

# CASH ON DELIVERY ADVANCES OPTION

You can choose to receive a higher in-season advance through the Cash on Delivery (COD) Advances Option for tonnes committed to the Call and Target Pricing Mechanisms.

## KEY FEATURES

SEASON 2024	
<b>Advances Nomination Date</b>	Nominations must be made prior to 30 April 2024 in order to receive payments under the COD Advances Option
<b>Minimum Advance Rate</b>	An advance rate which is the higher of either: <ul style="list-style-type: none"> <li>• 90% or</li> <li>• Advance rate for the Default Advances Option</li> </ul>
<b>Eligible Pricing Mechanisms</b>	<ul style="list-style-type: none"> <li>• Target Pricing Mechanism</li> <li>• Call Pricing Mechanism</li> </ul>

The COD advance rate will be at all times the greater of 90% or the percent advance rate for the Default Advances Option.

## WHY CHOOSE COD?

- Cane payments under the COD Advances Option will be made at significantly higher advance rates during the crushing season than those which have historically applied in the industry.
- Cane payments under the COD Advances Option will also be made applying significantly higher advance rates during crushing than those under the Default Advances Option.
- Competitive interest rate underlying the calculation of the Advances Finance Charge.

## NOMINATION PROCESS

If you choose the Call Pricing and/or Target Pricing Mechanisms, you can opt to be paid under the COD Advances Option by nominating individual Price Requests on GrowerWeb. You can select to have some or all of your Price Requests under the Call Pricing and/or Target Pricing Mechanisms paid under the COD Advances Option.

This decision and nomination must be made prior to the Advances Nomination Date. For the 2024 season, the Advances Nomination Date will be 30 April 2024.

Please note that at the time of nominating to the COD Advances Option, your Price Requests for the Call Pricing and/or Target Pricing Mechanisms do not need to have been fulfilled (i.e. fixed).

## ADVANCE AMOUNT AND PROFILE

The COD Advances Option sets a minimum advance rate of 90% of your COD Price for a portion of your PPA Cane Supply Tonnes. The COD advance rate will be, at all times, the greater of 90% or the percent advance rate for the Default Advances Option. We will publish advance rates to GrowerWeb monthly.

Cane payments under the COD Advances Option can only be triggered when Price Requests, that have been nominated to this Advances Option, have also been fulfilled (i.e. fixed) by the time of cane delivery.

Where Price Requests that have been nominated to the COD Advances Option have not been fulfilled at the time of cane delivery, payment will initially be made via the Default Advances Option for the relevant tonnage. However, as soon as the Price Requests are fulfilled, the next cane payment to you will be adjusted to bring season-to-date payments in line with the COD Advances Rate (i.e. up to 90%).

Please see the example COD Price calculation on the following page.

## ELIGIBLE PRICING MECHANISMS PAYABLE UNDER COD

The COD advances rate starts at 90% of the expected final COD Price. Therefore, it is only possible to offer this Advances Option when there is a known AUD/tonne sugar price at the time of payment. Therefore only the Call Pricing and Target Pricing Mechanisms qualify for payment under the COD Advances Option.

## ADVANCES FINANCE CHARGE

An Advances Finance Charge will be based on the average finance cost for COD Advances Payments made to all growers and expressed in AUD per tonne actual. The Advances Finance Charge specific to the COD Advances Option will form part of a grower's Weighted Average Advances Finance Charge, which is based on a grower's proportion of PPA Cane Supply Tonnes allocated to one or more Advances Options.

*This payment description sheet is subject to change at Wilmar's discretion and should be read subject to the current Pricing and Pooling Agreement (PPA) which contains full terms and conditions. Capitalised terms in this description sheet relate to definitions in the PPA. For a broad understanding please see the General Terms & Key Dates description sheet.*

# CASH ON DELIVERY ADVANCES OPTION

## EXAMPLE COD PRICE CALCULATION

Your COD Price, expressed in \$/tonne IPS, will be based on the portion of PPA Sugar that is allocated to the Call Pricing or Target Pricing Mechanism, where the COD Advances Option is nominated and where a Price Request has been fulfilled (see example below). Any unfulfilled Price Requests nominated to the COD Advances Option are paid under the Default Advances Option until they are fulfilled. The following example is to help illustrate how the COD Advances Option works.

Commencement of crush (not all Price Requests for Call and/or Target Pricing have been fulfilled)

PRICING MECHANISM	PPA SUGAR	GROSS POOL PRICE AUD/T ACTUAL	NOMINATED FOR COD ADVANCES OPTION
Call Pricing	304.82 tonnes	\$450	Yes
Target Pricing	100 tonnes	\$460	Yes
Target Pricing	50 tonnes	<b>Price not fulfilled (fixed)</b>	Yes
Target Pricing	50 tonnes	\$420	No
WSA Managed pool	100 tonnes	\$440	Not Applicable
US Quota Pool	23 tonnes	\$550	Not Applicable
Production Risk Pool	250 tonnes	\$435	Not Applicable

PPA Sugar nominated to the COD Advances Option = 304.82+100+50 = 454.82 tonnes

PPA Sugar available for payment via the COD Advances Option = 304.82+100 = 404.82 tonnes

The weighted average Gross Pool Price (\$/tonne) relating to those Pricing Mechanisms to be paid under the COD Advances Option = \$452.47/tonne (which is **A** in the COD Price formula below. i.e. The weighted average sugar price of the first two Price Requests nominated and fulfilled at that point in time.)

Mid-way through crush (all Call and/or Target Pricing has been fulfilled)

PRICING MECHANISM	PPA SUGAR	GROSS POOL PRICE AUD/T ACTUAL	NOMINATED FOR COD ADVANCES OPTION
Call Pricing	304.82 tonnes	\$450/t Actual	Yes
Target Pricing	100 tonnes	\$460/t Actual	Yes
Target Pricing	50 tonnes	<b>\$480/t Actual</b>	Yes
Target Pricing	50 tonnes	\$420/t Actual	No
WSA Managed pool	100 tonnes	As per relevant pool price	Not Applicable
US Quota Pool	23 tonnes	\$550	Not Applicable
Production Risk Pool	250 tonnes	\$435	Not Applicable

PPA Sugar nominated to the COD Advances Option = 304.82+100+50 = 454.82 tonnes

PPA Sugar available for payment via the COD Advances Option = 304.82+100+50= 454.82tonnes

The weighted average Gross Pool Price (\$/tonne) relating to those Pricing Mechanisms to be paid under the COD Advances Option = \$455.50/tonne (which is **A** in the COD Price formula below. i.e. The weighted average price of fulfilled Price Requests that were nominated by the grower as applicable to the COD Advances Option.)

The COD Price, expressed in AUD per Tonne IPS, is calculated as:

**(A + B – C) / IPS Conversion Factor**

where:

- A** = Weighted average price of fulfilled Price Requests that were nominated by the grower as applicable to the COD Advances Option
- B** = Relevant Allocation Account Amount
- C** = Weighted Average Advances Finance Charge (applicable to each grower)

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