

Priag Marketing Pools

Pool Provider Disclosure Guide

October 2020

This guide captures certain information about the Priag Marketing Harvest Pool which you should be aware of before making the decision to commit your grain to this program. Full details about the Priag Marketing Harvest Pool program can be found in the Priag Marketing Pool Terms and Conditions which can be found at priag.com.au.

Pool Provider	Priag Marketing Pools Pty Ltd (Priag Pools)
Pool Product Name	Priag Marketing Harvest Pool
Aim of the pool	<p>To take advantage of seasonal marketing opportunities over the term of the pool. Spread your price risk over a wider marketing period without the effort from you.</p> <p>The pool management team will ensure the pool maintains a sales pace which enables the pool to make regular payments, whilst maintaining the flexibility to execute a seasonally appropriate sales plan and keeping within prudent hedging and sales bounds.</p>
Legal entity operating the pool	Priag Marketing Pools Pty Ltd ABN 21 638 537 041
Years this legal entity has run pools	1 year
Legal Entity owning the pooled grain	Priag Marketing Pools Pty Ltd ABN 21 638 537 041
Name of responsible Pool Manager	Priag Marketing Pty Ltd (Priag Marketing) ABN 53 100 425 385
Pool manager's years of relevant experience	1 year managing pools, 40 years agricultural commodity marketing expertise
Period open for deliveries/contracts	The pool opens from October 2020 and closes at the pool managers discretion. Deliveries may be made at any time while the pool remains open.
Length of pool	October 2020 to December 2021, but the pool may finalise earlier.
Area where pool is offered	Newcastle and Brisbane port zones. Accepted delivery locations are limited. A full list of delivery locations can be found at priag.com.au
Commodities/Grades accepted	Wheat and Barley. Accepted grades are limited. A grade may be removed at any time. A list of accepted grades can be found at priag.com.au
Minimum Contract size	100 tonnes

Hedging tools used (if any) ASX grain futures contracts, swaps or other such derivatives deemed appropriate by the Pool Manager may be used as a tool to hedge the market price risk of the Priag Pool grain.

Payment options The Harvest Pool has four payment options:

- Distribution Payment Option
- Advanced Payment Option
- Harvest Loan Option
- Deferred Payment Option

If you do not elect a payment option, you will be deemed to have selected the Distribution Payment Option.

Distribution Payment Option provides you with cash flow and payments spread throughout with marketing window of the pool.

Payments are made in March, June and September of 2021 with the final payment made between November to December of 2021.

Advanced Payment Option provides you with the majority of your cashflow and payment at harvest when you deliver grain into the pool.

The First Payment is made within 14 days from the later of when you deliver your grain or you elect the Advance Payment Option. The First Payment is based on the Nominated Harvest Rate less estimated costs, deductions and a finance fee. The final payment will be made between November to December of 2021.

Deferred Payment Option provides cashflow and income from July 2021 to the finalisation of the pool.

Payments are made in July and September of 2021 with the final payment made between November to December of 2021. The July payment may, at the Pool Managers discretion, include an additional amount above the distribution payments representing accrued interest on the funds held for payment under the Deferred Payment Option.

Harvest Loan Option provides you with cashflow at harvest through a line of credit which is repaid from the regular pool distribution payments.

**Payment options
(continued)**

Your credit limit is determined with reference to the Nominated Harvest Rate less estimated costs, deductions and an estimate of the finance costs.

If you choose the Harvest Loan Option 100% of the credit limit will be drawn down and made available to you within 14 days from the later of when you deliver your grain or you elect the Harvest Loan Option.

Variable interest is charged monthly on the balance of the loan at the rate available to *priag.com.au*.

If you are an individual you will not be eligible for the Harvest Loan Option unless you have signed a Business Purpose Declaration form which is available from Priag Marketing.

**Fees charged by the Pool
Manager**

Fees that apply to all Pool Participants:

Pool Management Fee \$7.00 per tonne

Fees that may apply to individual Pool Participants:

Ticket Reversal \$200.00

Administration Fee

Payment Encumbrance \$200.00

Administration fee

**Contract washout/
cancellation or
amendment** \$200.00

Fees that apply to finance Payment Options

**Advance Payment
Finance Fee** Varies per grade and will be published at *priag.com.au*

**Harvest Loan Estimated
Finance Fee** Varies per grade and used only to calculate your credit limit.

**Harvest Loan Variable
Interest Rate** Varies and can be found at *priag.com.au*

Charges applied to Pool Participants:

End Point Royalties Priag Marketing collects any royalties on seed which is subject to end point royalty arrangements on behalf of the royalty manager.

Fees charged by the Pool Manager (Continued)	Commonwealth, State & Association levies	Priag Marketing collects any compulsory statutory levies on behalf of government authorities.
When will Final Audit be completed?	Within 6 months of finalisation of the pool. Audit notices will be available at <i>priag.com.au</i>	
Will the pool be offered according to the GTA operating standard for pool providers?	Yes. Priag Marketing is GTA member (member No. 0421) and will subscribe to the pool code set out by GTA.	
Does the pool provide participants with an Estimated Pool Return (EPR)?	Yes. The Priag Marketing Harvest Pool EPR will be published a minimum of fortnightly from harvest at <i>priag.com.au</i> . If you have grain in the Priag Pool you will receive the EPR for your grain with your regular Priag Pool Summary.	
Does the pool provide participants with an Estimated Silo Return (ESR)?	Yes. If you have grain in the Priag Pool you will receive the ESR for your grain with your regular Priag Pool Summary.	
Does the pool provide participants with a Final Pool Return (FPR)?	Yes. If you have grain in the Priag Pool you will receive the Final Pool Return for your grain with your Pool Finalisation Summary.	
Does the pool provide participants with a Final Silo Return (FSR)?	Yes. If you have grain in the Priag Pool you will receive the Final Silo Return for your grain with your Pool Finalisation Summary.	
Does the Pool provide a Guaranteed Pool Return (GPR)?	No.	
Does the Pool provide an Underwritten Pool Return (UPR)?	No. The Harvest Loan Payment Option and the Advanced Payment Option are not underwritten. This means should the amount payable to you under the Harvest Loan be less than the amount required to repay the loan, or the amount paid to you under the Advanced Payment Option is greater than the Final Pool Return, you will need to repay any outstanding amount to satisfy the debt or repay the pool.	
Is there a potential for conflict between the pool manager and related entities?	The Pool Manager, Priag Marketing acts only for farmer clients. Priag Marketing does not accept commissions or payments from grain buyers. The execution and	

Is there a potential for conflict between the pool manager and related entities? (Continued)

management of the Priag Pool is performed with the best interest of the pool participants in mind.

Priag Marketing owns and runs farming operations in Northern New South Wales. In this capacity grain and oilseeds produced from these farming operations are sold and small amounts may be traded for stockfeed or seed. These operations are separated from Priag Marketing's role as the Priag Pool Manager.

Are the pool assets owned in a separate entity from the pool manager's assets?

Yes. The pools grain assets are held by Priag Marketing Pools Pty Ltd (ABN 21 638 537 041).

The Pool Manager, Priag Marketing does not trade grain as a business.

Priag Marketing owns and runs farming operations in Northern New South Wales. Its capacity as a producer and vendor Priag Marketing will own grain assets and will sell these assets as the business management sees fit. Priag Marketing may choose to sell a proportion of its grain assets through the Priag Pool.

Are the pool activities conducted separately from the pool managers activities

Yes. Priag Pools holds separate banking and hedging accounts.

The Pool Manager, Priag Marketing does not trade grain as a business.

Priag Marketing owns and runs farming operations in Northern New South Wales. Its capacity as a producer and vendor Priag Marketing will own grain assets and will sell these assets as the business management sees fit. Priag Marketing may choose to sell a proportion of its grain assets through the Priag Pool.

If you have a question about the Priag Marketing Harvest Pool

You may also request further information about the Priag Marketing Harvest Pool by contacting **Priag Marketing** on **02 6792 4924** or on email at **pools@priag.com.au**

DEFINED TERMS

Any defined terms in this document have the same meaning as set out in the Priag Pool Terms and Conditions (which can be found at priag.com.au) or in the definitions below;

Estimated Pool Return (EPR)

Means an estimate of the Pool Return in Australian dollars per tonne exclusive of GST provided by the Pool Provider to Pool Participants.

The EPR is quoted at track equivalent level and is net of all costs, management fees, any other fees (including estimates of any costs and fees) where possible.

Estimated Silo Return (ESR) Means an Estimated Pool Return quoted at up country silo level. It shall be the EPR (i.e. quoted at track level) less the applicable freight and any other costs for the respective silo.

Final Pool Return (FPR) Means a final Pool Return in Australian dollars per tonne excl of GST provided by the Pool Provider to Pool Participants.

The FPR is quoted at track equivalent level and is net of all costs, management fees, any other fees (including estimates of any costs and fees) where possible.

Final Silo Return (FSR) Means a Final Pool Return quoted at up country silo level. It shall be the FPR (i.e. quoted at track level) less the applicable freight and any other costs for the respective silo.

Guaranteed Pool Return (GPR) Means the guaranteed minimum payment (Australian dollars per tonne) (exclusive of GST) the Pool Provider will pay Pool Participants net of all Pool Provider charges at a designated price basing point, i.e. country silo, track, free in store ("FIS") exclusive of GST. A GPR is in effect a guaranteed minimum FPR.

Underwritten Pool Return (UPR) Means the guarantee by a Pool Provider that a payment or loan made to a Pool Participant, if nominated as "Underwritten", is non-recourse should the subsequent proceeds of Final Pool Return from the Pool be less than the Underwritten amount. Consequently, the Pool Participant shall have no further debt or liability to the Pool Provider (or associated provider) with respect of the Underwritten amount and that the Pool Provider guarantees the FPR paid to the Pool Participant will not be less than the Underwritten return.