

MSF Marketing – 2025 Late Season Pool Terms

1 KEY FEATURES

1.1 Overview

- (i) The 2025 Late Season Pool (**Pool**) is an in-season ICE 11 Pool.
- (ii) This pool is MSF Marketing's Default Pool and is managed having regard for production variations.
- (iii) Any Cane Pay Sugar and Mill Margin Sugar¹ produced during the 2025 Season and not allocated to the US Quota Pool, Committed ICE 11 Pools or ICE 11 Pools comprising Mill Margin Sugar only (**Mill Owners' Pools**) is allocated to the 2025 Late Season Pool.
- (iv) All growers for whom MSF Marketing is the Pool Manager under their respective Grower Pricing Agreements and mill owners whose sugar production is marketed by MSF Marketing (Mill Owners), will receive the same Late Season Pool price.
- (v) The gross price achieved in respect of the Pool for the 2025 Season will be derived from a combination of price outcomes achieved from the ICE 11 futures market including those associated with aligning ICE 11 pricing positions with the ICE 11 exposures arising from raw sugar sales, converted from US dollars (USD) to an AUD return, adjusted after deducting the direct costs for the Pool determined in accordance with these Pool Terms, expressed on an AUD per tonne IPS basis (Gross Pool Price). The net price achieved in respect of the Pool will be the Gross Pool Price, adjusted after allowing for the Shared Pool allocation for the Pool determined in accordance with the Shared Pool Terms, expressed on an AUD per tonne IPS basis (Net Pool Price). As no Administration Fee is charged in respect of this Pool (see paragraph 3.7 below), the Final Pool Price for this Pool shall equal the Net Pool Price.

1.2 Application of Pool Terms

These Pricing Pool Terms will apply to the 2025 Season and to Cane Pay Sugar and Mill Margin Sugar for the 2025 Season.

1.3 Pool Manager

The Pool is managed by MSF Marketing. MSF Marketing is responsible for all of the management functions of the Pool, including decisions which determine the Net Pool Price outcome of the Pool.

1.4 Availability

This Pool applies to all growers who supply cane to Mill Owners and for whom MSF Marketing is their Pool Manager and to all Mill Owners.

1.5 Pre-conditions

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

1.6 Pricing Window

- (i) The length of time over which MSF Marketing will undertake ICE 11 pricing (**Pricing Window**) in this Pool will be determined by MSF Marketing and will vary depending on the total amount of Cane Pay Sugar priced in Committed ICE 11 Pools and the ICE 11 futures exposures arising from MSF Marketing's sales program.
- (ii) Subject to paragraph 1.6 (i), the maximum Pricing Window will be approximately 16 months: between 1 January 2025 and 30 April 2025.
- (iii) Maximum pricing volume from 1 January to 30 April 2025 is limited to 20% of estimated Pool quantity.

1.7 Mill Margin Sugar

The Pool may contain Mill Margin Sugar.

2 MANAGEMENT STRATEGY

2.1 Objective

- (i) The overall objective of the Pool is to achieve a price outcome that is reflective of returns available in the market during the Season, whilst accounting for production risk and logistical constraints. MSF Marketing aims to achieve the best price outcome within these constraints.

2.2 Management Parameters

- (i) The management of production risk within this Pool aims to mitigate the financial risks borne by all growers for whom MSF Marketing is their Pool Manager and the Mill Owners, due to potential reductions in production levels from those anticipated. The

management strategy reflects this objective.

- (ii) The Pool Manager will have price execution discretion of +/-30% of the level indicated by the Late Season Pool Neutral Profile for the raw sugar price at that time, subject also to the restrictions arising from MSF's Risk Management Policy² and which apply to pricing of this Pool.
- (iii) The conversion of net USD revenues into AUD must be in accordance with MSF's Risk Management Policy.
- (iv) The Pool Manager is able to use the following derivatives in managing the Pool: ICE 11 futures contracts, foreign exchange contracts, option contracts (both currency and commodity) and raw sugar commodity swaps (both AUD and USD denominated) as outlined in MSF Risk Management Policy.

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 Price and currency risk

MSF Marketing is responsible for managing the ICE 11 sugar price risk in USD and the associated foreign exchange management to deliver an AUD price.

3.3 Allocation Requirements

Given this is MSF Marketing's Default Pool there is no need for growers to allocate Cane Pay Sugar to this Pricing Pool.

3.4 Futures Exposures

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

3.5 Supply Obligations

There are no supply obligations associated with this Pricing Pool unless the sugar is actually produced.

3.6 Costs of Pool Operation

- (i) All costs and expenses directly associated with the operation of the Pool will be included in the calculation of the Gross Pool Price. These costs may include, but will not be limited to, the cost of buying put options, futures

¹ Mill Margin Sugar is the difference between total raw sugar production from Mill Owners' mills for the 2025 Season less total Cane Pay Sugar of all growers supplying to those mills.

² The risk management policy adopted by MSF Marketing from time to time to manage price and other risks.

- brokerage fees, and interest on margin calls.
- (ii) Any other costs and expenses associated with the operation of the Pool will be allocated to the Pool in accordance with the Shared Pool Terms.

3.7 Pool Administration Fee

Given Growers do not make allocations to this Pool, the administrative and managerial input required from MSF Marketing is relatively low. As such a fee to administer and manage Grower Cane Pay Sugar allocations (Administration Fee) is not charged by MSF Marketing for this Pool.

3.8 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.

and Mill Owners who failed to deliver Mill Margin Sugar priced via a Mill Owners' Pool, would be passed to all growers and Mill Owners via an allocation from the Shared Pool (i.e. the Shared Pool element may be significantly negative, reducing Net Pool Prices).

- (iv) Late Season Pool production risk is managed in accordance with the Risk Management Policy.

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).

employees or representatives do not make any representation or warranty, express or implied as to the currency, accuracy, reliability or completeness of the Information.

- (iii) 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.

- (iv) 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.

- (v) 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.

4 RISK PROFILE

4.1 Price Risk

- (i) Given MSF Marketing has a moderate amount of discretion on the timing of both ICE 11 and currency transactions, the price risk associated with the Pool is higher than the Passive Management Benchmark.
- (ii) Pricing is limited by the parameters of the Pool which, depending on the circumstances, may restrict the commencement of the Pricing Window.
- (iii) Price risk is managed in accordance with MSF's Risk Management Policy.

4.2 Production Risk

- (i) The lack of contractual commitment to supply sugar priced in this pool means that, depending on the total amount of Cane Pay Sugar priced in Committed ICE 11 Pools, only a limited amount of marketing and pricing may be undertaken for raw sugar in this pool prior to the season commencing. This reflects the uncertainty about the final quantity of raw sugar that will be delivered to this Pool and the production risk present in this Pool.
- (ii) If the supply of raw sugar falls below the quantity that has been priced and/or sold in this Pool then, depending on the circumstances, there may be costs to correct the export sales program.
- (iii) Any production shortfall related costs (or gains) remaining after financial compensation has been received from any growers who failed to deliver Committed Cane, Mill Owners who failed to deliver Mill Margin Sugar allocated to Committed ICE 11 Pools

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,

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.



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