

PRODUCT SHEET

Express Pool

HOW IT WORKS

EP Grain's Express Pool is an alternative to marketing grain for cash and traditional Free On Board (FOB) pools. The Express Pool has a shorter marketing and payment profile compared to other marketing options. Marketing of all grain in the pool and finalisation of payments will be by the July of following harvest.



WHO IT WORKS FOR

This product has been designed for growers who traditionally market grain for cash before, during and after harvest, in an effort to minimise both production and price risk. The product is also suited to growers looking for a shorter pool marketing time frame and earlier final pool payments.

OBJECTIVES

The Express Pool objective is to provide a higher return than the weighted average of the 'cash market'* from October through to June. The Pool will be benchmarked against the 'market' in each relevant port zone. The Express Pool has an objective of being simple to use, with clearly defined objectives, with the option of payment up-front. EPR's are quoted on a track basis.

* The 'cash market' is based on the EP Grain daily cash bid & other prevailing market prices available in each port zone.

ACHIEVING OBJECTIVES

Using a mix of flat-price cash sales to domestic end-users, track markets, FOB sales and basis hedges; the Express Pool adopts a defined marketing strategy (as below) while taking advantage of global crop production variation and basis opportunities. The Pool's strategy is to take hedges using CBOT, KCBT and ASX futures and swaps, as well as foreign exchange cover prior to and during harvest. Flat-price sales will be limited prior to harvest. Once quantity and quality volumes are realised, flat-price sales will replace hedges and extend post-harvest. This philosophy helps reduce the risk faced by Express Pool participants due to production variation, but allows the Pool to participate when market opportunities are presented.

MINIMUM PRICING LEVELS

* Minimum percentages.

Note: Pricing levels shown reflect % of total volume.



ACCESS

The Express Pool will be available via contract only. The Express Pool may open and close at any time depending on market or volume drivers.

TIMELINE

The Express Pool will be finalised and paid out in the last week in July the following harvest.

PAYMENTS

Simple to understand payment options.

Express Harvest Advance - 70% at Harvest - remainder 30% in July.

Express Flexi Loan - up to 75% at Harvest through to July - remainder 25% in July.

Single distribution in July (no finance or underwriting applies in this case).

GRADES DELIVERABLE

All grades accepted by the BHC and EP Grain selected private storer will be accepted. Grade spreads are indicative only and subject to change at the pool manager's discretion based on market dynamics.

QUALITY REWARDS

No quality rewards applicable.

TOLERANCE

There is nil tolerance on the contracted tonnage to the pool. In the event that a grower experiences adverse weather conditions and fails to produce the required tonnage, a cancellation fee will be incurred. The cost of the cancellation fee will be determined by market conditions, however, it is capped at \$25 per mt on a certified production failure.

MANAGEMENT & UNDERWRITING

The Pool return will be quoted net of management fees. EP Grain's management fee is set at 2.4% of the final quoted pool return.

Underwriting fee is set at \$2.50 per mt for the Express Harvest Advance and Flexi Loan.

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