PRICING & MARKETING GUIDEBOOK
2020 SEASON

wilmar

YOUR WILMAR MARKETING OPTIONS

When you choose Wilmar as your GEI Marketer you have access to an exclusive package of payment and pricing options, designed with flexibility in mind. You can choose the arrangements that best suit your individual needs and equip you for the changing demands of the season. We understand you want managing your business to be as quick and simple as possible.

PAYMENT

CASH FLOW FLEXIBILITY

Options to boost or defer your cash flow, when you often need it most -

- Pre-season Payment gives you up to $5/tonne of cane in March
- Deferred Advance delays your first season payment until after 1 July
- Default option provides payments as usual based on the default seasonal advance rate

CASH ON DELIVERY

Get a higher advance rate during the crush -

- Receive 90% of your nominated filled order value on delivery
- Opt to have some or all of your call and target price requests paid at the higher rate

PRICING

GROWER-MANAGED PRODUCTION RISK SCHEME

Manage the price outcome for almost 100% of your GEI Sugar -

- No tonnage in Wilmar's Production Risk Pool
- Still share in the US Quota
- Ability to price up until April in the following year

CROP RISK MANAGEMENT

Choice of options to best suit your circumstances -

- **Cancel** any unfilled price requests
- **In-season washout** against current A$/tonne market value
- **End of season washout** against current A$/tonne market value
- **Roll** filled price requests to a future season

You also have access to

CALL AND TARGET: Allocate up to 70% of your exposure to these familiar pricing tools. Change and manage your orders online whenever suits you, 24/7.

INFORMATION PORTAL: Simply and securely share reports with your accountant.

ADVANCED CASH FLOW FORECAST: Captures all of your pricing decisions and tests the impact on your business of a wide variety of scenarios.

GROWER MARKETING TEAM: Experienced finance and agribusiness professionals in your region.

With Wilmar you can be confident that your sugar price will be based on your own pricing and payment decisions. You'll receive the cost or benefit of your **own** choices and you won't be impacted by other growers.

A MESSAGE FROM DAVID BURGESS

As we prepare our marketing offer for the 2020 season we are continually working to deliver an outstanding package to growers who choose Wilmar as their Grower Economic Interest (GEI) Marketer. We are proud that Wilmar has continued to innovate in the grower pricing, pooling and marketing space.

Wilmar has also stepped up its competitive offer for GEI sugar nominations with the 2020 Nomination and Referral Bonus Program, which offers cash bonuses for new GEI marketing nominations and referrals. There is also a loyalty reward for GEI marketing customers who nominated Wilmar in 2019 and again in 2020. The bonuses and rewards are funded by Wilmar, not pools or other growers. This program has been designed to give growers even more reasons to choose Wilmar's highly competitive market offering and give us a go in 2020.

With Wilmar, you can price more of your sugar exposure than with any other marketer. You can also be confident that your sugar price will be based on your own pricing and payment decisions. This means you'll receive the cost or benefit of your own choices and won't be impacted by the choices of other growers.

As with every Guidebook, you'll find reminders of key dates, details of our competitive pricing, pooling and payment options, and information sheets to help you better understand the products available. While we have tried to ensure it covers all the key provisions you will need to know, the Guidebook provides general information only and should be read in conjunction with Wilmar's Pricing and Pooling Agreement.

On page 2, you can find a handy timeline of the key dates to keep in mind for the 2020 season. You can refer to our pricing map on page 3 for a visual of your pricing windows. Understanding when we price our different mechanisms may help you better decide how and when to price your available tonnage to best suit your business.

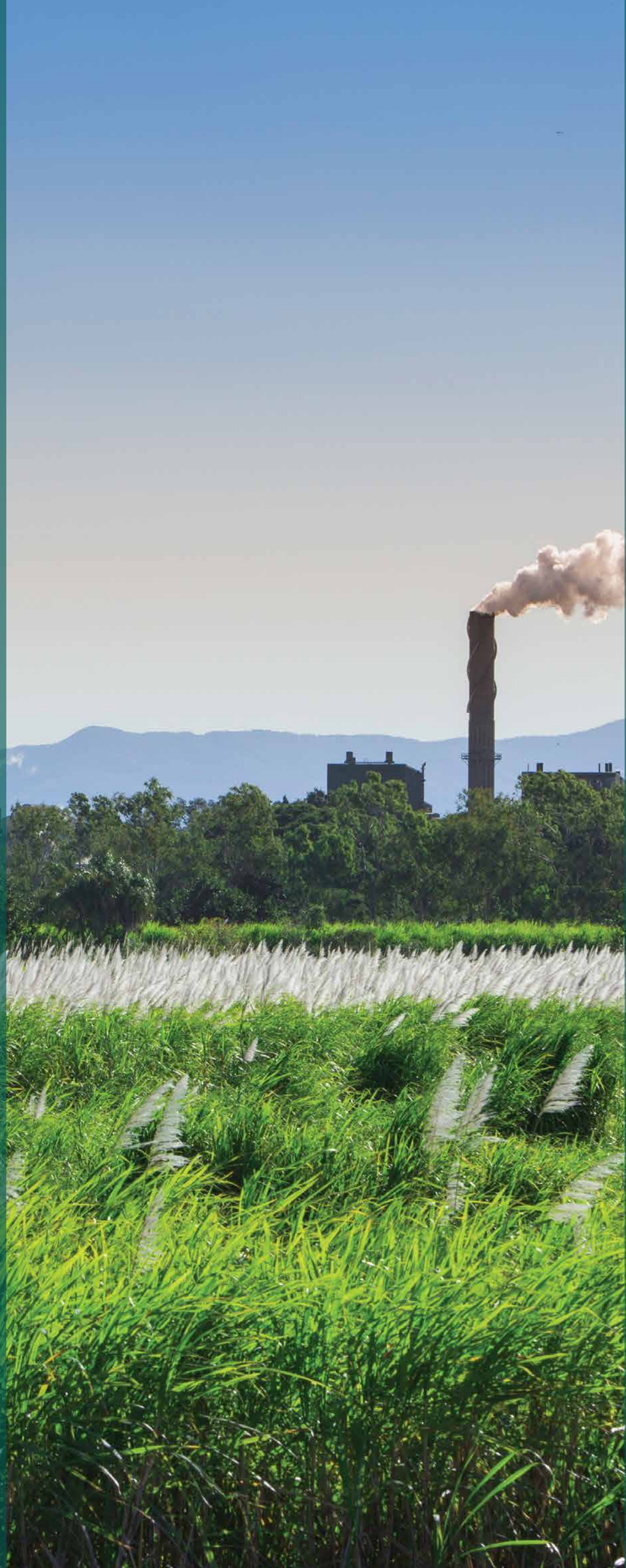
Our experienced Grower Marketing Team is on hand year-round to receive your feedback, answer your queries and help you prepare for the various marketing, pricing and payment decisions ahead. Our expert consultants will support you with personalised service, whether it be in the office, on the phone or on-farm. Please don't hesitate to contact them.

Yours sincerely,

David Burgess
General Manager – Marketing

Inclusions	Features
Pooling and pricing options	• Manage your full price outcome for almost 100% of GEI Sugar with the Grower-Managed Production Risk Scheme • Forward Pricing Mechanisms (i.e. Call and/or Target Pricing) and committed tonnage managed pools, which you can choose to participate in at your discretion • Production Risk Pool, to manage the risk of crop variability • US Quota Pool, enabling you to participate in more remunerative returns usually associated with sales of sugar to the USA • Use of GrowerWeb, Wilmar's web-based system, to nominate the pricing and pooling options appropriate to your situation
Premiums	• Net premiums actually achieved by the Wilmar Group for the sale of physical raw sugar • Fixed net premium offers, which Wilmar might make available from time to time
Payment options	• Pre-season Payment prior to start of the season, to assist with the costs of planting • Deferred Advances Option to delay payment until after 1 July • Cash on Delivery Advances Option that offers an increased initial advance on forward pricing, when compared with the Default Advances Option • Default Advances Option starting at 65% of estimated net sugar price
Reporting	• Reports on the performance of pools and pricing mechanisms • Access to Wilmar's cash flow forecast tool via GrowerWeb
Audit reports	• Annual audit will be completed • The audit statement will be made available to growers
Support and market information	• Grower Marketing Team members in all regions, with support from GM Marketing, Grower Marketing and Pricing Manager, Risk Manager and Wilmar's Market and Analysis team based in Geneva and Singapore

Please note: Throughout the Guidebook, 'Wilmar' refers to our GEI marketing entity, Wilmar Sugar Australia Trading.



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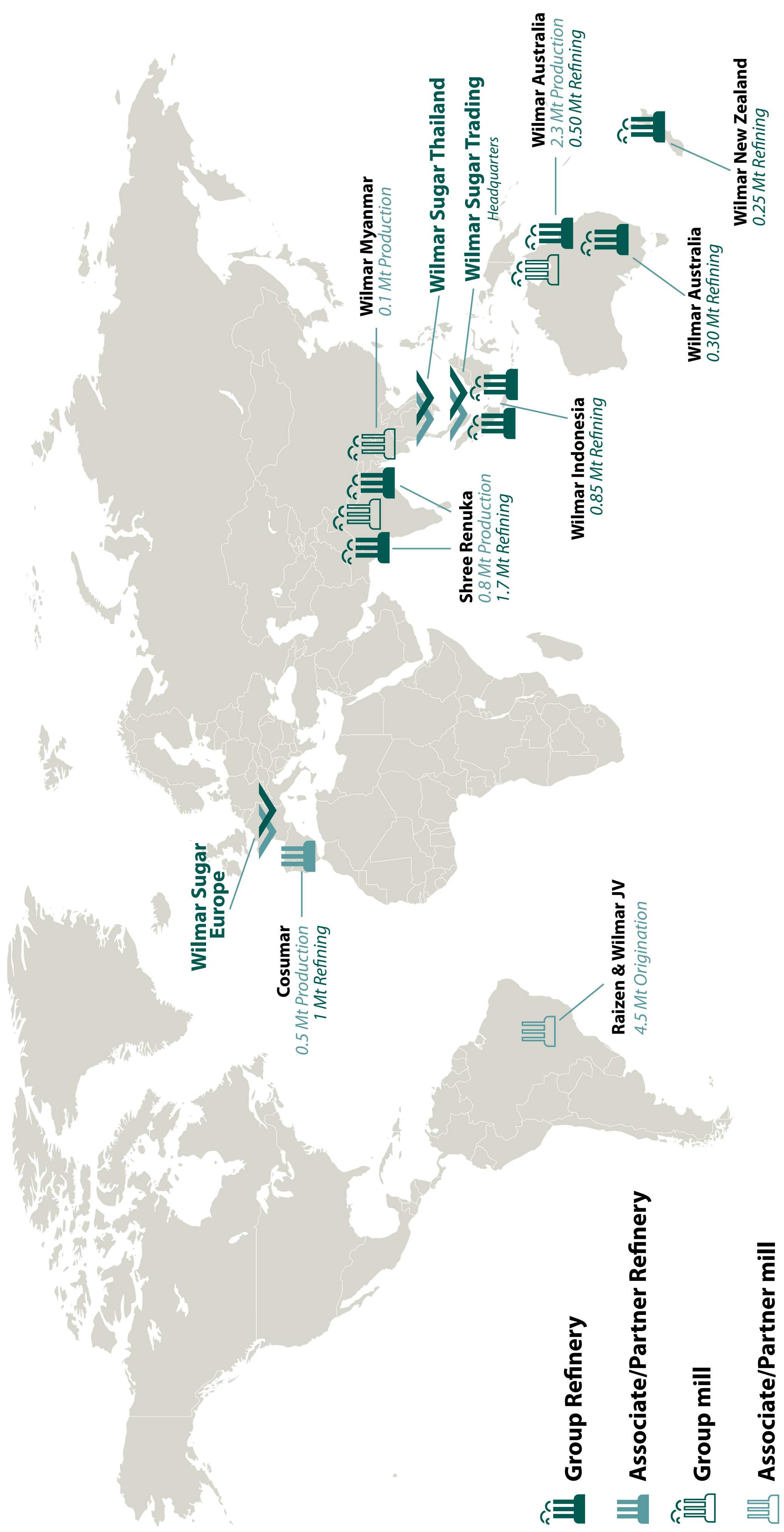
WILMAR SUGAR GLOBAL FOOTPRINT



YOUR 2020 SEASON TIMELINE

Know your key dates for the season ahead with Wilmar as your GEI Marketer.

31 October 2019 – Marketing Nomination Date

28 February 2020 – Pre-season Payment Nomination Date

30 April 2020 – Pricing and Advances Nomination Date
Including Grower-Managed Production Risk Scheme (GMPRS)

7 – 15 May 2020 – GMPRS confirmation period

16 May 2020 – GMPRS pricing begins

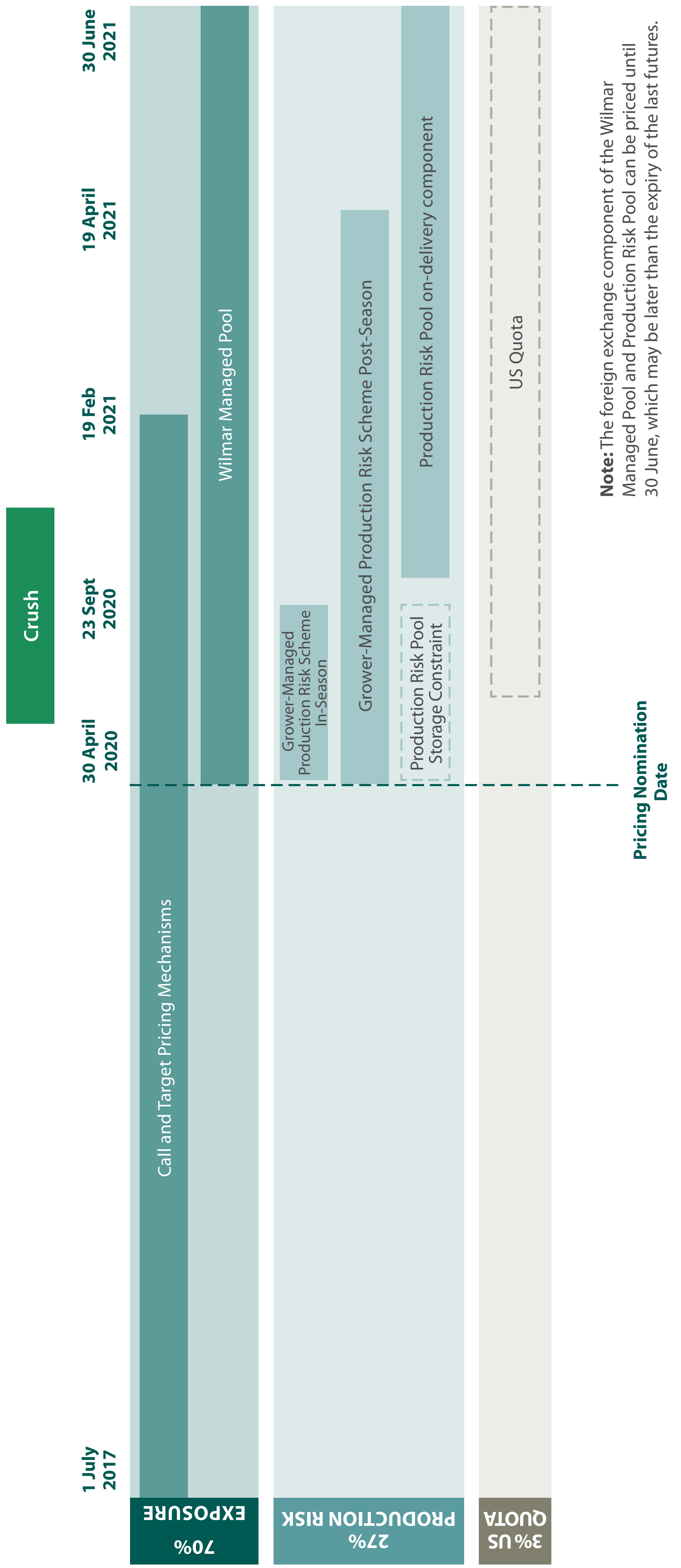
23 September 2020 – GMPRS In-Season Target Pricing Completion Date

19 February 2021 – Pricing Completion Date
For call and target price

19 April 2021 – GMPRS Post-Season Target Pricing Completion Date

PRICING TIMELINE: 2020 SEASON

With Wilmar, you can price more of your sugar exposure than any other marketer. Price up to 70% using our standard options, or 97% via our Grower-Managed Production Risk Scheme. Knowing your pricing windows, and when we price our different mechanisms, may help you decide how and when to price your available tonnage to best suit your business.



1 GENERAL TERMS & KEY DATES

Below are some general terms that should help you while reading our Pricing and Marketing Guidebook.

We have also listed the key dates you should keep in mind while working through it.

The descriptions of these general terms are simplified versions of those definitions that appear in Wilmar's Pricing and Pooling Agreement (PPA). As well as referring to the PPA for full definitions, you may find our General Terms and Key Dates information sheet (page 22) useful.

1.1 GENERAL TERMS

Allocation Account Amount: An amount in AUD per tonne actual for each Pricing Mechanism which includes the net physical and polarisation premiums, hedging finance charges, marketing services charge, direct marketing and operating expenses, and any administration charges associated with a Discretionary Pricing Mechanism (if applicable).

Committed Cane Tonnage: The sum of PPA Sugar allocated to the US Quota Pool and Discretionary Pricing Mechanisms converted to cane tonnes (based on the GEI Sugar formula relevant to your CCS relativity scheme).

GEI Sugar: Grower Economic Interest Sugar

GEI Sugar* = Cane Tonnes x 0.009 x (CCS-4) / IPS Factor

**The above formula is only applicable for Relative A CCS scheme. See PPA for the definition of CCS and Relative B and AQ Tonnes conversion formulas*

Gross Pool Price: The weighted average price in AUD per tonne actual for a Pricing Mechanism based on the sugar and currency Risk Management Contracts executed. Where a grower has fulfilled Price Requests for Call or Target Pricing, the Gross Pool Price will be calculated as a weighted average price in AUD per tonne actual for each Pricing Mechanism.

Net Pool Price: The Net Pool Price for the relevant Pricing Mechanism will be determined by Wilmar by application of the relevant Allocation Account Amount to the Gross Pool Price for that Pricing Mechanism.

PPA Cane Supply Tonnes: The cane tonnage calculated from the proportion of GEI Sugar nominated to Wilmar under the CSA (expressed as a percentage), multiplied by the total cane tonnage that is actually supplied by a grower for a relevant season.

PPA Nominated Tonnage: The cane tonnage calculated from the proportion of GEI Sugar nominated to Wilmar under the CSA (expressed as a percentage), multiplied by the total cane tonnage forecast to be supplied by a grower for a relevant season as estimated no later than the Pricing Nomination Date.

PPA Sugar: The amount of tonnes actual equal to the proportion of GEI Sugar for which Wilmar has been nominated as the GEI Sugar Marketing Entity under the CSA (expressed as a percentage), multiplied by the quantity of GEI Sugar.

Price Request: A request by a grower to nominate a portion of their PPA Sugar to a Forward Pricing Mechanism (Call and/or Target Pricing). Price Requests also relate to the setting or changing of a price level. All Price Requests are to be made via the GrowerWeb.

Risk Management Contracts: Contracts using hedging instruments, derivatives or forward contracts, including but not limited to futures, swaps and options or a combination of any of these products for the purpose of hedging sugar price and currency.

1.2 KEY DATES AS AT AUGUST 2019

The following dates indicate the key decision points in relation to a relevant season. These dates may change during the 2020-2022 timeframe, in which case Wilmar will advise changes via GrowerWeb. The dates should be considered in conjunction with our Pricing Mechanism and Payment description sheets. Please refer to Wilmar's PPA for full details and terms.

Season	Marketing Nomination Date	
2020	31.10.2019	This is the date by which you may nominate one or more of the GEI Marketers (which Wilmar has a GEI Sugar Sales Agreement with) for a relevant season.
2021	31.10.2020	
2022	31.10.2021	
Season	**Pricing Nomination Date**	
2020	30.04.2020	This is the date by which you may make a nomination to Wilmar to allocate an amount of your PPA Sugar to a Wilmar Discretionary Pricing Mechanism for that relevant season.
2021	30.04.2021	
2022	30.04.2022	
Season	**Pre-season Payment Nomination Date**	
2020	28.02.2020	This is the date by which you may elect to receive a Pre-season Payment for PPA Nominated Tonnage for that relevant season.
2021	28.02.2021	
2022	28.02.2022	
Season	**Advances Nomination Date**	
2020	30.04.2020	This is the date by which you may elect to be paid under the Deferred Advances Option or the Cash on Delivery Advances Option for PPA Nominated Tonnage for that relevant season.
2021	30.04.2021	
2022	30.04.2022	
Season	**Pricing Completion Date**	
2020	19.02.2021	This is the date by which Price Requests for Forward Pricing Mechanisms (Call Pricing and Target Pricing) must be fulfilled by Wilmar for a relevant season.
2021	21.02.2022	
2022	20.02.2023	

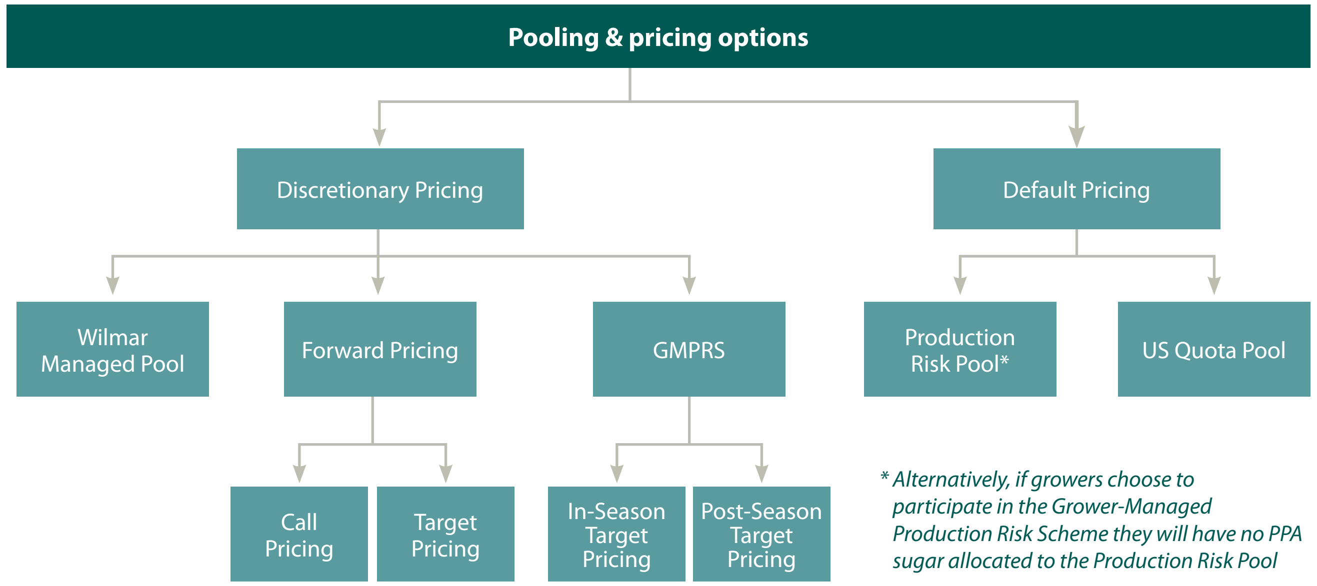
Reminders will be given to growers in the lead-up to all of the above dates. Please note that where an above date falls on a weekend or Public Holiday, the next business day will be taken as the relevant day.

2 POOLING AND PRICING MECHANISMS

Wilmar offers you a number of pooling and pricing alternatives which you can choose to participate in based on your price risk management strategy. The options fall into two categories: Discretionary Pricing Mechanisms and Default Pricing Mechanisms.

Discretionary relates to optional pricing mechanisms that you actively allocate PPA Sugar to, while Default includes those that are compulsory for all growers to participate in (the exception is growers in the Grower-Managed Production Risk Scheme who will not participate in the Production Risk Pool).

1. **Discretionary Pricing Mechanisms**
   a) Forward Pricing
      • Target Pricing
      • Call Pricing
   b) Managed Pool
   c) Grower-Managed Production Risk Scheme
      • In-Season Target Pricing
      • Post-Season Target Pricing
      • Call pricing (following authorisation from Wilmar)
2. Default Pricing Mechanisms
   a) US Quota
   b) Production Risk Pool



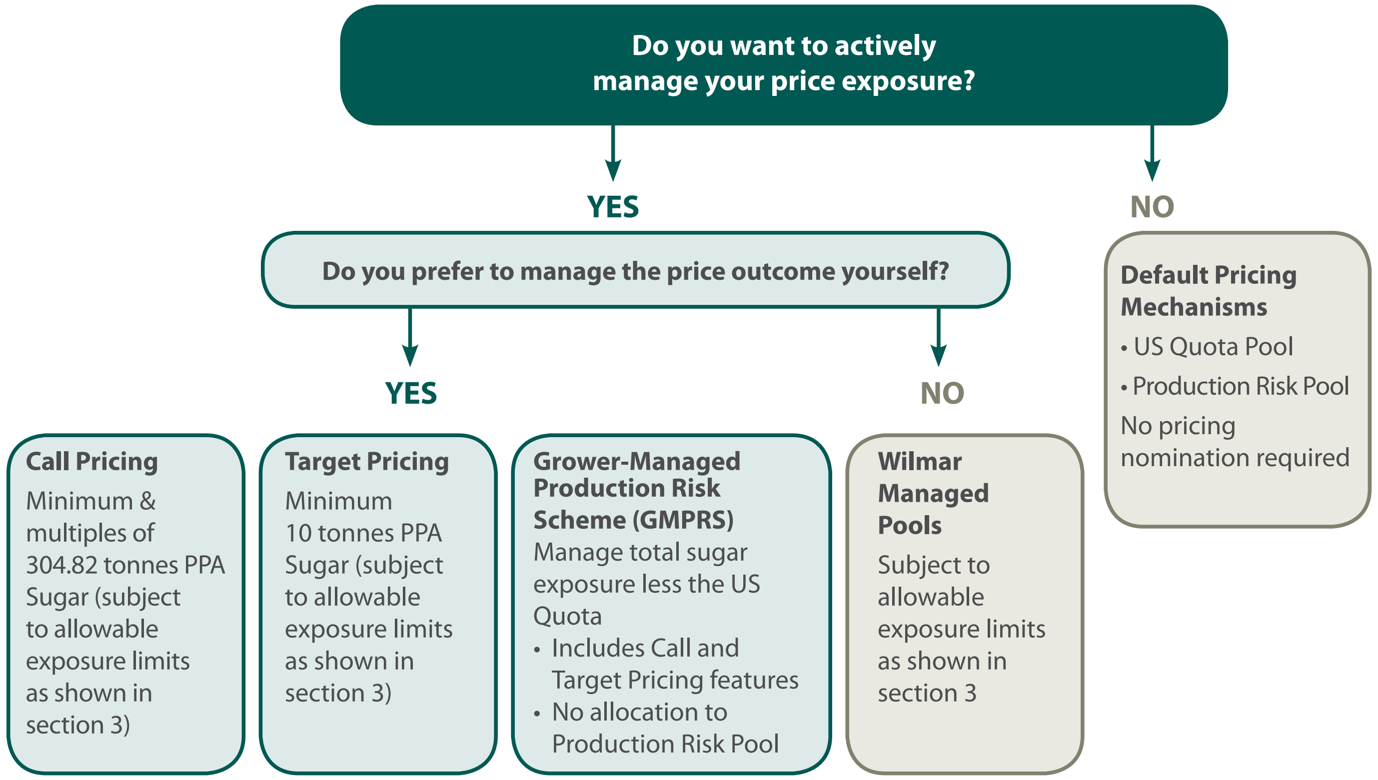
** Alternatively, if growers choose to participate in the Grower-Managed Production Risk Scheme they will have no PPA sugar allocated to the Production Risk Pool*

We have outlined these options in more detail in sections 3 and 4, and in the pricing description sheets at the back of this Guide. You can also find more information on GrowerWeb, in the Wilmar PPA or by contacting a member of the Grower Marketing Team.

2.1 COMPARISON TABLE – POOLING AND PRICING MECHANISMS

	Discretionary Pricing Mechanisms			Default Pricing Mechanisms	
	Call Pricing	**Target Pricing**	**Wilmar Managed Pool**	**US Quota**	**Production Risk Pool**
Objective	Grower manages sugar price exposure via AUD/tonne Price Requests	Grower manages sugar price exposure via AUD/tonne Price Requests	Pool managed by Wilmar, with the pool manager having a high level of discretion	Potentially secure higher returns for sales to the USA domestic market under its quota system	Manages seasonal variability in the actual quantity of cane produced by growers and supplied to Wilmar
Nomination period for 2020 season	04.09.2017 – 30.04.2020	04.09.2017 – 30.04.2020	01.03.2020 – 30.04.2020	N/A	N/A
Pricing period for 2020 season	04.09.2017 – 19.02.2021	04.09.2017 – 19.02.2021	01.05.2020 – 30.06.2021	Managed by Wilmar from the Marketing Nomination Date to 30 June 2021	Managed by Wilmar from the Marketing Nomination Date to 30 June 2021
Grower's Minimum Tonnage Commitment	304.82 tonnes PPA Sugar	10 tonnes PPA Sugar	10 tonnes PPA Sugar	2-5% production	N/A
Advances Options available	Pre-season payment Deferred COD Default	Pre-season payment Deferred COD Default	Pre-season payment Deferred Default	Pre-season payment Deferred Default	Pre-season payment Deferred Default
Washout calculations	Versus prevailing market price	Versus prevailing market price	Based on the impact upon the pool price	N/A	N/A

2.2 PRICING DECISION PATHWAY



3 DISCRETIONARY PRICING MECHANISMS

3.1 WILMAR'S DISCRETIONARY PRICING MECHANISMS

Wilmar offers a range of Discretionary Pricing Mechanisms which allow you to manage your price risk exposure. Wilmar's Discretionary Pricing Mechanisms include:

1. Forward Pricing:
   - Call Pricing Mechanism
   - Target Pricing Mechanism
2. Wilmar Managed Pool
3. Grower-Managed Production Risk Scheme
4. Other mechanisms as might be offered by Wilmar from time to time

We list in this section the key features and details for each of the Discretionary Pricing Mechanisms. For additional details please read our pricing mechanism description sheets at the back of this Guide or available on GrowerWeb. For full terms and conditions please refer to the PPA.

3.2 EXPOSURE LIMITS FOR DISCRETIONARY PRICING MECHANISMS

The Discretionary Tonnage is the maximum amount of estimated PPA Sugar tonnes that can be allocated to Discretionary Pricing Mechanisms. The Discretionary Tonnage is calculated to allow for the risk that a grower may not be able to supply some of the PPA Nominated Tonnage as a result of conditions or events beyond their reasonable control.

Where you allow Wilmar to manage your production risk in the Production Risk Pool, the Exposure Limit for Discretionary Pricing Mechanisms is set at a maximum of 70% of your estimated PPA Sugar tonnes as at the Pricing Nomination Date for a relevant season.

If you prefer to manage your own production risk, you may seek Wilmar's approval to utilise the Grower-Managed Production Risk Scheme (GMPRS). The Exposure Limit for Discretionary Pricing Mechanisms is increased to almost 100% of your estimated PPA Sugar tonnes as at the Pricing Nomination Date for the 2020 season.

Different Exposure Limits apply for forward seasons. We will publish the Exposure Limits on GrowerWeb and these will vary depending on the time until a season commences. Under the current PPA, the Exposure Limits for the 2020-2022 seasons are shown below:

2020 season	Exposure Limit if a grower chooses not to participate in the GMPRS	Exposure Limit if a grower chooses to participate in the GMPRS
From 1 July 2019	60%	
From 1 December 2019	70%	97%

2021 season	Exposure Limit
From 1 July 2019	50%
From 1 July 2020	60%
From 1 December 2020	70%

2022 season	Exposure Limit
From 1 July 2019	40%
From 1 July 2020	50%
From 1 July 2021	60%
From 1 December 2021	70%

3.3 FORWARD PRICING ADVANTAGES AND DISADVANTAGES

Forward pricing offers you the opportunity to have greater control over the pricing decision and thus the price paid for your cane. However, with opportunity comes risk, and it is important you understand the possible implications before participating in forward pricing.

3.3.1 ADVANTAGES

The potential advantages of participating in forward pricing include:

- The ability to manage revenue and budgets with greater certainty.
- The ability to diversify the management of price risks.
- The ability to access a variety of pricing methods through a selection of pools or pricing mechanisms.
- The ability to utilise a straight-forward mechanism to set an Australian-dollar price.
- The ability to lock in determinants of the sugar price during market rallies.
- Not having to deal in futures or foreign exchange markets, which means you do not have to meet margin calls, as forward pricing is not a financial product.

3.3.2 DISADVANTAGES

The potential disadvantages of participating in forward pricing include:

- Taking on the risk of not delivering sufficient cane to meet your cane tonnage commitments arising from the decision to nominate sugar price exposure to the Discretionary Pricing Mechanisms (known as Committed Cane Tonnage), and the consequent financial impact (which may be positive or negative).
- The depth of education required to understand the detail, available methods, processes, terms and the operation of cane payments with respect to forward pricing.
- The significant time required by you to monitor prices and markets, and develop a pricing strategy.
- The opportunity loss if the market moves higher or another pricing mechanism provides a higher return.
- The added responsibility of ensuring forward pricing dates and deadlines are met.

3.4 CALL PRICING MECHANISM

KEY FEATURES

Seasons 2020 - 2022		
Minimum Tonnage Commitment	304.82 tonnes PPA Sugar (and multiples of this quantity)	
Advances Options	Cash on Delivery (COD) Deferred Default Pre-season Payment	
Discretionary Ratio	1:2:2:1 (JUL:OCT:MAR:MAY)	
Season	**Nomination period**	**Pricing period**
2020	04.09.2017 – 30.04.2020	04.09.2017 – 19.02.2021
2021	01.08.2018 – 30.04.2021	01.08.2018 – 21.02.2022
2022	01.07.2019 – 30.04.2022	01.07.2019 – 20.02.2023
Season	**Discretionary Pricing Mechanism Administration Charge**	
2020	$2.00 per tonne actual	
2021	$2.00 per tonne actual	
2022	$2.00 per tonne actual	

The Call Pricing Mechanism is targeted towards growers with larger amounts of PPA Sugar and offers the opportunity for you to manage your own sugar price exposure by directly specifying price levels via your Price Requests to Wilmar. Its key features include:

- A requirement for Price Requests to be placed for a minimum (and multiples) of 304.82 tonnes of sugar, which is approximately equivalent to 3,500 tonnes of cane (at 14 CCS).
- A requested price level in AUD/tonne sugar set by you at any dollar value of your choosing (e.g. $515, $554 etc.).
- The key flexibility in comparison with the Target Pricing Mechanism is that the requested price level can be set at any value.
- The key limitation in comparison with the Target Pricing Mechanism is that it is mandatory a Price Request be for a minimum of 304.82 tonnes of sugar

CREATING PRICE REQUESTS

- To nominate a quantity of PPA Sugar to the Call Pricing Mechanism, you may create a Price Request via the GrowerWeb at any time during the nomination period relevant to a season.
- Having nominated a quantity for Call Pricing, you can set a Price Request at your preferred price level at any stage prior to the Pricing Completion Date, which is the last date in the pricing period.

VARYING AND CANCELLING PRICE REQUESTS

- Prior to the Pricing Completion Date, you may vary or cancel an unfulfilled Price Request at any time via GrowerWeb.

FULFILLING PRICE REQUESTS

- We will fulfil Price Requests and send you confirmation via email if/when the market reaches the requested price level and we are able to execute appropriate sugar price and currency Risk Management Contracts.
- Any new Price Request, or any variation or cancellation of a Price Request, must be received before 2.00pm on a business day. Any request received after 2.00pm will be taken to have been received on the next business day.

PRICING COMPLETION DATE

- Where a Price Request has not been fulfilled by 10 business days prior to the expiry date of the ICE contract months of July or October, we will "roll" the Risk Management Contracts relevant to those ICE contract months.

  To illustrate this, if Call Pricing has not been completed prior to the expiry of the July ICE 11 Contract in the relevant season, we will sell Risk Management Contracts in respect of the July ICE Contract and buy Risk Management Contracts in respect of the October ICE Contract, thereby altering the pricing ICE 11 profile from 1:2:2:1 to 0:3:2:1. Accordingly, we will adjust the daily indicative price published on GrowerWeb, taking into account the gain or loss associated with the "roll".

  Likewise, if your Call Pricing has still not been completed prior to the expiry of the October ICE 11 Contract in the relevant season, we will sell Risk Management Contracts in respect of the October ICE Contract and buy Risk Management Contracts in respect of the March ICE Contract, thereby altering the pricing ICE 11 profile from 0:3:2:1 to 0:0:5:1. Again, we will adjust the daily indicative price published on GrowerWeb, taking into account the gain or loss associated with this second "roll".

- If a Price Request is not fulfilled by the close of ICE 11 trading on the Pricing Completion Date, we will fulfil the Price Request by entering into Risk Management Contracts consistent with our ordinary course of business as soon as reasonably practicable after the Pricing Completion Date. We will also adjust for the gains and losses achieved as a result of the "rolls" from the July and October ICE Contract positions and will advise you of the final price.

For further information please refer to Pricing Mechanism Description Sheet – Call Pricing Mechanism

3.5 TARGET PRICING MECHANISM

KEY FEATURES

Seasons 2020 - 2022		
Minimum Tonnage Commitment	10 tonnes PPA Sugar	
Advances Options	Cash on Delivery (COD) Deferred Default Pre-season Payment	
Discretionary Ratio	1:2:2:1 (JUL:OCT:MAR:MAY)	
Season	**Nomination period**	**Pricing period**
2020	04.09.2017 – 30.04.2020	04.09.2017 – 19.02.2021
2021	01.08.2018 - 30.04.2021	01.08.2018 – 21.02.2022
2022	01.07.2019 - 30.04.2022	01.07.2019 – 20.02.2023
Season	**Discretionary Pricing Mechanism Administration Charge**	
2020	$2.00 per tonne actual	
2021	$2.00 per tonne actual	
2022	$2.00 per tonne actual	

The Target Pricing Mechanism gives you the opportunity to manage your own sugar price exposure. Its key features include:

- Price Requests may be for any tonnage above a minimum of 10 tonnes of PPA Sugar.
- Sugar price levels will be set by Wilmar in $10 increments (e.g. $500, $510, $520, etc.) and you can make a Price Request at any of these specific intervals.
- The key flexibility in comparison with the Call Pricing Mechanism is that a Price Request only has a 10 tonne PPA Sugar minimum requirement.
- The key limitation in comparison to the Call Pricing Mechanism is that Wilmar sets the requested price levels in $10 increments.

CREATING PRICE REQUESTS

- To nominate a quantity of PPA Sugar to the Target Pricing Mechanism, you may create a Price Request via GrowerWeb at any time during the nomination period relevant to a season.
- Having nominated a quantity for Target Pricing, you can set a Price Request at your preferred target price level(s) at any stage prior to the Pricing Completion Date, which is the last date in the pricing period.

VARYING AND CANCELLING PRICE REQUESTS

- Prior to the Pricing Completion Date, you may vary or cancel an unfulfilled Price Request at any time via GrowerWeb.

FULFILLING PRICE REQUESTS

- We will fulfil Price Requests and send you confirmation via email if/when the market reaches the requested price level and we are able to execute appropriate sugar price and currency Risk Management Contracts.
- Any new Price Request, or any variation or cancellation of a Price Request, must be received before 2.00pm on a business day. Any request received after 2.00pm will be taken to have been received on the next business day.

PRICING COMPLETION DATE

- Where a Price Request has not been fulfilled by 10 business days prior to the expiry date of the ICE contract months of July or October, we will "roll" the Risk Management Contracts relevant to those ICE contract months.
- To illustrate this, if Target Pricing has not been completed prior to the expiry of the July ICE 11 Contract in the relevant season, we will sell Risk Management Contracts in respect of the July ICE Contract and buy Risk Management Contracts in respect of the October ICE Contract, thereby altering the pricing ICE 11 profile from 1:2:2:1 to 0:3:2:1. Accordingly, we will adjust the daily indicative price published on GrowerWeb, taking into account the gain or loss associated with the "roll".

  Likewise, if your Target Pricing has still not been completed prior to the expiry of the October ICE 11 Contract in the relevant season, we will sell Risk Management Contracts in respect of the October ICE Contract and buy Risk Management Contracts in respect of the March ICE Contract), thereby altering the pricing ICE 11 profile from 0:3:2:1 to 0:0:5:1. Again, we will adjust the daily indicative price published on GrowerWeb, taking into account the gain or loss associated with this second "roll".

- If a Price Request is not fulfilled by the close of ICE 11 trading on the Pricing Completion Date, we will fulfil the Price Request by entering into Risk Management Contracts consistent with our ordinary course of business as soon as reasonably practicable after the Pricing Completion Date. We will also adjust for the gains and losses achieved as a result of the "rolls" from the July and October ICE Contract positions and will advise you of the final price.

For further information please refer to Pricing Mechanism Description Sheet – Target Pricing Mechanism

3.6 WILMAR MANAGED POOL

KEY FEATURES

Season 2020	
Minimum Tonnage Commitment	10 tonnes PPA Sugar
Advances Options	Deferred Default Pre-season Payment
Discretionary Ratio	1:2:2:1 (JUL:OCT:MAR:MAY)
Nomination period	**Pricing period**
01.03.2020 – 30.04.2020	01.05.2020 – 30.06.2021
Discretionary Pricing Mechanism Administration Charge	
$2.00 per tonne actual	

The 2020 Wilmar Managed Pool aims to enhance the price outcome for participants by exercising significant discretion in the timing of pricing decisions, as well as the purchase and sale of various derivatives (e.g. futures, options, swaps and other more complex instruments), during the pricing period. Wilmar International will be responsible for all pricing decisions that determine the AUD Gross Pool Price relating to this Pool.

For further information please refer to Pricing Mechanism Description Sheet – Wilmar Managed Pool

3.7 GROWER-MANAGED PRODUCTION RISK SCHEME (GMPRS)

KEY FEATURES

Season 2020	
Percentage of total crop for which a grower manages price risk	95–98% of PPA sugar *- As at the Pricing Nomination Date prior to crushing in the relevant season, it is calculated as 100% of Estimated PPA Sugar less the estimated percentage share in the US Quota Pool.* *- Post-crushing in the relevant season, it is calculated as 100% of actual PPA sugar less the actual tonnage in the US Quota Pool.*
2020 season Nomination Period	01.03.2020 – 30.04.2020 Risk Acknowledgment Form returned and Price Requests created for Total Estimated PPA Sugar Exposure by Pricing Nomination Date.
Eligible pricing mechanisms	Wilmar Forward Pricing Mechanisms *Note: 25-28% of Estimated PPA Sugar must be allocated to Call Pricing and/or Target Pricing Mechanisms.*
Pricing Completion Date	23.09.2020 – In-Season Target Pricing (if applicable) 19.04.2021 – Post-Season Target Pricing As per relevant Wilmar Forward Pricing Mechanisms chosen to manage your price risk.
Advances Options	Deferred Default COD Pre-season Payment *Note: Nomination of the COD Advances option is limited to 70% of Estimated PPA sugar.*
Discretionary Pricing Mechanism Administration Charge	$2.00 per tonne actual – In-Season $2.00 per tonne actual – Post-Season, as per Discretionary Pricing Mechanism Administration Charge referred to in the PPA.

Wilmar offers growers, subject to approval on a grower-by-grower basis, the ability to directly manage their price risk for PPA Sugar that would otherwise be managed under the Production Risk Pool. By taking advantage of the Grower-Managed Production Risk Scheme (GMPRS) you can elect to have full control of the price outcome you receive for all of your GEI Sugar nominated to Wilmar (excluding the small 2-5% of PPA Sugar allocated to the US Quota Pool).

Pricing under the GMPRS can be managed via the existing Call and Target Pricing Mechanisms and the Wilmar Managed Pool up to the standard 70% exposure limit. The remaining 25-28% is priced via the new GMPRS Target Price Mechanisms.

You can either:

- participate in the Production Risk Pool according to the existing terms of that pool (i.e. where a minimum of 30% of Estimated PPA Sugar must be allocated to the Production Risk Pool and US Quota Pool at the Pricing Nomination Date); or
- participate in the GMPRS and manage your total sugar price exposure (apart from that covered by the US Quota).

It is important to realise that you either decide to have Wilmar manage all of your crop production risk in the Production Risk Pool, or you choose to nominate all of your crop production risk to the GMPRS and manage the risk yourself. In other words, a grower that chooses the GMPRS will have no tonnage allocated to the Production Risk Pool. There is no "half-way house" between the above two options.

The GMPRS has been structured this way to ensure that the risk profile of the Production Risk Pool is not impacted by the GMPRS. For example, the risk profile of the Production Risk Pool would be increased if we allowed some growers to allocate only 5% or 10% of their Estimated PPA Sugar to the Production Risk Pool.

You can choose to utilise the Wilmar Managed Pool as part of you price exposure, however the Wilmar Managed Pool is restricted to a maxiumum of 70% of estimated PPA. Therefore a minimum of 25-28% of your Estimated PPA Sugar must be allocated to Call Pricing and/or Target Pricing Mechansims.

Growers who select the GMPRS are exposed to greater risk and it may not be appropriate for all growers.
It is important you understand the full terms and conditions before electing to participate in the GMPRS.
For full terms and conditions please refer to the GMPRS Term Sheet on GrowerWeb.

4 DEFAULT PRICING MECHANISMS

To manage seasonal variability in the actual quantity of cane supplied to Wilmar, and where you allow Wilmar to manage your production risk in the Production Risk Pool, a maximum of 70% of your estimated PPA Sugar can be allocated to Discretionary Pricing Mechanisms for the current season. Accordingly, a minimum of 30% of your Estimated PPA Sugar tonnes are allocated to the Default Pricing Mechanisms.

For the 2020 season, the Default Pricing Mechanisms will comprise of the Production Risk Pool and the US Quota Pool.

Alternatively, growers who choose to participate in the Grower-Managed Production Risk Scheme will not participate in the Production Risk Pool, but will still receive their pro–rata share of the US Quota Pool.

We list in this section the key features and details for each of the Default Pricing Mechanisms. For additional details please read our Pricing Mechanism description sheets at the back of this Guide or available on GrowerWeb. For full terms and conditions please refer to the PPA.

4.1 US QUOTA POOL

KEY FEATURES

Season 2020	
Minimum Tonnage Commitment	Estimated to be 2-5% of PPA Sugar.
Nomination period	Not applicable. All growers participate in and receive a pro-rata share of the US Quota Pool.
Pricing period	2020 season: 01.05.2020 – 30.06.2021.
Advances Options	Deferred Default Pre-season Payment
Exposure Profile	Sales will not adhere to 1:2:2:1 ratio. Sales and pricing is linked to the timing of physical sales to the United States.

For each relevant season, we will manage a US Quota Pool to potentially secure higher returns for raw sugar sales to the US domestic market under its quota system.

The US Quota Pool comprises any raw sugar exported by Wilmar to the United States of America under Certificates of Quota Eligibility allocated to Wilmar.

Wilmar will use Certificates of Quota Eligibility to sell to the US wherever it can to achieve the objective of establishing superior returns relative to other non-US Quota markets.

Your proportion of PPA Sugar in the US Quota Pool will be equal to that proportion of the total US Quota Pool tonnage relative to the total quantity of sugar marketed by Wilmar.

It is expected that the US Quota Pool will account for up to a maximum of 5% of PPA Sugar tonnes, but most often 2-3%.

For further information please refer to Pricing Mechanism Description Sheet – US Quota Pool

4.2 PRODUCTION RISK POOL

KEY FEATURES

Season 2020	
Minimum Tonnage Commitment	Prior to the start of the relevant season, 30% of estimated PPA Sugar less that quantity allocated to the US Quota Pool.
Nomination period	Any tonnage not nominated to a Discretionary Pricing Mechanism by the Pricing Nomination Date (30 April 2020 for the 2020 season) will be automatically allocated to the Default Pricing Mechanisms (i.e. Production Risk Pool and US Quota Pool).
Pricing period	2020 season: 01.05.2020 – 30.06.2021.
Advances Options	Deferred Default Pre-season Payment
Exposure Profile	Sales and pricing will not adhere to the 1:2:2:1 ratio, as Wilmar will sell and price sugar to manage crop risk, ensure storage constraints are met, and optimise sugar market and physical premium outcomes.

For each relevant season, we will operate a Production Risk Pool (for those growers who choose not to manage their own production risk using the Grower-Managed Production Risk Scheme) to manage seasonal variability in the actual quantity of cane produced by growers and supplied to us.

We will operate the Production Risk Pool to manage the risk of variation in the PPA Nominated Tonnage during the period from the Marketing Nomination Date to the end of crushing for a relevant season. Variation can be due to factors including weather, the adoption of different cane varieties, pests and diseases, the cane age profile, and farming practices such as the timing of planting and harvesting, irrigation and fertilisation.

For a relevant season, you may choose to allocate up to 70% of your estimated PPA Sugar to Discretionary Pricing Mechanisms (unless you have chosen to manage your production risk via the Grower-Managed Production Risk Scheme). Any balance not allocated to the Discretionary Pricing Mechanisms is allocated to the Default Pricing Mechanisms – the US Quota Pool and the Production Risk Pool. As crop estimates change through the crushing season, the tonnage you have in the Production Risk Pool will also change. The final quantity in the pool will not be known until crushing has finished.

The Production Risk Pool will be managed jointly by Wilmar Australia and Wilmar International to harness the expertise of the Australian team in understanding the local drivers behind the size of the pool, while utilising the global resources of the Wilmar Singapore and Geneva teams with regard to sugar market intelligence.

The pricing exposure profile in the pool will not adhere to the 1:2:2:1 ICE 11 futures ratio (versus July: October: March: May). We will sell and price sugar to manage crop risk and storage constraints, while at the same time seeking to optimise the Gross Pool Price of the Production Risk Pool and the physical premium outcomes.

A component of the Production Risk Pool may need to be priced in the lead up to and early part of the harvest to manage storage constraints. Subsequently, it will be prudent that a quantity of sugar in the pool is not priced or sold until sufficient volume has been delivered to the Bulk Sugar Terminals (BSTs) to cover any previously priced and physically sold tonnage.

In seasons where we forecast the residual quantity of sugar in the pool (after pricing and sales are made to manage storage) to significantly exceed the downside risk to the crop (e.g. where the unsold/unpriced portion of the pool is greater than 30% of total estimated PPA sugar), the pool manager will exercise discretion to price additional sugar if market prices are favourable.

Despite the measures outlined above – to initially only sell and price sugar that must be transacted to keep BST storage under control, and then only sell/price sugar as it becomes available unless crop risk has significantly diminished – there is still some (small) risk of an unexpected crop decline causing the Production Risk Pool to be unexpectedly overpriced and/or oversold. In such a case, the cost or benefit of unwinding pricing and/or sales will sit solely within the Gross Pool Price. Such costs will not form part of the Allocation Account Amount and all costs or benefits of unwinding hedging and sales will be quarantined to the Production Risk Pool.

For further information please refer to Pricing Mechanism Description Sheet – Production Risk Pool

5 ADVANCES OPTIONS

Wilmar provides a choice of Advances Options which aim to cater for the preferred cash flow timing appropriate to your business. In addition, you are offered an option to receive a Pre-season Payment.

We have outlined these options in more detail for you in the coming sections and you can find further information in our payment description sheets on GrowerWeb, in Wilmar's PPA, or by contacting a member of the Grower Marketing Team.

We highly recommend you seek independent advice from your accountant and/or financial advisor to decide payment options suitable to your individual situation. Wilmar cannot provide taxation advice. Please refer to our PPA for full details and terms regarding the Advances Options outlined below.

5.1 SUMMARY OF ADVANCE PAYMENT OPTIONS

	Pre-season Payment	Deferred	Cash on Delivery (COD)	Default
Key features	Pre-season Payment of $5/t cane is made by 31 March prior to the commencement of the season.	Option to defer 100% of proceeds due for payment prior to 1 July in a relevant season.	Minimum 90% advance of the relevant sugar price on delivery of cane. The COD Advances Rate will be at all times the greater of 90%, or the advance rate percentage for the Default Advances Option.	Minimum initial advance of 60% of expected final sugar price, which increases incrementally to finalise at 100% of sugar price by completion of the relevant season.
Nomination period (2020 season)	01.02.2020 - 28.02.2020	01.03.2020 - 30.04.2020	01.03.2020 - 30.04.2020	Not applicable
Interest Rate or Advances Finance Charge	Fixed interest rate for period. Rate to be published on opening of nomination period.	Later cash flow will result in a slightly reduced financing cost compared with the Default or COD Advances Options.	Variable. Based on Wilmar cost of funds. Indicative current rates will be published from opening of nomination period. Same interest rate percentage as applying for the Default Advances Option.	Variable. Based on Wilmar cost of funds. Indicative current rates will be published during nomination period for the COD Advances Option.
Applicable pricing/ pooling methods	No restrictions. All pricing and pooling methods.	No restrictions. All pricing and pooling methods.	Call Pricing. Target Pricing.	No restrictions. All pricing and pooling methods.

5.2 PRE-SEASON PAYMENT

KEY FEATURES

Season 2020	
Pre-season Payment amount	$5 per tonne cane for any portion of PPA Nominated Tonnage.
Pre-season Payment Nomination Date	28 February 2020.
Pre-season Payment made	Prior to 31 March 2020.
Pre-season Payment Interest Rate	Fixed interest rate to be published on GrowerWeb at least 30 days prior to the Pre-season Payment Nomination Date of 28 February 2020.
Interest charge	Interest amount calculated on daily balance and charged monthly.

If you are looking for cash flow before the crush to help with activities such as planting, you might opt for a Pre-season Payment.

WHY CHOOSE PRE-SEASON PAYMENT?

- Access funds prior to the core payment period for a season.
- Receive a competitive fixed interest rate.
- Flexibility to allocate PPA Sugar to any available Pricing Mechanism.

NOMINATION PROCESS

You can nominate a percentage of your PPA Nominated Tonnage for Pre-season Payment on GrowerWeb.

GrowerWeb will calculate the Pre-season Payment value based on the percentage of your PPA Nominated Tonnage at $5/tonne of cane.

PAYMENT

We will pay you the amount calculated by the GrowerWeb nomination process no later than 31 March 2020. We will let you know the actual payment date on GrowerWeb at least 30 days prior to the Pre-season Payment Nomination Date of 28 February 2020.

INTEREST RATE

- You will be charged an interest rate on the Pre-season Payment amount. The interest will accrue monthly on the daily outstanding balance of the Pre-season Payment and interest.
- We will advise via GrowerWeb the interest rate at least 30 days prior to the Pre-season Payment Nomination Date of 28 February 2020.
- The interest rate will be set for the period from when the rate is published prior to the Pre-season Payment Nomination Date until all funds have been recovered.

REPAYMENT

The Pre-season Payment amount and accrued interest will be deducted as a first priority from your PPA Cane Payments as you begin delivering cane in the relevant season for which the Pre-season Payment is made. Repayments will continue until such time as the Pre-season Payment amount and accrued interest is repaid in full.

For further information please refer to Payment Description Sheet – Pre-season Payment

5.3 DEFERRED ADVANCES OPTION

KEY FEATURES

Season 2020	
Advances Nomination Date	30 April 2020.
Timing of PPA Delivery Payments	PPA Delivery Payment(s) for any deliveries of cane prior to 1 July 2020 will not be made until the next PPA Delivery Payment after 1 July 2020.
Eligible Pricing Mechanisms	All Wilmar Default and Discretionary Pricing Mechanisms.

You can defer the first cane delivery payment(s) under any Advances Options until after 1 July following the commencement of harvesting.

The Deferred Advances Option covers any PPA Delivery Payments for cane delivered in the initial weeks of the crushing season that would otherwise be paid before 1 July. This may be beneficial to you for taxation reasons. You should seek independent financial/taxation advice.

You can nominate the Deferred Advances Option on GrowerWeb. You can defer 100% of the proceeds due for payment prior to 1 July. However, you must make this nomination before the Advances Nomination Date for the relevant season. For the 2020 season, the Advances Nomination Date will be 30 April 2020.

Cane payments and invoices which typically would be due in June (usually the first month of crushing) will be calculated, and invoices generated, at the time of cane delivery according to your nominated Pricing Mechanisms and Advances Options. However, the funds will not be dispersed to bank accounts until the first cane payment run after 1 July for the relevant season.

Important: This option does not defer monthly payments nearing the end of a relevant season (e.g. defer May/June 2019 proceeds for the 2019 season to 1 July 2020).

For further information please refer to Payment Description Sheet – Deferred Advances Option

5.4 CASH ON DELIVERY ADVANCES OPTION

KEY FEATURES

Season 2020	
Advances Nomination Date	30 April 2020
Minimum Advance percentage	An Advance Rate which is the higher of either: • 90%; or • Advance Rate for the Default Advances
Eligible Pricing Mechanisms	Option • Target Pricing Mechanism • Call Pricing Mechanism

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.

You may elect the COD Advances Option where the COD Advances Rate will be at all times the greater of 90% or the Advances Rate percentage for the Default Advances Option.

WHY CHOOSE COD?

- Cane payments under COD will be made at significantly higher advance rates during the crushing season than those which have historically applied in the industry.
- Cane payments under COD 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 for individual Price Requests to be paid under COD by nominating this option on GrowerWeb. You can therefore 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.

Please note that at the time of nominating to COD, 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 Advances Rate will be, at all times, the greater of 90% or the percentage Advances Rate prevailing for the Default Advances Option. We will publish Advances 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, your next cane payment will be adjusted to bring season-to-date payments in line with the COD Advances Rate (i.e. up to 90%).

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. Only the Call Pricing and Target Pricing Mechanisms therefore qualify for payment under the COD Advances Option.

COD PRICE CALCULATION

Your COD Price, which is the Relevant Sugar Price for any Call and/or Target Pricing nominated to receive payments under the COD Advances Option, is expressed in $/tonne IPS and 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 a Price Request has been fulfilled. Any unfulfilled Price Requests nominated to the COD Advances Option are paid under the Default Advances Option until they are fulfilled. Please see the Cash on Delivery Payment Description Sheet for examples of the COD Price calculation.

For further information please refer to Payment Description Sheet – Cash on Delivery Advances Option

5.5 DEFAULT ADVANCES OPTION

KEY FEATURES

Season 2020	
Advances Nomination Date	30 April 2020
Minimum Advance percentage	Initial advance at 65% of estimated Net IPS Price, increasing progressively to 100% by the end of the relevant season.
Eligible Pricing Mechanisms	All Wilmar Default and Discretionary Pricing Mechanisms.

If you don't make a nomination by the Advances Nomination Date for a season then you will be paid according to the advance rate schedule for the Default Advances Option.

ADVANCE AMOUNT AND PROFILE

- Under the Default Advances Option, cane payments are made according to a published program of Advance Rates.
- For the duration of the relevant season, all growers under the Default Advances Option will be paid based on a common Advances Rate, which will increase progressively during the season and be applied to your individual estimated Net IPS Price applicable to the Pricing Mechanisms you have chosen.
- The payment program under the Default Advances Option will be published on GrowerWeb at least 30 days prior to the Advances Nomination Date, with updates published monthly through the season.
- The Default Advances Option provides for a minimum initial advance rate of 60% of your estimated Net IPS Price. The Advances Rate increases incrementally throughout the season until it reaches 100% of the final Net IPS Price when the last shipment of sugar from that season is completed.
- Wilmar will vary the Advances Rate under the Default Advances Option depending on the cash flow from our sales of sugar, the margin calls we may pay or receive on forward pricing (futures) positions and financing costs.

PRICING MECHANISMS PAYABLE

The Default Advances Option is available for all Pricing Mechanisms. It will apply to all tonnage not paid under the COD Advances Option.

If you choose not to nominate tonnage to Discretionary Pricing Mechanisms and do not nominate an alternate Advances Option, you will be paid for all PPA Cane Supply Tonnes based on the Default Pricing Mechanisms (i.e. US Quota and Production Risk Pool) according to the Advances Rates under the Default Advances Option.

NET IPS PRICE CALCULATION

The Default Advances Option will apply to all cane payments not paid under COD Advances Option. In this case, the Relevant Sugar Price used in the Cane Payment Formula is referred to as the Net IPS Price. Please see the Default Payment Description Sheet for an example of the Net IPS Price calculation.

For further information please refer to Payment Description Sheet – Default Advances Option

6 CANE PRICE

Growers who choose Wilmar as their GEI Marketer will be paid under the terms of the PPA, for the proportion of GEI Sugar that is nominated to Wilmar in a relevant season.

6.1 PPA CANE PAYMENT FORMULA

Below are details on three key calculations for how your Cane Price is determined for PPA Cane Supply Tonnes.

Cane Price = Relevant Sugar Price x 0.009 x (CCS-4) + Constant

Your Relevant Sugar Price is determined based on the Advances Option you have chosen.

- For COD Advances Option, the COD Price; or
- For all other Advances Options, the Net IPS price.

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

(A – B – C) / IPS Conversion Factor

where:

A = the weighted average price of Fulfilled Price Requests that were nominated by the grower as applicable to the COD Advances Option;

B = the relevant Allocation Account Amount; and

C = the Weighted Average Advances Finance Charge.

The **Net IPS Price**, expressed in AUD per tonne IPS is calculated as:

(A – B – C) / IPS Conversion Factor

where:

A = the weighted average Gross Pool Prices for PPA Sugar not allocated to the COD Advances Option;

B = the weighted average of the relevant Allocation Account Amounts; and

C = the Weighted Average Advances Finance Charge.

Please see section 8 for more information on the reporting and forecast tools Wilmar will provide to assist you in determining your cane payments throughout a season.

Growers who choose Wilmar as marketer for all or a portion of their production will be paid for that tonnage nominated to Wilmar as per the above calculations. Cane payments will be made each Thursday during the crush based on deliveries up to the previous midnight Saturday, and payments will be made monthly after the crush ends.

6.2 ALLOCATION ACCOUNT AMOUNT

The Allocation Account Amount takes into account all of the actual premiums and costs that are associated with the sales, marketing, hedging, storage, handling and logistics of delivering raw sugar to a customer.

To ensure you have transparency, Wilmar has chosen to identify and report the key components of the Allocation Account. The various items in the Allocation Account will be reported as an AUD per tonne actual value. A summary of each component's key attributes is listed below and full details can be found in the PPA.

NET PREMIUMS

The Net Premium is derived from the physical sales of all raw sugar marketed by Wilmar (Including GEI Sugar and Wilmar's own sugar price exposure) to end customers.

Premiums relative to both the ICE 11 and ICE 16 (US Quota) futures contracts are most typically comprised of Polarisation Premium, Physical Premium (often referred to as Far East Premium or FEP), freight charged to the end customer, and spread gains or losses.

The Net Premium also includes Permitted Deductibles which are those costs incurred as a direct result of the sales transactions.

Permitted Deductibles will typically include freight and insurance costs, shipping costs such as stevedoring, supervisors and surveyors, and ICE contract execution and brokerage.

The Net Premium amount paid (in AUD per tonne actual) will be exactly the same for growers who nominate WSAT as their GEI Marketer as it will be for Wilmar's Economic Interest Sugar.

HEDGING FINANCE CHARGES

The Hedging Finance Charges are comprised of the bank and clearing account charges and interest incurred by Wilmar in relation to the funding of initial and variation margins for futures hedging.

MARKETING SERVICES CHARGES

The Marketing Services Charge provides for Wilmar's cost in administering and managing services provided under the PPA. These include the management of the Default Pricing Mechanisms (US Quota and Production Risk Pool), arranging finance for futures margins and Advances Options (though doesn't include the actual costs as incurred in the Advances Finance Charge), the management of foreign exchange, preparation of Pricing Mechanism and Payment Description Sheets and materials, the provision of IT services to administer pricing, marketing and advances nominations, pooling and pricing, financing and advances processes and the preparation and distribution of reporting such as the Monthly Pool Report, Advances Schedule, Sensitivity Matrixes and Cash flow Forecasts.

The Marketing Services Charge is $2.59 per tonne actual sugar for the 2019 season and is subject to an increase annually at the beginning of a new season, in accordance with the annual movement in the Australian Consumer Price Index (CPI).

DIRECT MARKETING AND OPERATING EXPENSES

The Direct Marketing and Operating Expenses component covers those direct costs and expenses incurred by Wilmar. The key costs and expenses include the storage, handling and loading of sugar, Australian government export-related permits and charges (e.g. quarantine certification, levies or product related taxes), insurance premiums and brokerage, auditor costs and harbour dues. These are based on actual costs so are charged on a cost-recovery basis only.

DISCRETIONARY PRICING MECHANISM ADMINISTRATION CHARGE

The Discretionary Pricing Mechanism Administration Charge replaces what was previously known as the Forward Pricing Administration Fee. This charge covers Wilmar's administration and management of Discretionary Pricing Mechanisms which include Call Pricing, Target Pricing and Wilmar Managed Pools. These are the committed tonnage pools only and exclude the US Quota Pool and Production Risk Pool.

The Discretionary Pricing Mechanism Administration Charge for each of the Pricing Mechanisms is published to GrowerWeb, and for current Discretionary Pricing Mechanisms (Call Pricing, Target Pricing and Wilmar Managed Pools) will be $2.00 per tonne actual for the 2020 – 2022 seasons.

SHRINKAGE AND EXPANSION ADJUSTMENT

The Shrinkage and Expansion Adjustment takes into account that during the storage and handling process there is a difference between the total weight of all sugar from when it is weighed at receipt into the bulk sugar terminal at a port, and the tonnage loaded onto ships. The weight of sugar can change due to losses in the storage and handling process and changes in moisture levels (which can both increase or decrease the weight of sugar).

6.3 WEIGHTED AVERAGE ADVANCES FINANCES CHARGE

Under the PPA, you have a choice of Advances Options which hope to provide more flexibility for your particular business with respect to cash flow. As such, each Advances Option will have a finance charge that relates directly to the costs of Wilmar funding that advances program. Wilmar will publish the forecast AUD per tonne actual Advances Finance Charge for each Advances Option as part of its monthly reporting.

The Advances Finance Charge will be calculated based on the total amount of the finance cost associated with each particular Advances Option (excluding Pre-season Payment which has an interest amount individual to each grower) expressed in AUD per tonne actual. The Advances Finance Charge specific to each Advances Option you select will form part of your Weighted Average Advances Finance Charge, which is based on the proportion of your PPA Cane Supply Tonnes allocated to one or more of the Advances Options.

You will be provided with statements which detail the breakdown of how your individual Weighted Average Finance Charge is determined.

It is important to note that the Weighted Average Advances Finance Charge does not form part of the Allocation Account Amount because it is a charge specific to you, whereas the Allocation Account Amount applies for each different pricing mechanism or pool. Nevertheless, the Weighted Average Advances Finance Charge will be taken into account when calculating the sugar price to be used in the Cane Payment Formula.

Please refer to the Allocation Account Amount information sheet at the back of this Guide or available on GrowerWeb for further details on the calculation of your Weighted Average Advances Finance Charge.

For further information please refer to Information Sheet – Allocation Account

7 COMMITTED CANE SHORTFALL

A Committed Cane Shortfall occurs when you do not deliver sufficient PPA Cane Supply Tonnes to cover the PPA Sugar tonnes you allocated to Discretionary Pricing Mechanisms for a relevant season. In such a case, a "washout" occurs to compensate for the close-out of the risk management contracts used in the different Discretionary Pricing Mechanisms.

For further details see the PPA and the Information Sheet - Committed Cane Shortfall

7.1 DEFAULT WASHOUT – CALL PRICING AND TARGET PRICING MECHANISMS

Unless a grower and Wilmar agree otherwise, the default washout (as detailed in Schedule 6 of the PPA) will apply.

Under this method, any shortfall tonnage will be advised to each relevant grower once the End of Crushing Season Adjustment is calculated. Ten business days after the End of Crushing Season Adjustment calculation, the shortfall will be closed-out by Wilmar, which will buy the equivalent amount of sugar and currency risk management contracts (adjusted for the cost or benefit of any applicable roll). Wilmar will buy these equivalent futures contracts based on a ratio of 5:1 for ICE 11 March and May positions respectively, and buy USD at the appropriate forward rate to match with the ICE 11 positions.

Please note that the Discretionary Pricing Mechanism Administration Charge will be calculated for the shortfall tonnage and debited as part of the initial washout calculation.

7.2 DEFAULT WASHOUT – COMMITTED POOLS (WILMAR MANAGED POOL)

If you have a shortfall of PPA Sugar in a Wilmar Managed Pool, a washout will be calculated on the basis of the impact caused to the pool price resulting from a reduction in the pool's tonnage. The calculation of the impact on the pool price will be undertaken for all growers who fell short on delivering necessary committed tonnage to the pool and this will occur 10 business days after the End of Crushing Season Adjustment is calculated. This ensures that the Gross Pool Price and the percentage of sugar hedged in the pool are restored to the same levels had all committed tonnage been delivered. Such an approach ensures that other growers in this pool are not impacted by growers' shortfalls.

The Discretionary Pricing Mechanism Administration Charge will be calculated for the shortfall tonnage and debited as part of the initial washout calculation.

7.3 ADDITIONAL WASHOUT OPTIONS

If there is a possibility of a shortfall in PPA Sugar, you may have the option to transfer sugar price exposure committed to Discretionary Pricing Mechanisms to another entity. The most common occurrence for this is within family groups, where a number of farms are operated as a group but are listed as separate entities.

Sugar price exposure committed to Discretionary Pricing Mechanisms can be transferred between any Wilmar growers, regardless of region. Wilmar can transfer such commitments between growers at no cost, although both parties are required to agree to transfers and they must please be done in consultation with Wilmar.

On a case by case basis, Wilmar may offer you the following options, which give you greater flexibility to manage the financial impact of shortfalls. These may be offered by Wilmar at its discretion.

UNFILLED PRICE REQUESTS

If you have an unfilled Price Request relating to the Call Pricing or Target Pricing Mechanisms, you can request that Wilmar cancels all or part of any such Price Request. Agreement to such a request will be at Wilmar's discretion, but could potentially be exercised at a time during the crushing season when it is clear that there is a high chance of a shortfall in committed tonnage eventuating. Unfulfilled Price Requests that are cancelled will still incur the Discretionary Pricing Mechanism Administration Charge, and any gain or loss which was incurred in "rolling" the expected ICE 11 contract positions at the expiry of the ICE 11 July and October contracts. The rolling gains or losses will be published to GrowerWeb.

EARLY WASHOUT

If you are concerned prior to the completion of crushing that you may not be able to deliver against committed tonnage obligations under the Call Pricing or Target Pricing methods, you can request to have a washout calculation performed prior to the calculation of the End of Crushing Season Adjustment. Please note that any such washout will be based on the current A$/tonne market value at the time and that there may be an opportunity cost or benefit relative to completing a washout prior to the end-of-crushing default timing, because of ICE 11 and/or AUD foreign exchange market movements.

ROLL

Another option is to request that a committed tonnage shortfall under the Call Pricing or Target Pricing Mechanisms be "rolled" into the next season. A roll is executed by buying futures positions (against the open ICE 11 futures contracts at the ratio prevailing at the time of the roll) for the current season, and simultaneously selling futures contracts into the next season (on a 1:2:2:1 ratio). Remember that at the time the roll occurs, the ICE 11 July and October futures contracts will have expired. Therefore, the ratio established for the current season will be 0:0:5:1 futures, which will be a mismatch to the usual 1:2:2:1 ratio to be established for the future season.

The rolling cost or benefit will depend on the respective prices for the ICE 11 contracts in the current and future seasons (i.e. what are known as "spreads") at the time any roll is executed.

Any roll will reduce the tonnage committed to the Call Pricing or Target Pricing Mechanisms in the current season and a new Price Request will have been fulfilled in the following season. The price achieved will be a combination of the already-established A$/tonne price and the A$/tonne rolling gain or loss.

8 STATEMENTS, REPORTS AND AUDIT

8.1 CASH FLOW FORECAST

As a tool to assist you in calculating and understanding your payments for a season, Wilmar will provide on GrowerWeb a cash flow reporting tool. It will allow you to, for the current season, generate a cash flow forecast which will show up-to-date information in respect of the:

- current forecast PPA Cane Supply Tonnes and actual PPA Cane Supply Tonnes delivered to date;
- PPA Sugar allocated by you to each Pricing Mechanism expressed in tonnes actual;
- forecast final Net Pool Price for each Pricing Mechanism;
- forecast Net IPS Price and COD Price (where applicable); and
- any Pre-season Payment amount (if applicable).

8.2 PPA REPORTING

A monthly Pool Price Report will provide details on the Pool Price of each Pricing Mechanism including:

- The forecast final Gross Pool Price for each Pricing Mechanism.
- The forecast final Allocation Account Amount and a summary of its major components for each Pricing Mechanism.
- The forecast final Net Pool Price and its major components for each Pricing Mechanism.
- A sensitivity matrix showing the variation in the forecast final Net Pool Price against movements in sugar prices and FX rates.
- A schedule setting out the timing and proportion of amounts to be paid under each Advances Option according to the applicable advances rates, and the Advances Finance Charge for each Advances Option.

An example monthly Pool Price Report is provided in the PPA.

At the end of each season, Wilmar will produce an Annual Pool Price Report on pooling, pricing and advances. The report will be made available to all growers and summarise the marketing outcomes and the major elements used to determine the final Net Pool prices for the season. The Annual Pool Price Report will be made available on GrowerWeb within seven days of the last day of the season.

8.3 AUDIT

Following the last day of each relevant season, Wilmar will engage an accounting firm to review and undertake an audit of the Annual Pool Price Report including the components that make the Gross Pool Price and Allocation Account Amount for that relevant season. A certification statement will be published to GrowerWeb within 10 business days of the auditor providing its report to Wilmar. The auditor's costs, including the costs of conducting the audit and producing an audit report and certification statement, will be a Direct Marketing and Operating Expense captured within the Allocation Account Amount.

8.4 GROWER EDUCATION AND SUPPORT

Wilmar will continue to provide growers with education and training sessions, with a focus on new Pricing Mechanisms and Advances Options. Details of formal small group training will be published to GrowerWeb and the Grower Marketing Team members are on hand to meet with growers individually for a tailored explanation.

To assist in understanding the new Advances Options available to growers and their impacts on cane payments, please refer to the cash flow tool developed by Wilmar and available on GrowerWeb.

Taking advantage of Wilmar's global sugar business, Wilmar will provide regular market reports via email and GrowerWeb. Formal market update meetings will be held on a semi-regular basis with a member of Wilmar's global market team.

Additional information sessions will be held to cater for the changes to marketing and the options available to you with Wilmar as your GEI Marketer. Information sessions will also explain how Gross Pool Prices, the Allocation Account Amount and Net Pool Prices are calculated.

INFORMATION SHEET

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GENERAL TERMS & KEY DATES

The following general terms should be used in conjunction with the pricing mechanism description sheets and payment description sheets. The description of these general terms are simplified versions of those definitions that appear in Wilmar's Pricing and Pooling Agreement (PPA). Please refer to the PPA for full definitions.

GENERAL TERMS

Allocation Account Amount: An amount in AUD per tonne actual for each Pricing Mechanism which includes the net physical and polarisation premiums, hedging finance charges, marketing services charge, direct marketing and operating expenses and any administration charges for the Discretionary Pricing Mechanism (if applicable).

Committed Cane Tonnage: The sum of PPA sugar allocated to the US Quota Pool and Discretionary Pricing Mechanisms converted to cane tonnes (based on the GEI Sugar formula relevant to your CCS relativity scheme).

Default Pricing Mechanism: Any PPA Sugar not nominated to a Discretionary Pricing Mechanism will be automatically allocated to the Default Pricing Mechanism, being the US Quota Pool and the Production Risk Pool.

Discretionary Pricing Mechanism: Pricing Mechanisms to which growers can choose to nominate PPA Sugar (within the applicable allowable Exposure Limit). Current Discretionary Pricing Mechanisms include the Call Pricing Mechanism, Target Pricing Mechanism and Wilmar Managed Pool(s).

Discretionary Ratio: The ratio of 1:2:2:1, being the ratio by which tonnes actual are allocated under the Discretionary Pricing Mechanisms against the July, October, March and May ICE 11 Contracts.

Exposure Limit: The Limit determines the maximum amount of estimated PPA Sugar that may be allocated to a Discretionary Pricing Mechanism for a relevant season. This amount is expressed as a percentage and published by Wilmar on GrowerWeb.

GEI Sugar: Grower Economic Interest Sugar

GEI Sugar* = Cane Tonnes x 0.009 x (CCS-4) / IPS Factor

**The above formula is only applicable for Relative A CCS scheme. See PPA for the definition of CCS and Relative B and AQ Tonnes conversion formulas.*

Gross Pool Price: The weighted average price in AUD per tonne actual for a Pricing Mechanism based on the sugar and currency Risk Management Contracts executed. Where a grower has fulfilled Price Requests for Call or Target Pricing, the Gross Pool Price will be calculated as a weighted average price in AUD per tonne actual for each Pricing Mechanism.

Net Pool Price: The Net Pool Price for the relevant Pricing Mechanism will be determined by Wilmar by application of the relevant Allocation Account Amount to the Gross Pool Price for that Pricing Mechanism.

PPA Cane Delivery Tonnes: Each separate delivery of PPA Cane Supply Tonnes from the grower.

PPA Cane Payment: The total amount payable to a grower for the supply of PPA Cane Delivery Tonnes.

PPA Cane Supply Tonnes: The cane tonnage calculated from the proportion of GEI Sugar nominated to Wilmar under the CSA (expressed as a percentage), multiplied by total cane tonnage that is supplied by a grower for a relevant season.

PPA Nominated Tonnage: The cane tonnage calculated from the proportion of GEI Sugar nominated to Wilmar under the CSA (expressed as a percentage), multiplied by the total cane tonnage to be supplied by a grower for a relevant season as estimated no later than the Pricing Nomination Date.

PPA Sugar: The amount of tonnes actual equal to the proportion of GEI Sugar for which Wilmar has been nominated as the GEI Sugar Marketing Entity under the CSA (expressed as a percentage), multiplied by the GEI Sugar.

Price Request: A request by a grower to nominate a portion of their PPA Sugar to a Forward Pricing Mechanism (Call and/or Target Pricing). Price Requests also relate to the setting or changing of a price level. All Price Requests are to be made via GrowerWeb.

Relevant season: In respect of each crushing season, this means the period from when the applicable crushing season commences until the date of the Bill of Lading of the last shipment of raw sugar manufactured in that crushing season.

Risk Management Contracts: Contracts using hedging instruments, derivatives or forward contracts, including but not limited to futures, swaps and options or a combination of any of these products for the purpose of hedging sugar price and currency.

GENERAL TERMS & KEY DATES

DATES

The following dates indicate the key decision points in relation to a relevant season. These dates may change during the 2020 - 2022 timeframe, in which case Wilmar will advise changes via GrowerWeb. The dates should be considered in conjunction with the pricing mechanism description sheets and payment description sheets. Please refer to Wilmar's Pricing and Pooling Agreement (PPA) for full details and terms.

Marketing Nomination Date: The date by which a grower may nominate one or more of the GEI Sugar Marketing Entities (with which Wilmar has a GEI Sugar Sales Agreement) for a relevant season.

The Marketing Nomination Date is 31 October in the year prior to the relevant season, for which the nomination relates.

The Marketing Nomination Dates as at August 2019 are provided below:

Season	Marketing Nomination Date
2020	31.10.2019
2021	31.10.2020
2022	31.10.2021

Pricing Nomination Date: The date by which a grower may make a nomination to Wilmar to allocate an amount of their PPA Sugar to a Discretionary Pricing Mechanism for that relevant season.

The Pricing Nomination Date is 30 April prior to the relevant season.

The Pricing Nomination Dates as at August 2019 are provided below:

Season	Pricing Nomination Date
2020	30.04.2020
2021	30.04.2021
2022	30.04.2022

Reminders will be given to growers in the lead-up to all of the above dates. Please note that where an above date falls on a weekend or Public Holiday, the next business day will be taken as the relevant day.

Pre-season Payment Nomination Date: The date by which a grower may elect to receive a Pre-season Payment for PPA Nominated Tonnage for that relevant season.

The Pre-season Payment Nomination Date is 28 February prior to the relevant season.

Pre-season Payment Nomination Dates as at August 2019 are provided below:

Season	Pre-Season Payment Nomination Date
2020	28.02.2020
2021	28.02.2021
2022	28.02.2022

Advances Nomination Date: The date by which a grower may elect to be paid under an Alternate Advances Option (Deferred or Cash on Delivery Advances Options) for their PPA Nominated Tonnage, for that relevant season.

The Advances Nomination Date will be 30 April prior to the crushing season for which the nomination relates.

The Advances Nomination Dates as at August 2019 are provided below:

Season	Advances Nomination Date
2020	30.04.2020
2021	30.04.2021
2022	30.04.2022

Pricing Completion Date: The date by which Price Requests for Forward Pricing Mechanisms (Call Pricing and Target Pricing) must be fulfilled by Wilmar for a relevant season.

The Pricing Completion Date occurs in February in the year following the commencement of the relevant season.

Pricing Completion Dates as at August 2019 are provided below:

Season	Pricing Completion Date
2020	19.02.2021
2021	21.02.2022
2022	20.02.2023

The information in this Information Sheet is general information only and does not constitute legal, taxation or account advice. It does not take into account your personal objectives, circumstances, financial situation or needs. You should seek financial and legal advice before making any decision based on this Information Sheet and ensure that the advice is tailored to your personal circumstances. 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 in conjunction with and subject to the current Pricing and Pooling Agreement (PPA) with Wilmar Sugar Australia Trading Pty Ltd to which you are a party. The PPA will prevail to the extent of any inconsistency over the terms 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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CALL PRICING MECHANISM

Our Call Pricing Mechanism allows you to establish a value for a portion of your PPA Sugar.

This discretionary pricing mechanism description sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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 information sheet.

KEY FEATURES

Seasons 2020 - 2022	
Minimum Tonnage Commitment	304.82 tonnes PPA Sugar (and multiples of)
Advances Options	Cash on Delivery (COD) Deferred Default
Discretionary Ratio	1:2:2:1 (JUL:OCT:MAR:MAY)

Season	Nomination period	Pricing period
2020	04.09.2017 – 30.04.2020	04.09.2017 – 19.02.2021
2021	01.08.2018 – 30.04.2021	01.08.2018 – 21.02.2022
2022	01.07.2019 – 30.04.2022	01.07.2019 – 20.02.2023

Season	Discretionary Pricing Mechanism Administration Fee
2020	$2.00 per tonne actual
2021	$2.00 per tonne actual
2022	$2.00 per tonne actual

The Call Pricing Mechanism is targeted towards growers with larger amounts of PPA Sugar and offers the opportunity for you to manage your own sugar price exposure by directly specifying price levels via your Price Requests to Wilmar. Its key features include:

- A requirement for Price Requests to be placed in minimums and multiples of 304.82 tonnes of sugar. This is approximately equivalent to 3,500 tonnes of cane (at 14 CCS).
- The requested price level in AUD/t sugar is set by you at any dollar value of your choosing (e.g. $515, $554).
- The key flexibility in comparison with the Target Pricing Mechanism is that the requested price level can be set at any value.
- The key limitation in comparison to the Target Pricing Mechanism is that it is mandatory that a Price Request be for a minimum of 304.82 tonnes of sugar.

Management strategy

It is up to you when, and at what level, you set a Price Request, however it is important that you understand the following conditions.

Creating Price Requests

- All your Price Requests must be made via GrowerWeb.
- You may create a Price Request at any time during the nomination period, relevant to a season.
- The PPA Sugar available for Price Requests is based on the Exposure Limit percentage as displayed on GrowerWeb. This limit applies during the nomination period for a season and increases as we get closer to a season.
- You can leave a Price Request without a requested price level and then set it at a later date, as long as this occurs prior to the Pricing Completion Date, which is the last date in the pricing period.

Varying and cancelling Price Requests

- Prior to the Pricing Completion Date, you may vary or cancel an unfulfilled Price Request at any time via GrowerWeb, by completing another Price Request.

Fulfilling Price Requests

- We will fulfil Price Requests when the market reaches the requested price level and we are able to execute appropriate sugar price and currency Risk Management Contracts.
- We will confirm via email when your Price Requests are fulfilled.
- We may choose to fulfil a Price Request at the requested or higher sugar price.
- Price Requests will be fulfilled in accordance with the Discretionary Ratio of 1:2:2:1 (JUL:OCT:MAR:MAY).
- If we receive more than one Price Request from growers specifying the same sugar price, and we are only able to execute part of the aggregate tonnage of those Price Requests, then we will fulfil the Price Requests in the chronological order in which they were received.
- Any new Price Request, or any variation or cancellation of a Price Request, must be received before 2.00pm on a business day. Any request received after this time will be taken to have been received on the next business day.

CALL PRICING MECHANISM

Pricing Completion Date

- Where a Price Request has not been fulfilled by ten (10) business days prior to the expiry date of the ICE contract months of July or October, we will "roll" the Risk Management Contracts (for example, if Call Pricing has not been completed prior to the expiry of the July ICE 11 Contract in the relevant season, we will sell Risk Management Contracts in respect of the July ICE Contract and buy Risk Management Contracts in respect of the October ICE Contract) and adjust the daily indicative price published on GrowerWeb, taking into account the gain or loss associated with the "roll".

- If a Price Request is not fulfilled by the close of ICE11 trading on the Pricing Completion Date, we will fulfil the Price Request by entering into Risk Management Contracts consistent with our ordinary course of business as soon as reasonably practicable after the Pricing Completion Date. We will also adjust for the gains and losses achieved as a result of the "rolls" from the July and October ICE Contract positions and will advise you of the final price.

Supply obligations

PPA Sugar nominated to the Call Pricing Mechanism forms part of your PPA Sugar used in the determination of your Committed Cane Tonnage. You must supply PPA Cane Supply Tonnes that are at least equal to the Committed Cane Tonnage or else this will give rise to a Committed Cane Shortfall which will result in a "washout". For full details of the washout process, please refer to the PPA or the Committed Cane Shortfall information sheet.

The standard process for a washout calculation for Committed Cane Shortfall is the difference in price in AUD/t actual between the Gross AUD/t price achieved in your Call Pricing and the current market price at the time of the washout calculation. The benefit or cost in performing this washout will be added to or deducted from your cane payment. In the case of a Committed Cane Shortfall there may be further options which we can offer in lieu of the standard washout process, to give you added flexibility.

Fees and charges

The Call Pricing Mechanism will be charged a Discretionary Pricing Mechanism Administration Fee of $2.00 per tonne actual for the 2020 to 2022 seasons.

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TARGET PRICING MECHANISM

Our Target Pricing Mechanism allows you to establish a value for a portion of your PPA Sugar.

This pricing mechanism description sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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 information sheet.

KEY FEATURES

Seasons 2020 - 2022		
Minimum Tonnage Commitment	10 tonnes PPA Sugar	
Advances Options	Cash on Delivery (COD) Deferred Default	
Discretionary Ratio	1:2:2:1 (JUL:OCT:MAR:MAY)	
Season	**Nomination period**	**Pricing period**
2020	04.09.2017 – 30.04.2020	04.09.2017 – 19.02.2021
2021	01.08.2018 – 30.04.2021	01.08.2018 – 21.02.2022
2022	01.07.2019 – 30.04.2022	01.07.2019 – 20.02.2023
Season	**Discretionary Pricing Mechanism Administration fee**	
2020	$2.00 per tonne actual	
2021	$2.00 per tonne actual	
2022	$2.00 per tonne actual	

The Target Pricing Mechanism gives you the opportunity to manage your own sugar price exposure. Its key features include:

- Price Requests for any tonnage above a minimum of 10 tonnes of PPA Sugar.
- We set sugar price levels in $10 increments (e.g. $500, $510, $520) and you can make a Price Request at any of these specific price levels.
- The key flexibility in comparison with the Call Pricing Mechanism is that Price Requests only have a 10 tonne PPA Sugar minimum requirement.
- The key limitation in comparison to the Call Pricing Mechanism is that Wilmar sets the requested price levels in $10 increments.

Management strategy

It is up to you when, and at what level, you set a Price Request, however it is important that you understand the following conditions.

Creating Price Requests

- You must make all Price Requests via GrowerWeb.
- You may create a Price Request at any time during the nomination period relevant to a season.
- The PPA Sugar available for Price Requests is based on the Exposure Limit percentage that prevails during the nomination period for a season.
- You cannot create Price Requests for any quantity that exceeds the Exposure Limit applying to the PPA Sugar.

Variation and cancelling Price Requests

- Prior to the Pricing Completion Date, you may vary or cancel an unfulfilled Price Request at any time via GrowerWeb, by completing another Price Request.

Fulfilling Price Requests

- We will fulfil Price Requests if the market reaches the requested sugar price level and we are able to execute appropriate sugar price and currency Risk Management Contracts.
- We will confirm via email when your Price Requests are fulfilled.
- We may choose to fulfil a Price Request at the requested or higher sugar price.
- Price Requests will be fulfilled in accordance with the Discretionary Ratio of 1:2:2:1 (JUL:OCT:MAR:MAY).
- If we receive more than one Price Request from growers specifying the same sugar price, and we are only able to execute part of the aggregate tonnage of those Price Requests, then we will fulfil the Price Requests in the chronological order in which they were received.
- Any new Price Request, or any variation or cancellation of a Price Request, must be received before 2.00pm on a business day. Any request received after this time will be taken to have been received on the next business day.

Pricing Completion Date

- Where a Price Request has not been fulfilled by 10 business days prior to the expiry date of the ICE contract months of July or October, we will "roll" the Risk Management Contracts (for example, if Target Pricing has not been completed prior to the expiry of the July ICE 11 Contract in the relevant season, we will sell Risk Management Contracts in respect of the July ICE Contract and buy Risk Management Contracts in respect of the October ICE Contract) and adjust the daily indicative price published on GrowerWeb, taking into account the gain or loss associated with the "roll".
- If a Price Request is not fulfilled by the close of ICE11 trading on the Pricing Completion Date, we will fulfil the Price Request by entering into Risk Management Contracts consistent with our ordinary course of business as soon as reasonably practicable after the Pricing Completion Date. We will also adjust for the gains and losses achieved as a result of the "rolls" from the July and October ICE Contract positions and will advise you of the final price.

Supply obligations

PPA Sugar nominated to the Target Pricing Mechanism forms part of your PPA Sugar used in the determination of your Committed Cane Tonnage. You must supply PPA Cane Supply Tonnes that are at least equal to the Committed Cane Tonnage or else this will give rise to a Committed Cane Shortfall which will result in a "washout". For full details of the washout process, please refer to the PPA or the Committed Cane Shortfall information sheet. The standard process for a washout calculation for Committed Cane Shortfall is the difference in price in AUD/t actual between the Gross AUD/t price achieved in your Target Pricing and the current market price at the time of the washout calculation. The benefit or cost in performing this washout will be added to or deducted from your cane payment. In the case of a Committed Cane Shortfall there may be further options which we can offer in lieu of the standard washout process to give you added flexibility.

Fees and charges

The Target Pricing Mechanism will be charged a Discretionary Pricing Mechanism Administration Fee of $2.00 per tonne actual for the 2020 to 2022 seasons.

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MANAGED POOL

For a relevant season, Wilmar may choose to operate a Managed Pool, which exercises significant discretion in the timing of pricing decisions and the purchase and sale of options. Pricing in this pool is managed by Wilmar Sugar Australia Trading Pty Ltd (WSAT).

This pricing mechanism description sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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.

KEY FEATURES

Season 2020	
Minimum Tonnage Commitment	10 tonnes PPA Sugar
Advances Options	Deferred Default
Discretionary Ratio	1:2:2:1 (JUL:OCT:MAR:MAY)
Pricing Nomination Date	**Pricing Period**
30.04.2020	01.05.2020 – 30.06.2021
Discretionary Pricing Mechanism Administration fee	
$2.00 per tonne actual	

- This is a committed tonnage pricing pool.
- The 2020 season Wilmar Managed Pool aims to enhance the price outcome for participants, by exercising significant discretion in the timing of pricing decisions as well as the purchase and sale of options.
- WSAT will be responsible for all pricing decisions that determine the gross Australian Dollar price element of this pool.
- Pricing activity will commence after the Pricing Nomination Date and conclude by 30 June 2021.
- The Gross Pool Price element of this pool, expressed in Australian Dollars, will be adjusted for the Managed Pool's Allocation Account Amount for the 2020 season to determine a final Net Pool Price.

Management strategy and hedging instruments

All the pricing decisions in relation to both ICE No.11 and AUD/USD foreign exchange will be made by WSAT based on its prevailing views of the markets.

WSAT will exercise significant discretion in determining the timing of the various pricing decisions as well as the types of Risk Management Contracts it uses. The Risk Management Contracts used may include (but are not be limited to):

- The sale and purchase of ICE No.11 futures contracts
- The sale and purchase of ICE No.11 options
- Forward foreign exchange contracts
- Purchase and sale of foreign exchange options

Supply obligations

PPA Sugar nominated to the Wilmar Managed Pool forms part of your PPA Sugar used in the determination of your Committed Cane Tonnage. You must supply PPA Cane Supply Tonnes that are at least equal to the Committed Cane Tonnage or else this will give rise to a Committed Cane Shortfall which will result in a "washout". For full details of the washout process, please refer to the PPA or the Committed Cane Shortfall description sheet.

The standard washout calculation process for a Committed Cane Shortfall will be based on the impact caused to the price resulting from a reduction in the pool's tonnage. The calculation of the impact on the pool price will be undertaken for all growers who fell short on delivering necessary committed tonnage to the pool and this will occur 10 business days after the End of Crushing Season Adjustment is calculated.

This ensures that the Gross Pool Price and the percentage of sugar hedged in the pool are restored to the same levels had all committed tonnage been delivered. Such an approach ensures that other growers in this pool are not impacted by individual growers' shortfalls. The benefit or cost in performing this washout will be added to or deducted from your cane payment.

The information in this Information Sheet is general information only and does not constitute legal, taxation or account advice. It does not take into account your personal objectives, circumstances, financial situation or needs. You should seek financial and legal advice before making any decision based on this Information Sheet and ensure that the advice is tailored to your personal circumstances. 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 in conjunction with and subject to the current Pricing and Pooling Agreement (PPA) with Wilmar Sugar Australia Trading Pty Ltd to which you are a party. The PPA will prevail to the extent of any inconsistency over the terms 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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GROWER-MANAGED PRODUCTION RISK SCHEME

Wilmar is offering growers the ability to directly manage their price risk for PPA Sugar that would otherwise be managed under the Production Risk Pool. By taking advantage of the Grower-Managed Production Risk Scheme (GMPRS) you can elect to have full control of the price outcome you receive for all of your GEI Sugar nominated to Wilmar (excluding the small 2-5% of PPA Sugar allocated to the US Quota Pool).

Pricing under the GMPRS can be managed via the existing Call and Target Pricing Mechanisms and the Wilmar Managed Pool up to the standard 70% exposure limit. The remaining 25-28% is priced via the new GMPRS Target Pricing Mechanisms.

You can either:-

a) participate in the Production Risk Pool according to the existing terms of that pool (i.e. where a minimum of 30% of Estimated PPA Sugar must be allocated to the Production Risk Pool and US Quota Pool at the Pricing Nomination Date); or

b) participate in the GMPRS and manage your total sugar price exposure (apart from that covered by the US Quota).

It is important to realise that you either decide to have Wilmar manage all of your crop production risk in the Production Risk Pool, or you choose to nominate all of your crop production risk to the GMPRS and manage the risk yourself. In other words, a grower that chooses the GMPRS will have no tonnage allocated to the Production Risk Pool. There is no "half-way house" between the above two options.

The GMPRS has been structured this way to ensure that the risk profile of the Production Risk Pool is not impacted by the GMPRS. For example, the risk profile of the Production Risk Pool would be increased if we allowed some growers to allocate only 5% or 10% of their Estimated PPA Sugar to the Production Risk Pool.

This description sheet is subject to change at Wilmar's discretion and should be read in conjunction with both the term sheet and Pricing and Pooling Agreement (PPA) which together contain the 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.

KEY FEATURES

Season 2020	
GMPRS Confirmation Period	07.05.2020 – 15.05.2020
Pricing Completion Date	GMPRS in-season target pricing: (if applicable): 23.09.2020 GMPRS post-season target pricing: 19.04.2021
Discretionary Pricing Mechanism Administration Fee	GMPRS in-season target pricing: $2 per tonne actual GMPRS post-season target pricing: $2 per tonne actual

How the GMPRS works

Prior to the Pricing Nomination Date

1. If you are interested in managing your full price risk via the GMPRS please speak to a member of the Grower Marketing Team and request a copy of the Term Sheet and Risk Acceptance Form (these will also be published to GrowerWeb). Wilmar recommends you seek independent financial advice prior to electing to manage your total price risk.

   To proceed, complete, sign and return the Risk Acknowledgment Form. It will be at Wilmar's discretion to grant growers the opportunity to utilise the GMPRS. If Wilmar grants you approval, your Exposure Limit will be increased on 7 May 2020 (first day of the GMPRS Confirmation Period) from 70% to 95-98% for the 2020 season.

2. If you wish to participate in the GMPRS, it is important that you return your signed Risk Acknowledgement Form by the Pricing Nomination Date (30 April 2020).

3. Following the Pricing Nomination Date, Wilmar will determine what quantity of GEI Sugar tonnage will be allocated to the forecast Production Risk Pool and whether the pool has a Storage Constraint component. This is the quantity (if applicable) that must be priced and shipped in-season in order to manage storage within the terminals.

4. As a result, Wilmar will determine an approximate forecast of the July:October:March:May ICE#11 ratio that will apply for the Production Risk Pool and structure the GMPRS tonnage in that same ratio.

   It is important to note that the GMPRS exposure profile will not match the 1:2:2:1 ratio of July:October:March:May that applies to the Discretionary Pricing Mechanisms you can choose for your underlying 70% of pricing exposure. The ratio for the GMPRS can only be determined following the Pricing Nomination Date. Once the ratio is set and published it will not change for the remainder of the season.

5. Within a few days of the Pricing Nomination Date, Wilmar will publish the GMPRS pricing ratio and the consequent requirement (where applicable) for GMPRS In-Season Target Pricing and Post-Season Target Pricing.

GMPRS Confirmation Period (7-15 May 2020)

1. Wilmar will publish the futures contract ratios for both the GMPRS In-Season and Post-Season Target Pricing Mechanisms.

2. Having published the GMPRS ratio, Wilmar will allow growers who returned a Risk Acknowledgement Form a period of time (the GMPRS Confirmation Period) to confirm with Wilmar their intent to participate in the GMPRS. The Confirmation Period is open for one week only, so growers are encouraged to use the time prior to the Confirmation Period to fully understand how the GMPRS works and to seek independent financial advice.

3. Wilmar will advise how much of your Estimated PPA Sugar must be allocated to the GMPRS In-Season and Post-Season Target Pricing.

4. Your final acceptance of the offer is to allocate Discretionary Tonnage to the GMPRS In-Season and Post-Season Target Pricing Mechanisms equal to your full exposure limit (95-98%) by the end of the GMPRS Confirmation Period.

5. Under the GMPRS, the exposure available for you to price will be based on your Estimated PPA Sugar, as calculated from the cane tonnage nominated by you and your historical average CCS. Your Estimated PPA Sugar is determined through the Agreements process when you sign your CSA (via GrowerWeb).

Pre-season timeline

Pricing Nomination Date 30/04/2020 → Wilmar determines initial Storage Constraint for Production Risk Pool → Wilmar determines GMPRS Pricing Mechanism Ratio:
• In-Season
• Post-Season → Wilmar publishes GMPRS Ratio prior to 7/05/2020 → GMPRS Confirmation Period 7/05/2020 - 15/05/2020 → GMPRS pricing begins 16/05/2020

GMPRS Pricing Mechanisms

Under the GMPRS you will have the discretion to fulfil Price Requests from the end of the GMPRS Confirmation Period until the applicable Pricing Completion Date of:

- GMPRS In-Season Target Pricing: 23 September 2020
- GMPRS Post-Season Target Pricing: 19 April 2021

GMPRS In-Season Target Pricing Mechanism

If Wilmar determines there is a Storage Constraint within the Production Risk Pool, there will be a quantity which must be priced under the GMPRS In-Season Target Pricing Mechanism to allow for tonnes to be shipped in season.

GMPRS In-Season Target Pricing will be priced only against the October ICE#11 futures contract. GMPRS In-Season Target Pricing must be completed by its Pricing Completion Date (23 September 2020) and cannot be "rolled" to the March or May ICE#11 positions.

GMPRS In-Season Target Pricing that has not had a price fulfilled by the Pricing Completion Date will be priced "at market" the following business day.

If Wilmar determines there is no Storage Constraint applying to the Production Risk Pool prior to the GMPRS Confirmation Period, there will be no GMPRS In-Season Target Pricing. All PPA Sugar under the GMPRS will therefore be priced via GMPRS Post-Season Target Pricing.

GMPRS Post-Season Target Pricing Mechanism

GMPRS Post-Season Target Pricing will be priced against the March and May ICE#11 futures contracts in the ratio published during the Confirmation Period. Growers will have longer to complete their GMPRS Post-Season Target Pricing (until 19 April 2021) than any pricing under the Call and Target Mechanisms they may have previously used. If a price is not set by 20 February 2021, that tonnage will be "rolled" to the May ICE#11 futures position. The "rolling" (or "spread") gain or loss will be applied when providing indicative daily prices or fulfilling Price Requests. You do not price against the individual March and May futures contracts. The indicative price will be calculated using the two futures contracts as per the published ratio.

GMPRS Post-Season Target Pricing that has not had a price fulfilled by 19 April 2021 will be priced "at market" the following business day.

During the season

During the season, a grower might realise that they will not meet the Estimated PPA commitment, and that Price Requests should not be fulfilled. Following consultation with and approval by Wilmar, growers may utilise early season washout options and cancel unfulfilled Price Requests prior to the completion of crushing under the Committed Cane Shortfall options.

On the other hand, during the crushing season it might become evident that sugar production is likely to be higher than originally forecast. In this case, it is important to note that growers will not be able to price any forecast increase in their exposure above their original Estimated PPA Sugar until after the crushing season has finished.

Post-crush

When the End of Crushing Season Adjustment (as referred to in Schedule 2 of the CSA) has been completed and your PPA Sugar Delivery Tonnes are known, there may be:

a) additional PPA Sugar for you to price (i.e. the PPA Sugar is greater than the Estimated PPA Sugar as calculated at the Pricing Nomination Date); or

b) a Committed Cane Shortfall that will need to be processed (i.e. where the PPA Sugar is less than the Estimated PPA Sugar).

In either case, you will not have any PPA Sugar allocated to the Production Risk Pool or any exposure to the results in that pool.

In the situation where there is additional PPA Sugar for you to price, Wilmar will add further exposure to the GMPRS Post-Season Target Pricing Mechanism in the same ratio as published prior to the GMPRS Confirmation Period, so that you can nominate further Price Requests via GrowerWeb. You will have until the Pricing Completion Date (19 April 2021) to have a Price Request fulfilled for any such additional tonnage.

Step-by-step

Speak to a member of the Grower Marketing Team to understand the process of managing 95-98% of your price risk. Seek independent financial advice.

↓

Complete, sign and return the Risk Acknowledgement Form prior to the 2020 Pricing Nomination Date of 30 April 2020.

↓

Allocate PPA sugar to Discretionary Pricing Mechanisms for your full 70% of standard exposure (Call/Target Pricing or Wilmar Managed Pool) before the Pricing Nomination Date.

↓

Soon after the Pricing Nomination Date, Wilmar will publish the pricing ratio applying to the GMPRS, and the In-Season and Post-Season Target Pricing applying to you.

↓

If you are approved for the GMPRS, Wilmar will increase your Exposure Limit from 70% to 95-98% (2-5% available for US Quota).

↓

During the GMPRS Confirmation Period, create GMPRS Target Price Requests to complete your final acceptance to participate in the GMPRS.

↓

From 16 May 2020, set Price Requests for GMPRS In-Season and Post-Season Target Pricing Mechanisms.

↓

All Price Requests to be fulfilled for GMPRS In-Season Target Pricing by 23 September 2020.

↓

Following the End of Crushing Season Adjustment, you will be advised of either additional PPA Sugar tonnage to price, or a Committed Cane Shortfall.

↓

All Price Requests to be fulfilled for GMPRS Post-Season Target Pricing by 19 April 2021.

↓

End of Season Adjustment to take account of final PPA Sugar allocated to the US Quota – July 2021.

GROWER-MANAGED PRODUCTION RISK SCHEME

Benefits of managing your total sugar price exposure

- Ability to manage the total price outcome for your full quantity of PPA Sugar for the 2020 season (excluding that exposure eventually allocated to the US Quota Pool).
- Flexibility with the new GMPRS Post-Season Target Pricing Mechanism to have Price Requests fulfilled right up until 19 April 2021.

Risks of managing your total sugar price exposure

- Under the GMPRS, all of the cane corresponding to your Estimated PPA Sugar at the Pricing Nomination Date will be Committed Cane Tonnage. This increases your risk and the potential financial implications resulting from a Committed Cane Shortfall (for further details please see Schedule 2 of the PPA and the Committed Cane Shortfall Information Sheet).
- Your risk and the potential financial implications where there has been a Mill Owner-caused shortfall also increases under the GMPRS, which will be calculated by reference to the financial consequences of the shortfall relevant to a maximum of 25-28% of the Committed Cane Tonnage (depending on the amount allocated to the US Quota Pool).

Important considerations

- The standard Wilmar Forward Pricing Mechanisms (Call and Target Price) have a Pricing Completion Date of 19 February 2021, however the new GMPRS Target Pricing Mechanisms have specific Pricing Completion Dates:
  - GMPRS In-Season Target Pricing: 23 September 2020
  - GMPRS Post-Season Target Pricing: 19 April 2021
- As explained in the Committed Cane Shortfall Information Sheet, if you have a Committed Cane Shortfall you can seek to cancel all or part of a Price Request that has not been fulfilled without a washout calculation against the prevailing market price. However, administration fees are still applicable.
- Note that any additional tonnage resulting from a larger PPA Sugar tonnage than originally estimated at the Pricing Nomination Date will only be available to be priced under the GMPRS Post-Season Target Pricing Mechanism following the End of Crushing Season Adjustment (or End of Crush wash-up) and up until the Pricing Completion Date.
- When managing your total price risk under the GMPRS, you must nominate 25-28% of Estimated PPA Sugar, which would otherwise be managed via the Production Risk Pool, to the GMPRS In-Season and Post-Season Target Pricing Mechanisms on a ratio as advised by Wilmar prior to the GMPRS Confirmation Period.

Supply obligations

All of the cane corresponding to your Estimated PPA Sugar at the Pricing Nomination Date will be Committed Cane Tonnage. You must supply PPA Cane Supply Tonnes that are at least equal to the Committed Cane Tonnage, otherwise this will give rise to a Committed Cane Shortfall which will result in a washout if Price Requests have been fulfilled. For full details of the washout process please refer to Schedule 2 of the PPA or the Committed Cane Shortfall Information Sheet.

The standard process for a washout calculation for Committed Cane Shortfall is the difference in price, in AUD/tonne actual, between the Gross AUD/tonne price achieved in your Target Pricing and/or Call Pricing Mechanisms and the current AUD/tonne market price at the time of the washout calculation. The benefit or cost of this calculation will be added to or deducted from your first monthly PPA Cane Payment immediately after the end of the crushing season.

If there is a requirement to washout a GMPRS In-Season Target Pricing Mechanism, the washout options depend on the date in which the shortfall occurs or is expected to occur:

- Prior to the Pricing Completion Date (23 September 2020) a washout will be available based on standard early season washout options.
- After the Pricing Completion Date, as this tonnage was required to be shipped in the October ICE#11 futures period, any shortfalls must be made up from tonnage in the Production Risk Pool. To avoid an impact on the Production Risk Pool, the washout of the GMPRS In-Season Target Pricing Mechanism will be under the "Committed Pools" washout method, where the washout is based on the impact upon the pool. This washout will be calculated for all growers in this situation 10 business days after the last End of Crushing Season Adjustment is completed in all Wilmar regions. This is the single option available for the GMPRS In-Season Target Pricing Mechanism if the shortfall occurs after the Pricing Completion Date.

In the case of a Committed Cane Shortfall there may be alternative options which Wilmar can offer in-lieu of the standard washout process, and which may better suit your business. In such a circumstance, we encourage growers to speak with our Grower Marketing Team about the options available.

The tonnage allocated to the US Quota Pool is often not finalised until April/May following the end of the crushing season. Therefore, a change in the final tonnage allocated to the US Quota Pool will see a minor end-of-season adjustment in the final payment of the season, to account for a slight increase or decrease in the tonnage covered by the GMPRS.

Fees and charges

Administration charges are those relevant to the Discretionary Pricing Mechanism chosen by you to manage your price risk. The Discretionary Pricing Mechanism Administration Fee is $2.00 per tonne actual for the 2020 season.

US QUOTA POOL

For each relevant season we will manage a US Quota Pool, to potentially secure higher returns for raw sugar sales to the USA domestic market under its quota system.

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

KEY FEATURES

Season 2020	
Minimum Tonnage Commitment	Estimated to be 2-5% of PPA sugar
Nomination period	Not applicable. All growers participate in and receive a pro-rata share of the US Quota Pool
Pricing period	2020 season: From the Marketing Nomination Date to 30 June 2021
Advances Options	Deferred Default
Exposure Profile	Does not have to adhere to 1:2:2:1 ratio. Sales and pricing is linked to the timing of physical sales to the USA

Pool features

- The US Quota Pool comprises any raw sugar exported by Wilmar to the USA under Certificates of Quota Eligibility allocated to Wilmar.
- Certificates of Quota Eligibility are allocated by the Australian Department of Agriculture to all Australian sugar milling companies based on their historical sugar production.
- Wilmar will use Certificates of Quota Eligibility to sell to the US wherever it can achieve the objective of establishing superior returns relative to other non-US Quota markets.
- Your proportion of PPA Sugar in the US Quota Pool will be equal to that proportion the total US Quota Pool tonnage bears to the total quantity of sugar marketed by Wilmar.
- It is expected that the US Quota Pool will account for up to a maximum of 5% of PPA Sugar tonnes, but usually 2-3%.

Management strategy and hedging instruments

We will operate and manage the US Quota Pool in a relevant season and allocate sugar to the US Quota Pool when we determine it is appropriate to do so, having regard to estimated potential relative returns from the US market as compared to sales from other markets.

Wilmar is responsible for the management of the raw sugar price risk and the associated foreign exchange exposure in the US Quota Pool, to deliver a Gross Pool Price in AUD per tonne.

Wilmar has full discretion as to the types of Risk Management Contracts used to manage the Gross Pool Price outcome for the US Quota Pool. The Exposure Profile does not have to adhere to the 1:2:2:1 ratio.

Calculation of the Gross and Net Pool Price

The Gross Pool Price for the US Quota Pool will be determined by reference to the ICE 16 market, which is the ICE futures contract specifically used to price sugar being supplied into the US domestic market. We will either use the ICE futures market to hedge returns for sales to the US, or choose to make fixed price sales using the ICE 16 market as a benchmark. Accordingly, the Gross Pool Price will be determined as the weighted average USD price per tonne of ICE futures contracts and the USD fixed price sales, converted to AUD per tonne based on foreign exchange contracts entered into by Wilmar for the US Quota Pool.

The Net Pool Price for the US Quota Pool will be determined by Wilmar adding the specific Allocation Account Amount to the Gross Pool Price for the US Quota Pool.

Supply obligations

All growers will share in the US Quota Pool. The percentage of your PPA Sugar which is allocated to the US Quota will be published as part of our monthly pool reporting commitments.

The US Quota Pool forms part of your Committed Cane Tonnage, however, you will have no financial liability for a Committed Cane Shortfall with regards to the US Quota Pool as long as you comply with all obligations under the Cane Supply Agreement (CSA) and PPA. Wilmar will allocate the first of your PPA Cane Supply Tonnes to the US Quota Pool to enable all growers to have an equal percentage of PPA Sugar allocated to this pool.

Fees, costs and deductions

We will not charge a separate administration fee for the US Quota Pool as the management of this pool is included as part of the Marketing Services Charge (which for the 2019 season will be $2.59 per tonne of sugar actual).

Reporting

You will be provided with monthly updates relating to the US Quota Pool's performance, as per PPA schedule 7.

PRODUCTION RISK POOL

For each relevant season, we will operate a Production Risk Pool (for those growers who choose not to manage their own production risk using the Grower-Managed Production Risk Scheme) to manage seasonal variability in the actual quantity of cane produced by growers and supplied to us.

This pricing mechanism description sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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.

KEY FEATURES

Season 2020	
Minimum Tonnage Commitment	Prior to the start of the relevant season, 30% of estimated PPA Sugar less that quantity allocated to the US Quota Pool
Nomination period	Any tonnage not nominated to a Discretionary Pricing Mechanism by the Pricing Nomination Date will be automatically allocated to the Default Pricing Mechanisms. (i.e. Production Risk Pool and US Quota Pool)
Pricing period	2020 season: From 1 May 2020 to 30 June 2021
Advances Options	Deferred Default
Exposure Profile	Does not have to adhere to 1:2:2:1 ratio, as Wilmar will sell and price sugar to manage crop risk, ensure storage constraints are met, and to optimise sugar market and physical premium outcomes

We will operate the Production Risk Pool to primarily manage the risk of variation in the PPA Nominated Tonnage during the period from the Marketing Nomination Date to the end of crushing for a relevant season. Variation can be due to factors including weather, the adoption of different cane varieties, the cane age profile, pest and diseases, and farming practices such as the timing of planting and harvesting, irrigation and fertilisation.

Pool features

- For each relevant season, we will operate a Production Risk Pool to manage seasonal variability in the actual quantity of cane produced by growers and supplied to us.
- The pool also has to take into account the sugar storage constraints at the relevant Bulk Sugar Terminals (BSTs).
- Unless you have chosen to manage virtually all of your production risk via the Grower-Managed Production Risk Scheme:
  - o For a relevant season, you may choose to allocate up to 70% of your estimated PPA Sugar to Discretionary Pricing Mechanisms. Any balance not allocated to the Discretionary Pricing Mechanisms will be allocated to the Default Pricing Mechanisms – the US Quota Pool and the Production Risk Pool.
  - o You could expect that you will have a minimum of 25-28% of your estimated PPA Sugar tonnes allocated to the Production Risk Pool prior to the start of the relevant season, on the basis that in recent years the US Quota Pool has represented between 2% and 5% of our total sugar production.
- Of course, as crop estimates change through the crushing season, the tonnage you have in the Production Risk Pool will also change. The final quantity in the Pool will not be known until crushing has finished.
- Due to constraints in storage capacity, some of the physical sugar underlying the Production Risk Pool may need to be priced and sold in the lead up to the start of harvesting and prior to storage pressures developing in the BSTs.
- The Exposure Profile in the pool will not adhere to the 1:2:2:1 ICE 11 futures ratio (versus July: October: March: May). We will sell and price sugar to manage crop risk and storage constraints, while at the same time seeking to optimise the Gross Pool Price of the Production Risk Pool and the physical premium outcomes.

Key concepts and principals

- The Production Risk Pool will be managed jointly by Wilmar Australia and Wilmar International, to harness the expertise of both the Australian team in understanding the local drivers behind the size of the Pool, and utilising the global resources of the Wilmar Singapore and Geneva teams with regard to sugar market intelligence.
- A component of the Production Risk Pool may need to be priced in the lead up to and early part of the harvest to manage storage constraints.

  Subsequently, it will be prudent that a quantity of sugar in the Pool is not priced or sold until sufficient volume has been delivered to the BSTs to cover any previously priced and physically sold tonnage.
- In seasons where we forecast the residual quantity of sugar in the Pool (after pricing and sales are made to manage storage) to significantly exceed the downside risk to the crop (for example, where the unsold/unpriced portion of the pool is greater than 30% of total estimated PPA sugar), the Pool Manager will

exercise discretion to price additional sugar if market prices are favourable.

- Despite the measures outlined above, to initially only sell and price sugar that must be transacted to keep BST storage under control, and then only sell/price sugar as it becomes available unless crop risk has significantly diminished, there is still some (small) risk of an unexpected crop decline. Should this cause the Production Risk Pool to be unexpectedly overpriced and/or oversold, the cost or benefit of unwinding pricing and/or sales will sit solely within the Gross Pool Price. Such costs will not form part of the Allocation Account Amount and all costs or benefits of unwinding hedging and sales will be quarantined to the Production Risk Pool.
- Wilmar has offered a Grower-Managed Production Risk Scheme which allows growers to manage their full price risk (excluding US Quota). It is important to note that you either decide to have Wilmar manage your production risk via the Production Risk Pool or you choose to manage this yourself via the new scheme. There is no "half-way house" between these options, because to allow this would result in different growers having differing and lesser amounts in the Production Risk Pool, thereby altering the risk profile of the Pool and consequently impacting other growers.

Management strategy and hedging instruments

Wilmar is responsible for the management of the ICE 11 raw sugar price risk in USD and the associated foreign exchange management to deliver a Gross Pool Price in AUD per tonne. Wilmar will use Risk Management Contracts at its discretion to manage the Production Risk Pool, with the goal of achieving a Gross Pool Price that optimises the price outcomes given prevailing market prices during the relevant season, while also taking into account the production risks and storage constraints.

Supply obligations

Allocations of PPA Sugar to this pricing mechanism are not included in the determination of your Committed Cane Tonnage. Committed Cane Tonnage is determined from the total of PPA Sugar allocated to Discretionary Pricing Mechanisms (i.e. all Target Pricing and Call Pricing and any Wilmar Managed Pools) and the US Quota Pool.

The quantity of any PPA Sugar that exceeds that committed under Discretionary Pricing Mechanisms and the US Quota Pool is allocated to the Production Risk Pool.

As long as you comply with all obligations under the Cane Supply Agreement (CSA) and PPA, any failure by you to supply that portion of PPA Nominated Tonnage that exceeds your Committed Cane Tonnage (and which might have a consequential adverse impact on the Gross Pool Price of the Production Risk Pool), will not be attributed directly to you. (For further details, please see Schedule 2 of the PPA.)

Calculation of the Gross and Net Pool Price

The Gross Pool Price for this Pool (expressed in AUD per tonne actual) will be determined by the net weighted average USD price (expressed in USD per tonne actual) achieved for all sugar Risk Management Contracts (including the value of option premiums), converted to AUD by the currency Risk Management Contracts entered into for this Pool.

The Net Pool Price (expressed in AUD per tonne IPS) for this Pool will be determined by adding the relevant Allocation Account Amount (expressed in AUD per tonne actual) to the Gross Pool Price, and the application of the IPS Conversion Factor.

(For further details, please see Clause 3 of Schedule 3 of the PPA.)

Fees, costs and deductions

We will not charge a separate administration fee for the Production Risk Pool, as the management of this Pool is included as part of the Marketing Services Charge (which will be $2.59 per tonne of sugar actual for the 2019 season).

Reporting

You will be provided with monthly updates relating to the Production Risk Pool's performance, as detailed in Schedule 7 of the PPA

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PRE-SEASON PAYMENT

If you are looking for cash flow before the crush to help with activities such as planting, you might opt for a Pre-season Payment.

This payment description sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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.

KEY FEATURES

Season 2020	
Pre-season Payment Amount	$5 per tonne cane for any portion of PPA nominated tonnage
Pre-season Payment Nomination Date	Nominations must be made prior to 28 February 2020
Pre-season Payment	Prior to 31 March 2020
Pre-season Payment Interest Rate	Fixed interest rate to be published on GrowerWeb 30 days prior to Pre-season Payment Nomination Date of 28 February 2020
Interest Charge	Interest amount calculated on daily balance and charged monthly

Under the Pre-season Payment option you have the ability to receive a payment by 31 March. You will be paid up to a maximum equivalent to $5/tonne cane for any portion of the PPA Nominated Tonnage nominated to this option

Why choose Pre-season Payment?

- This payment option allows you to access funds prior to the core payment period for a season.
- You will receive a competitive fixed interest rate.
- You will still have flexibility to allocate PPA Sugar to any available Pricing Mechanism.

Nomination process

You can nominate a percentage of your PPA Nominated Tonnage for Pre-season Payment on GrowerWeb. The website will calculate the Pre-season Payment value based on the percentage of PPA Nominated Tonnage at $5/t of cane.

In order for us to make payment in March prior to the crush, the Pre-season Payment option has an earlier nomination date than the Advances Options. For the 2020 season, the Pre-season Payment Nomination Date will be 28 February 2020.

Payment

We will pay you the amount calculated by GrowerWeb nomination process no later than 31 March 2020. We will let you know the actual payment date on GrowerWeb at least 30 days prior to the Pre-season Payment Nomination Date of 28 February 2020.

Eligible Pricing Mechanisms

You can nominate to receive a Pre-season Payment irrespective of the Pricing Mechanisms you choose.

Interest rate

- You will be charged an interest rate on the Pre-season Payment amount. The interest will accrue monthly on the daily outstanding balance of the Pre-season Payment and interest.
- We will advise via GrowerWeb the interest rate at least 30 days prior to the Pre-season Payment Nomination Date of 28 February 2020.
- The interest rate will be set for the period from when the rate is published prior to the Pre-season Payment Nomination Date until all funds have been recovered.

Repayment

The Pre-season Payment amount, and accrued interest, will be deducted as a first priority from your PPA Cane Payments as you begin delivering cane in the relevant season for which the Pre-season Payment is made. Repayments will continue until such time the Pre-season Payment amount and accrued interest is repaid in full.

The information in this Information Sheet is general information only and does not constitute legal, taxation or account advice. It does not take into account your personal objectives, circumstances, financial situation or needs. You should seek financial and legal advice before making any decision based on this Information Sheet and ensure that the advice is tailored to your personal circumstances. 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 in conjunction with and subject to the current Pricing and Pooling Agreement (PPA) with Wilmar Sugar Australia Trading Pty Ltd to which you are a party. The PPA will prevail to the extent of any inconsistency over the terms 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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PAYMENT DESCRIPTION SHEET

DEFERRED ADVANCES OPTION

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You can defer the first cane delivery payment(s) due under any of the Advances Options until after 1 July following the commencement of harvesting, by nominating the Deferred Advances Option.

This payment description sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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 information sheet.

KEY FEATURES

Season 2020	
Advances Nomination Date	Nominations for a Deferred Advances Option must be made prior to 30 April 2020
Timing of PPA Delivery Payments	PPA Delivery Payment(s) for any deliveries of cane prior to 1 July 2020 will not be made until the next PPA delivery payment after 1 July 2020
Eligible Pricing Mechanisms	All Wilmar Default and Discretionary Pricing Mechanisms

The Deferred Advances Option covers any PPA Delivery Payments for cane delivered in the initial weeks of the crushing season, which would otherwise be paid before 1 July. This may be beneficial to you for taxation reasons, however you should seek independent financial and/or taxation advice.

Nomination process

You can nominate the Deferred Advances Option on GrowerWeb. You can defer 100% of the cane payments due prior to 1 July until the first cane payment due after 1 July. However, you must make this nomination before the Advances Nomination Date for the relevant season. For the 2020 season, the Advances Nomination Date will be 30 April 2020.

Advance Amount and Profile

Cane payments which typically would be due in June (usually the first month of crushing) will be calculated and the associated invoices will be generated at the time of cane delivery, according to your nominated Pricing Mechanisms and Advances Options. However, the funds will not be dispersed to bank accounts until the first cane payment due after 1 July for the relevant season. It is important to note that this option does not defer monthly payments nearing the end of a relevant season (e.g. to defer proceeds relating to the 2019 season in May/June 2020, to 1 July 2020).

Eligible Pricing Mechanisms

You can nominate the Deferred Advances Option under any of Wilmar's Pricing Mechanisms.

Sugar Price Calculation

The Deferred Advances Option does not impact the calculation of your Relevant Sugar Price (i.e. the Cash on Delivery Price or the Net IPS Price - see PPA or other description sheets). The Deferred Advances Option simply defers the release of funds payable to you prior to 1 July.

Advances Finance Charge

The Deferred Advances Option defers PPA Delivery Payment proceeds until after 1 July. Your Advances Finance Charge, under either the Cash on Delivery (COD) or Default Advances Option, will be reduced to reflect payments which were deferred under these advances options. As such, there will be a specific finance charge to growers who are paid via COD and Deferred Advances Options and to growers who are paid via Default and Deferred Advances Options. Wilmar will publish a matrix of Advances Finance Charges which take these charges into account.

The Advances Finance Charge, expressed in AUD per tonne, will form part of your Weighted Average Advances Finance Charge, which is based on your proportions of PPA Cane Supply Tonnes allocated to one or more advances options.

PAYMENT DESCRIPTION SHEET

CASH ON DELIVERY ADVANCES OPTION

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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.

This payment description sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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.

KEY FEATURES

Season 2020	
Advances Nomination Date	Nominations must be made prior to 30 April 2020 in order to receive payments under the COD Advances Option
Minimum Advance Rate	An advance rate which is the higher of either: • 90%; or • Advance rate for the Default Advances Option
Eligible Pricing Mechanisms	• Target Pricing Mechanism • Call Pricing Mechanism

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 2020 season, the Advances Nomination Date will be 30 April 2020.

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 page 2.

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.

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 Options
Call Pricing	304.82 tonnes	$450.00	**Yes**
Target Pricing	100.00 tonnes	$460.00	**Yes**
Target Pricing	50.00 tonnes	***Price not fulfilled (fixed)***	**Yes**
Target Pricing	50.00 tonnes	$420.00	No
WSA Managed pool	100.00 tonnes	$440.00	Not Applicable
US Quota Pool	23.00 tonnes	$550.00	Not Applicable
Production Risk Pool	250.00 tonnes	$435.00	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 Options
Call Pricing	304.82 tonnes	$450/t Actual	**Yes**
Target Pricing	100.00 tonnes	$460/t Actual	**Yes**
Target Pricing	50.00 tonnes	**$480/t Actual**	**Yes**
Target Pricing	50.00 tonnes	$420/t Actual	No
WSA Managed pool	100.00 tonnes	As per relevant pool price	Not Applicable
US Quota Pool	23.00 tonnes	$550.00	Not Applicable
Production Risk Pool	250.00 tonnes	$435.00	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)

PAYMENT DESCRIPTION SHEET

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DEFAULT ADVANCES OPTION

If you don't make a nomination by the Advances Nomination Date for a season, then you will be paid according to the advance rate schedule for the Default Advances Option.

This payment description sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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.

KEY FEATURES

Season 2020	
Advances Nomination Date	Unless you nominate to the COD Advances Option prior to 30 April 2020 you will be paid exclusively under the Default Advances Option
Minimum Percent Advance	Initial advance at 65% of estimated Net IPS price, increasing progressively to 100% by the end of the relevant season
Eligible Pricing Mechanisms	All Wilmar Default and Discretionary Pricing Mechanisms

The Default Advances Option will apply for any proportion of PPA Nominated Tonnage which is not allocated to the COD Advances Option.

Advance Amount and Profile

- Under the Default Advances Option, cane payments are made according to a program of advance rates (expressed as a percentage).
- For the duration of the relevant season, all growers under the Default Advances Option will be paid based on a common percentage advance rate, which will be applied to your individual estimated Net IPS Price applicable to the Pricing Mechanisms you have chosen.
- The payment program under the Default Advances Option will be published on GrowerWeb at least 30 days prior to the Advances Nomination Date, with updates published monthly through the season.
- The Default Advances Option provides for a minimum initial advance rate of 60% of your estimated Net IPS Price. The advances rate increases incrementally throughout the season until it reaches 100% of the final Net IPS Price, when the last shipment of sugar from that season is completed.
- Wilmar will vary the advance rate under the Default Advances Option depending on the cashflow from our sales of sugar, the margin calls we may need to pay on forward pricing (futures) positions and financing costs.

Here is an example of the advance rate that will be published monthly to GrowerWeb:

Month	Advance Rate	Status
Jun-20	65.0%	Confirmed
Jul-20	65.0%	Scheduled
Aug-20	65.0%	Scheduled
Sep-20	65.0%	Scheduled
Oct-20	70.0%	Scheduled
Nov-20	70.0%	Scheduled
Dec-20	75.0%	Scheduled
Jan-21	80.0%	Scheduled
Feb-21	85.0%	Scheduled
Mar-21	87.5%	Scheduled
Apr-21	90.0%	Scheduled
May-21	90.0%	Scheduled
Jun-21	97.5%	Scheduled
Jul-21	100.0%	Scheduled

Pricing Mechanisms payable

The Default Advances Option is available for all Pricing Mechanisms. It will apply to all tonnage not paid under the Cash on Delivery Option (COD).

If you choose not to nominate tonnage to Discretionary Pricing Mechanisms and do not nominate an alternate Advances Option, you will be paid for all PPA Cane Supply Tonnes based on the Default Pricing Mechanisms (i.e. US Quota and Production Risk Pool) according to the advance rates under the Default Advances Option.

Advances Finance Charge

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

DEFAULT ADVANCES OPTION

Example Net IPS Price Calculation

The Default Advances Option will apply to all cane payments not paid under the COD Advances Option.

The following table illustrates an example of how you might choose to receive cane payments.

Pricing Mechanism	PPA Sugar	Gross Price AUD/ Tonne Actual	Nominated for COD Advances Options
Call Price	304.82 tonnes	$450.00	Yes
Target Price	100.00 tonnes	$460.00	Yes
Target Price	50.00 tonnes	$480.00	Yes
Target Price	50.00 tonnes	$420.00	*No – paid via default advances*
WSA Managed Pool	50.00 tonnes	$440.00	*Not applicable – paid via Default Advances*
US Quota Pool	23.00 tonnes	$550.00	*Not applicable – paid via Default Advances*
Production Risk Pool	250.00 tonnes	$435.00	*Not applicable – paid via Default Advances*
Total tonnes	**827.82 tonnes**		

PPA Sugar nominated under the Default Advances Option
= Total PPA Sugar less tonnage nominated to COD Advances Option
= 827.82 - (304.82 + 100 + 50)
= 373.00 tonnes

The weighted average Gross Pool Price ($/tonne) under the Default Advances Option = $440.76/t (which is **A** in the Net IPS Price formula below)

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

(A – B – C) / IPS Conversion Factor
where:

- **A** = Weighted average gross prices excluding any PPA Sugar allocated to the calculation of the COD Price under the COD Advances Option
- **B** = Weighted average of the relevant Allocation Account Amounts
- **C** = Weighted Average Advances Finance Charge

INFORMATION SHEET

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ALLOCATION ACCOUNT

This information sheet should be read in conjunction with the Pricing Mechanism Description Sheets and Payment Description Sheets. The description of the Allocation Account is a simplified version of the full detail that appears in Wilmar's Pricing and Pooling Agreement (PPA). Please refer to the PPA for full details.

The Allocation Account Amount takes into account all of the actual premiums and costs which are associated with the storage and handling, logistics, sales, marketing and hedging of raw sugar.

To provide greater transparency, Wilmar has chosen to identify and report the key components of the Allocation Account. The various items in the Allocation Account will be reported as an AUD per tonne actual value. A summary of each component's key attributes is listed below and full details can be found in the PPA.

Net Premiums

The Net Premium is derived from the physical sales of all raw sugar marketed by Wilmar, (including GEI Sugar and Wilmar's own sugar price exposure) to end customers. Premiums relative to both the ICE NY11 and NY16 (US Quota) futures contracts are most typically comprised of the Polarisation Premium, Physical Premium (often referred to as Far East Premium or FEP), the freight charged to the end customer and spread gains or losses. The Net Premium also includes Permitted Deductibles which are those costs incurred as a direct result of the sales transactions. Permitted Deductibles will typically include freight and insurance costs, shipping costs such as stevedoring, supervisors and surveyors, and ICE contract execution and brokerage.

The Net Premium amount paid (in AUD per tonne actual) will be exactly the same for all growers who nominated WSAT as their GEI Marketer as it will for Wilmar's Economic Interest Sugar.

Hedging Finance Charges

The Hedging Finance Charges are comprised of the bank and clearing account charges and interest incurred by Wilmar in relation to the funding of initial and variation margins for futures hedging.

Marketing Services Charges

The Marketing Services Charge provides for Wilmar's cost in administering and managing services provided under the PPA. These include the management of the Default Pricing Mechanisms (US Quota and Production Risk Pool), arranging finance for futures margins and Advances Options (though doesn't include the actual costs as incurred in the Advances Finance Charge), the management of foreign exchange, preparation of Pricing Mechanism and Payment Description Sheets and materials, the provision of IT services to administer pricing, marketing and advances nominations, pooling and pricing, financing and advances processes, and the preparation and distribution of reporting such as the Monthly Pool Report, Advances Schedule, Sensitivity Matrixes and Cashflow Forecasts.

The Marketing Services Charge is $2.59 per tonne actual sugar in the 2019 season and is subject to an increase annually at the beginning of a new season in accordance with the annual movement in the Australian Consumer Price Index (CPI).

Direct Marketing and Operating Expenses

The Direct Marketing and Operating Expenses component covers those direct costs and expenses incurred by Wilmar. The key costs and expenses include the storage, handling and loading of sugar, Australian government export-related permits and charges (e.g. AQIS certification, levies or product related taxes), insurance premiums and brokerage, auditor costs and harbour dues. These are based on actual costs, so are charged on a cost-recovery basis only.

Discretionary Pricing Mechanism Administration Charge

The Discretionary Pricing Mechanism Administration Charge replaces what was previously known as the Forward Pricing Administration Fee. This charge covers Wilmar's administration and management of Discretionary Pricing Mechanisms which include Call Pricing, Target Pricing and Wilmar Managed Pools. These are the committed tonnage pools only and exclude the US Quota Pool and Production Risk Pool.

The Discretionary Pricing Mechanism Administration Charge for each Pricing Mechanism is published to GrowerWeb, and for current Discretionary Pricing Mechanisms (Call Pricing, Target Pricing and Wilmar Managed Pools) will be $2.00 per tonne actual for the 2020 season.

Shrinkage and Expansion Adjustment

The Shrinkage and Expansion Adjustment takes into account that during the storage and handling process there is a difference between the total weight of all sugar from when it is weighed at receipt into the bulk sugar terminal at a port, and the tonnage loaded onto ships. The weight of sugar can change due to losses in the storage and handling process and changes in moisture levels (which can both increase or decrease the weight of sugar).

OTHER IMPORTANT INFORMATION

Weighted Average Advances Finance Charge

Under the PPA, you have a choice of Advances Options which hope to provide more flexibility for your particular business, with respect to cash flow. As such, each Advances Option will have a finance charge that relates directly to the costs of Wilmar funding that advances program. Wilmar will publish the AUD per tonne actual Advances Finance Charge for each Advances Option as part of its monthly reporting.

The Advances Finance Charge will be calculated based on the total amount of the finance cost associated with each particular Advances Option (excluding Pre-season Payment, which has an interest amount individual to each grower) expressed in AUD per tonne actual. The Advances Finance Charge specific to each Advances Option you select will form a part of your Weighted Average Advances Finance Charge, which is based on the proportion of your PPA Cane Supply Tonnes allocated to one or more of the Advances Options.

You will be provided with statements which detail the breakdown of how your individual Weighted Average Advances Finance Charge is determined.

An example of a Weighted Average Advances Finance Charge is shown below, where a grower has chosen Cash on Delivery for a portion of production and therefore the remainder falls into the Default Advances Option.

Advance Financing Charge

	$/t Actual Charge	Applicable Tonnage
Cash on Delivery (COD) Advances Option	A$6.50	709.64 mt
Default Advances Option	A$4.23	497.29 mt
Individual Weighted Average Advances Finance Charge	**A$5.56**	**1,206.93 mt**

It is important to note that the Weighted Average Advances Finance Charge does not form part of the Allocation Account Amount because it is a charge specific to you, whereas the Allocation Account Amount applies for each different pricing mechanism or pool. Nevertheless, the Weighted Average Advances Finance Charge will be taken into account when calculating the sugar price to be used in the Cane Payment Formula.

Production Risk Pool

In the event that the Production Risk Pool has been overpriced and/or oversold, due to unforseen and significant production issues, the cost or benefit of unwinding pricing and/or sales will be taken into account when calculating the Gross Pool Price. The costs will not form part of the Allocation Account Amount. In such a circumstance, all costs and/or benefits of unwinding hedging and sales will be quarantined to the Production Risk Pool.

YOUR CHOICE OF WASHOUTS

Our washout options have been designed to give you greater confidence in managing the unforseen.

Our approach means adverse weather or crop events experienced by other growers won't impact you. You can take control of potential financial impacts during the season, instead of waiting until after the crush to discover how your business may have been affected.

FLEXIBILITY WHEN YOU NEED IT

UNFILLED PRICE REQUESTS

Cancel all or part of any unfilled price request during or after the crushing season. We provide flexibility in how much you can cancel, to help you achieve a percentage exposure you're comfortable with.

EARLY WASHOUT

Request an 'at market' washout for Call and Target Pricing in-season, prior to the end of crush, against the current A$/ tonne market value.

ROLL TO FUTURE SEASONS

Roll committed tonnage shortfall under the Call or Target Pricing mechanisms to a future season. Your price will be a combination of the already established A$/tonne price and the A$/tonne roll cost or benefit.

DEFAULT WASHOUT

Your washout is calculated following the End of Crushing Season Adjustment against the current 'at market' A$/ tonne market value.

For full details of our washout options, please see our Committed Cane Shortfall Information Sheet or refer to the PPA.

We recommend you seek your accountant's advice when considering your pricing and washout options.

WASHING OUT AFTER CYCLONE DEBBIE

From the perspective of a Wilmar Grower Marketing Consultant, Proserpine & Plane Creek.

When Cyclone Debbie hit Proserpine in March 2017, a large number of growers, especially those with a high level of pricing commitments, were understandably very concerned about the impact on their crops.

Many growers were aware of our washout options and got in touch with me to start the process, while I got on the phone to others I knew had suffered damage and would appreciate some assistance.

I worked with each grower to help them understand their position and the washout options available. After estimating the tonnage they would need to meet their commitments, I talked them through the likely net cost or benefit each option would bring.

Given Debbie hit early in the year, many growers were able to **cancel** their unfilled orders prior to the season and avoid possible adverse market movements with little cost and stress.

Some growers opted for an **early washout** and took advantage of the current market in comparison to their existing orders to achieve a positive result with a washout of their position.

Others chose to **roll** their shortfall to a future season, benefit from their good pricing and establish positive pricing orders for 2018, while relieving their business of uncomfortable commitments for 2017.

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COMMITTED CANE SHORTFALL

A Committed Cane Shortfall occurs when you do not deliver sufficient PPA Cane Supply Tonnes to cover the PPA Sugar tonnes you allocated to Discretionary Pricing Mechanisms for a relevant season. In such a case, a "washout" occurs to compensate for the close-out of the risk management contracts used in the different Discretionary Pricing Mechanisms. For full details please see Schedule 6 of the PPA.

This information sheet is subject to change at Wilmar's discretion and should be read in conjunction with the 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.

Please note that the washout process changed from the 2017 season onwards. The Committed Cane Tonnage "shortfall" washout values are now calculated against a current A$/tonne market value at the time of the washout, rather than against the QSL Harvest Pool. The PPA also now provides you with a wider range of potential options should there be a Committed Cane Shortfall.

Default washout process

Call Pricing and/or Target Pricing Mechanisms

Unless a grower and Wilmar agree otherwise, the default washout (as detailed in Schedule 6 of the PPA) will apply.

Under this method, any shortfall tonnage will be advised to each relevant grower once the End of Crushing Season Adjustment is calculated. Ten (10) business days after the End of Crushing Season Adjustment calculation, the shortfall will be closed-out by Wilmar, which will buy the equivalent amount of sugar and currency risk management contracts (adjusted for the cost or benefit of any applicable roll). Wilmar will buy these equivalent sugar futures contracts based on a ratio of 5:1 for ICE 11 March and May positions respectively, and buy USD at the appropriate forward rate to match with the ICE 11 positions.

Please note that the Discretionary Pricing Mechanism Administration Charge will be calculated for the shortfall tonnage and debited as part of the initial washout calculation.

Example 1. Default Washout - Call/Target Pricing		
Calculations based as at End of Crushing Season Adjustment		
Shortfall tonnage (tonnes actual)		50.00
Growers fulfilled A$/tonne actual price	$	500.00
Market Price (based on buying 5:1 ratio of ICE 11 March & May contracts)	$	565.00
Difference in Price	-$	65.00
Discretionary Pricing Mechanism Administration Fee	-$	100.00
Washout debit/credit	-$	3,350.00

Committed pools (Wilmar Managed Pool)

If you have a shortfall of PPA Sugar in a Wilmar Managed Pool, a washout will be calculated on the basis of the impact caused to the pool price resulting from a reduction in the pool's tonnage. The calculation of the impact on the pool price will be undertaken for all growers who fell short on delivering necessary committed tonnage to the pool and this will occur ten (10) business days after the End of Crushing Season Adjustment is calculated. This ensures that the Gross Pool Price and the percentage of sugar hedged in the pool are restored to the same levels had all committed tonnage been delivered. Such an approach ensures that other growers in this pool are not impacted by growers' shortfalls.

The Discretionary Pricing Mechanism Administration Charge will be calculated for the shortfall tonnage and debited as part of the initial washout calculation.

Example 2. Default Washout Committed Pools		
Calculations based as at End of Crushing Season Adjustment		
Wilmar Managed Pool committed tonnage		50,000
Wilmar Managed Pool % hedged		75%
Wilmar Managed Pool hedged values	$	499.71
MTM on unhedged tonnes	$	580.16
Wilmar Managed Pool value (original value)	**$**	**519.82**
Total Growers' Shortfall		3,000
Wilmar Managed Pool tonnage after shortfall removed		47,000
Wilmar Managed Pool hedged values	$	499.71
MTM on unhedged tonnes	$	580.16
Wilmar Managed Pool value (amended) post shortfall tonnes removed	**$**	**515.97**
Value Inpact on Pool		
Wilmar Managed Pool @ original pool value x amended pool tonnes =$519.82/ tonne x 47000 tonnes		$24,431,609.26
Wilmar Managed Pool @ amended pool value x amended pool tonnes =$515.97 x 47000 tonnes		$24,250,600.00
Value Impact on Pool	-$	181,009.26
Total Growers Committed Cane Shortfall (tonnes)		3000
Washout per tonne	-$	60.34
Individual grower's shortfall in committed tonnage		50
Discretionary Pricing Mechanism Administration Fee	$	100.00
Washout debit/credit plus Admin Fee (50 tonnes x $60.34)	-$	3,118.82

Additional washout options

On a case-by-case basis, and in consultation with a grower, Wilmar may offer the following to allow growers more flexibility on Call and/or Target Pricing Mechanism shortfalls.

Unfilled Price Requests

If you have an unfilled Price Request relating to the Call Pricing or Target Pricing Mechanisms, you can request that Wilmar cancels all or part of any such Price Request. Agreement to such a request will be at Wilmar's discretion, but could potentially be exercised at a time during the crushing season when it is clear that there is a high chance of a shortfall in committed tonnage eventuating.

Unfulfilled Price Requests that are cancelled will still incur the Discretionary Pricing Mechanism Administration Charge, and any gain or loss which was incurred in "rolling" the expected ICE 11 contract positions at the expiry of the ICE 11 July and October contracts. The rolling gains or losses will be published to the GrowerWeb.

Please refer to clause 10.2(a) of the PPA for further detail about rolling.

Early washout

If you are concerned prior to the completion of crushing that you may not be able to deliver against committed tonnage obligations under the Call Pricing or Target Pricing methods, you can request to have a washout calculation performed prior to the calculation of the End of Crushing Season Adjustment. Please note that any such washout will be based on the current A$/tonne market value at the time and that there may be an opportunity cost or benefit relative to completing a washout prior to the end-of-crushing default timing, because of ICE 11 and/or AUD foreign exchange market movements.

Rolling to the next season

Another option for a grower is to request that a committed tonnage shortfall under the Call Pricing or Target Pricing Mechanisms be "rolled" into the next season. A roll is executed by buying futures positions (against the open ICE 11 futures contracts at the ratio prevailing at the time of the roll) for the current season, and simultaneously selling futures contracts into the next season (on a 1:2:2:1 ratio). Remember that at the time the roll occurs, the ICE 11 July and October futures contracts will have expired. Therefore, the ratio established for the current season will be 0:0:5:1 futures, which will be a mismatch to the usual 1:2:2:1 ratio to be established for the future season.

The rolling cost or benefit will depend on the respective prices for the ICE 11 contracts in the current and future seasons (i.e. what are known as "spreads") at the time any roll is executed.

Any roll will reduce the tonnage committed to the Call Pricing or Target Pricing Mechanisms in the current season and a new Price Request will have been fulfilled in the following season. The price achieved will be a combination of the already-established A$/tonne price and the A$/tonne rolling gain or loss.

Example 3. Rolling to the next season	
Shortfall Tonnage (tonnes actual)	50
Growers fulfilled A$/tonne actual price	$500.00
ICE 11 & AUD FX transactions undertaken to roll	
2017 Season price (based on buying 5:1 ratio of ICE 11 March & May contracts)	$565.00
2018 Season price (based on selling 1:2:2:1 ratio of ICE 11 July, October, March & May contracts)	$545.00
Cost of rolling	-$20.00
Price Request rolled to 2018 Season	
Growers original fulfilled A$/tonne actual Price	$500.00
Less cost of roll	-$20.00
2018 Season fulfilled A$/tonne actual price	$480.00

Production Risk Shortfall

Please note that the above-mentioned washout provisions do not apply to a grower failing to supply to the Production Risk Pool that portion of the PPA Nominated Tonnage which is not Committed Cane Tonnage.

For further information or queries please contact a member of the Grower Marketing Team.

The information in this Information Sheet is general information only and does not constitute legal, taxation or account advice. It does not take into account your personal objectives, circumstances, financial situation or needs. You should seek financial and legal advice before making any decision based on this Information Sheet and ensure that the advice is tailored to your personal circumstances. 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 in conjunction with and subject to the current Pricing and Pooling Agreement (PPA) with Wilmar Sugar Australia Trading Pty Ltd to which you are a party. The PPA will prevail to the extent of any inconsistency over the terms 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.

FOR MORE INFORMATION

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www.wilmarsugarmills.com.au

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