum documentation requirements policy.

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#### **Permit conditions**

It is the importer's responsibility to ensure that the following permit conditions are met in relation to each consignment. Where more than one set of permit conditions is shown for a good please read each set of conditions to determine which applies to a specific consignment.

### 1. Cannabis spp. seed from a non-khapra beetle host country

This section contains permit conditions for the following commodity (or commodities):

1.	Seeds for sowing	
	Product Description:	Cannabis spp Seeds for sowing

The following import scenarios are applicable to this import case:

Table 1: Navigation for

	Section		
Purity tested offshore	If goods arrive as full container load sea freight	Treated preshipment	Abressed Abressed
		Treated on arrival	1.2
	If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage	Treated preshipment	1.3
		Treated on arrival	1.4
Not purity tested offshore	If goods arrive as full container load sea freight	Treated preshipment	1.5
		Treated on arrival	1.6
	If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage	Treated preshipment	1.7
		Treated on arrival	1.8

### 1.1. Purity tested offshore — If goods arrive as full container load sea freight — Treated preshipment

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Prior to export, the plants or plant products must be inspected or tested by the National Plant Protection Organisation (NPPO) according to appropriate procedures and be considered free from biosecurity pests.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The declaration "This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests."

If the phytosanitary certificate is issued after dispatch; the date of inspection must be identified as an additional declaration.

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c. The seed lot must be officially sampled and analysed for purity by a Department approved seed testing laboratory (Appendix  $\underline{1}$ ).

To demonstrate compliance with this requirement you must present the following on an ISTA Orange International Seed Lot Certificate:

- i. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing Manual.

#### OR

You must present the following on a Seed analysis certificate:

- ii. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing manual.
  - 3. One of the following declarations:
    - 3.1. "Sample tested was officially drawn and analysed in accordance with ISTA rules from an identified seed lot.", or
    - 3.2. For seed species **not listed** in the international rules for seed testing: "Sample tested was officially drawn and analysed in accordance with ISTA methodology."

#### Note:

A maximum lot size of 10 000 kg applies to agricultural and vegetable seeds not listed in the international rules for seed testing.

#### OR

You must present the following on a NAL quality certificate:

- iii. 1. The botanical name (genus and species) of the crop.
  - 2. The lot number.
  - 3. The botanical name and the number of other seeds found per kilogram (any identified genera or species are to be recorded as such).
  - 4. The percentage of any soil found in the sample (soil <0.05% can be recorded as "Trace").
  - 5. If seed is coated:
    - 5.1. record whether seed has been coated (such as seed pellets, encrusted seeds, seed granules, etc.).
    - 5.2. record the weight of lot for raw seed and/or coated seed. If seed is coated and the weight of lot is on raw seed, the weight difference will need to be recorded. Bulk search determined by examination of 7,500 depelleted will need to be recorded.
- d. After testing, the supplier must maintain the security of the seed lot.

To demonstrate compliance with this requirement you must present the following on a Supplier declaration:

The declaration "All care has been taken post-sampling to maintain the security of the following seed lot(s): (supplier to list botanical name and the marks of each seed lot)."

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#### e. Option 1: Freedom from bacterial pathogen and fungal pathogen/fungicide treatment

The seed must be free from *Pseudomonas syringae pv. cannabina* and free from *Fusarium oxysporum f.sp. cannabis* prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

- i. One of the following additional declarations:
  - 1. "sourced from [insert country] which is free from Pseudomonas syringae pv. cannabina";

OR

2. "sourced from a 'pest free area' free from Pseudomonas syringae pv. cannabina".

#### **AND**

- ii. One of the following:
  - 1. The additional declaration "sourced from [insert country] which is free from Fusarium oxysporum f.sp. cannabis";

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- 2. Evidence that the seed has been treated with a fungicide containing one of the following active ingredient (a.i.) combinations:
  - 2.1. carboxin at 0.8 g a.i. per kg seed and thiram at 1 g a.i. per kg seed; or
  - 2.2. carboxin at 0.8 g a.i. per kg seed and captan at 0.7 g a.i. per kg seed; or
  - 2.3. imazalil at 80 mg a.i. per kg seed and triadimenol at 220 mg a.i. per kg seed; or
  - 2.4. imazalil at 80 mg a.i. per kg seed and flutriafol at 80 mg a.i. per kg seed.

#### f. Option 2: Hot water treatment

The seed must be hot water treated prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The additional declaration 'The consignment was hot water treated at a minimum temperature of 50 °C for 20 minutes.'

Note: The 50 degrees Celsius temperature must be maintained throughout the entire 20 minute treatment cycle.

- g. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- h. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- i. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- j. For consignments of seed imported as sea or air cargo, the importer must contact the <u>Department of Agriculture and Water Recources regional office</u> in the first point of entry to confirm all arrangements for inspections and treatments.
- k. All consignments must be inspected on arrival by a biosecurity officer for freedom from live

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insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.

1. Seed lots accompanied by acceptable seed purity certificates are subject to a verification inspection at an approved arrangement site by a biosecurity officer. The biosecurity officer must physically inspect the consignment to reconcile bag markings and line or lot numbers against the certification.

A random sample must be drawn by the biosecurity officer from each seed lot and inspected for live insects, signs of disease and to confirm the contents match the accompanying certification.



The Department of Agriculture and Water Resources reserves the right, at any time, to conduct verification audits of consignments accompanied by ISTA certificates by drawing ISTA samples and submitting them to a Department of Agriculture and Water Resources approved ISTA accredited seed testing laboratory for analysis.

m. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or disposal.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture and Water Resources entomologist and with the consent of the importer.

n. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or disposal.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- o. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- p. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.
- q. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the charging guidelines.
- r. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.

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Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

## 1.2. Purity tested offshore — If goods arrive as full container load sea freight — Treated on arrival

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Prior to export, the plants or plant products must be inspected or tested by the National Plant Protection Organisation (NPPO) according to appropriate procedures and be considered free from biosecurity pests.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The declaration "This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests." If the phytosanitary certificate is issued after dispatch; the date of inspection must be identified as an additional declaration.

c. The seed lot must be officially sampled and analysed for purity by a Department approved seed testing laboratory (Appendix  $\underline{1}$ ).

To demonstrate compliance with this requirement you must present the following on an ISTA Orange International Seed Lot Certificate:

- 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing Manual.

#### OR

i.

You must present the following on a Seed analysis certificate:

- ii. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing manual.
  - 3. One of the following declarations:
    - 3.1. "Sample tested was officially drawn and analysed in accordance with ISTA rules from an identified seed lot.", or
    - 3.2. For seed species **not listed** in the international rules for seed testing: "Sample tested was officially drawn and analysed in accordance with ISTA methodology."

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Note:

A maximum lot size of 10 000 kg applies to agricultural and vegetable seeds not listed in the international rules for seed testing.

#### OR

You must present the following on a NAL quality certificate:

- iii. 1. The botanical name (genus and species) of the crop.
  - 2. The lot number.
  - 3. The botanical name and the number of other seeds found per kilogram (any identified genera or species are to be recorded as such).
  - 4. The percentage of any soil found in the sample (soil <0.05% can be recorded as "Trace").
  - 5. If seed is coated:
    - 5.1. record whether seed has been coated (such as seed pellets, encrusted seeds, seed granules, etc.).
    - 5.2. record the weight of lot for raw seed and/or coated seed. If seed is coated and the weight of lot is on raw seed, the weight difference will need to be recorded. Bulk search determined by examination of 7,500 depelleted will need to be recorded.
- d. After testing, the supplier must maintain the security of the seed lot.
  - To demonstrate compliance with this requirement you must present the following on a Supplier declaration:
  - The declaration "All care has been taken post-sampling to maintain the security of the following seed lot(s): (supplier to list botanical name and the marks of each seed lot)."
- e. All seeds must be subjected to hot water treatment at 50°C for 20 minutes at a department approved quarantine premises (Class 4.1 or Class 20.0).



All treatments must be performed at an approved arrangement site (AA site) by a biosecurity officer, by an authorised person under an approved arrangement with the department, or under the supervision of a biosecurity officer.

- f. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- g. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- h. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- i. For consignments of seed imported as sea or air cargo, the importer must contact the <u>Department of Agriculture and Water Recources regional office</u> in the first point of entry to confirm all arrangements for inspections and treatments.
- j. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.

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k. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or disposal.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture and Water Resources entomologist and with the consent of the importer.

1. Seed lots accompanied by acceptable seed purity certificates are subject to a verification inspection at an approved arrangement site by a biosecurity officer. The biosecurity officer must physically inspect the consignment to reconcile bag markings and line or lot numbers against the certification.

A random sample must be drawn by the biosecurity officer from each seed lot and inspected for live insects, signs of disease and to confirm the contents match the accompanying certification.



The Department of Agriculture and Water Resources reserves the right, at any time, to conduct verification audits of consignments accompanied by ISTA certificates by drawing ISTA samples and submitting them to a Department of Agriculture and Water Resources approved ISTA accredited seed testing laboratory for analysis.

m. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or disposal.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- n. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- o. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the <u>charging guidelines</u>.
- p. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

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# 1.3. Purity tested offshore — If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage — Treated preshipment

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. The seed lot must be officially sampled and analysed for purity by a Department approved seed testing laboratory (Appendix  $\underline{1}$ ).

To demonstrate compliance with this requirement you must present the following on an ISTA Orange International Seed Lot Certificate:

- i. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing Manual.

#### OR

You must present the following on a Seed analysis certificate:

- ii. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing manual.
  - 3. One of the following declarations:
    - 3.1. "Sample tested was officially drawn and analysed in accordance with ISTA rules from an identified seed lot.", or
    - 3.2. For seed species **not listed** in the international rules for seed testing: "Sample tested was officially drawn and analysed in accordance with ISTA methodology."

#### Note:

A maximum lot size of 10 000 kg applies to agricultural and vegetable seeds not listed in the international rules for seed testing.

#### OR

You must present the following on a NAL quality certificate:

- iii. 1. The botanical name (genus and species) of the crop.
  - 2. The lot number.
  - 3. The botanical name and the number of other seeds found per kilogram (any identified genera or species are to be recorded as such).
  - 4. The percentage of any soil found in the sample (soil <0.05% can be recorded as "Trace").
  - 5. If seed is coated:
    - 5.1. record whether seed has been coated (such as seed pellets, encrusted seeds, seed granules, etc.).
    - 5.2. record the weight of lot for raw seed and/or coated seed. If seed is coated and the weight of lot is on raw seed, the weight difference will need to be recorded. Bulk search determined by examination of 7,500 depelleted will need to be recorded.

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c. After testing, the supplier must maintain the security of the seed lot.

To demonstrate compliance with this requirement you must present the following on a Supplier declaration:

The declaration "All care has been taken post-sampling to maintain the security of the following seed lot(s): (supplier to list botanical name and the marks of each seed lot)."

d. Option 1: Freedom from bacterial pathogen and fungal pathogen/fungicide treatment

The seed must be free from *Pseudomonas syringae pv. cannabina* and free from *Fusarium oxysporum f.sp. cannabis* prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

- i. One of the following additional declarations:
  - 1. "sourced from [insert country] which is free from Pseudomonas syringae pv. cannabina";

OR

2. "sourced from a 'pest free area' free from Pseudomonas syringae pv. cannabina".

#### **AND**

- ii. One of the following:
  - 1. The additional declaration "sourced from [insert country] which is free from Fusarium oxysporum f.sp. cannabis";

OR

- 2. Evidence that the seed has been treated with a fungicide containing one of the following active ingredient (a.i.) combinations:
  - 2.1. carboxin at 0.8 g a.i. per kg seed and thiram at 1 g a.i. per kg seed; or
  - 2.2. carboxin at 0.8 g a.i. per kg seed and captan at 0.7 g a.i. per kg seed; or
  - 2.3. imazalil at 80 mg a.i. per kg seed and triadimenol at 220 mg a.i. per kg seed; or
  - 2.4. imazalil at 80 mg a.i. per kg seed and flutriafol at 80 mg a.i. per kg seed.

#### e. Option 2: Hot water treatment

The seed must be hot water treated prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The additional declaration 'The consignment was hot water treated at a minimum temperature of 50 °C for 20 minutes.'

Note: The 50 degrees Celsius temperature must be maintained throughout the entire 20 minute treatment cycle.

- f. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- g. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- h. Each shipment must be packed in clean, new packaging, clearly labelled with the full

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- botanical name (i.e. genus and species).
- i. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked 'Attention Quarantine'.
- j. For consignments of seed imported as sea or air cargo, the importer must contact the <u>Department of Agriculture and Water Recources regional office</u> in the first point of entry to confirm all arrangements for inspections and treatments.
- k. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- 1. Seed lots accompanied by acceptable seed purity certificates are subject to a verification inspection at an approved arrangement site by a biosecurity officer. The biosecurity officer must physically inspect the consignment to reconcile bag markings and line or lot numbers against the certification.

A random sample must be drawn by the biosecurity officer from each seed lot and inspected for live insects, signs of disease and to confirm the contents match the accompanying certification.



The Department of Agriculture and Water Resources reserves the right, at any time, to conduct verification audits of consignments accompanied by ISTA certificates by drawing ISTA samples and submitting them to a Department of Agriculture and Water Resources approved ISTA accredited seed testing laboratory for analysis.

m. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or disposal.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture and Water Resources entomologist and with the consent of the importer.

n. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or disposal.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- o. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- p. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.
- q. Under the Biosecurity Charges Imposition (General) Regulation 2016 and Chapter 9, Part 2

of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the <u>charging guidelines</u>.

r. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

## 1.4. Purity tested offshore — If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage — Treated on arrival

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. The seed lot must be officially sampled and analysed for purity by a Department approved seed testing laboratory (Appendix 1).

To demonstrate compliance with this requirement you must present the following on an ISTA Orange International Seed Lot Certificate:

- i. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing Manual.

#### OR

You must present the following on a Seed analysis certificate:

- ii. 1. A "purity analysis" (i.e. the percentage of pure seed and percentage of other seeds and inert matter).
  - 2. A "determination of number of other seeds", as described in the ISTA international rules for seed testing manual.
  - 3. One of the following declarations:
    - 3.1. "Sample tested was officially drawn and analysed in accordance with ISTA rules from an identified seed lot.", or
    - 3.2. For seed species **not listed** in the international rules for seed testing: "Sample tested was officially drawn and analysed in accordance with ISTA methodology."

#### Note:

A maximum lot size of 10 000 kg applies to agricultural and vegetable seeds not listed in the international rules for seed testing.

OR

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You must present the following on a NAL quality certificate:

- ii. 1. The botanical name (genus and species) of the crop.
  - 2. The lot number.
  - 3. The botanical name and the number of other seeds found per kilogram (any identified genera or species are to be recorded as such).
  - 4. The percentage of any soil found in the sample (soil <0.05% can be recorded as "Trace").
  - 5. If seed is coated:
    - 5.1. record whether seed has been coated (such as seed pellets, encrusted seeds, seed granules, etc.).
    - 5.2. record the weight of lot for raw seed and/or coated seed. If seed is coated and the weight of lot is on raw seed, the weight difference will need to be recorded. Bulk search determined by examination of 7,500 depelleted will need to be recorded.
- c. After testing, the supplier must maintain the security of the seed lot.
  - To demonstrate compliance with this requirement you must present the following on a Supplier declaration:
  - The declaration "All care has been taken post-sampling to maintain the security of the following seed lot(s): (supplier to list botanical name and the marks of each seed lot)."
- d. All seeds must be subjected to hot water treatment at 50°C for 20 minutes at a department approved quarantine premises (Class 4.1 or Class 20.0).



All treatments must be performed at an approved arrangement site (AA site) by a biosecurity officer, by an authorised person under an approved arrangement with the department, or under the supervision of a biosecurity officer.

- e. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- f. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- g. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- h. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked 'Attention Quarantine'.
- i. For consignments of seed imported as sea or air cargo, the importer must contact the <u>Department of Agriculture and Water Recources regional office</u> in the first point of entry to confirm all arrangements for inspections and treatments.
- j. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- k. Seed lots accompanied by acceptable seed purity certificates are subject to a verification inspection at an approved arrangement site by a biosecurity officer. The biosecurity officer must physically inspect the consignment to reconcile bag markings and line or lot numbers

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against the certification.

A random sample must be drawn by the biosecurity officer from each seed lot and inspected for live insects, signs of disease and to confirm the contents match the accompanying certification.



The Department of Agriculture and Water Resources reserves the right, at any time, to conduct verification audits of consignments accompanied by ISTA certificates by drawing ISTA samples and submitting them to a Department of Agriculture and Water Resources approved ISTA accredited seed testing laboratory for analysis.

If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or disposal.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture and Water Resources entomologist and with the consent of the importer.

m. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or disposal.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- n. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- o. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian</u> Customs and Border Protection Service prior to quarantine clearance.
- p. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the charging guidelines.
- q. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

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## 1.5. Not purity tested offshore — If goods arrive as full container load sea freight — Treated preshipment

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Prior to export, the plants or plant products must be inspected or tested by the National Plant Protection Organisation (NPPO) according to appropriate procedures and be considered free from biosecurity pests.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The declaration "This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests." If the phytosanitary certificate is issued after dispatch; the date of inspection must be identified as an additional declaration.

c. Option 1: Freedom from bacterial pathogen and fungal pathogen/fungicide treatment

The seed must be free from *Pseudomonas syringae pv. cannabina* and free from *Fusarium oxysporum f.sp. cannabis* prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

- i. One of the following additional declarations:
  - 1. "sourced from [insert country] which is free from Pseudomonas syringae pv. cannabina";

OR

2. "sourced from a 'pest free area' free from Pseudomonas syringae pv. cannabina".

### AND

- ii. One of the following:
  - 1. The additional declaration "sourced from [insert country] which is free from Fusarium oxysporum f.sp. cannabis";

OR

- 2. Evidence that the seed has been treated with a fungicide containing one of the following active ingredient (a.i.) combinations:
  - 2.1. carboxin at 0.8 g a.i. per kg seed and thiram at 1 g a.i. per kg seed; or
  - 2.2. carboxin at 0.8 g a.i. per kg seed and captan at 0.7 g a.i. per kg seed; or
  - 2.3. imazalil at 80 mg a.i. per kg seed and triadimenol at 220 mg a.i. per kg seed; or
  - 2.4. imazalil at 80 mg a.i. per kg seed and flutriafol at 80 mg a.i. per kg seed.

### d. Option 2: Hot water treatment

The seed must be hot water treated prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

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The additional declaration 'The consignment was hot water treated at a minimum temperature of 50 °C for 20 minutes.'

Note: The 50 degrees Celsius temperature must be maintained throughout the entire 20 minute treatment cycle.

- e. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- f. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- g. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- h. For consignments of seed imported as sea or air cargo, the importer must contact the <u>Department of Agriculture and Water Recources regional office</u> in the first point of entry to confirm all arrangements for inspections and treatments.
- i. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- j. The seed lot must be sampled by a biosecurity officer in accordance with ISTA procedures and the sample(s) forwarded to a department approved laboratory for analysis. The consignment and sample should be inspected for disease symptoms and the presence of live insects/snails. Consignments must be held under quarantine pending results of the analysis. Alternatively, the importer may choose to export or dispose of the consignment at their expense.
- k. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or disposal.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture and Water Resources entomologist and with the consent of the importer.

1. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or disposal.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- m. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- n. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.

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o. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the charging guidelines.

p. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

# 1.6. Not purity tested offshore — If goods arrive as full container load sea freight — Treated on arrival

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Prior to export, the plants or plant products must be inspected or tested by the National Plant Protection Organisation (NPPO) according to appropriate procedures and be considered free from biosecurity pests.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The declaration "This is to certify that the plants, plant products or other regulated articles described herein have been inspected and/or tested according to appropriate official procedures and are considered to be free from the quarantine pests specified by the importing contracting party and to conform with the current phytosanitary requirements of the importing contracting party, including those for regulated non-quarantine pests." If the phytosanitary certificate is issued after dispatch; the date of inspection must be identified as an additional declaration.

c. All seeds must be subjected to hot water treatment at 50°C for 20 minutes at a department approved quarantine premises (Class 4.1 or Class 20.0).



All treatments must be performed at an approved arrangement site (AA site) by a biosecurity officer, by an authorised person under an approved arrangement with the department, or under the supervision of a biosecurity officer.

- d. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- e. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- f. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).

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g. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture and Water Recources regional office">Department of Agriculture and Water Recources regional office</a> in the first point of entry to confirm all arrangements for inspections and treatments.

- h. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- i. The seed lot must be sampled by a biosecurity officer in accordance with ISTA procedures and the sample(s) forwarded to a department approved laboratory for analysis. The consignment and sample should be inspected for disease symptoms and the presence of live insects/snails. Consignments must be held under quarantine pending results of the analysis. Alternatively, the importer may choose to export or dispose of the consignment at their expense.
- j. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or disposal.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture and Water Resources entomologist and with the consent of the importer.

k. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or disposal.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- 1. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- m. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.
- n. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the <u>charging guidelines</u>.
- o. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the Permit: 0000963336 Page 20 of 25

requirements of the non-commodity case.

# 1.7. Not purity tested offshore — If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage — Treated preshipment

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. Option 1: Freedom from bacterial pathogen and fungal pathogen/fungicide treatment The seed must be free from *Pseudomonas syringae pv. cannabina* and free from *Fusarium oxysporum f.sp. cannabis* prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

- i. One of the following additional declarations:
  - 1. "sourced from [insert country] which is free from Pseudomonas syringae pv. cannabina";

OR

2. "sourced from a 'pest free area' free from Pseudomonas syringae pv. cannabina".

#### AND

- ii. One of the following:
  - 1. The additional declaration "sourced from [insert country] which is free from Fusarium oxysporum f.sp. cannabis";

OR

- 2. Evidence that the seed has been treated with a fungicide containing one of the following active ingredient (a.i.) combinations:
  - 2.1. carboxin at 0.8 g a.i. per kg seed and thiram at 1 g a.i. per kg seed; or
  - 2.2. carboxin at 0.8 g a.i. per kg seed and captan at 0.7 g a.i. per kg seed; or
  - 2.3. imazalil at 80 mg a.i. per kg seed and triadimenol at 220 mg a.i. per kg seed; or

Date: 15 November 2016

2.4. imazalil at 80 mg a.i. per kg seed and flutriafol at 80 mg a.i. per kg seed.

### c. Option 2: Hot water treatment

The seed must be hot water treated prior to shipping to Australia.

To demonstrate compliance with this requirement you must present the following on a Phytosanitary certificate:

The additional declaration 'The consignment was hot water treated at a minimum temperature of 50 °C for 20 minutes.'

Note: The 50 degrees Celsius temperature must be maintained throughout the entire 20 minute treatment cycle.

d. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.

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e. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.

- f. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- g. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked 'Attention Quarantine'.
- h. For consignments of seed imported as sea or air cargo, the importer must contact the <u>Department of Agriculture and Water Recources regional office</u> in the first point of entry to confirm all arrangements for inspections and treatments.
- i. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- j. The seed lot must be sampled by a biosecurity officer in accordance with ISTA procedures and the sample(s) forwarded to a department approved laboratory for analysis. The consignment and sample should be inspected for disease symptoms and the presence of live insects/snails. Consignments must be held under quarantine pending results of the analysis. Alternatively, the importer may choose to export or dispose of the consignment at their expense.
- k. If live insects or other pests are found they will be referred to a Department of Agriculture and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or disposal.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture and Water Resources entomologist and with the consent of the importer.

- 1. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or disposal.
  - Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.
- m. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- n. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian</u> Customs and Border Protection Service prior to quarantine clearance.
- o. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the charging guidelines.
- p. Non-commodity information requirements for imported cargo also apply, please refer to the

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### BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

# 1.8. Not purity tested offshore — If goods arrive as freight (excluding full container load sea freight), mail or passenger baggage — Treated on arrival

- a. The following requirements apply to all species of *Cannabis* (Hemp).
- b. All seeds must be subjected to hot water treatment at 50°C for 20 minutes at a department approved quarantine premises (Class 4.1 or Class 20.0).



All treatments must be performed at an approved arrangement site (AA site) by a biosecurity officer, by an authorised person under an approved arrangement with the department, or under the supervision of a biosecurity officer.

- c. Seed must be free of live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- d. All consignments imported into Australia for all end uses must meet <u>Department standards</u> for seed contaminations and tolerances.
- e. Each shipment must be packed in clean, new packaging, clearly labelled with the full botanical name (i.e. genus and species).
- f. In order to facilitate clearance, airfreight or mail shipments should have all documentation securely attached to the outside of the package, and clearly marked 'Attention Quarantine'.
- g. For consignments of seed imported as sea or air cargo, the importer must contact the <a href="Department of Agriculture and Water Recources regional office">Department of Agriculture and Water Recources regional office</a> in the first point of entry to confirm all arrangements for inspections and treatments.
- h. All consignments must be inspected on arrival by a biosecurity officer for freedom from live insects, soil, disease symptoms, contaminant seed, other plant material (leaf, stem material, fruit pulp, pod material, etc.), animal material (animal faeces, feathers, etc.) and any other extraneous contamination of biosecurity concern.
- i. The seed lot must be sampled by a biosecurity officer in accordance with ISTA procedures and the sample(s) forwarded to a department approved laboratory for analysis. The consignment and sample should be inspected for disease symptoms and the presence of live insects/snails. Consignments must be held under quarantine pending results of the analysis. Alternatively, the importer may choose to export or dispose of the consignment at their expense.
- j. If live insects or other pests are found they will be referred to a Department of Agriculture

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and Water Resources entomologist for advice on an appropriate remedial action, which may include treatment (if an appropriate treatment is available), export or disposal.



Fumigation can reduce the germination rate of sowing seed. Fumigation should only be undertaken following consultation with a Department of Agriculture and Water Resources entomologist and with the consent of the importer.

k. If disease symptoms are detected an assessment of the biosecurity risk will be made by a biosecurity plant pathologist to determine the options that may be available to the importer. Options may include further identification, treatment, export or disposal.

Further identification may not result in the release of the goods and may incur substantial additional costs and time delays for the importer. Further identification will only be offered if it is deemed feasible and the importer agrees in writing to accept all costs and risks involved.

- 1. Following inspection and provided all of the above conditions have been met the consignment may be released from biosecurity control by a biosecurity officer.
- m. Seeds of this genus/species are prohibited by Schedule 4 of the *Customs (Prohibited Imports) Regulations 1956*. Imports of these seeds must be referred to the <u>Australian Customs and Border Protection Service</u> prior to quarantine clearance.
- n. Under the <u>Biosecurity Charges Imposition (General) Regulation 2016</u> and Chapter 9, Part 2 of the <u>Biosecurity Regulation 2016</u>, fees are payable to the Department of Agriculture and Water Resources for all services. Detail on how the department applies fees and levies may be found in the <u>charging guidelines</u>.
- o. Non-commodity information requirements for imported cargo also apply, please refer to the BICON case Non-Commodity Cargo Clearance.



Timber packaging, pallets or dunnage associated with the consignment may be subject to inspection and treatment on arrival, unless sufficient evidence of a Department of Agriculture and Water Resources approved treatment is provided.

All documentation presented to the department to assist in determining the level of biosecurity risk posed by transportation pathways and packaging must also meet the requirements of the non-commodity case.

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### **Appendix 1: Department approved seed testing laboratories**

Testing laboratory	Address	Country	Certificate type
Laboratorio Central de Análisis de Semillas Instituto Nacional de Semillas	Venezuela 162 CP 1063 Buenos Aires Argentina	Argentina	ISTA
20/20 Seed Labs, Inc.	507 11th Avenue Nisku, AB Canada T9E7N5	Canada	ISTA
Laboratorio di Ricerca e Analisi Sementi (LaRAS)	DipSA, Universitá di Bologna Viale Fanin, 40 40127 Bologna	Italy	ISTA
Bejo Zaden B.V.	Trambaan 1, 1749 CZ Warmenhuizen, Netherlands	Netherlands	NAL
Enza Zaden Beheer B.V.	Haling 1 E, 1602 DB, Enkhuizen, Netherlands	Netherlands	NAL
Monsanto Holland B.V.	Leeuwenhoekweg 52, NL – 2661 CZ Bergschenhoek, Netherlands	Netherlands	NAL or ISTA
Rijk Zwaan Production B.V.	Burgemeester Crezeelaan 40, 2678 KX De Lier, Netherlands	Netherlands	NAL
Naktuinbouw	Sotaweg 22, PO Box 40, 2370 AA Roelofarendsveen, Netherlands	Netherlands	ISTA
AsureQuality New Zealand Ltd., National Seed Laboratory	Tennet Drive PO Box 609 Palmerston North	New Zealand	ISTA
AsureQuality Ltd., Lincoln	Lincoln University P.O. Box 6 Lincoln	New Zealand	ISTA
New Zealand Seedlab Ltd.	P.O. Box 16101 Christchurch	New Zealand	ISTA
Seed Tech Services	Massey University Palmerston North	New Zealand	ISTA
Agri Seed Testing, Inc.	1930 Davcor Court SE Salem, Oregon, 97302	United States	ISTA
Oregon State University Seed Laboratory	3291 Campus Way Corvallis, Oregon, 97331	United States	ISTA
Monsanto Vegetable Seeds, Inc.	2700 Camino Del Sol Oxnard, California, 93030	United States	ISTA
SGS Mid-West Seed Services, Inc.	236 32nd Avenue Brookings, South Dakota, 57006	United States	ISTA
Instituto Nacional de Semillas - INASE	Camino Bertolotti s/n y Ruta 8, Km 29 91001 Barros Blancos, Canelones	Uruguay	ISTA

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### ANNEXURE 3

Licence



OUT13/35587

### Hemp Industry Act 2008

### **Low THC Hemp Cultivation and Supply Licence**

Licence No: 11

In force until 3 December 2018

Licensee: Mr Andrew Kavasilas

465 Croftons Road, NIMBIN NSW 2480

This licence authorises the Licensee under section 5 of the Hemp Industry Act 2008 to:

- 1. cultivate low-THC hemp for commercial production and for manufacturing process; and
- 2. supply low-THC hemp for commercial production and for manufacturing process.

### Licence conditions:

This licence is subject to conditions imposed by the Act, conditions prescribed by the *Hemp Industry Regulation 2008* and the additional conditions set out below.

### Additional conditions:

- Sowing seed A THC analysis, statutory declaration or other form of guarantee which
  ensures the sowing seed has a THC level of less than 0.5% must be held in the Register
  described under clause 10 (1) (b) of the Regulation and provided to an authorised
  inspector where requested.
- **2A. Annual Planting Notification** -The licence holder must submit an Annual Planting Notification in the approved form\* within 1 month of planting a low-THC hemp crop. The following information is to be notified:
  - the specific paddock or plot on the property sown
  - · the crop area sown
  - the date that the crop was sown
  - the variety of low-THC hemp sown
  - the source of seed or planting material including the name, licence number and state
    or territory of the supplier. If seed is imported from overseas a seed certification
    number or AQIS import clearance number must be provided.
  - \* The "Annual Planting Notification" form is provided at Appendix 1 of the general conditions of licence document and is available at <a href="http://www.dpi.nsw.gov.au/agriculture/field/field-crops/fibres/hemp/commercial-production">http://www.dpi.nsw.gov.au/agriculture/field/field-crops/fibres/hemp/commercial-production</a> This form must be used for the above reporting.

OUT13/35587

- **2B. Notification of New Crop Location Prior to Planting** Where hemp cultivation is proposed to take place on a different property or location to the location that was originally approved under the licence application, the amended information must be notified to and approved by the Department prior to planting. The information required is:
  - Name and address of the property
  - Lot number, Deposited Plan number and Property Identification Code number
  - A signed consent form if the property is not owned by the licensee
  - The number of hectares to be sown
  - A farm map showing paddocks and storage areas.
- **2C.** Notification of Intention to Not Plant The Department must be notified by 30<sup>th</sup> January if a hemp crop will not be planted during the current production year. This notification must be made on the Annual Planting Notification form.
- 3. Audit and Sampling The licence holder is required to arrange for an audit of their low-THC hemp records and crop by an independent accredited (by the Department of Primary Industries (DPI) NSW) auditor, and for the sampling and analysis of the crop (by the auditor) to verify that its THC concentration does not exceed 1.0%. The licence holder must advise DPI NSW one week after male plants begin to flower for fibre crops and when seed set is at 50% for seed crops.
- **4. Sale of sowing seed** Any low-THC seed sold or supplied must be packaged and labelled to describe the contents of the package as seed derived from low-THC hemp plants that had THC levels less than 0.5%.
- **5. Annual Report** In accordance with clause 11 of the Regulation an annual report must be provided by the anniversary of the date the licence was issued for each year that the licence remains valid. The annual report must be submitted using the form supplied as Appendix 2 of the general conditions of licence document and is available at:

  http://www.dpi.nsw.gov.au/agriculture/field/field-crops/fibres/hemp/commercial-production

**Note:** Under the *Stock Foods Regulation 2010* any plant of the genus Cannabis (excluding the seed of any such plant that has had the outer layer or bract removed) must not be fed to livestock. This includes low-THC hemp plant material.

Glen Saunders
Director Invasive Plants and Animals
Delegate of the Director General
of the Department of Trade & Investment, Regional Infrastructure and Services

Date Issued: 3 December 2013

### ANNEXURE 4

Permit 3



## Permit for movement and display of Industrial Hemp plants within New South Wales

I, Andrew Sanger, the delegated authority for the Director–General of the NSW Department of Primary Industries under the Hemp industry Act 2008 ("the Act") and pursuant to clause 9(2)(b) of the Hemp Industry Regulation 2008 ("the regulation"), issue this permit to Mr Andrew Kavasilas (grower licence no. HIA 11), 465 Crofton Rd NIMBIN NSW 2480 ("the permit holder")(Tel: 02 6689 1998) to allow the movement of entire potted plants of low-THC industrial hemp, to the approved premises in accordance with the conditions of movement specified below.

### 1. Scope

This permit applies to the transport and display of plants of low-THC industrial Hemp (*Cannabis sativa*) plants grown under standard licence conditions by the permit holder with exemption from clause 9(1)(h) of the Regulation – that requires Plants to be substantially stripped of leaves prior to leaving property of production. Permit issued in accordance with and under authority of clause 9(2)(b) of the Regulation.

### 2. Expiry

This permit expires 16 May 2016, unless revoked or varied under clause 9(2)(b) of the Regulation.

### 3. Interpretation

In this permit:

approved premises means

- (a) Unit 6 Building 36 Fox Studios Australia 38 Driver Ave MOORE PARK NSW 2021
- (b) Mammoth Tents (as per attached site map) within Exhibition Hall, Rosehill Racecourse, James Ruse Drive ROSEHILL NSW 2142

approved purposes means

- (1) as a green life movie prop for film production at approved premises (a)
- (2) as a static, non-interactive display at approved premises (b)

Approved supplier means the permit holder

authorised person means an inspector or a person authorised pursuant to section 18(1) of the Act or a Police Officer

Department means the Department of Primary Industries

### Responsible person

- (a) the permit holder and any associate as specified in the current licence held by the permit holder as issued under the Act by the Department
- (b) for the period plants are on-site at approved premises (a)

Mr Jack Whiddon Greens Foreman Fox Film Aust.3 (mob. 0412 341 614) Mr Jack Elliot Head Greensman Fox Film Aust.3 (mob. 0412 369 458)

### Secure means

- (a) at all times during transport and for approved purposes the plants are under the full control of a responsible person at the approved premises.
- (b) Plants located at approved premises (a) to be retained at the site at all times with access restricted by swipe card door entry limited to the responsible persons and in event of an emergency, Site Security.
- (c) Plants located at approved premises (b) are to be displayed in a manner that totally excludes physical contact by members of the public. When the exhibit is closed to the public the plants are to be secured within the display area with arrangements made for Site Security to prohibit access by unauthorised persons.

### Secure transport vehicle means

A solid walled vehicle that conceals the plants and is able to be secured in such a manner that prevents access by unauthorised persons.

Site Security means the designated site security staff at the approved premises.

Plants means potted plants of Cannabis sativa grown under the standard licence conditions of the permit holder that meet the prescribed standard of low-THC Hemp as defined in the Act

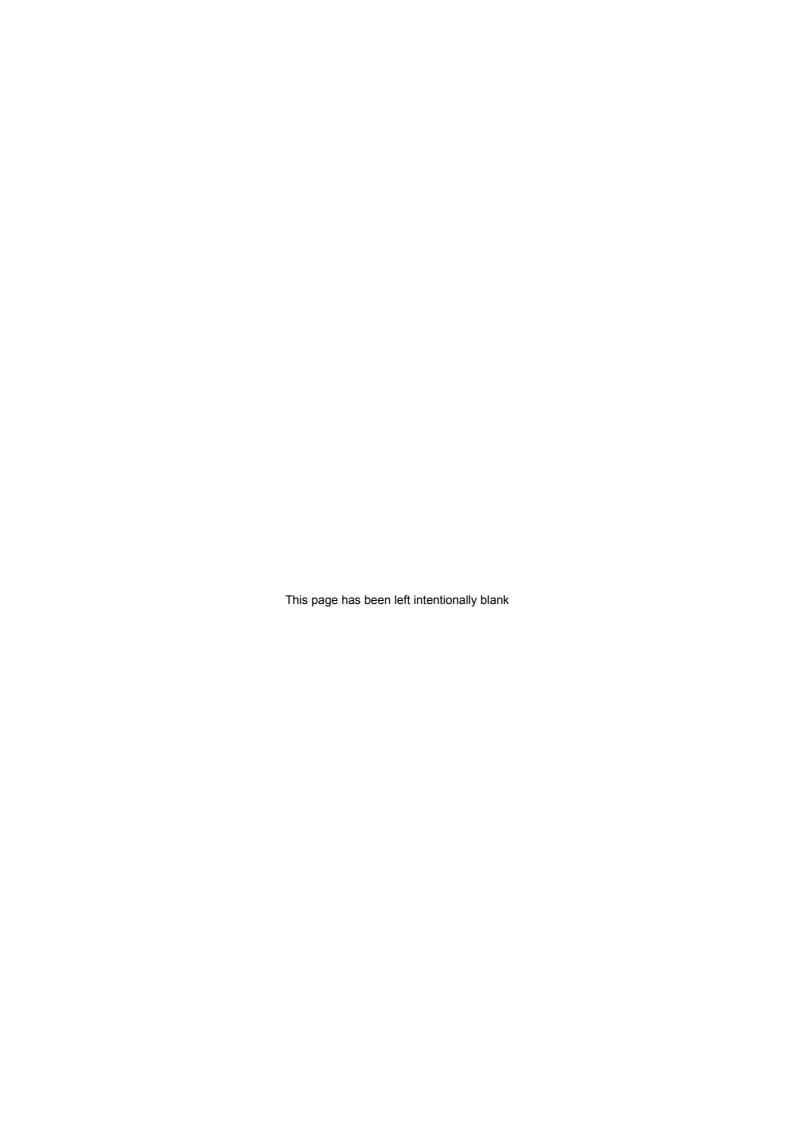
The Act means the Hemp Industry Act 2008 and its Regulation.

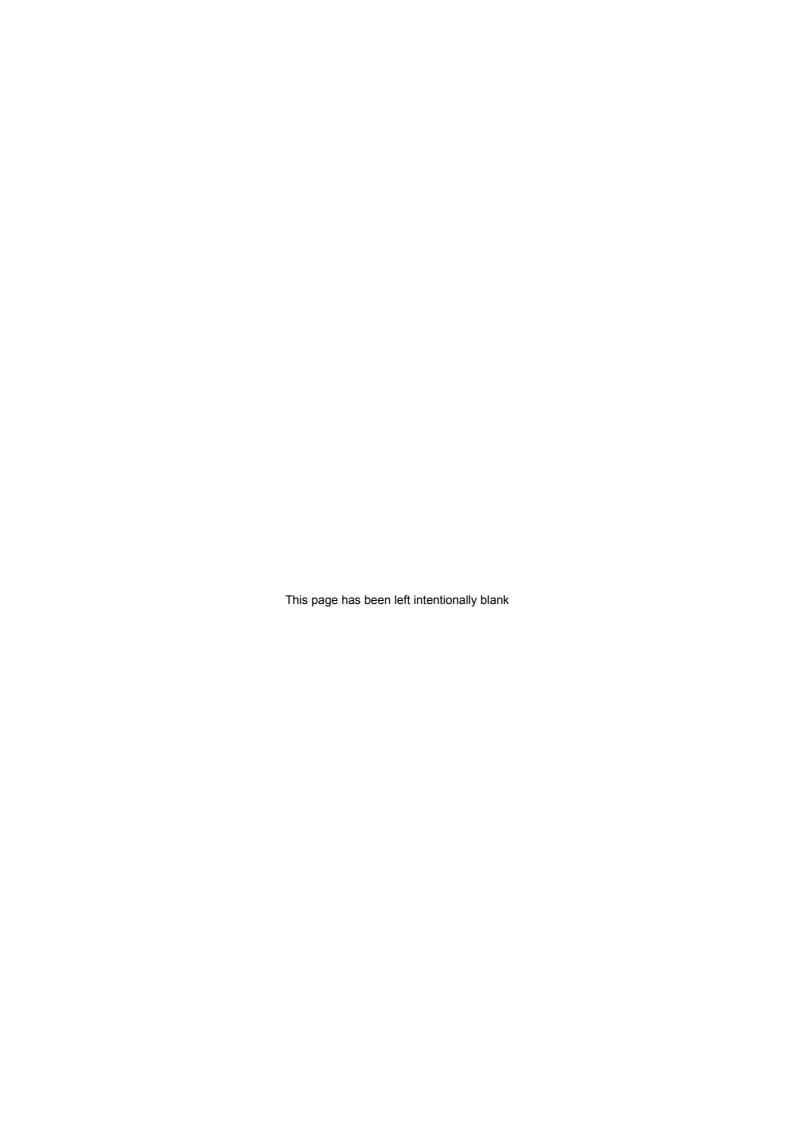
### 4. Conditions of Movement and Display

- 1. Transport of plants from the permit holder's premises to approved premises (a), approved premises (b) and return shall only be undertaken using a secure transport vehicle.
- 2. Transport shall be via the most direct route.
- 3. Prior to leaving and then on arrival at destination the permit holder shall notify Senior Inspector, Rob Bowman 0411 139 579 of the movement.
- 4. The permit holder shall maintain a movement register that specifies date and time of departure; departure location; responsible persons involved; no. of pots; no. of plants; date and time of arrival; arrival point. The register shall be available to an authorised person on request.
- 5. Loading and unloading of plants from the secure transport vehicle to the approved premises shall be undertaken in controlled conditions that excludes unauthorised access to the plants.
- 6. The permit holder is to make provision for access to the plants at approved premises for an authorised officer to undertake compliance audits; sample plants for THC level compliance and for plant reconciliation purposes.
- 7. An authorised officer will individually identify plants at approved premises (a) following the film shoot. Plants destined for approved premises (b) shall be identified for reconciliation purposes by an authorised officer prior to departure from the permit holder's premises. All plants will be presented for reconciliation to an authorised officer on return to the permit holder's premises.
- 8. During display and retention at approved premises the permit holder shall ensure the plants are at all times held under secure conditions and in the control of a responsible person or Site Security and that no access is available to the public or unauthorised person.
- 9. Plants under display at approved premises (b) shall be accompanied by signage that clearly states the Plants are low-THC industrial hemp displayed under approval by NSVV Dept. of Primary Industries along with the words Strictly No Access.
- 10. The permit holder is permitted to prune plants as he sees fit (unless such pruning interferes with any identification mark on the plant made by an authorised officer). All prunings are to be securely retained by the permit holder and presented for inspection by an authorised officer on request.
- 11. If at any time during transport, retention or display the permit holder, a responsible person or Site Security becomes aware of or suspects the Plants have been accessed by an unauthorised person the permit holder must immediately inform Senior Inspector, Rob Bowman 0411 139 579.
- 12. If at any time during transport, retention or display security of the plants is impacted by an accident or emergency the permit holder must as soon as practicable inform Senior Inspector, Rob Bowman 0411 139 579.

- 13. This permit must be carried by the permit holder or responsible person in control of the Plants at all times and be available on request to an authorised officer or Police Officer.
- 14. Nothing in this permit limits a Police Officer from taking action or making enquiries in respect to Plants being transported or retained at approved premises under conditions of this permit.

Signed Under Say







ABN 18 124 873 507

OBI

MR SAM SAMPLE **FLAT 123** 123 SAMPLE STREET THE SAMPLE HILL SAMPLE ESTATE SAMPLEVILLE VIC 3030

### Lodge your vote:



By Mail:

Queensland Bauxite Limited PO Box 114 Bondi NSW 2026 Australia

Alternatively you can fax your form to (within Australia) 02 9291 9099 (outside Australia) +61 2 9291 9099

### For all enquiries call:

(within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

**Proxy Form** XX

★ For your vote to be effective it must be received by 11:30am (EST) Sunday, 10 September 2017

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### **Appointment of Proxy**

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1

A proxy need not be a securityholder of the Company.

### Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form





View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

Review your securityholding



✓ Update your securityholding

Your secure access information is:

SRN/HIN: 19999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE MR SAM SAMPLE FLAT 123 123 SAMPLE STREET THE SAMPLE HILL SAMPLE ESTATE SAMPLEVILLE VIC 3030

ı	Change of address. If incorrect,
┙	mark this box and make the
	correction in the space to the left.
	Securityholders sponsored by a
	broker (reference number
	commences with 'X') should advis
	your broker of any changes



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		уо	ur broker of any ch	hanges.	1 999	999999	9	IIVL
Proxy	/ Form			Please mark	X to	indicate y	your di	rections
STEP 1 A	ppoint a Proxy	to Vote on Your Be	ehalf					XX
I/We being	a member/s of Que	ensland Bauxite Limited	hereby appoi	int				701
	Chairman e Meeting OR				you	ASE NOTE: Lethave selected ting. Do not ins	he Chairm	nan of the
to act genera to the extent Investor Serv	ally at the meeting on my permitted by law, as the	rate named, or if no individual r/our behalf and to vote in acc proxy sees fit) at the General 4, 60 Carrington Street, Sydne t of that meeting.	ordance with the I Meeting of Que	e following direction	ons (or if no Limited to b	directions have held at Co	ave been mputersh	given, and are
STEP 2	ems of Busines	S PLEASE NOTE: If you behalf on a show of ha						
				,			Against	
Resolution 1	Ratification of prior issu	e – Shares in consideration for	Acquisition					
Resolution 2	Creation of a new class	of securities – Performance Sh	nares					
Resolution 3	Placement – Performar	nce Shares in consideration for A	Acquisition					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Individual or Securityholder 1	Securityholder 2		Securityholde	Securityholder 3			
Sole Director and Sole Company Secretary	Director		Director/Comp	oany Secretary			
Contact		Contact					
Name		Daytime Telephone		Date	1	1	