

# 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 2022                 |   |
|-----------------------------|---|
| Advances Nomination Date    | Nominations must be made prior to 29 April 2022 in order to receive payments under the COD Advances Option  |
| Minimum Advance Rate        | 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> |
| Eligible Pricing Mechanisms | <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 2022 season, the Advances Nomination Date will be 29 April 2022.

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     | Price not fulfilled (fixed)   | 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     | \$480/t Actual                | 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)

*The information in this Information Sheet is general information only and does not constitute legal, taxation, financial or accounting advice. It does not take into account your personal objectives, circumstances, financial situation or needs. You should seek legal, taxation, financial and accounting advice before making any decision based on this Information Sheet and ensure that the advice is tailored to your personal circumstances. This Information Sheet is not a term sheet or Pricing Mechanism Terms for the purposes of the Pricing and Pooling Agreement (PPA) with Wilmar Sugar Australia Trading Pty Ltd to which you are a party. Full terms and conditions of the Pricing Mechanisms are set out in the term sheets or Pricing Mechanism Terms and are available on the Website. Wilmar Sugar Australia Trading Pty Ltd ACN 613 299 362 and its related bodies corporate do not warrant the accuracy or completeness of the information in this Information Sheet, in particular the accuracy of any forecasts or estimates referred to in this Information Sheet. This Information Sheet should be read subject to the current PPA and the full terms and conditions of the Pricing Mechanisms set out in the term sheets or Pricing Mechanism Terms. The PPA and the full terms and conditions of the Pricing Mechanisms set out in the term sheets or Pricing Mechanism Terms will prevail to the extent of any inconsistency over the general descriptions in this Information Sheet. To the extent permitted by law, Wilmar Sugar Australia Trading Pty Ltd, for itself and for the benefit of its related bodies corporate, exclude all liability in respect of any implied guarantee or warranty in respect of this Information Sheet and any decision based on it.*

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