

Tasmanian Independent Retailers

Equipment Development Fund

(EDF)



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Overview

The Equipment Development Fund or EDF is a fund that has been established by the Board of Directors of Tasmanian Independent Retailers to assist IGA retailers with the cost of purchasing eligible plant and equipment that will be used by the retailer for in store use to improve their overall standard and offer to the betterment of both the retailer and the customer.

Retailer Eligibility

Only IGA retailers that are actively trading at the time the allocation is declared and that meet the active membership provisions as per the Rules of Tasmanian Independent Retailers are eligible to participate in any allocation via the EDF in any given year.

An extract of the Active Membership Provisions as per the Rules of Tasmanian Independent Retailers is attached to this policy document as per Schedule A.

Notification of Accrued Entitlement

Tasmanian Independent Retailers will advise all eligible retailers of their accrued entitlement in the EDF within 21 days from the allocation period, being the end of Tasmanian Independent Retailers financial year end.

The accrued entitlement will include the current year's allocation, if any, in addition to any unused funds from prior allocations in the eligible retailers EDF.

A retailer can also enquire as to their current accrued balance at any time by contacting the Financial Services Department at Tasmanian Independent Retailers on 6391 0200.

Eligible Items of Plant & Equipment

A retailer may make an application to the EDF for all eligible items of plant and equipment that have been purchased on or after Friday 25 May 2007.

All applications are subject to the relevant terms and conditions of this policy document.

The specific items of plant and equipment that have been deemed eligible by the Board of Directors of Tasmanian Independent Retailers and that qualify for a distribution from the EDF are listed on Schedule B as attached to this policy document.

Cost Base for Eligible Items of Plant & Equipment

The cost base for each item of eligible plant and equipment includes the unit/s cost, installation and freight.

The retailer should claim GST Payable on the purchase of any item of plant and equipment when it lodges its monthly or quarterly BAS and as such cannot form part of the cost for the purposes of the EDF.

Entitlement & Allocation to EDF

The Board of Directors of Tasmanian Independent Retailers will review and determine the relevant percentage, if any, that will be used to calculate the allocation of the EDF on an annual basis.

The percentage, if any, that will be declared for the calculation of EDF on an annual basis will be dependent upon the upcoming capital expenditure program of Tasmanian Independent Retailers and its requirements to retain funds for future use.

Retailer Entitlements & Allocation to the EDF

A retailer's allocation via the EDF will be calculated as a percentage of its rebatable purchases for the respective allocation period.

The purchases value for each retailer will be based on eligible warehouse withdrawals ex Statewide Independent Wholesalers (excluding cigarettes), TIR Supplier Charge Through Facility and Island Fresh Produce.

A retailer's rebatable purchases will be based on the same period as that used for the Purchases Incentive Payment (PIP).

EDF Accrual Period

There is no maximum period that applies with respect to the accrual of funds by a retailer in the EDF.

The retailer will continue to accrue their entitlement until they make an application to draw down funds to assist with the purchase of eligible plant & equipment.

Please note a retailer's accrued entitlement in the EDF may be forfeited subject to forfeiture provisions as noted below.

Interest Payable on EDF

The purpose of the EDF is to encourage retailers to utilise the funds as and when they become available hence the payment of interest on accrued values is not deemed appropriate.

Plant & Equipment Ownership

The retailer will always retain ownership of any item of plant and equipment that is purchased irrespective as to whether it is funded either fully or partially by a distribution from the EDF.

From the retailers perspective the plant and equipment will be included on the asset register and depreciated in accordance with the relevant taxation requirements and laws.

Taxation Implications

From the retailers perspective all distributions from the EDF should be treated as a rebate from Tasmanian Independent Retailers and brought to account as income from an accounting / tax perspective.

All distributions from Tasmanian Independent Retailers will be subject to GST.

Retailer Applications

A retailer can apply for a distribution from their accrued entitlement in the EDF at any time to assist with the purchase of eligible plant and equipment.

A formal application must be completed and forwarded to Tasmanian Independent Retailers when requesting a drawdown of any accrued funds in the retailers EDF.

A copy of the application form is attached to this document as per Schedule C.

A copy of the invoice or formal quote for each item/s of eligible plant and equipment that relates to the retailers application must be attached to the application form.

Disbursements via the EDF

The payment of any accrued entitlement in the retailers EDF to assist with the purchase of any item/s of eligible plant and equipment will be processed via an internal credit to the retailers account with Tasmanian Independent Retailers.

The funds will be dispersed to the retailer subject to formal confirmation by TIR that the respective item of plant and equipment to which the application is made has been purchased, installed and is being used by the retailer for its said purpose.

EDF Documentation

TIR will formally advise each retailer as to whether their application has been successful or not.

If the application is successful TIR will forward the following information to retailers;

- A signed copy of the retailers completed application form reviewed and approved by the General Manager of Retailer Operations
- Details pertaining to the retailers remaining accrued entitlement in the EDF (if any) post the current payment;
- A copy of the TIR credit note;
- A copy of the Recipient Created Tax Invoice (RCTI)

If the application is not successful TIR will formally advise the retailer as to why their application was unsuccessful.

Financing of Plant & Equipment / EDF Implications

A retailer can make an application to draw down accrued funds in their EDF irrespective as to whether the plant and equipment has been purchased outright or via a finance facility.

The funds drawdown can be used by the retailer to either assist with the monthly loan repayments or conversely with the payment of any residual value or balloon that may apply at the end of the loan period.

Multiple Applications for the same item of Eligible Plant & Equipment

Tasmanian Independent Retailers acknowledges the cost of upgrading plant and equipment is very expensive and in most cases the distributions from the EDF in one year would not be sufficient to fully cover the cost of some items of plant and equipment.

Given this a retailer can apply for assistance from the EDF for the same item of eligible plant and equipment expenditure for a maximum period of 5 years.

After the 5th and final claim the retailer's entitlement in any future EDF allocations will accrue until a separate application to draw down funds to assist with the purchase of eligible plant and equipment expenditure is received by Tasmanian Independent Retailers

Request for Distribution from EDF for Non Eligible Expenditure

The purpose of the EDF is to assist retailers with the procurement of new plant and equipment that will improve the retailers overall offer and hence Tasmanian Independent Retailers will not 'cash out' a retailer's entitlement in the EDF.

Application in Excess of Accrued EDF

Under no circumstances can a retailer draw down funds in excess of their existing allocated and current period accrued entitlement.

EDF Withheld

A retailer's distribution from the EDF to assist with the purchase of eligible plant and equipment will be withheld by Tasmanian Independent Retailers if the retailer is outside of normal trading terms with either, Tasmanian Independent Retailers, Island Fresh Produce or Statewide Independent Wholesalers.

TIR will process the retailer's credit for assistance via the EDF when the retailer's account with the above entities has been within normal trading terms for a continuous period of not less than 28 days post the last breach and in accordance with the various terms and conditions of the EDF policy document.

EDF Forfeiture

A retailer will forfeit their accrued entitlement in the EDF where they no longer meet the active membership provisions as per the Rules of Tasmanian Independent Retailers (an extract of the Active Membership Provisions is attached to this policy document as per Schedule A) and have not transferred their accrued entitlement in the EDF to the incoming retailer as per the 'Deed of Covenant to Transfer the Accrued Credit in the EDF' within 21 days from the sale of business date.

A retailer will also forfeit their accrued entitlement in the EDF where they cease trading and there are amounts outstanding on their respective debtor accounts with Tasmanian Independent Retailers, Statewide Independent Wholesalers or Island Fresh Produce. Please note the amount forfeited will be limited to the value of all amounts outstanding on their respective debtor account balances for the above organisations.

Sale of Business / Transfer of Accrued EDF

Any accrued entitlement in the outgoing retailers EDF can be transferred to the incoming retailer subject to both parties signing the 'Deed of Covenant to Transfer the Accrued Credit in the EDF' as attached to this policy document as per Schedule D and forwarded to Tasmanian Independent Retailers within 21 days from the sale of business date.

The transfer of funds in this manner gives the outgoing retailer the opportunity to realise part or all of the monetary value attached to their accrued value in the EDF via a payment received from the incoming retailer.

From the incoming retailers perspective they have acquired an asset being the accrued value of the outgoing retailers EDF that can then be used by them to assist with the purchase of eligible plant and equipment subject to the terms and conditions of the EDF.

Please note - blank copies of the Deed of Covenant Agreement as mentioned above can be obtained by contacting Tasmanian Independent Retailers on 63491 0200.

Consideration Received on Transfer of EDF

The consideration received by an outgoing retailer for its value in the EDF is subject to negotiation between the two parties and would not involve Tasmanian Independent Retailers.

From Tasmanian Independent Retailers perspective we would consider it most likely that the consideration agreed to by both parties would be based on a discounted value of the actual accrued entitlement of the outgoing retailers EDF as an incentive for the incoming retailer to acquire the outgoing retailers interest in the fund in the first place and secondly to provide the outgoing retailer with a benefit in cash or kind that they would not have otherwise received from Tasmanian Independent Retailers had the agreement to transfer the accrued funds not been made.

Pro Rata Entitlements on EDF re Business Sale

The policy of the Board of Directors of Tasmanian Independent Retailers is that a retailer will accrue an entitlement in the EDF where they disposed of their financial interest in a business prior to the end of the allocation period. Any accrued entitlement will be calculated post the transfer of the business when rebatable purchases are finalised.

Multiple Store Owners / Transfer of EDF

Where a retailer has a financial interest in two or more stores and one of them is sold to a third party or is closed, the retailer can request their accrued value in the EDF for the store that has been sold or closed be transferred to the EDF entitlement for another store that they have a financial interest in subject to that store being eligible to participate in the EDF as per the terms and conditions of this policy document.

Dispute Resolution Procedures

All applications for a withdrawal from the EDF will be assessed by the General Manager, Retail Operations and Developments and approved by the Chief Executive Officer.

Any disputes that may arise, whether it be with respect to an unsuccessful application for assistance from EDF or any other issue will be considered and a determination made by the Chief Executive Officer of Tasmanian Independent Retailers and the Chairman of the Board on behalf of the Directors of the group.

If this determination is not acceptable to the retailer the matter will be referred to the Board of Directors of Tasmanian Independent Retailers whose decision will be final and binding upon all parties.

TIR Contact Details

All inquiries regarding the EDF and the applications should be directed to;

Mr. Craig Smith
General Manager - Retail Operations and Development
Tasmanian Independent Retailers
Locked Bag 4
LAUNCESTON TAS 7250

Ph: 03 6391 0200
Fax: 03 6391 0299
Mobile: 0438 432 086
Email: craig.smith@igatas.com.au

Mr. Daniel Milner
Financial Accountant / Company Secretary
Tasmanian Independent Retailers
Locked Bag 4
LAUNCESTON TAS 7250

Ph: 03 6391 0200
Fax: 03 6391 0299
Email: daniel.milner@igatas.com.au

Disclaimer

The Board of Directors of Tasmanian Independent Retailers reserves the right to amend this policy document at any time and further reserves the right to withhold or forfeit the payment to a retailer where its deems the application is outside of the terms and conditions of this policy document or not within the spirit of the Equipment Development Fund.

Where the policy document is amended a revised version will be forwarded to all eligible retailers within 21 days of any amendment/s being made.

Schedules

Schedules Attached to this Policy Document

Schedule A	Extract from Rules regarding Active Membership Provisions
Schedule B	Schedule of Eligible Plant & Equipment Purchases
Schedule C	Retailer Application Form (5 blank copies are attached)
Schedule D	Sample Deed of Covenant to Transfer Accrued Credit in EDF (Please contact TIR on 6391 0200 for blank copies)

**Tasmanian Independent Retailers
Equipment Development Fund**

Schedule A

Extract from Rules regarding Active Membership Provisions

Part 3

Active membership requirements –

It is sufficient to establish active membership of the cooperative for a member to:-

Have the member's application for membership accepted by the Board; and
Hold any required shareholding in accordance with these Rules; and
Conduct a retail business trading under any one of the "advertised banners" controlled in Tasmania by the Cooperative and in the course of that business, sell goods and/or services to members of the public; and
Purchase from the cooperative (or via the cooperative as a result of any arrangement made by the cooperative with any other entity) goods and/or services for retail sale in that member's retail business, in an amount of at least \$50,000 (adjusted from time to time by the Board for inflation in accordance with the Consumer Price Index No. (all groups) for Hobart) each financial year of the cooperative (or pro-rata in the event of membership for only a part of the cooperative's financial year).

Tasmanian Independent Retailers Equipment Development Fund

Schedule B

Eligible Plant & Equipment Purchases

Please note;

The cost base of all items of eligible plant & equipment expenditure includes freight and installation where applicable. Service and maintenance agreements are specifically excluded as eligible expenditure and cannot be claimed via the EDF program.

Refrigeration Cases

- STD Delicatessen / Hot Delicatessen Cases
- Produce Cases - Plumbed In / Plug In
- Meat Cases
- Dairy Cases
- Freezer Cases - Upright / Coffin Style
- Remote Motors to Run Refrigeration Cases Plumbed in
- Cheese Cases Freestanding - Plumbed in / Plug in
- Freezer Room For Use As Straight Freezer Room or Display Cabinet & Back Fill
- Cool room For Use As Straight Cool room or Display Cabinet & Back Fill
- Extra Shelves, Brackets & Night Blinds Plus Front Gates Are Available
- Recoating of Existing Wire Shelving in Refrigeration Units

Delicatessen

- Roto Chicken Oven / Combination Oven / Stainless Steel Stands
- Par Bake Bread Ovens / Bread Ovens / Display Cabinets
- Delicatessen Slicers Automatic / Gear & Belt Drive
- Delicatessen Sandwich Display / Preparation Stand
- Industrial Ice Machine
- Industrial Coffee Machine
- Industrial Dish Washer - Flow Through / Under Bench
- Delicatessen Scales Integrated / Non Integrated
- Hot Pizza Ovens / Hot Pie Ovens
- Robo Coupe Salad Chopper / Maker
- Plastic Film Wrapper / Sealer - Cheese Wire Cutter
- Under Deli Display Units (grocery stock)
- Stainless Steel Benches / Sinks / Preparation Area's

Produce (Fruit & Vegetable)

- Pine Produce Bins Plus Hips & Slopes
- Metal / Wooden Dry Produce Units
- Plastic Film Wrapper / Pumpkin Cutter Stainless Steel
- Fruit & Veg Scale - Integrated / Non Integrated
- Case Water Misting Systems for Plumbed in Cases
- Stainless Steel Benches / Sinks / Preparation Area's

Red meat & fresh chicken

- Super Sealer Wrapping Unit / Conventional Film Wrapping Unit
- Bloom Box Trolleys / Stainless Steel Trays
- Cryovac Machine / Sausage Machine
- Mincer Unit / Pickling Pump / Pickling Brine Bin
- Bandsaw / Stainless Steel Cutting Table
- Meat Scales - Integrated / Non Integrated
- Stainless Steel Benches / Sinks / Preparation Area's

Bakery

- Film Wrapping Unit
- Bread Cutting Machine
- Bakery Scales - Integrated / Non Integrated

Waste Management Equipment

- Base Press For Cardboard & Plastic

Doors & Entrance Ways

- Entrance Doorways
- Self Opening Doors
- Plastic Swinging Storeroom Doors

Shelving / Shop Fitting

- New Shelving Options To Suit The Application Needed & Accessories
- Second Hand Shelving - Assessed On Application
- New Bread Racks Metal / Wooden Surrounds
- Dense End Units / Single Sided Ends / 4 Way Display Units
- General Display Stands
- Magazine / Card Stands / Wire Display Bins
- Flower Stands / Acrylic Gravity Feed Bins

Checkouts

- All Styles Of Checkout Configurations
- Self Opening Gates

- Chrome Metal Railings / Trolley bays / Front Checkout Gates
- Wooden / Glass Walls for Department Separation (sizes limited)

Trolleys

- Shopping Trolleys / Baby Seats / Stock Trolleys
- Hand Baskets / Hand Basket Stands
- Safety Steps / Ladders / Floor Signage
- Pallet Lifters / Ride on Fork Lifts Styles Available

Data stripping /hooks

- Data Stripping Shelving / Refrigeration / Inserts
- Peg Board / Mesh Backs / Slat Wall / Heavy Duty Hooks

Rubber mats

- Rubber Mats / Rubber & IGA Entrance / Anti Static Checkouts

Store signage

- Aisle Signage / IGA Confute Signage
- Internal Wall Murals / Department Signage

Internal signage

- Internal Walls / Bulkheads / Department Walls
- Front Window Sign Work / Front Of Store Paint Out
- Internal Store Paint Out
- External Building Sign Work Not Including The IGA Branding
- External Store Paint Out

Please note:

IGA is a Registered Trade Mark and can only be reproduced by TIR's Authorised nominated sign writer.

Store ceilings

- Full Suspended Ceilings and Replacement Tiles

Store lighting

- Full Update of Fluorescent Tubes / Starters / Ballasts

Flooring and Tiling

- Floor Tiling Options (Armstrong PVC Tiling)
- Sheet Vinyl Flooring / Non Slip Vinyl

- Wall Tiles in Preparation Areas / Vinyl Coverings For Walls In Preparation Areas

Scanning systems

- Only 3 Major Scanning Systems
 - Postec Solutions
 - World Smart Retech
 - Scanning Systems Australia

Ordering units

- Symbol / Telxon Ordering Units & Accessories
- In Store PA Systems

Security Systems

- Surveillance Style - Mirrors - Cameras etc.

Tasmanian Independent Retailers Equipment Development Fund

Schedule C

Retailer Application Form – Sample Only

Tasmanian Independent Retailers Coop Soc Ltd
Application for Withdrawal of Funds by an Eligible Retailer from the TIR Business Development Fund Program

Section 1 - Retailer / Contact Details	
Store Number	_____
Store Name	_____
Store Address	_____ _____ _____
Contact Details:	_____ Phone: _____

Section 2 - Plant & Equipment / In Store Improvement Details	
Description of new plant & equipment / In store improvement/s (please attach copy of quote / invoice).	
Estimated Cost (Exc GST)	\$ _____
Has the item of plant & equipment been purchased and installed / In store improvements completed?	Yes / No
If yes on what date?	____ / ____ / ____
If applicable does the new item of plant & equipment replace an existing item/s?	Yes / No
Has the plant & equipment / In store improvements been financed?	Yes / No
Would you like future BDF distributions to assist with the purchase of this plant & equipment / In store improvements?	Yes / No
If yes, over how many periods?	1 / 2 / 3 / 4 / 5
<i>Please Note - Maximum period is 5 years or until the full cost of the eligible expenditure has been reimbursed</i>	

Section 3 - TIR Office Use			
TIR Ref #: _____			
Application Reviewed By:		Application Authorised By:	
Name:	_____	Name:	_____
Signed	_____	Signed	_____
Date:	____ / ____ / ____	Date:	____ / ____ / ____
Accrued BDF Balance at Time of Application		\$ _____	
Distribution / Payment Details			
Payment Year 1: credit date:	_____	Credit #:	_____ Amount: \$ _____
Payment Year 2: credit date:	_____	Credit #:	_____ Amount: \$ _____
Payment Year 3: credit date:	_____	Credit #:	_____ Amount: \$ _____
Payment Year 4: credit date:	_____	Credit #:	_____ Amount: \$ _____
Payment Year 5: credit date:	_____	Credit #:	_____ Amount: \$ _____
Total Payments (Exc. GST)		\$ _____	
Cost of Plant & Equipment (Exc. GST)		\$ _____	
Net Cost to Retailer (Exc. GST)		\$ _____	

Please forward completed forms along with supportive documentation if applicable to:

The General Manager - Retail Operations & Development
Tasmanian Independent Retailers
Locked Bag 4
Launceston Tas 7250

**Tasmanian Independent Retailers
Equipment Development Fund**

Schedule D

Sample Deed of Covenant to Transfer Accrued Credit in EDF

DEED OF COVENANT TO TRANSFER ACCRUED CREDIT IN EQUIPMENT DEVELOPMENT FUND

BETWEEN

TASMANIAN INDEPENDENT RETAILERS COOPERATIVE SOCIETY LIMITED
("T.I.R.")

AND

JOHN SMITH
("OUTGOING RETAILER")

AND

PETER BROWN
("INCOMING RETAILER")

ARGYLE LAW
Lawyers and Consultants
171 Davey Street, Hobart, Tasmania
Phone: 03 6223 4245
Fax: 03 6223 2299
Email: ian.argylelaw@beyondpr.com.au
Ref: Prof. Ian Duncan

*DEED OF COVENANT
TO TRANSFER EQUIPMENT DEVELOPMENT FUND ACCRUED CREDIT*

THIS DEED OF COVENANT TO TRANSFER EQUIPMENT DEVELOPMENT FUND ACCRUED CREDIT is made on the date set out in Item 1 of the Schedule .

BETWEEN: **Tasmanian Independent Retailers Cooperative Society Limited** ("TIR") of 5 Trotters Lane, Prospect, Tasmania. 7250

AND: **John Smith** ("Outgoing Retailer") of 36 Wood Street, Suburbia, Tasmania. 7123.

AND: **Peter Brown** ("Incoming Retailer") of 21 Water Street, Suburbia, Tasmania. 7124.

RECITALS: -

- A. TIR operates a Equipment Development Fund under which a TIR member retailer can, in accordance with the terms and conditions of the Equipment Development Fund, accrue notional credit amounts awarded by TIR to the member retailer in accordance with the Equipment Development Fund, to be applied by the TIR member retailer to acquire business equipment for the TIR member retailer's retail business.
- B. The Outgoing Retailer is a member of TIR and is the proprietor of the retail business known as "Festival IGA Suburbia" located at 36 Wood Street, Suburbia, Tasmania, ("the Retail Business") and has entered into a written agreement dated 20 July 2007 ("the Sale of Business Agreement") to sell the Retail Business to the Incoming Retailer and has, in relation to the Retail Business, accrued an amount of credit under the Equipment Development Fund.
- C. The Incoming Retailer has entered into the Sale of Business Agreement to buy the Retail Business from the Outgoing Retailer.

The parties are desirous of transferring on the date of completion of the Sale of Business Agreement, and have agreed to transfer from the Outgoing Retailer to the Incoming Retailer on the date of completion of the Sale of Business Agreement, the Outgoing Retailer's accrued amount of Equipment Development Fund credit relating to the Retail Business and to assign to the Incoming Retailer the whole of the Outgoing Retailer's interest and entitlement in the said accrued amount of credit under the Equipment Development Fund.

The parties have agreed that separate and apart from any consideration passing under the Sale of Business Agreement, the Outgoing Retailer and the Incoming Retailer may agree a consideration to pass from the Incoming Retailer to the Outgoing Retailer in consideration of the transfer to the Incoming Retailer of the Outgoing Retailer's accrued credit under the Equipment Development Fund.

AGREEMENT:

In consideration of the mutual covenants in this Deed the parties agree as set out in this Deed, including the above recitals (which the parties agree are true and correct) and this operative part.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless a contrary intention appears in this deed, the following expressions shall have the meanings respectively assigned to them: -

"TIR" means Tasmanian Independent Retailers Cooperative Society Limited and includes:-

- (a) if TIR is a corporation, its successors and permitted assigns; and
- (b) if TIR is a natural person, their personal representatives, successors and permitted assigns and each of their personal representatives

"Transfer Date" means the date of completion of the Business Agreement (as also set out in item 2 of the Schedule) or such other date as may be agreed in writing between TIR and the Outgoing Retailer and the Incoming Retailer or their respective legal representatives.

"Outgoing Retailer" means, and includes: John Smith of the above address and includes;

- (a) if the Outgoing Retailer is a corporation its successors and permitted assigns; and
- (b) if the Outgoing Retailer is a natural person, his personal representatives, successors and permitted assigns and each of their personal representatives.

"Incoming Retailer" means, and includes: Peter Brown of the above address and includes;

- (a) if the Incoming Retailer is a corporation its successors and permitted assigns; and
- (b) if the Incoming Retailer is a natural person, his personal representatives, successors and permitted assigns and each of their personal representatives.

"Equipment Development Fund" means and includes the fund of that name as established and operated by TIR and as may be varied by TIR from time to time and includes any and all terms, covenants, conditions, provisos, stipulations, restrictions, obligations, powers, rights, remedies or like provisions of the Equipment Development Fund which are to be observed and/or performed by any member of TIR and/or any other person or entity, whether express or implied, whether positive or negative.

1.2 Implied Definitions

Unless a contrary intention appears in this deed, any expression used and not defined in this deed shall have the meaning (if any) assigned to such expression in the Equipment Development Fund or in the Rules of TIR.

1.3 Interpretation

Unless a contrary intention appears in this deed, a reference to:

- (a) a clause or schedule is to a clause or schedule in this deed;
- (b) the singular includes the plural and vice versa;
- (c) any gender includes all other genders;
- (d) a person includes a corporation and an association whether incorporated or not and vice versa;
and
- (e) an item number is to an item number in the schedule 1.

1.4 Headings

The clause headings appearing in this deed are inserted for convenience of reference and shall not affect the construction of this deed.

1.5 Governing Law

Notwithstanding the residence or domicile of any party to this deed, this deed shall be governed by and construed in all respects in accordance with the law of Tasmania.

2. MUTUAL COVENANTS

2.1 TIR's Agreement and Consent

TIR agrees and consents to the transfer from the Outgoing Retailer to the Incoming Retailer, on the Transfer Date, of the Outgoing Retailer's accrued amount of credit under the Equipment Development Fund, and TIR will as from that Transfer Date recognise that accrued amount of credit as an accrued amount of credit belonging to and being for the benefit of the Incoming Retailer.

2.2 Outgoing Retailer's Agreement and Covenant

The Outgoing Retailer agrees and consents to the transfer from the Outgoing Retailer to the Incoming Retailer, on the Transfer Date, of the Outgoing Retailer's accrued amount of credit under the Equipment Development Fund, and the Outgoing Retailer will as from that Transfer Date recognise that accrued amount of credit as an accrued amount of credit belonging to and being for the benefit of the Incoming Retailer. The Outgoing Retailer will at all times fully comply with the terms and conditions of the Equipment Development Fund.

2.3 Incoming Retailer's Agreement and Covenant

The Incoming Retailer agrees and consents to the transfer from the Outgoing Retailer to the Incoming Retailer, on the Transfer Date, of the Outgoing Retailer's accrued amount of credit under the Equipment Development Fund, and the Incoming Retailer will as from that Transfer Date recognise that accrued amount of credit as an accrued amount of credit belonging to and being for the benefit of the Incoming Retailer. The Incoming Retailer will at all times fully comply with the terms and conditions of the Equipment Development Fund.

2.4 Power of Attorney

The Outgoing Retailer and the Incoming Retailer jointly and severally hereby irrevocably nominate and appoint TIR and each and every of TIR's directors, TIR's Chief Executive Officer and TIR's solicitor, jointly and severally, as the attorney of the Outgoing Retailer and of the Incoming Retailer to:-

- (a) do such things as are necessary and reasonable to execute the transfer of the said accrued credit under the Equipment Development Fund;
- (b) generally do execute and perform any act, deed, matter or thing relative to the implementation of this Deed as fully and effectually as the Outgoing Retailer and/or the Incoming Retailer could do.

The Power of Attorney contained in this clause shall not become exercisable by TIR unless default shall have been made by the Outgoing Retailer or by the Incoming Retailer in the observance or performance of one or more of the provisions of this Deed. The Outgoing Retailer and the Incoming Retailer covenant jointly and severally to ratify and confirm all such acts, deeds, matters and things of the attorney and any substitute and to keep the attorney and any substitute indemnified for all fees, costs, charges and expenses in any way incurred or payable by any such attorney or substitute in the exercise of the powers contained in this Power of Attorney.

2.5 Deed Not to Prejudice TIR's Rights

Nothing contained in this deed shall:-

- (a) prejudice or affect any right or power or obligation which TIR has or may have pertaining to or arising from the Equipment Development Fund or the Cooperatives Act 1999 or the Rules of TIR.

2.7 Stamping of Deed

The Outgoing Retailer and the Incoming Retailer shall promptly comply with all reasonable requests from TIR or TIR's solicitors for the provision of information to facilitate the stamping of this Deed and will execute all necessary further documents and produce such evidence as may be required by the Commissioner of Revenue in relation to this Deed.

3. GENERAL PROVISIONS

3.1 Costs and Stamp Duty

TIR's reasonable costs and expenses pertaining to the preparation, negotiation and execution of this Deed shall be paid on or prior to the Transfer Date or such later date as TIR may advise in writing. The Incoming Retailer shall pay to TIR all stamp duty assessed on this Deed and any copy of this Deed or otherwise in relation to any transaction contemplated by this Deed.

3.2 Further Action

The parties hereto shall take all necessary steps to give effect to the provisions of this deed.

3.3 Jurisdiction

The parties to this deed submit to the non-exclusive jurisdiction of the Courts of Tasmania in respect of all matters arising in relation to this deed or in relation to the transaction evidenced by this deed.

3.4 Joint and several Liability

In this deed, an obligation incurred by two or more persons shall be construed as an obligation incurred jointly and severally by each of such persons.

3.5 Counterparts

This deed may be executed in any number of counterparts and by different persons on separate counterparts. All such counterparts shall together constitute one and the same instrument.

Notices

A notice pursuant to this deed must be in writing. Notices may be served:

Personally by leaving them with the party on whom they are to be served at that party's address stated above; or

By pre paid post sent to the address stated above; or

If the recipient has a facsimile facility, by facsimile (or by any other like method by which a written or recorded message may be sent) directed to the party on whom they are to be served at that party's address stated above .

Notices are not effective until actually received by the other party and any such notice is without prejudice to any other mode of receipt, deemed to be received by such other party:

If served personally when left at the address of the other party stated above;

When mailed, one business day after being put into the post addressed to such party at that address; and

If made by facsimile or any other like method upon the production to the Lessor of a transmission report by a machine from which the transmission was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient at the recipient's address stated above.

SCHEDULE 1

ITEM 1: *DATE OF DEED*

day of July, 2007.

ITEM 2: *TRANSFER DATE*

The Date of Completion of the above Sale of Business Contract made 20 July 2007 between the Outgoing Retailer (as Seller) and the Incoming Retailer (as Buyer).

ITEM 3: *THE RETAIL BUSINESS*

Known as;

Festival IGA Suburbia, located at 36 Wood Street, Suburbia, Tasmania

EXECUTED and unconditionally delivered as a Deed by the parties hereunder

SIGNED SEALED AND DELIVERED BY JOHN SMITH this

day of July, 2007 in the presence of:

)

)

)

) John Smith

A Justice of the Peace/Solicitor

SIGNED SEALED AND DELIVERED BY PETER BROWN

this day of July, 2007 in the presence of:

)

)

)

) Peter Brown

A Justice of the Peace/Solicitor

EXECUTED AS A DEED BY TASMANIAN

INDEPENDENT RETAILERS COOPERATIVE SOCIETY

)

LIMITED this day of July, 2007 in accordance

)

with Section 127 of the Corporations Act 2001:

)

Director

)

Director/Secretary