

MSF Marketing – 2020 Fixed Price Pool Terms

1 KEY FEATURES

1.1 Overview

- (i) From time to time prior to the commencement of the 2020 season MSF may offer growers the opportunity to acquire 2020 season pricing at a fixed price.
- (ii) The quantity of Fixed Price tonnage available to growers will be limited to the pool size as determined by MSF Marketing. Acquisition of the pricing by growers will be on a first come first served basis until the allocation is exhausted or the allocation period ends.
- (iii) The price outcome of the Pool will be determined by MSF Marketing.
- (iv) MSF may offer 2020 season fixed price opportunities several times prior to the commencement of the season. This will be at the discretion of MSF Marketing.
- (v) The Fixed Price Pool is a Committed ICE 11 Pool.
- (vi) Each Fixed Price offer may have a short allocation period of approximately two weeks or until the pool tonnage has been fully acquired.
- (vii) Growers will be made aware of any new Fixed Price Pool offering/s and the allocation period via MSF Cane Pay circular and/or MSF text messaging service and/or direct contact via MSF staff.
- (viii) There is no obligation for growers to participate in the Fixed Price Pool.

1.2 Application of Pricing Pool Terms

This Pricing Pool will apply to the 2020 Season and to Cane Pay Sugar for the 2020 Season.

1.3 Pool Administration

The Pool is administered by MSF Marketing. MSF Marketing is responsible for all of the administrative functions of the Pool.

1.4 Availability

The Pool is available to all growers who supply cane to the Mill Owner, who are parties to Grower Pricing Agreements and have nominated MSF Marketing as Pool Manager.

1.5 Preconditions

There are no pre-conditions to the operation of the pool.

1.6 Minimum Maximum Tonnage

- (i) The Cane Pay Sugar quantity specified in an Election

Notification in respect of the Fixed Price Pool must be a minimum and multiple of 50.8025 metric tonnes.

- (ii) Including Existing Pricing (if applicable), a grower must not allocate Cane Pay Sugar to this Pool if that allocation would result in the grower's aggregate allocations of Cane Pay Sugar to Committed ICE 11 Pools to exceed its Production Risk Exposure Limit at that time.

2 MANAGEMENT STRATEGY

2.1 Objective

The aim of this Pool is to allow growers to influence the price they are paid for Cane supplied to the Mill Owner during the 2020 Season by fixing AUD equivalent ICE 11 prices for Cane Pay Sugar allocated to this Pool.

2.2 Management Parameters

The Pool Manager is able to use the following derivatives in managing the Pool: ICE 11 futures contracts, foreign exchange contracts, option contracts and structures (both currency and commodity) and raw sugar commodity swaps (both AUD and USD denominated).

3 KEY CHARACTERISTICS

3.1 Marketing Responsibilities

MSF Marketing will undertake the physical export marketing of Cane Pay Sugar and Mill Margin Sugar in the Pool.

3.2 Futures Exposures

The ICE 11 futures exposures of the Pool will be determined by the MSF Marketing sales program and may vary depending on circumstances.

3.3 Supply Obligations

- (i) The Pool is a Committed ICE 11 Pool which means that if a grower allocates Cane Pay Sugar to the Pool and it is priced in accordance with these Pool Terms, the grower is required to deliver sufficient Cane to the Mill Owner to produce the relevant Cane Pay Sugar.
- (ii) In the event that a grower is unable to meet this commitment, the financial consequences for the grower will be determined in accordance with the grower's Grower Pricing Agreement (which includes, for example, the triggering

of Close-Out Losses or Close-Out Profits).

- (iii) The financial consequences associated with the failure of a grower to supply required Cane will not impact other participants in the Pool.

3.4 Costs of Pool Operation

Costs and expenses associated with the operation of the Pool will be allocated to the Pool in accordance with the Pool Manager's Shared Pool Terms (as applicable to the relevant Pool participant).

Pool Administration Fee. All growers for whom MSF Marketing is the Pool Manager will share in the cost to administer and manage grower Cane Pay Sugar allocations through MSF Marketing's Shared Pool. As such, a separate fee to administer and manage grower Cane Pay Sugar allocations is not charged to those growers.

3.5 Cane Pay Advances

Advance payments for Cane supplied by a grower will be made on the basis of and in accordance with its Cane Supply Agreement.

4 RISK PROFILE

4.1 Price Risk

There is no Price Risk for growers who participate in this pool. The advertised fixed price is guaranteed and will not change.

4.2 Production Risk

- (i) The production risk for a grower is higher in respect of this Pool when compared to Non-Committed ICE 11 Pools due to the grower having to commit Cane to produce the Cane Pay Sugar allocated to the Pool before it is actually produced.
- (ii) In the event that a grower is unable to meet this commitment, the financial consequences for the grower could include Close-Out Losses.

4.3 Audit

The Net Pool Price and MSF Marketing's adherence to the Risk Management Policy will be independently audited on the basis determined by MSF Marketing from time to time in consultation with a panel of growers established for the purpose of providing a single point of reference for such transparency related matters (Grower Reference Panel).

5 DISCLAIMER

5.1 Limitation

To the extent permitted by law, MSF Marketing is not liable for and disclaims all liability for any Loss suffered or incurred by any person which arises out of these Pool Terms, and whether the Loss arises as a result of any negligence by MSF Marketing or any other cause.

5.2 Release

The grower releases MSF Marketing and its officers, directors, employees, agents or related bodies corporate from its liability for any Loss suffered by the grower arising out of these Pool Terms.

5.3 Indemnity

The grower indemnifies MSF Marketing against all liability or loss in relation to, or in connection with or as a result of a breach of these Pool Terms.

5.4 AFSL

The grower acknowledges that:

- (i) MSF Marketing does not hold an AFSL; and
- (ii) within a reasonable period before these Pool Terms were entered into, MSF Marketing informed the grower that MSF Marketing did not hold an AFSL.

5.5 Reliance on Information

- (i) MSF Marketing may, from time to time, provide the grower with information, documents, statements, opinions and data (both in written and oral form) in relation to Cane and sugar pricing, including in relation to this Pool (Information).
- (ii) MSF Marketing and its Related Bodies Corporate, directors, officers,
- (iii) employees or representatives do not make any representation or warranty, express or implied as to the currency, accuracy, reliability or completeness of the Information.
- (iv) The grower acknowledges and agrees that:
 - A. it must make and solely rely upon its own independent investigation, judgment and assessment of the Information;
 - B. it will obtain its own independent legal, financial and other advice in relation to the content of the Information; and
 - C. MSF Marketing and its Related Bodies Corporate, officers, employees, independent contractors and representatives do not accept liability for any reliance placed on the Information by the grower.

(v) The grower is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of these Pool Terms.

(vi) The grower is capable of assuming, and assumes, the risks of or in any way connected with these Pool Terms and amongst other risks, understands that past performance of the Pool is not indicative of future performance.

6 INTERPRETATION AND RELATED DOCUMENTS

6.1 This document is to be read in conjunction with the following documents:

- (i) The relevant grower's Grower Pricing Agreement;
- (ii) The relevant grower's Cane Supply Agreement; and
- (iii) Pricing Pool Terms for MSF Marketing Pricing Pools.

6.2 Capitalised terms not otherwise defined in these Pool Terms have the same meaning as in the relevant grower's Grower Pricing Agreement.

6.3 A reference to Cane Pay Sugar is a reference to Cane Pay Sugar of all growers for whom MSF Marketing is the Pool Manager under their respective Grower Pricing Agreements unless the reference is to that of a specific grower only.

