

EP GRAIN PTY LTD

2009/10 NEWGEN CANOLA CONTRACT

Current as at October 2009. Note these terms and conditions may be varied as set out below

TERMS AND CONDITIONS

Introduction

EP Grain offers Canola products to suppliers of Commodities. These Canola products include the acquisition by EP Grain of a Canola from multiple suppliers. EP Grain and Emerald arrange sale of the Canola and risk management strategies over time, and, after adjustments, returns the sale proceeds to all suppliers in accordance with the agreed pricing mechanism.

The following terms and conditions are incorporated into any NewGen Canola Contract made between it and You. Words in these Terms and Conditions have the meaning set out in the Definitions in schedule 1.

Please Read these terms and conditions carefully and ensure that You understand Your entitlements and obligations when entering into a NewGen Canola Contract. If You are uncertain please contact EP Grain on 08 8682 4955.

Please Note there is no guarantee that the Estimated Contract Price will be the Contract Price, as this is dependent on a number of factors. The Estimated Contract Price will be made available as a guide to suppliers. The Estimated Contract Price is subject to change, and therefore You cannot quantify in absolute terms Your future returns until declarations of distributions are made.

Estimated Contract Prices quoted at silos are estimates only, based on the delivery of a particular grade and quality to that silo. Your return will vary depending on the payment option selected and any finance costs, the actual grade and quality of Your delivered Canola compared to the applicable receival standards and payment grades. Neither EP Grain nor Emerald warrants that the Contract Price will equal the Estimated Contract Price, or any other amount. You should be aware that Canola markets are influenced by a number of factors and can be volatile in nature. Consequently, Canola values will have the propensity to fluctuate throughout the Pricing Period.

The Agreement

Whenever You (or Your agent, for example Your carrier) enter into a NewGen Canola Contract EP Grain has accepted your offer to sell the quantity of Canola for the Consideration and You are deemed to have accepted, in respect of that NewGen Canola Contract these Terms and Conditions.

Delivery Requirements

Subject to meeting the delivery requirements (including grade and quality specifications), delivery and therefore transfer of title and risk of physical loss occurs:

- a) In respect of physical delivery when You or Your agent have presented Canola to a bulk handler and signed a weigh note nominating EP Grain as the purchase option; or
- b) In respect of delivery by way of in-store transfer of Canola stored on Your behalf by a bulk handler, when the bulk handler signs or otherwise authorises on Your behalf a title transfer to EP Grain.

Physical deliveries must be made on a load by load basis with individual quality data provided for each load. When You have delivered Canola to EP Grain, EP Grain will allocate the Canola to Your NewGen Canola Contract. The allocation to the NewGen Canola Contract occurs after EP Grain has taken into account the results of quality and grade testing. The allocation is final and totally at EP Grain's discretion.

EP Grain may not accept certain grades of Canola against a NewGen Canola Contract, the decision of what grades may be accepted by EP Grain is entirely at EP Grain's discretion.

Any person delivering using Your card, grower number, or ABB internet login and transfer facility, is deemed to be Your agent with full authority to transfer Your Canola to EP Grain based on these Terms and Conditions.

Weight

The weight of the Canola delivered to EP Grain by a physical delivery will be determined at an approved weighing facility at the receival site. The weight of the Canola delivered to EP Grain by an in-store transfer or warehouse transfer will be determined according to the original weigh bridge tickets supplied by the bulk handling company for that Canola.

Pesticide Residues

You warrant that the Canola complies with the Maximum Residue Levels. You are responsible for any loss whether directly or indirectly caused as a result of pesticide levels exceeding the Maximum Residue Levels in the Canola that You deliver to EP Grain. You agree to indemnify EP Grain and Emerald for any loss suffered by EP Grain or Emerald that results from pesticide levels in the Canola that You have delivered to EP Grain exceeding the Maximum Residue Levels.

Signing up Period

EP Grain may restrict or extend the period for signing up for a NewGen Canola Contract at any time without any prior notice. The period for which the NewGen Canola Contract is available may vary across port zones, at EP Grain's discretion, depending on prevailing market conditions.

Pricing Option

The NewGen Canola Contract offers 3 Pricing Strategies to select from, which will impact on the Contract Price. Your Pricing Option choices are set out on the NewGen Canola Contract and must be selected at time of entering into the NewGen Canola Contract. The details of each Pricing Option are contained in schedule 5 to these Terms and Conditions, and include:

- 1) Average Floor;
- 2) 75/25; and
- 3) Swap.

If you do not choose a Pricing Option, the default will be the Swap Pricing Option.

The basis component of the Contract Price is calculated as per the EP Grain Canola Pool 2009/10 Final Pool Return.

Contract Price

Emerald, through EP Grain, will pay You the Consideration for the sale and delivery of the Canola adjusted for any quality and grade variations and less any Fees and Deductions. The Contract Price is calculated based on the Pricing Option that you have selected, having taken into account all Fees and Deductions. Emerald must apply Your Contract Price as follows:

- 1) to satisfy any encumbrance over any Canola delivered by You;
- 2) to pay any Deductions or other amounts payable by You under these Terms and Conditions; and
- 3) when all amounts referred to in paragraphs 1 and 2 of this clause have been paid, to pay to You any Consideration remaining owing to You for the Canola delivered by You to EP Grain in accordance with the payment options selected by you.

BuyBack

A BuyBack may be available to You, regardless of the payment option chosen by You. You may apply to EP Grain for a BuyBack, on the following conditions:

- a) EP Grain must receive the request for a BuyBack in writing by fax or mail or email.
- b) EP Grain will, upon receipt and acceptance of the written BuyBack request from you, provide a Total Value Settlement to You within three working days.
- c) EP Grain, in its discretion, may decide not to accept the Buyback request and will advise you within three working days if it is unable or unwilling to accept the Buyback.
- d) The Total Value Settlement will be at EP Grain's discretion and will reflect both direct and indirect costs, fees, levies, interest, current Canola values and prevailing market conditions. This value may alter substantially between days, as the result of the volatile nature of Canola markets.
- e) If you accept EP Grain's offer, You must advise EP Grain of Your acceptance within 24 hours of the offer being made, after which the offer becomes invalid.
- f) You are under no obligation upon receipt of the BuyBack total value settlement to accept EP Grain's offer. If You do not accept EP Grain's offer, Your payments will remain as per Your payment option selected.

Payments and Loans

EP Grain offers a range of payment choices which includes Loans, Advances and Distributions. You can nominate a payment choice on the applicable NewGen Canola Contract. Your payment choices are set out on the NewGen Canola Contract, and details of each are contained in the schedules to these Terms and Conditions.

Fees

Emerald will, at its discretion, deduct fees from the sales proceeds received following sale of Canola. Prescribed fees that may be deducted from the sales proceeds are set out below, including the maximum fee amounts.

- a) An administration and management fee of 2.50% of the Contract Price. Please note that it will not be deducted from the Estimated Contract Price as the Estimated Contract Price is published net of the administration and management fees. If the Estimated Contract Price alters after the first payment so that the Estimated Contract Price at the time that a fee was deducted and the Contract Price are not equal, settlement will be made in the last payment under the NewGen Canola Contract to ensure that the fee is reflective of the Contract Price at completion of the Contract Period.
- b) An out-performance fee amounting to 20% of the amount over and above the Benchmarks at completion of the Contract Period, as per the following calculation:
$$\text{Out-performance Fee} = \text{Contract Price} - \text{Benchmark} \times \frac{\text{NewGen Canola Contract Tonnage}}{\text{NewGen Canola Contract Tonnage}} \times 20\%$$
- c) Where a Buyback is agreed by EP Grain and You, a \$500 administration fee applies to this service.
- d) A Pricing Option fee as set out in schedule 5 based on the Pricing Option You select.
- e) A fee determined by EP Grain will be payable if you fail to deliver the Canola in accordance with Your NewGen Canola Contract.
- f) An Underwriting Fee as determined by Emerald may be payable depending on the payment option selected by You. Refer to the details of the payment options set out in the schedules.

Note that the Estimated Contract Price and the Contract Price will determine the Consideration paid to you and are net of management and administration fees and any out-performance charged by Emerald.

Underwriting

Emerald acknowledges that there is a risk that the Consideration will not be sufficient to repay the Loan payment or Advance payment taken by You. Underwriting is available depending on the type of payment option selected. The details in relation to Underwriting are set out in the relevant schedules for each payment option.

The total Underwriting Fee payable by You is the Underwriting Fee rate multiplied by the relevant quantity of Canola.

Deductions

Unless otherwise stated Emerald may deduct, prior to calculating the Consideration payable to You, all receipt, transport, transfer, storage, handling, outturn, distribution, finance, end point royalties and interest charges and compulsory levies applicable to Your Canola deliveries. Consideration payable to You will be net of any fees, selling costs and expenses incurred by Emerald from time to time.

Right of Set-off

If any costs, expenses, charges or fees are incurred by EP Grain or Emerald on Your behalf or account, then You agree that You owe those costs, expenses, charges or fees to EP Grain or Emerald. You also agree that Emerald may, at its discretion, set off any amount that is or may become payable or owing by EP Grain or Emerald to You against any amount that You owe to EP Grain or Emerald.

Crop Liens and Other Encumbrances

You agree to notify EP Grain if a crop lien or any other encumbrance exists over the Canola, or over the proceeds of sale of the Canola, that You deliver to EP Grain. Emerald may deduct from any payments due to You any amounts required to satisfy liens and encumbrances granted by You over the Canola You have delivered to Emerald under a NewGen Canola Contract.

You agree to indemnify EP Grain and Emerald against any claim or demand by any person or body corporate claiming an interest in any Canola delivered by You or the proceeds of sale of such Canola, regardless of whether You have notified EP Grain or Emerald of such an interest. If You have given any encumbrance over the Canola that You deliver to EP Grain or over the proceeds of sale of that Canola, You agree to pay EP Grain an administration fee for its costs of processing, complying with and paying any claims or demands made under the encumbrance by the holder of that encumbrance. The administration fee for dealing with encumbrances will be the amount set by EP Grain from time to time, but will not exceed \$500.

You unconditionally and irrevocably direct Emerald to satisfy any Emerald debt or any encumbrance over any Canola delivered by You to Emerald from any distributions payable in relation to Your deliveries, before paying the remainder of those proceeds to You. Emerald may set-off against any Consideration due to You any amounts owing to Emerald by You on any account whatsoever.

Trade Rules

These Terms and Conditions expressly incorporate the Trade Rules of Grain Trade Australia (GTA) in effect at the time You enter into a NewGen Canola Contract, except to the extent of any inconsistency, in which case these Terms and Conditions will prevail. The Trade Rules form an integral part of these Terms and Conditions and both parties agree to be bound by them.

Any dispute or claim arising out of, relating to or in connection with these Terms and Conditions, a NewGen Canola Contract or delivery of Commodities to EP Grain, including any question regarding the existence of a contract, the validity or its termination, and which cannot be resolved between the parties, shall be resolved by arbitration in accordance with the GTA Dispute Resolution Rules in force at the commencement of any arbitration

Force Majeure

If any party is unable to carry out any of its obligations under these Terms and Conditions as a result of any event which in the opinion of EP Grain is reasonably beyond the party's control, which includes any act of God, fire, flood, wind, explosion, power failure, war, embargo, act of government, strike (including dock and/or shipping strike), lockout, combination of workers, or civil Commotion which is not due to said party's own acts of negligence, then the performance of obligations by each party under these Terms and Conditions shall be suspended. When, in the opinion of EP Grain, the reason for the inability to meet the obligations ceases, the parties agree to perform their obligations immediately. The loss of a Canola due to production risks or crop failure does not constitute a Force Majeure event.

Representations

You represent and warrant now and at the time of each delivery to EP Grain that:

- a) You are not insolvent, and that if You do become insolvent You will notify EP Grain immediately;
- b) You will provide to EP Grain any information on the Canola variety and consent to the release of Your information by EP Grain to owners and managers of the Canola variety, or their agents;
- c) Any information that You have provided to EP Grain is not false or likely to be in EP Grain's opinion misleading;
- d) You have good right, title and interest in the Canola delivered by You to EP Grain
- e) You have read and understood these Terms and Conditions and the NewGen Canola Contract and you have not relied on any statement, representation or warranty in relation to a NewGen Canola Contract or delivery other than as set out in these Terms and Conditions or Your NewGen Canola Contract, unless otherwise advised to you in writing; and
- f) If You accept these Terms and Conditions in the capacity of a trustee, You have full authority and power to do so under the trust instrument.

Indemnities and Limitation of Liability

You agree to indemnify and hold harmless EP Grain and Emerald against any and all losses, claims, costs, expenses, actions, demands, damages, liabilities or any other proceedings whatsoever incurred by EP Grain or Emerald in respect of any claim by a third party arising from or connected to any breach by you of your obligations under the NewGen Canola Contract or these Terms and Conditions.

Neither EP Grain nor Emerald will be liable for any contingent, consequential, direct or indirect, special or punitive damage, whether arising as a result of EP Grain or Emerald negligence or otherwise, and You acknowledge this express limit of liability and agree to limit any claim accordingly. No other term, condition, agreement, warranty, representation or understanding, whether express or implied, other than these Terms and Conditions, or any other term by which EP Grain or Emerald agrees to be bound in writing, is made or given.

Sharefarmers

If You enter into a NewGen Canola Contract and any Consideration is part payable to You under a share-farm arrangement, You warrant that You have full authority and power to do so under the share-farm arrangement. You agree that where a person delivers a Canola for that share-farm arrangement, that the person is authorised to do so on behalf of each party (including You) to that share-farm arrangement.

You must notify EP Grain immediately if:

- a) the share-farm arrangements are terminated;
- b) there is a change in the parties to the share-farm arrangement; or
- c) there are changes to the share-farm arrangement.

Certificates

EP Grain may from time to time provide you with a certificate or notice of a matter or an amount payable in relation to Your NewGen Canola Contract. A certificate provided by EP Grain is sufficient evidence of the matter or amount payable, unless it is proven to be incorrect.

Tax

Unless otherwise stated, all payment declarations and estimates are quoted exclusive of GST.

Neither EP Grain nor Emerald warrants the tax effect or timing of assessability of income that results from any payment made or owing in connection with a NewGen Canola Contract. You should obtain Your own advice regarding these matters.

Communication

All communications in connection with these Terms and Conditions must be in writing and sent to Emerald. EP Grain's address is:
7 Bligh Street
Port Lincoln, South Australia, 5606

Communications for EP Grain may be signed by an authorised employee. If You are a company, You must sign or Your duly authorised representative must sign communications. If You are a trustee, You must sign communications in Your capacity as trustee.

Waiver

If EP Grain or Emerald elects not to exercise any of its rights arising from a breach of a NewGen Canola Contract or these Terms and Conditions, it shall not constitute a waiver of any rights relating to any other or subsequent breaches that may occur.

Severability

Any part of these Terms and Conditions, being a whole or part of a clause, shall be severable without effecting the validity or enforceability of any of the remaining clauses in these Terms and Conditions.

Assignment and Variation

Your rights in connection with these Terms and Conditions (including Your right to receive payment of Consideration) and any contract in relation to them or any of the obligations You have under it cannot be assigned, novated or varied by You without EP Grain or Emerald prior written consent. You agree to pay Emerald an administration fee for its costs of processing an assignment, novation or variation effected by You. You agree that the administration fee will be the amount set by Emerald from time to time. This fee will not exceed \$500.

Without the consent of EP Grain or Emerald, You must not create an encumbrance over, dispose, or deal with or part with possession of any interest granted by these Terms and Conditions, including all Your rights under or derived from them and any amount payable to You under them; or create or allow to come into existence any encumbrance which affects this the rights under these Terms and Conditions.

Emerald may assign any right or entitlement arising from these Terms and Conditions at Emerald's discretion. EP Grain and Emerald may vary these Terms and Conditions at any time by notifying You in writing. Any amendment will take effect on the date specified in such notice and will apply to each delivery made after that date.

Applicable Law

The law of Victoria applies to these Terms and Conditions. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

Schedule 1: Definitions

In these terms and conditions, unless otherwise stated:

Advance means a harvest advance, flexible advance or deferred advance as set out in Schedule 3 to these Terms and Conditions.

Benchmarks means the Pricing Option benchmarks for performance as set out in schedule 5.

Buy Back means the process where EP Grain may accept a request from You to buy back the future entitlement to Consideration from a NewGen Canola Contract.

Consideration means the amount paid, or to be paid, to You for the Canola delivered under a NewGen Canola Contract, being the total tonnage delivered multiplied by the Contract Price (less applicable Fees and Deductions).

Contract Period means the period from delivery until the completion of the NewGen Canola Contract in October 2010.

Contract Price means the amount per tonne calculated by Emerald as the return to each supplier following the finalisation of the Contract Period and taking into account the Pricing Option selected.

Deductions means the deductions Emerald is authorised to take as set out under the heading "Deductions" above.

Distributions means a standard distribution or single distribution as set out in Schedule 4 to these Terms and Conditions.

Emerald means Emerald Group Australia Pty Ltd (ABN 82 109 203 054), which may act in its own right or as an agent.

Estimated Contract Price means the estimate by EP Grain and Emerald of the Gross Contract Price on finalisation of the Contract Period, being the Free On Board (FOB) equivalent estimated return for the NewGen Canola Contract.

Fees means the fees Emerald is authorised to deduct as set out under the heading "Fees" above.

Harvest Payment means an amount determined by Emerald as being the amount available to be paid to You at Harvest, which is calculated by reference to either a nominated harvest payment Estimated Contract Price or the Estimated Contract Price at the time of delivery.

Loan means the harvest loan or the flexible loan as set out in Schedule 2 to these Terms and Conditions.

Maximum Residue Levels means the maximum residue levels as specified by State and Federal Laws and includes requirements relating to chemical and pesticide residues and specified government designated maximum residue levels.

NewGen Canola Contract means the contract between EP Grain and You for the delivery of a Canola to EP Grain.

Payment Form means the form to be completed by You setting out the timing of payments in accordance with the type of payment option selected.

Pricing Options means the pricing options set out in schedule 5.

Pricing Period means the period from 11 November 2009 to 30 April 2010.

Prompt Payment Guarantee means, if you have selected the harvest advance payment option, Emerald's guarantee that you will be paid within 30 days of the end of the week of delivery.

EP Grain means Southern Quality Produce Pty Ltd as trustee of the Southern Quality Produce Unit Trust (ABN 88 642 427 442) acting as agent for Emerald.

Terms and Conditions means these terms and conditions.

Total Value Settlement means the amount in Australian dollars calculated by Emerald to represent the balance of any Consideration, being the final payment that the BuyBack request references.

Underwriting means a guarantee provided by Emerald that the Consideration to be paid to You will not be less than the Harvest Payment under the selected payment option.

Underwriting Fee means the fee, as advised by Emerald from time to time, for Underwriting when Loans and the harvest advance or deferred advance are selected as payment options, and with respect to the deferred advance where you have advised Emerald that You want Underwriting.



Variable Interest Rate means the variable interest rate, as updated from time to time, that is applicable to payment options and specified on the Emerald website as the variable pool interest rate.

WPG July 2010 contract means the ICE or Intercontinental Commodities Exchange (formerly know as Winnipeg Commodities Exchange) Canola futures contract for delivery in July 2010.

You means the seller, and where there is more than one principal/payee, the reference to 'You' and 'Your' means each one of You separately and all of You jointly and includes any agent acting on behalf of You.

Schedule 2: Loans (Harvest / Flexible)

This schedule is a schedule of the Terms and Conditions and is included in its terms.

Two of EP Grain's payment options are the harvest loan and the flexible loan. If You deliver the Canola to EP Grain and nominate either Loan payment option You have nominated to receive a loan against the value of the estimated distribution payments under the NewGen Canola Contract, at the time the loan is made.

You are required to nominate either on your NewGen Canola Contract, or with a Payment Form, the type of loan that You require. Your nomination of either the harvest loan or the flexible loan confirms that you have agreed to pay Emerald interest at the Variable Interest Rate on the amount of Your loan. Interest will be calculated daily and added to your loan on a monthly basis.

The harvest loan provides for a loan at harvest of the Harvest Payment amount. The harvest loan can be increased by a top up in March 2010. Final payment will be in October 2010 and will be adjusted to take into account any variation from the Estimated Contract Price and the Contract Price on finalisation of the Contract Period. Underwriting is provided as set out below

The flexible loan provides for a loan at harvest determined by You of the Harvest Payment amount. The flexible loan can be increased by a top up in March 2010. Final payment will be in October 2010 and will be adjusted to take into account any variation from the Estimated Contract Price and the Contract Price on finalisation of the Contract Period. Underwriting is provided as set out below

As distribution payments are made during the Contract Period, subject to the conditions herewith, payments will be made against Your loan until the loan is repaid.

Neither EP Grain nor Emerald is responsible to You for any loss suffered because of delay in payment of a distribution.

Neither EP Grain nor Emerald guarantees to meet the payment timings nominated for each payment option in the schedule.

Underwriting

Unless otherwise agreed with EP Grain, Underwriting is provided under the harvest loan and flexible loan payment options. If for any reason Underwriting is not provided, You accept the risk that You may have to repay all loan advances together with any interest owing and acknowledge that EP Grain or Emerald will have full recourse against You to recover any shortfall in the event that the total Consideration is insufficient to entirely repay the loans and any accrued interest that You owe to Emerald.

Underwriting protects against the risk that the total of the Consideration payable to you will not be sufficient to entirely repay the Harvest Payment amount of the loan made to You under Your payment option. Unless otherwise agreed, Emerald accepts this risk and undertakes that it will only seek to be repaid the Harvest Payment (together with any outstanding Fees and Deductions paid or payable by Emerald) in respect of all of deliveries or NewGen Canola Contracts for either of the harvest loan or flexible loan payment options.

The limit on Emerald's recourse to the Consideration only, as set out above, does not apply if:

- (a) You are in default under any of these Terms and Conditions or the terms of the NewGen Canola Contract; or
- (b) the Consideration is not sufficient to entirely repay the amount owing due to the Consideration being applied to satisfy encumbrances over a Canola or to pay Your liabilities, to the extent of that insufficiency.

Emerald provides the Underwriting and accepts the risks in relation to Consideration being insufficient because You agree to pay Emerald the Underwriting Fee. The total Underwriting Fee payable by You is the Underwriting Fee rate multiplied by the relevant quantity of Canola.

Schedule 3: Advance (Harvest / Deferred)

This schedule is a schedule of the Terms and Conditions and is included in its terms.

EP Grain's payment options for advances are:

1. harvest advance
2. deferred advance

You are required to nominate either on your NewGen Canola Contract, or with a Payment Form, the type of advance that You require.

The harvest advance provides for an advance at harvest of the Harvest Payment amount. The harvest advance may be increased by a top up in March 2010. Final payment will be in October 2010 and will be adjusted to take into account any variation from the Estimated Contract Price and the Contract Price on finalisation of the Contract Period. Underwriting is provided as set out below.

The deferred payment advance provides for payment of the Harvest Payment amount. Final payment will be in October 2010 and will be adjusted to take into account any variation from the Estimated Contract Price and the Contract Price on finalisation of the Contract Period. Underwriting is not provided for this payment option.

Neither EP Grain nor Emerald is responsible to You for any loss suffered because of delay in payment of a Contract distribution.

Neither EP Grain nor Emerald guarantees to meet the payment timings nominated for the NewGen Canola Contract or payment option selected by You.

Prompt Payment Guarantee

If You have nominated to receive a harvest advance, then You will be eligible for the Prompt Payment Guarantee. If You are eligible for the Prompt Payment Guarantee and are not paid within 30 days from the end of week that delivery was made, then You are eligible for payment of interest that accrues on the overdue amount at the Variable Interest Rate.

Underwriting

Unless otherwise agreed with EP Grain, Underwriting is provided for the harvest advance and the flexible advance payment options. Underwriting is not available for the deferred advance. If for any reason Underwriting is not provided, You accept the risk that You may have to repay any advances and acknowledge that EP Grain and Emerald will have full recourse against You to recover any shortfall in the event that the total Consideration is insufficient to entirely repay the advances made to you by Emerald.

Underwriting protects against the risk that the total of the Consideration payable to You will not be sufficient to entirely offset the Harvest Payment amount of the advances made under Your payment option. Unless otherwise agreed, for harvest and flexible advances Emerald accepts this risk and undertakes that it will only seek to be repaid the Harvest Payment (together with any outstanding Fees and Deductions paid or payable by Emerald) in respect of all of deliveries or NewGen Canola Contracts where you have selected the harvest or flexible advance payment options.

The limit on Emerald's recourse to the Harvest Payment (together with any outstanding Fees and Deductions paid or payable by Emerald) only, as set out above, does not apply if:

- (a) You are in default under any of these Terms and Conditions or the terms of the NewGen Canola Contract; or
- (b) the Consideration is not sufficient to entirely repay the amount owing due to the Consideration being applied to satisfy encumbrances over a Canola or to pay Your liabilities, to the extent of that insufficiency.

Emerald provides the Underwriting and accepts the risks in relation to Consideration being insufficient because You agree to pay Emerald the Underwriting Fee. The total Underwriting Fee payable by You is the Underwriting Fee rate multiplied by the relevant quantity of Canola.

Schedule 4: Distributions (Standard / Single)

This schedule is a schedule of the Terms and Conditions and is included in its terms.

EP Grain's distribution payment options are the standard distributions payment option and the single payment distribution option. Distribution amounts will vary, and generally reflect a number of factors including the progress of sales and receipts from the sales program, inventory levels, factors influenced by hedging programs and other factors that affect the cash flows.

You are required to nominate either on your NewGen Canola Contract, or with a Payment Form, the type of distribution that You require. If no nomination is received You will default to the standard distributions payment option.

Standard

The standard distributions payment option provides for payments to be made in April 2010, July 2010, August 2010, and a final payment in October 2010. No Underwriting is available.

Single

The single payment distributions option provides for a single payment to be made in October 2010. No Underwriting is available.

Neither EP Grain nor Emerald is responsible to You for any loss suffered because of delay in payment of a distribution.

Neither EP Grain nor Emerald guarantees to meet the payment timings nominated for the NewGen Canola Contract or payment option selected by You.

Schedule 5: Pricing Options

This schedule is a schedule of the Terms and Conditions and is included in its terms.

Emerald's Pricing Options are set out below. On entry into a NewGen Canola Contract, You must select a Pricing Option, and if no Pricing Option is selected, You will have the Swap Pricing Option as the default.

The basis component of the Contract Price, and therefore the Consideration payable to You, is calculated as per the Emerald Canola Pool 2009/10 Final Pool Return.

Emerald will utilise different risk management strategies to target achieving the Benchmarks for each of the Pricing Options set out below

Average Floor

This Pricing Option seeks to determine the Consideration payable to You based on the price each day during the Pricing Period. The Benchmark for this Pricing Option is the higher of either:

- a) the daily floor price which will be set prior to the first day of the Pricing Period; or
- b) the WPG July 2010 contract daily settlement price (being the last price paid for a financial or commodity derivative on any trading day. It is a computed price based on the (1) closing offer and bid price, (2) last actual traded price, and (3) weighted average of prices traded during the closing minutes of the trading day) for each day during the Pricing Period.

The higher of these prices is then averaged over the Pricing Period. This option provides You with a lower level of control over the Consideration that Emerald will pay You.

The cost of the Average Floor Pricing Option will be finalised prior to the first day of the Pricing Period, with the final cost estimated to be \$10 per metric tonne.

75 / 25

This Pricing Option seeks to determine the Consideration payable to You based on the daily high price and highest price achieved during the Pricing Period. The Benchmark for this Pricing Option is

- a) 75% of the tonnage delivered is priced at the WPG July 2010 contract daily high prices, which are then averaged during the Pricing Period; and
- b) 25% of the tonnage delivered is priced at the WPG July 2010 contract highest price reached during the Pricing Period.

There is no floor in this Pricing Option and this Pricing Option provides You with a medium level of control over the Consideration that Emerald will pay You.

The cost of the 75/25 Pricing Option will be finalised prior to the first day of the Pricing Period, with the final cost estimated to be \$25 per metric tonne.

Swap

This Pricing Option seeks to determine the Consideration payable to You, based on You advising Emerald on a particular day that You would like to price all or part of the volume delivered.

The Benchmark for this Pricing Option is based on a price set by You for all or part of the delivered volume at either:

- a) the daily market price; or
- b) at a target price.

If you want to set a price for delivered volume under the Swap Pricing Option, You need to contact Emerald. If You have not set a price for all of the volume delivered by the end of the Pricing Period, the WPG July 2010 contract closing price on the last day of the Pricing Period will be used to determine the Benchmark in respect to the volume delivered that You had not set a price for.

This Pricing Option provides You with a high level of control over the Consideration that Emerald will pay You.

The cost of the Swap Pricing Option will be finalised prior to the first day of the Pricing Period, with the final cost estimated to be \$3 per metric tonne.