



Rabobank

Risk Management Facility

Product Disclosure Statement for:

- ***Forward Foreign Exchange Contracts and Foreign Currency Options Facility***
- ***Over The Counter Commodity Swaps and Options Facility***

Issue Date: September 2023

Issued by: Rabobank Australia Limited
ABN 50 001 621 129 AFSL 234 700

You should read all sections of both Part 1 and Part 2 of this Product Disclosure Statement and the Master Agreement before making a decision to acquire this product.

Part 1 Summary of the Facilities

Product Disclosure

This Product Disclosure Statement ("PDS") is dated September 2023 and issued by Rabobank Australia Limited ABN 50 001 621 129 AFSL 234 700 ("Rabobank"). A copy of this PDS has not been lodged with the Australian Securities and Investments Commission ("ASIC") and is not required to be lodged with ASIC. ASIC takes no responsibility for this PDS.

Purchase Decisions

This PDS relates to sophisticated financial products, involving dealing in foreign exchange and entering into over the counter swaps and option agreements in order to manage risks for agricultural commodities. This PDS is prepared for your general information only. The information in this PDS does not take into account your personal objectives, financial situation and particular needs. Accordingly, nothing in this PDS should be construed as a recommendation by Rabobank, any associate, employee, agent or officer of Rabobank or any other person concerning the entry into transactions (each called a "Transaction") under the Facilities. You should not rely on this PDS as the sole or principal basis of a decision to enter into any Transaction under the Facilities. Before entering into Transactions using the Facilities, you should be satisfied that such a Transaction and the relevant facility is suitable for you in view of your personal objectives, financial situation and particular needs and we recommend that you seek independent financial, taxation and legal advice before making a decision whether to enter into a Transaction under the Facilities. No person is authorised by Rabobank to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by or on behalf of Rabobank. Nothing in this PDS is, or may be relied upon as, a representation as to the suitability of any of the Facilities for your particular needs. Unless you are familiar with dealing in the products covered by this PDS in order to manage risks for agricultural commodities, the Facilities may not be suitable for you. The foreign exchange markets and the agricultural commodity markets are volatile. The Facilities are not intended as an investment; rather they are intended as a risk management tool. If you are in any doubt as to the suitability of the Facilities as a risk management tool you should contact your legal and financial adviser before investing in the Facilities.

Jurisdiction and Selling Restrictions

This PDS is not an offer or invitation in relation to the Facilities in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws. If you received this PDS electronically we will provide a paper copy free upon request. Please call Rabobank on 1300 30 04 79 to request a copy.

Terms and Conditions

The Facilities are entered into between an applicant and Rabobank on the terms and conditions set out in the Master Agreement which is incorporated by reference into this PDS (go to www.rabobank.com.au/pds_rmf for a full copy of the Master Agreement or refer to the Master Agreement section on page 27 of this PDS for further details) (the "Terms"). It is important that you read these Terms in full as they set out your rights and obligations in relation to the Facilities. Additional terms may also be agreed upon from time to time either generally in relation to any of the Facilities or in relation to specific Transactions executed under any of the Facilities. Rabobank will provide you with a written confirmation ("Confirmation") in respect of each Transaction that you enter into under any of the Facilities, each variation of any Transaction that you enter into and each redemption or surrender in respect of each Transaction that you enter into under the Facilities. Certain words used in this PDS are defined in the Glossary on page 32 of Part 2 of this PDS.

Updates

Certain information in this PDS is subject to change from time to time and is up to date as at the date of this PDS. Where the new information is materially adverse, Rabobank will either issue a new PDS, Part 1 or Part 2 or a supplementary PDS Part 1 or Part 2 setting out the updated information.

Where the new information is not materially adverse, Rabobank will make available the updated information via the internet at www.rabobank.com.au/pds_rmf or alternatively you may request a paper copy of this information free of charge from your financial adviser or by contacting Rabobank on 1300 30 04 79.

From time to time, Rabobank may decide to offer the OTC Commodity Facility over additional commodities. Rabobank will issue a replacement or supplementary Part 1 of this PDS to provide details of the new commodities available.

Unless otherwise stated, all fees quoted in the PDS are exclusive of GST.

This document is Part 1 of the Product Disclosure Statement (“PDS”) for Rabobank’s Risk Management Facility. The PDS is provided in two parts:

- Part 1 – Summary of the Facilities (“Part 1”).
- Part 2 – Terms of the Facilities (“Part 2”).

Part 1 and Part 2 together form the PDS. Potential investors should read the entire PDS (that is, both Part 1 and Part 2), before making any investment decision. A reference to this PDS is to the PDS as a whole, unless a particular Part is specified.

Both Parts of this PDS are available at www.rabobank.com.au/pds_rmf or a copy can be obtained from your adviser or by contacting your local Rabobank branch.

Summary of Facilities available

Certain words used in this PDS are defined in the Glossary on page 32 of Part 2 of this PDS.

Key Features	FX Facility	OTC Commodity Facility
Available to	Exporters and importers, producers and procurers of commodities managing price risk and those making capital transfers	Medium to large producers and processors of agricultural commodities
Types of Transactions available under the facility	<ol style="list-style-type: none"> 1. Forward Exchange Contracts and Par Forward Contracts 2. Foreign Currency Options (Puts or Calls) 3. Foreign Currency Options (Collars) 	<ol style="list-style-type: none"> 1. Commodity price Swaps and Commodity Price Par Swaps 2. Commodity price Options (Puts or Calls) 3. Commodity price Options (Collars)
Commodities	Not Applicable	<p>As at the date of this Part 1 of the PDS, the OTC Commodity Facility is available in relation to the following commodities:</p> <ul style="list-style-type: none"> • Cotton • Wheat • Canola • Rapeseed • Corn • Sorghum • Sugar <p>From time to time, Rabobank may decide to offer the OTC Commodity Facility over additional commodities. Rabobank will issue a replacement or supplementary Part 1 of this PDS to provide details of the new commodities available.</p>
Currencies available	The facility is available for all major traded currencies	<p>Cotton, wheat, corn, sugar and sorghum – Australian and United States dollars</p> <p>Canola – Australian and Canadian dollars</p> <p>Rapeseed – Australian and Euro</p>
Duration	Up to 3 years but subject to your individual needs and our internal policy	Up to 3 years but subject to your individual needs and our internal policy

Key Features	FX Facility	OTC Commodity Facility
Settlement Method	All Transactions are deliverable	<p>All Transactions are cash settled (unless Rabobank agrees otherwise) against an agreed Settlement Reference Price.</p> <p>The Settlement Reference Price relates to Reference Contracts traded on the following exchanges:</p> <ul style="list-style-type: none"> Wheat – Chicago Mercantile Exchange (“CME”) formerly Chicago Board of Trade (“CBOT”) [www.cbot.com] and Kansas City Board of Trade [www.cmegroup.com] Corn – Chicago Mercantile Exchange (“CME”) formerly Chicago Board of Trade (“CBOT”) [www.cmegroup.com] Canola – InterContinental Exchange Futures Canada (“ICE Futures Canada”) formerly Winnipeg Commodity Exchange [www.theice.com/canola.jhtml] Rapeseed – Euronext formerly Marché à Terme International de France (“MATIF”) [www.euronext.com] Cotton – InterContinental Exchange Futures U. S. Cotton No. 2 Futures (“ICE Futures US”) formerly New York Board of Trade (Cotton No. 2) [www.theice.com/cotton.jhtml] Australian Milling Wheat – Australian Securities Exchange (“ASX”) [www.asx.com.au] Western Australian Milling Wheat – Australian Securities Exchange (“ASX”) [www.asx.com.au] Sugar – Intercontinental Exchange Future U.S. Sugar No. 11 Futures (“ICE Futures US”) formerly New York Board of Trade (Sugar No. 11) [www.theice.com/products/23] Australian Sorghum – Australian Securities Exchange (“ASX”) [www.asx.com.au] <p>Where applicable, the Settlement Reference Price will be converted to the Australian Dollar equivalent using the exchange rates listed below or as otherwise notified to you by Rabobank from time to time:</p> <ul style="list-style-type: none"> AUD/USD Exchange rate – WM/Reuters Australian Fix 10am reference rate as calculated by the World Market Company in conjunction with Thomson Reuters hereinafter referred to as “AUDFIX10AM rate”. (Please note that as of 1 July 2008, this AUDFIX10AM rate replaced the previously used Hedge Settlement Rate (“HSRA”) which was calculated daily by Reuters.) AUD/CAD Exchange Rate – the Bloomberg Fixing rate which appears on a Bloomberg Page under the Ticker “CDAD F123 Currency” at 12:30 New York Time on currency fixing date. AUD/EUR Exchange rate – the inverse of the EUR/AUD Bloomberg Fixing rate which appears on a Bloomberg Page under the Ticker “ADEU L173 Currency” at 17:30 London Time on currency fixing date. <p>Additional Reference Contracts and currencies for Reference Prices may also be offered by Rabobank from time to time. If/when these become available, Rabobank will make this information available by issuing a replacement Part 1 of this PDS. You may obtain a copy of this information free of charge by contacting your financial adviser or Rabobank on 1300 30 04 79.</p> <p>A weight conversion rate is applied to OTC commodity swaps referenced to overseas futures contracts i.e. cotton which is quoted in pounds is converted to bales, sugar is converted from pounds to metric tonnes and corn and wheat are converted from bushels to metric tonnes. OTC commodity swaps referenced to ASX futures contracts require no conversion as both are priced in metric tonnes.</p>
Minimum Contract Amount / Number of Units	AUD 100,000 for Options No minimum for Forward Exchange Contracts	<p>Minimum of:</p> <ul style="list-style-type: none"> 100 tonnes of wheat, corn, sorghum, canola, or rapeseed 100 bales of cotton 305 tonnes of sugar
Costs	Payable by you comprising general administration costs and expenses, taxes and duties, increased costs and default interest (if any amounts payable by you remain unpaid)	Payable by you comprising general administration costs and expenses, taxes and duties, increased costs and default interest (if any amounts payable by you remain unpaid)

The table is only a summary of the key features of the Facilities. Potential applicants should read both parts of this PDS and the Master Agreement before making any decision to apply to use any or all the Facilities. The Master Agreement is available at www.rabobank.com.au/pds_rmf.



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Part 2 Terms of the Facilities

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Executive Summary

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- Part 2 – Terms of the Facilities (“Part 2”).

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Both Parts of this PDS are available at www.rabobank.com.au/pds_rmf or a copy can be obtained from your adviser or by contacting your local Rabobank branch.

This PDS aims to provide you with enough information to help you decide whether the products provided under the Facilities will meet your needs. It also helps you to compare the products provided under the Facilities with others you may be considering.

This PDS allows you to apply for any or all of the following Rabobank Risk Management Facilities:

- (a) Forward Foreign Exchange Contracts and Foreign Currency Options Facility (the “FX Facility”); and/or
 - (b) Over the Counter Commodity Swaps and Options for Agricultural Commodities Facility (the “OTC Commodity Facility”),
- (collectively referred to in this PDS as “the Facilities”).

As the two Facilities are distinct and separate they allow you to achieve different aims when using them. As such, Part 2 of the PDS is structured to provide you with a detailed analysis of the two Facilities. Part 1 of the PDS provides you with a Summary which highlights the features of the Facilities.

If you decide to enter into Transactions using either or both of the Facilities, you should keep both parts of this PDS and all other documentation relating to your Transaction for future reference. If you have any questions about the Facilities or about the procedure for using the Facilities, please contact Rabobank Australia Limited on 1300 30 04 79.

The current version of Part 1 and Part 2 of this PDS is available at www.rabobank.com.au/pds_rmf or a copy can be obtained from your adviser.

To assist you in understanding this PDS, the definitions of some words are provided in the Glossary on page 32 of this Part 2. When used in this PDS, these words are usually capitalised. Any words that are capitalised in this PDS and not included in the Glossary on page 32 of this Part 2, have the meaning provided in the Master Agreement.

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Jurisdiction and Selling Restrictions

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Updates

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Forward Foreign Exchange Contracts and Foreign Currency Options Risk Management Facility (the FX Facility)

Overview

The FX Facility enables you to enter into Transactions to manage currency risk associated with:

- importing and exporting goods;
- managing the price risk associated with production and procurement of agricultural commodities; or
- capital transfers for non-trade requirements.

It enables you to manage risks associated with exchange rate volatility through exposures to over-the-counter (“OTC”) markets.

At the date of this PDS, the following three types of Transactions are available under the FX Facility in all major traded currencies:

- Forward Exchange Contracts (“FEC”) and Par Forward Contracts;
- Currency Options – Puts and Calls; and
- Currency Options – Collars.

Forward Exchange Contracts and Par Forward Contracts under the FX Facility

A FEC is a contract where Rabobank and its client agree to exchange one currency for another at a predetermined exchange rate for settlement on a set future date (longer than two business days). The Forward Exchange Rate for a FEC is calculated by using the Spot Exchange Rate as a base and adjusting it by a Forward Margin which takes into account interest rate differences. The Forward Margin is a reflection of the difference in interest rates between the currencies in the contract for the time period of the contract. This means that the Forward Margin will vary according to the interest rates anticipated for the period of the contract. The Forward Exchange Rate is not a forecast of what the Spot Exchange Rate will be on a future date. The Forward Margin is a reflection of the difference in interest rates for the particular time period of the contract between the currencies in the contract. The Forward Margin is either added to or subtracted from the Spot Exchange Rate to determine the Forward Exchange Rate. For example, if you have a FEC to exchange Australian dollars for US dollars and Australian interest rates are higher than in the US, the Forward Margin will be subtracted from the Spot Exchange Rate. When you request a FEC, you will nominate the contract currency, amount and value date. Rabobank provides the Forward Exchange Rate. The Spot Exchange Rate is the current rate of exchange at any time between two currencies. Details of the Spot Exchange Rate, Forward Margin and other related information are available on request through your adviser. Transaction costs are included in the Spot Exchange Rate and/or the Forward Margin and will vary according to the size of the Transaction, term of contract, prevailing market rates and our business relationship with you.

Advantages

- You can use a predetermined exchange rate to help you budget for your future income/expenses. You will have a known exchange rate for your commercial/physical transaction.
- The expiry of the FEC can be constructed to match the cash flows of the commercial/physical transaction.
- FEC's can be brought forward (i.e. settled prior to the original settlement date) or extended to match any changes in the cash flow dates of the commercial/physical transactions. However, changes are subject to Rabobank's approval. If we incur costs or obtain benefits in bringing forward settlement, these costs or benefits will be passed on to you. See *Early Termination of Transactions under the Facilities* on page 29.
- There are no initial transaction costs such as brokerage or GST.
- A series of FEC with different settlement dates occurring at regular intervals over a period of time may be contracted with the same predetermined exchange rate (A Par Forward Contract).

Disadvantages

- You cannot take advantage of any favourable exchange rate movements. In this instance, there can be opportunity costs.
- You must be aware that FEC's are fixed price obligations. In the event of commercial contract failure or production loss, losses under FEC settlements could significantly affect your financial position.
- A FEC facility requires a credit application and access to the FX Facility is subject to Rabobank's credit approval processes.
- Transaction costs will be included in the Spot Exchange Rate and the Forward Margin.
- Par Forward Contracts are constructed as an average rate over a defined series of settlement dates and represent a fixed price obligation. Early termination of individual legs may result in a cost or benefit which will be passed on to you. See *Early Termination of Transactions under the Facilities*.

Settlement

On the settlement date, the currencies are exchanged. Payments may be made to us by electronic transfer or by a debit being authorised to an account with us. Our payments will be made by electronic transfer or by crediting the Rabobank account that has been nominated.

Example – Forward Exchange Contracts

A wine producer has sold produce to an outlet in the USA and will receive USD250,000 in payment in six months time. The current exchange rate meets the producer's budget requirements but they are concerned that the Australian Dollar may appreciate in terms of the US dollar prior to receiving payment and therefore reduce the Australian Dollar amount the producer will receive.

Today	Market Information	
	<ul style="list-style-type: none"> Spot Exchange Rate is 0.7200 Six month Forward Exchange Rate is 0.7050 <p>Decision: The wine producer contracts with Rabobank to sell USD250,000 at 0.7050 and receive AUD354,609.93 in six months time.</p>	
Six months later	Scenario 1	Scenario 2
	<p>The Spot Exchange Rate (or market rate) is 0.7600</p> <p>The wine producer arranges delivery of USD 250,000 to the bank which in turn pays AUD 354,609.93 (USD 250,000 / 0.7050) to the producer. Both parties have satisfied the conditions of the FEC.</p> <p>The FEC has proved beneficial as the Spot Exchange Rate of 0.7600 is worse than the FEC rate of 0.7050. Had the producer not entered into an FEC, they would have received a lesser amount of AUD328,947.37. (USD250,000/0.7600).</p>	<p>The Spot Exchange Rate (or market rate) is 0.6500</p> <p>The wine producer arranges delivery of USD250,000 to the bank which in turn pays AUD354,609.93 (USD250,000/0.7050) to the producer. Both parties have satisfied the conditions of the FEC.</p> <p>There is an opportunity loss as the Spot Exchange Rate of 0.6500 is better than the FEC rate of 0.7050. Had the producer not entered into an FEC, they would have received a greater revenue of AUD384,615.38 (USD250,000/0.6500).</p> <p>Nevertheless the wine producer was protecting a profit margin and is satisfied that their aim was achieved.</p>

Example — Par Forward Contract for a Producer

A wine producer has committed to the purchase of equipment which requires a regular payment of USD on the 15th of each month for the next 12 months. The wine producer wishes to hedge exposure to a depreciating United States Dollar. Although Rabobank may quote you a string of 12 individual exchange rates for this transaction this means that the individual cash flows will be different for each month which may not suit. You may request that Rabobank quote you one rate (a Par Forward Contract) for each of the 12 contracts to allow you to create even cash flow payments by you.

Today	Market Information	
	<ul style="list-style-type: none"> Spot Exchange Rate is 0.7200 Par forward adjustment for 12 monthly transactions is -0.0035 Exchange rate for each month for 12 months is 0.7165 <p>Decision: The wine producer contracts with Rabobank to buy USD 100,000 and pay AUD 139,567.34 on the 15th of each month for the next 12 months</p>	
15th of following month	Scenario 1	Scenario 2
	<p>The Spot Exchange Rate (or market rate) is 0.6800</p> <p>The wine producer arranges delivery of AUD139,567.34 (USD100,000/0.7165) in exchange for the bank paying USD100,000 to the producer. Both parties have satisfied the conditions of that leg of the Par Forward Contract.</p> <p>The Par Forward Contract has proved beneficial as the Spot Exchange Rate of 0.6800 is worse than the Par Forward Contract rate of 0.7165. Had the producer not entered into a Par Forward Contract, they would have paid a greater amount of AUD147,058.82</p>	<p>The Spot Exchange Rate (or market rate) is 0.7600</p> <p>The wine producer arranges delivery of AUD139,567.34 (USD100,000/0.7165) in exchange for the bank paying USD100,000 to the producer. Both parties have satisfied the conditions of that leg of the Par Forward Contract.</p> <p>The Par Forward Contract has resulted in an opportunity loss as the Spot Exchange Rate of 0.7600 is better than the Par Forward Contract rate of 0.7165. Had the producer not entered into a Par Forward Contract, they would have paid a lower amount of AUD131,578.95</p>

Exchange Rates used in examples in this PDS are for illustration purposes only and may not reflect actual rates. Actual exchange rates will depend on actual market rates on the date of calculation.

Currency Options – Calls and Puts under the FX Facility

Foreign Currency Options give the buyer the right, but not the obligation to buy or sell an agreed amount of currency at a pre-determined exchange rate on a certain future date. The cost of the Option is the Option Premium. The calculation of the Option Premium is influenced by a number of factors including the current exchange rate, the strike rate of the Option, the difference in interest rates for the currencies, time of expiry of the Option, the past and expected volatility of exchange rates, the Forward Margin for the term of the Option and the amount of the Option. As a general rule, the longer the contract, the higher the premium. When volatility increases, premiums will also increase and vice versa. The Option Premium also includes an allowance for costs and Rabobank's profit margin.

A Call Option Description

A Call Option is a contract that gives the buyer of the Call Option the right (without the obligation) to buy a specified amount of one currency in exchange for another currency:

- at a predetermined exchange rate (the contract or strike rate);
- on a set future date (the expiry date).

The buyer pays a premium for this right, referred to as the Option Premium. You nominate the contract currency, amount, strike rate and expiry. Rabobank will calculate the Option Premium, taking into account the factors set out on pages 28 and 29. You can buy Foreign Currency Options under the FX Facility. The selling of Foreign Currency Options under the FX Facility is usually restricted to Options that are part of a Collar (described on page 13 of this PDS).

Settlement and Exercise

If you choose to exercise a bought Call Option, you will be required to deliver your currency to Rabobank and we will pay you the relevant currency. Payments may be made to us by electronic transfer or by a debit being authorised to a loan account with us. Our payments will be made by electronic transfer or by crediting the Rabobank account that has been nominated.

Advantages

- The buyer can take advantage of a more favourable rate in the market if it occurs at expiry date.
- The buyer has a known worst case exchange rate that will apply to the transaction. The cost is limited to the Option Premium expense whether the Option is exercised or not.
- Options are particularly useful where there is uncertainty as to whether the underlying commercial transaction will proceed.
- No credit application is required when purchasing an Option.
- The terms of the Option (including expiry, currencies and amount) can be constructed to match the cash flows of the underlying commercial transactions.
- If you sell an Option you will receive the Option Premium.

Disadvantages

- If you sell an Option and it is exercised, you are obligated to sell or buy at an agreed strike rate which would be worse than the Spot Exchange Rate.
- An upfront Option Premium is payable which is not refundable.
- If you sell an Option, credit approval by Rabobank may be required.

Example – AUD Call Option

A wheat producer who receives payments in Australian Dollars (AUD) is concerned that a potential appreciation of AUD against the US Dollar (USD), will adversely affect AUD income received at harvest. This would be applicable in a situation where the producer may have hedged the wheat price in USD previously and now wishes to hedge the currency risk by buying Australian dollar call options. The producer is also concerned about production risk.

Today	Market Information
	<ul style="list-style-type: none"> Spot Exchange Rate is 0.7000 <p>Purchase of an AUD Call/USD Put Option for AUD200,000 and expiring in 6 months incurs a premium of: AUD7,700 at a strike rate of 0.7000 AUD5,000 at a strike rate of 0.7200</p> <p>Decision: The producer buys an AUD Call/USD Put Option for AUD200,000 expiring in 6 months' time at a strike rate of 0.7200. The Option costs AUD5,000.</p>

Six months later (at harvest)	Scenario 1	Scenario 2
	<ul style="list-style-type: none"> Spot Exchange Rate is 0.7800 <p>Step 1 As the market rate is worse than the strike rate for buying AUD, the producer elects to exercise the Option. They buy AUD200,000 and sell USD144,000 (AUD200,000 x 0.7200) at the strike rate of 0.7200.</p> <p>Step 2 As the producer does not have the USD to deliver, they must purchase it to realise the profit. They buy USD144,000 and sell AUD184,615.38 (USD144,000/0.7800) at the Spot Exchange Rate of 0.7800.</p> <p>Net profit is AUD 200,000 – 184,615.38 = 15,384. 62.</p>	<ul style="list-style-type: none"> Spot Exchange Rate is 0.6200 <p>As the market rate is better than the strike rate, the producer decides not to exercise the Option and lets it lapse.</p>

In both outcomes above the producer needs to take into account the premium cost of AUD5,000. Note that under Scenario 1, Step 2 is a separate spot transaction from the purchase of the AUD Call Option. Exchange rates used in examples in this PDS are for illustration purposes only and may not reflect actual rates. Actual exchange rates will depend on actual market rates on the date of calculation.

Put Option Description

A Put Option is a contract that gives the buyer of the Option the right to sell a specified amount of one currency in exchange for another currency:

- at a predetermined exchange rate (the contract or strike rate);
- on a set future date (the expiry date).

The buyer pays a premium for this right, referred to as the Option Premium.

You nominate the contract currency, amount, strike rate and expiry. Rabobank will calculate the Option Premium, taking into account the factors set out on pages 28 and 29.

Settlement and exercise

If you choose to exercise a bought Put Option, you will be required to deliver your currency to Rabobank and we will pay you the relevant currency. Payments may be made to us by electronic transfer or by a debit being authorised to a loan account with us. Our payments will be made by electronic transfer or by crediting the Rabobank account that has been nominated.

Advantages

- The buyer can take advantage of a more favourable rate in the market if it occurs at expiry date.
- The buyer has a known worst case exchange rate that will apply to the transaction. The cost is limited to the Option Premium expense whether the Option is exercised or not (other than delivery of the underlying currency on exercise of the Option).
- Options are particularly useful where there is uncertainty that the underlying commercial transaction will proceed.
- No credit application is required when purchasing an Option.
- The expiry of the Option can be constructed to match the cash-flows of the underlying commercial transactions.

Disadvantages

- If you sell a Put Option (as part of a Collar) and it is exercised, you are obliged to sell or buy at an agreed strike rate which would be worse than the Spot Exchange Rate.
- An upfront Option Premium is payable.

Example – AUD Put Option

An importer has purchased machinery from Europe and is required to pay EUR100,000 in six months time but is concerned that the AUD will weaken, increasing the cost.

Today	Market Information	
	<ul style="list-style-type: none"> Spot Exchange Rate is 0.6050 Purchase of an AUD Put/EUR Call Option for EUR 100,000 and expiring in 6 months incurs a premium of: AUD 4,300 at a strike rate of 0.6050 AUD 2,800 at a strike rate of 0.5850 Decision: The importer buys an AUD Put / Euro Call Option for EUR 100,000 expiring in 6 months time at a strike rate of 0.6050. The Option costs AUD 4,300.	
Six months later (at harvest)	Scenario 1	Scenario 2
	<ul style="list-style-type: none"> Spot Exchange Rate is 0.5200 As the market rate is worse than the strike rate for selling AUD, the importer elects to exercise the Option. They buy EUR100,000 and sell AUD165,289.26 (EUR100,000/0.6050) at the strike rate of 0.6050. If the importer had not bought the Option the expense would have been higher. Note: The exporter sells EUR100,000 at 0.5200 and pays AUD192,307.69 (EUR100,000/0.5200).	<ul style="list-style-type: none"> Spot Exchange Rate is 0.6800 As the market rate is better than the strike rate, the producer decides not to exercise the Option and lets it lapse. The importer deals at the more favourable market rate of 0.6800. Note: The importer buys EUR100,000 at 0.6800 and pays AUD 147,058.82 (EUR100,000/0.6800).

In both outcomes, the importer needs to take into account the premium cost of AUD 4,300. Exchange rates used in examples in this PDS are for illustration purposes only and may not reflect actual rates. Actual exchange rates will depend on actual market rates on the date of calculation.

Currency Options – Collars under the FX Facility

A foreign currency Collar involves the use of a combination of Put and Call Options, allowing a best case and worst case rate to be established. There is often no premium for a foreign currency Collar as the Option Premium incurred by purchasing one Option is offset by the Option Premium earned for selling the other.

Description for an Exporter/Producer

A foreign currency Collar provides an exporter/producer with two price levels:

- (1) a worst case exchange rate; and
- (2) a best case exchange rate.

Whilst it protects you against unfavourable exchange rates above a given level (the worst case strike rate) it also provides the ability to access better exchange rates to a certain level (the best case strike rate). The range between the worst and best case exchange rate protection is governed by the amount of premium you are willing to pay. Often “collars” entail zero cash premium. In the case of an Australian exporter you in effect buy an AUD call Option at a particular strike rate and sell an AUD Put Option at a lower strike rate. The Option Premium you pay for the Call Option is offset by the Option Premium received for the sale of the Put Option.

The following outcomes can take place:

- (1) If (at expiry) the Spot Exchange Rate is worse than the worst case strike rate of the Call Option you purchased, you are protected. You exercise the Option and exchange currencies at that strike rate.
- (2) If (at expiry) the Spot Exchange Rate is better than the best case strike rate of the Put Option you sold, Rabobank will exercise the Option and you are obligated to exchange currencies at that strike rate.
- (3) If (at expiry) the Spot Exchange Rate is in between the Call and the Put strike rates, both Options lapse and you transact at the Spot Exchange Rate on the day.

Description for an Importer

A foreign currency Collar provides an importer with two price levels:

- (1) a worst case exchange rate; and
- (2) a best case exchange rate.

Whilst it protects you against unfavourable exchange rates below a given level (the worst case strike rate) it also provides the ability to access better exchange rates to a certain level (the best case strike rate). The range between the worst and best case exchange rate protection is governed by the amount of Option Premium you are willing to pay. Often Collars entail zero cash premium. In the case of an Australian importer you in effect buy an AUD Put Option at a particular strike rate and sell an AUD Call Option at a lower strike rate. The premium you pay for the Put Option is most often offset by the premium received for the sale of the Call Option. An Australian exporter would sell a Put Option at a particular strike rate, and buy a Call Option at a higher strike rate.

The following outcomes can take place:

- (1) If (at expiry) the Spot Exchange Rate is worse than the worst case strike rate of the Put Option you purchased, you are protected. You exercise the Option and exchange currencies at that strike rate.
- (2) If (at expiry) the Spot Exchange Rate is better than the best case strike rate of the Call Option you sold, Rabobank will exercise the Option and you are obligated to exchange currencies at that strike rate.
- (3) If (at expiry) the Spot Exchange Rate is in between the Put and the Call strike rates, both Options lapse and you transact at the Spot Exchange Rate on the day.

Advantages

- You can protect an exchange rate and have the opportunity to obtain more favourable exchange rates subject to levels of the worst case and best case strike rates.
- The expiry of the Collar can be constructed to match the cash flows of the underlying commercial transactions.

Disadvantages

- If the Option you sold is exercised, you are obligated to sell or buy at an agreed strike rate which would be worse than the Spot Exchange Rate. In this instance, there are opportunity losses.
- In the event of production loss or commercial contract failure, losses incurred as a result of the previous point above could significantly affect your financial position.
- An Option Premium may be payable subject to strike rate parameters.
- You can only take advantage of more favourable exchange rates to a certain point (being the best case strike rate).
- A credit facility is required for a Collar Transaction and access to the FX Facility is subject to Rabobank's credit approval processes.

Example 1 – Foreign Currency Collar

A wine producer has sold produce to an outlet in the USA and will receive USD 250,000 in payment in six months time. The current exchange rate meets the producer's budget requirements but they are concerned that the Australian Dollar may appreciate in terms of the US Dollar adversely affecting income. They however do not want to pay a premium associated with buying an AUD Call Option but are prepared to forego some of the benefit if the AUD should fall. The producer buys an AUD Call Option with a strike rate of AUD/USD 0.7200. The producer sells a Put Option with a strike rate of AUD/USD 0.6950.

Today	Market Information
	<ul style="list-style-type: none"> • Spot Exchange Rate is AUD/USD 0.7200 • Forward Exchange Contract is 0.7050 for six months <p>A Collar Transaction has a worst case strike rate of 0.7200 and a best case strike rate of 0.6950.</p> <p>Decision: The exporter enters into a Collar Transaction for USD250,000 expiring in six months.</p> <p>They buy an AUD Call / USD Put at a strike rate 0.7200</p> <p>They sell an AUD Put / USD Call at a strike rate of 0.6950</p> <p>In this case, there is no cash premium payable.</p>

Six months later	Scenario 1	Scenario 2
	<ul style="list-style-type: none"> • Spot Exchange Rate is AUD / USD0.7600 <p>Since the worst case strike rate of 0.7200 is better than the current Spot Exchange Rate, the exporter elects to exercise the AUD Call Option they purchased and sells USD250,000 at 0.7200 and buys AUD347,222.22 (USD250,000/0.7200).</p> <p>Without the Call, the exporter would have exchanged the USD250,000 and received only AUD328,947.37 (USD250,000/0.7600).</p>	<ul style="list-style-type: none"> • Spot Exchange Rate is AUD/USD0.6500 <p>Since the Spot Exchange Rate of 0.6500 is better than the best case strike rate of 0.6950, Rabobank elects to exercise the AUD Put Option it purchased. The exporter is obligated to sell USD250,000 at 0.6950 and buys AUD359,712.23 (USD250,000/0.6950).</p> <p>Without the Put, the exporter would have exchanged the USD250,000 and received AUD384,615.38 (USD250,000/0.6500).</p>
	Scenario 3	
	<p>If the Spot Exchange Rate is between the worst case strike rate of AUD/USD 0.7200 and the best case price of AUD/USD 0.6950 at expiry date then the exporter deals at the Spot Exchange Rate and both options will expire.</p>	

Exchange rates used in examples in this PDS are for illustration purposes only and may not reflect actual rates. Actual exchange rates will depend on actual market rates on the date of calculation.

Example 2 – Foreign Currency Collar

An importer needs to pay EUR 100,000 for some machinery in six months time and is concerned that the AUD will weaken increasing the cost. They however do not want to pay a premium associated with buying an AUD Put Option but are prepared to forego some of the benefit if the AUD should strengthen. The importer buys a Put Option with a strike rate of AUD/EUR0.5980 and sells a Call Option with a strike rate of AUD/EUR0.6050.

Today	Market Information	
	<ul style="list-style-type: none"> • Spot Exchange Rate is AUD/EUR0.6050 • Forward Exchange Contract is 0.6000 for six months <p>A Collar Transaction has a worst case strike rate of 0.5980 and a best case strike rate of 0.6050.</p> <p>Decision:</p> <p>The Importer enters into a Collar Transaction for EUR 100,000 expiring in six months.</p> <p>They buy an AUD Put / EUR Call at a strike rate of 0.5980</p> <p>They sell an AUD Call / EUR Put at a strike rate of 0.6050</p> <p>In this case, there is no cash premium payable.</p>	
Six months later	Scenario 1	Scenario 2
	<ul style="list-style-type: none"> • Spot Exchange Rate is AUD/EUR0.5400 <p>Since the worst case strike rate of 0.5980 is better than the current Spot Exchange Rate, the importer elects to exercise the AUD Put Option they purchased and buys EUR100,000 at 0.5980 and pays AUD 167,224.08 (EUR100,000/0.5980).</p> <p>Without the Put Option, the importer would have paid AUD185,185.19 (EUR100,000/0.5400).</p>	<ul style="list-style-type: none"> • Spot Exchange Rate is AUD/EUR0.6500 <p>Since the Spot Exchange Rate of 0.6500 is better than the best case strike rate of 0.6050, Rabobank elects to exercise the AUD Call Option it purchased. The importer is obliged to buy EUR100,000 at 0.6050 and pays AUD 165,289.26 (EUR100,000/0.6050).</p> <p>Without the Put Option, the importer would have paid AUD 153,846.15 (EUR100,000/0.6500).</p>
	<p>Scenario 3</p> <p>If the Spot Exchange Rate is between the worst case strike rate of AUD/EUR0.5980 and the best case price of AUD/EUR0.6050 at expiry date, then the importer deals at the Spot Exchange Rate and both options will expire.</p>	

Exchange rates used in examples in this PDS are for illustration purposes only and may not reflect actual rates. Actual exchange rates will depend on actual market rates on the date of calculation.

Over the Counter Commodity Swaps and Options Risk Management Facility (the OTC Commodity Facility)

Overview

The OTC Commodity Facility enables you to enter into Transactions to manage price risk associated with agricultural commodities. It enables you to manage price movements in physical commodities through exposures to OTC Commodity markets for agricultural commodities. At the date of this PDS, the following three types of Transactions are available under the OTC Commodity Facility:

- Commodity Price Swaps and Commodity Price Par Swaps;
- Commodity Price Options – Puts and Calls; and
- Commodity Price Options – Collars.

Each of the above Transactions is described in further detail below. Which type of Transaction you choose will depend upon the type of price risk you are seeking to manage.

Commodity Price Swaps, Commodity Price Par Swaps and Commodity Price Options are available for terms of up to 4 years, or as otherwise approved by us at our sole discretion and subject to our internal policy. See Part 1 of this PDS for details of the commodities and currencies for which the Commodity Price Swaps and Commodity Price Options are available.

The value of each Transaction which is entered into under the OTC Commodity Facility will be determined by reference to the difference between either the Commodity Swap Price (in the case of Commodity Price Swaps) or the Put or Call Option Strike Price (in the case of Options) and the Settlement Reference Price. Transactions under the OTC Commodity Facility do not involve physical delivery of a commodity. Instead they are cash settled against the Settlement Reference Price in accordance with the terms and conditions and are calculated as:

$$\text{Settlement Reference Price} \times \text{AUD Conversion Rate} \times \text{Weight Conversion Rate}.$$

The Settlement Reference Price relates to Reference Contracts. See Part 1 of this PDS for the exchanges on which Reference Contracts are based.

The Reference Contract will be notified by Rabobank to you at the time of a Transaction and will also be specified by Rabobank to you in a Confirmation. The terms of the corresponding Reference Contract will be reflected in the terms of each Transaction – so that you will become liable under the Transaction for any liability we incur under the corresponding Reference Contract and the Transaction will terminate on any event which causes the termination of the corresponding Reference Contract. Closing Prices for Reference Contracts are published daily on the websites of each exchange.

Unless we have otherwise agreed, the contract will be denominated in Australian dollars. The Settlement Reference Price will be converted to the Australian Dollar equivalent using the exchange rates listed in Part 1 of the PDS or as otherwise notified to you by Rabobank from time to time.

We will notify you of the source of the conversion rate at the time of the Transaction and will also specify this in the Confirmation for the Transaction.

A weight conversion rate is applied to convert the Settlement Reference Price, see Part 1 of this PDS for details of the applicable weight conversion.

Commodity Price Swap and Commodity Price Par Swap under the OTC Commodity Facility

Description

A Commodity Price Swap allows a producer or processor to fix the price of a portion of future commodity production or needs. It helps you to protect yourself against an unfavourable movement in physical commodity prices.

A series of Commodity Price Swaps with different Valuation Dates occurring at regular intervals over a period of time can be contracted with the same Commodity Swap Price (known as Commodity Price Par Swap).

Under a Commodity Price Swap you agree with Rabobank to pay or receive at a future date a cash amount. This cash amount is equal to the difference between the Commodity Swap Price at this future date and the Settlement Reference Price which is agreed between you and Rabobank at the outset of the Transaction.

Advantages

- You can fix a price on a proportion of your future production/needs.
- There are no initial transaction costs such as brokerage and GST.
- No initial deposits (or initial margins) and variation margins are required.
- The expiry of the Commodity Price Swap can be constructed to match the cash receipts for commodity sales / purchases.
- Commodity Price Swaps are cash settled (no delivery of physical produce is required and so no freight or handling charges are incurred).
- Commodity Price Swaps are easily exited in the event of a change in the farm marketing strategy or crop failure (subject to Rabobank's consent and payment or receipt of a termination payment).

Disadvantages

- You cannot take advantage of any favourable price movements.
- You must be aware that Commodity Price Swaps are fixed price obligations and are cash settled resulting in a gain or a loss. In the event of production loss, you may have to pay an amount to exit the Commodity Price Swap, and these losses under Commodity Price Swap settlements could significantly affect your financial position.
- A Commodity Price Swap facility requires a credit application and access to the OTC Commodity Facility is subject to Rabobank's credit approval processes.
- The total price risk may not be covered depending on the commodity, i.e. producers holding a Commodity Price Swap are still subject to "basis risk". Basis risk is described in further detail on page 26 of this PDS.
- A Commodity Price Par Swap is constructed as an average price over a defined series of Valuation Dates, and represents a fixed price on relevant proportions of your future production/needs. Each individual leg may result in a cash amount paid or received by you. *See Early Termination of Transactions under the Facilities.*

Example – Wheat Swap for a Producer

A wheat producer has commenced planting and wishes to fix 25% or 1,000 metric tonnes of their expected production for the near harvest.

Deal Date	Market Information
1 May this year	<p>The current Commodity Swap Price in respect of wheat for maturity at 26 November the same year is AUD200/metric tonne (mt). This is based on a combination of CME wheat Futures Contracts and the Forward Exchange Rate.</p> <p>Decision</p> <p>The producer enters into a wheat Commodity Price Swap with Rabobank for 1,000 metric tonnes with settlement on 26 November the same year for a fixed price of AUD200/mt.</p> <p>The Settlement Reference Price is calculated by reference to:</p> <ul style="list-style-type: none"> the CME December wheat Futures settlement price on 25 November; the AUDFIX10AM rate for the AUD/USD as published by World Markets Company/Reuters at 10 am on 26 November; and the weight conversion ratio of 36.74371 bushels/mt.

Deal Date Six months later	Scenario 1	Scenario 2
26 November this year	<ul style="list-style-type: none"> CME December wheat Futures Contracts closed at 320 US cents per bushel. AUD/USD exchange rate is 0.7000 as referenced to the AUDFIX10AM rate. The Settlement Reference Price is AUD167.97. This is a combination of these i.e. 3.20×36.74371 bushels/mt divided by 0.7000. <p>Settlement</p> <ul style="list-style-type: none"> The producer receives from Rabobank the difference between the Commodity Swap Price for wheat and the Settlement Reference Price. <p>i.e.</p> <ul style="list-style-type: none"> Commodity Swap Price proceeds $1,000\text{mt} \times \text{AUD}200.00/\text{mt} = \text{AUD}200,000$ Settlement Reference Price $1,000\text{mt} \times \text{AUD}167.97/\text{mt} = \text{AUD}167,970$ Payment to client = AUD32,030 or AUD32.03/mt The settlement payment compensates the producer for the lower physical price received (based on current futures prices and exchange rate). 	<ul style="list-style-type: none"> CME December wheat Futures Contracts closed at 430 US cents per bushel. AUD/USD exchange rate is 0.6700 as referenced to the AUDFIX10AM rate. The Settlement Reference Price is AUD235.82. This is a combination of these i.e. 4.30×36.74371 bushels/mt divided by 0.6700. <p>Settlement</p> <ul style="list-style-type: none"> The producer pays Rabobank the difference between the Commodity Swap Price for wheat and the Settlement Reference Price. <p>i.e.</p> <ul style="list-style-type: none"> Commodity Swap Price proceeds $1,000\text{mt} \times \text{AUD}200.00/\text{mt} = \text{AUD}200,000$ Settlement Reference Price $1,000\text{mt} \times \text{AUD}235.82/\text{mt} = \text{AUD}235,820$ Payment from client = AUD35,817.80 or AUD35.82/mt The settlement payment offsets the higher physical price received (based on current futures prices and exchange rate).

Example – Sugar Par Swap for a Producer

A sugarcane producer has a crop that's well underway. The sugarcane producer wishes to hedge exposure to a depreciating sugar price. Although Rabobank may quote you a string of 4 individual sugar Commodity Swap Prices for this transaction, this means that the individual cash flows will be different each quarter which may not suit you. You may request that Rabobank quote you one Commodity Swap Price (a Par Swap) for each of the 4 Commodity Price Swaps that allow you to create a linear price for your sugar production.

Deal Date	Market Information
January	<p>The current Commodity Swap Price in respect of sugar is:</p> <ul style="list-style-type: none"> July swap for maturity at 29th June the same year: AUD543.5/metric tonne (mt); October swap for maturity at 28th September the same year: AUD533.1/metric tonne (mt); March swap for maturity at 28th February the following year: AUD525.7/metric tonne (mt); May swap for maturity at 30th April the following year: AUD511.7/metric tonne (mt); <p>Decision</p> <p>The producer enters into a Sugar Par Price Swap with Rabobank where they sell 508 metric tonnes with settlement on 29th June the same year, 1,016 metric tonnes with settlement on 28th September the same year, 1,016 metric tonnes with settlement on 28th February the following year and 508 metric tonnes with settlement on 30th April the following year all for a fixed price of AUD532/mt.</p> <p>The Commodity Par Swap Price is calculated by reference to a weighted average of Commodity Swap Price for the corresponding separate swaps.</p>

	Scenario 1	Scenario 2
29th June this year	<ul style="list-style-type: none"> The Settlement Reference Price is AUD530 <p>Settlement</p> <p>The producer receives from Rabobank the difference between the Commodity Par Swap Price for sugar and the Settlement Reference Price</p> <p>i.e.</p> <ul style="list-style-type: none"> Commodity Par Swap Price proceeds 508mt x AUD532/mt = AUD270,256 Settlement Reference Price 508mt x AUD530/mt = AUD269,240 Payment to client = AUD1,016 or AUD2.00/mt The settlement payment compensates the producer for the lower physical price received (based on current futures prices and exchange rates) 	<ul style="list-style-type: none"> The Settlement Reference Price is AUD536 <p>Settlement</p> <p>The producer pays Rabobank the difference between the Commodity Par Swap Price for sugar and the Settlement Reference Price</p> <p>i.e.</p> <ul style="list-style-type: none"> Commodity Par Swap Price proceeds 508mt x AUD 532/mt = AUD270,256 508mt x AUD 536/mt = AUD272,288 Payment from client = AUD2,032 or AUD4.00/mt. The settlement payment offsets the higher physical price received (based on current futures prices and exchange rates)
28th September this year	<ul style="list-style-type: none"> The Settlement Reference Price is AUD540 <p>Settlement</p> <p>The producer pays Rabobank the difference between the Commodity Par Swap Price for sugar and the Settlement Reference Price</p> <p>i.e.</p> <ul style="list-style-type: none"> Commodity Par Swap Price proceeds 1,016mt x AUD532/mt = AUD540,512 Settlement Reference Price 1,016mt x AUD540/mt = AUD548,640 Payment from client = AUD8,128 or AUD8.00/mt The settlement payment offsets the higher physical price received (based on current futures prices and exchange rates) 	<ul style="list-style-type: none"> The Settlement Reference Price is AUD525 <p>Settlement</p> <p>The producer receives from Rabobank the difference between the Commodity Par Swap Price for sugar and the Settlement Reference Price</p> <p>i.e.</p> <ul style="list-style-type: none"> Commodity Par Swap Price proceeds 1,016mt x AUD532/mt = AUD540,512 Settlement Reference Price 1,016mt x AUD525/mt = AUD533,400 Payment to client = AUD7,112 or AUD7.00/mt The settlement payment compensates the producer for the lower physical price received (based on current futures prices and exchange rates)
28th February next year	<ul style="list-style-type: none"> The Settlement Reference Price is AUD502 Payment to client = AUD30,480 or AUD30.00/mt 	<ul style="list-style-type: none"> The Settlement Reference Price is AUD518 Payment to client = AUD14,224 or AUD14.00/mt
30th April next year	<ul style="list-style-type: none"> The Settlement Reference Price is AUD510 Payment to client = AUD11,176 or AUD22.00/mt 	<ul style="list-style-type: none"> The Settlement Reference Price is AUD550 Payment from client = AUD9,144 or AUD18.00/mt

Producers should be aware that amounts received in respect of Commodity Price Swap Transactions are not likely to be perfectly correlated and will be subject to basis risk. Exchange rates and other prices used in examples in this PDS are for illustration purposes only and may not reflect actual rates or prices. Actual exchange rates and prices will depend on actual market rates on the date of calculation.

Commodity Price Option under the OTC Commodity Facility

Description

A Commodity Price Option allows a producer or processor to protect themselves against unfavourable commodity price movements beyond an agreed protected price level – called the Strike Price – for future production or purchases. Under a Commodity Price Option you will be entitled to receive a cash payment on a future date if the Settlement Reference Price on that date is less favourable than the Strike Price which you agree with Rabobank at the outset of the Transaction for that date. The amount of this payment will be equal to the difference between the Strike Price and the Settlement Reference Price on that date. An Option Premium is also payable.

Advantages

- You can protect a price on a proportion of your future production/purchases.
- You can benefit from higher/lower prices.
- There is no brokerage on the initial transaction.
- No initial deposits (or initial margins) and variation margins are required.
- The expiry of the Option can be constructed to match the cash flows of the underlying physical transaction.
- Commodity Price Options are cash settled (no delivery of physical produce is required).

Disadvantages

- The total price risk may not be covered depending on the commodity; i.e. producers/processors holding Options are still subject to “basis risk”. Basis risk is described in further detail on page 26 of this PDS.
- An upfront Option Premium is payable.
- Subject to exchange rate risk because prices are pegged to US and Canadian prices.

Example – Cotton Put Option for a Producer

A cotton producer wishes to protect the price of 1000 bales of their estimated production for the near cotton harvest.

Trade Date	Market Information
1 October this year	<p>The current Commodity Swap Price for expiry 21 April the following year is AUD 500/bale (“b”). This is a combination of Intercontinental Exchange Futures U.S. (“ICE Futures US”) cotton futures and the foreign exchange rate.</p> <ul style="list-style-type: none"> • A cotton Put Option with Strike Price of AUD 500/b and an expiry date of 21 April next year costs AUD36/b. • A cotton Put Option with Strike Price of AUD 480/b and an expiry date of 21 April next year costs AUD30/b. <p>Decision</p> <p>The producer enters into a Commodity Price Put Option Transaction for a cotton Put Option for 1,000 bales at a Strike Price of AUD 500 with expiry at 21 April next year. The Option Premium is AUD36/b.</p> <p>The Settlement Reference Price is based on:</p> <ul style="list-style-type: none"> • ICE Futures US May Futures settlement price on 20 April next year. • the AUDFIX10AM rate for the AUD/USD as published by Reuters at 10 am on 21 April next year. • The weight conversion ratio of 500lb/b.

Transaction Maturity	Scenario 1	Scenario 2
21 April following year	<ul style="list-style-type: none"> • ICE Futures US May cotton futures settlement price is 52 US cents per pound (lb). • AUD/USD exchange rate is 0.6500 as referenced to the AUDFIX10AM rate. • The Settlement Reference Price is AUD400/b. This is a combination of these i.e. USD0.52/lb x 500 lbs/bale divided by 0.6500. <p>Settlement</p> <ul style="list-style-type: none"> • The producer receives from Rabobank the difference between the Put Option Strike Price and the Settlement Reference Price. <p>i.e.</p> <ul style="list-style-type: none"> • Proceeds of exercise of Put Option 1,000 bales x AUD500/b = AUD500,000 • Settlement Reference Price 1,000 bales x AUD400/b = AUD400,000 • Payment to client = AUD100,000 or AUD100.00/bale • The settlement payment compensates the processor for the lower physical price received (based on current futures prices and exchange rate). 	<ul style="list-style-type: none"> • ICE Futures US May cotton futures closed at 67 US cents per pound (lb). • AUD/USD exchange rate is 0.6000 as referenced to the AUDFIX10AM rate. • The Settlement Reference Price is AUD558.33. This is a combination of these i.e. USD0.67 x 500 lbs/bale divided by 0.6000. <p>Settlement</p> <ul style="list-style-type: none"> • The producer does nothing and lets the Put Option lapse. • The producer takes advantage of higher physical prices (based on current future prices and exchange rate).

Producers should be aware that amounts received in respect of Commodity Option Transactions and amounts received in respect of related physical transactions in commodities are not likely to be perfectly correlated and will be subject to basis risk. Exchange rates and other prices used in examples in this PDS are for illustration purposes only and may not reflect actual rates and prices. Actual exchange rates and prices will depend on actual market rates on the date of calculation. In both outcomes, the importer needs to take into account the premium cost of AUD36/b.

Commodity Price Collar under the OTC Commodity Facility

Description

A Commodity Price Collar Transaction provides you with price protection in a range between a minimum and a maximum Strike Price. The range is governed by the amount of Option Premium you are willing to pay. A Commodity Price Collar Transaction involves the simultaneous purchase and sale of Call and Put Options.

Commodity Price Collar Transactions may involve no Option Premium if the Option Premium payable for the purchase of one Option is offset by the Option Premium receivable for the sale of the other Option.

A producer of commodities can use a Commodity Price Collar to protect against a decrease in prices below a minimum price while retaining the ability to take advantage of an increase in prices up to the level of the maximum Strike Price. In effect you buy a Put Option at a particular Strike Price and sell a Call Option at a higher Strike Price.

Under a Commodity Price Collar Transaction a producer will be entitled to a cash payment if the Settlement Reference Price on an agreed future date is less than the pre-agreed minimum Strike Price. The amount of this payment will be equal to the difference between the Settlement Reference Price on that date and the pre-agreed minimum Strike Price. In this respect, the Commodity Price Collar works in the same way as a Commodity Price Option (described above).

Conversely, under a Commodity Price Collar Transaction a producer will be required to make a cash payment to Rabobank if the Settlement Reference Price on an agreed future date is greater than the pre-agreed maximum Strike Price. The amount of this payment will be equal to the difference between the Settlement Reference Price on that date and the pre-agreed maximum Strike Price.

No settlement takes place if the Settlement Reference Price falls between the minimum and maximum Strike Prices at expiry of the Transaction.

Similarly, a processor of commodities can use a Commodity Price Collar Transaction to protect against an increase in prices above a maximum Strike Price while retaining the ability to take advantage of a decrease in prices to the level of the minimum Strike Price. In effect you buy a Call Option at a particular Strike Price and sell a Put Option at a lower Strike Price.

Under a Commodity Price Collar Transaction a processor will be entitled to a cash payment if the Settlement Reference Price on an agreed future date is more than the pre-agreed maximum Strike Price. The amount of this payment will be equal to the difference between the Settlement Reference Price on that date and the pre-agreed maximum Strike Price. In this respect, the Commodity Price Collar works in the same way as a Commodity Price Option (described above).

Conversely, under a Commodity Price Collar a processor will be required to make a cash payment to Rabobank if the Settlement Reference Price on an agreed future date is less than the pre-agreed minimum Strike Price. The amount of this payment will be equal to the difference between the Settlement Reference Price on that date and the pre-agreed minimum Strike Price.

Each of the Options will expire worthless and no settlement payment takes place if the Settlement Reference Price falls between the minimum and maximum Strike prices at expiry of the contract.

Advantages

- You can protect a price on a proportion of your production/purchases for the near and the following season but have the opportunity to obtain a more favourable price subject to maximum/minimum levels.
- There are no initial transaction costs such as brokerage (although note that an Option Premium may be payable).
- No initial deposits (or initial margins) and variation margins are required.
- The expiry of the Collar can be constructed to match the cash receipts for sales.
- Collars are cash settled (no delivery of physical produce is required).

Disadvantages

- The total price risk may not be covered depending on the commodity. For example, wheat producers holding a wheat Collar Option are still subject to "basis risk". Basis risk is described in further detail on page 26 of this PDS.
- An Option Premium may be payable subject to price parameters.
- You can only take advantage of favourable prices to the agreed relevant Strike Price.
- A Collar Transaction requires a credit application and access to the OTC Commodity Facility is subject to Rabobank's credit approval processes.

Example – Wheat Producer

A wheat producer wishes to protect the price of a 1,000 metric tonnes of production portion of the near wheat harvest.

Trade Date	Market Information
1 April this year	<p>The current Swap Price for expiry 26 November is AUD200/mt. This is a combination of CME wheat futures and the Forward Exchange Rate. A wheat Collar with expiry 26 November has a maximum price of AUD220/mt and a minimum price of AUD190/mt.</p> <p>The two Option Premiums are for equal amount and offset each other resulting in no Option Premium being payable.</p> <p>Decision</p> <p>The producer enters into a Commodity Price Collar Transaction as above for 1000 mt. This Transaction involves the purchase of a Put Option by the producer and a sale of Call Option by the producer.</p>

Transaction Maturity	Scenario 1	Scenario 2
26 November following year	<ul style="list-style-type: none"> CME December wheat futures closed at 340 US cent per bushel (b). AUD/USD exchange rate is 0.7100 as referenced to the AUDFIX10AM rate. The Settlement Reference Price is AUD175.96/mt. This is a combination of these i.e. 340 US cents x 36.74371 b/mt divided by 0.7100. <p>Settlement</p> <ul style="list-style-type: none"> The producer receives from Rabobank the difference between the wheat Put Option Strike Price and the Settlement Reference Price. Put price proceeds 1,000 metric tonnes x AUD190/mt = AUD190,000. Settlement Reference Price 1,000 metric tonnes x AUD175.96/mt = AUD175,960. Payment to client = AUD14,040 or AUD14.04/mt. The producer receives the difference between the Put Option Strike Price and the Settlement Reference Price. The settlement payment compensates the producer for the lower physical prices (based on current futures prices and the exchange rate). 	<ul style="list-style-type: none"> CME December futures closed at 400 US cents per bushel (b). AUD/USD exchange rate is 0.6500 as referenced to the AUDFIX10AM rate. The Settlement Reference Price is AUD226.12. This is a combination of these i.e. 400 US cents/mt x 36.74371 b/mt divided by 0.6500. <p>Settlement</p> <ul style="list-style-type: none"> The producer pays Rabobank the difference between the wheat Call Option Strike Price and the Settlement Reference Price. Call price proceeds 1,000 metric tonnes x AUD220/mt = AUD220,000. Settlement Reference Price 1,000 metric tonnes x AUD226.12/mt = AUD226,120. Payment from client = AUD6,120 or AUD6.12/mt. The producer pays the difference between the price and the Settlement Reference Price. The settlement payment offsets the higher physical prices (based on current futures prices and the exchange rate).
	<p>Scenario 3</p> <p>If the Settlement Reference Price is between the maximum Strike Price of AUD220/mt and the minimum Strike Price of AUD190/mt, then no settlement payment takes place.</p>	

Producers should be aware that amounts received in respect of Commodity Price Collar Transactions and amounts received in respect of related physical transactions in commodities are not likely to be perfectly correlated and will be subject to basis risk. Related physical transactions will be subject to adjustments such as transport, storage etc. Exchange rates and other prices used in examples in this PDS are for illustration purposes only and may not reflect actual rates and prices. Actual exchange rates and prices will depend on actual market rates on the date of calculation.

Significant Benefits of the Facilities

As stated above, the type of facility you choose will depend upon the type of price risk you are seeking to manage. In the same way, the benefits that you will get out of the Facilities will depend on the Transactions that you choose to enter as well as the facility you have chosen.

Benefits of the FX Facility

The possible benefits of using the FX Facility include:

- acquiring a product that can be tailored to your needs in terms of amount and duration that manages exchange rate risks associated with foreign currency transactions;
- providing a fixed rate in terms of a Forward Exchange Contract or Par Forward Contract at a future date or a protected price in terms of a Foreign Currency Option;
- providing the ability to exit the product prior to the expiry or value dates of the Forward Exchange Contract or Foreign Currency Option, subject to the possible payment of a settlement amount.

Benefits of the OTC Commodity Facility

The possible benefits of using the OTC Commodity Facility include:

- acquiring a product that can be tailored to your needs in terms of quantity and duration that manages price risks of agricultural commodities;
- provides a fixed price at a future date or dates under a Commodity Price Swap or a Commodity Price Par Swap or a protected price under a Commodity Price Option;
- ability to quote Australian dollar or other agreed currency denominated prices and to obtain price quotes in the Australian time zone;
- products can be exited prior to the expiry dates of the contracts (subject to Rabobank's consent and payment or receipt of a termination payment if relevant);
- the products are separate from the physical commodities. There is no requirement to deliver a physical commodity. This allows the physical commodity to be marketed or purchased independently of Transactions under the OTC Commodity Facility.

Risks associated with use of the Facilities

This outline of risks does not purport to disclose all of the risks or other relevant considerations relating to Transactions which you may enter into under the Facilities. The Facilities are considered by Rabobank to be suitable only for persons who understand and accept the risks involved in dealing with foreign exchange, and entering into Option agreements and OTC Commodity swap and Option agreements in order to manage risks for agricultural commodities. Rabobank recommends that you obtain independent financial and legal advice before entering into a Transaction under the Facilities.

We have listed below general risks of entering into Transactions under the Facilities and specific risks of entering into Transactions under the FX Facility and the OTC Commodity Facility.

General Risks

Market Risk

Foreign exchange markets, commodity prices and financial markets are influenced by factors outside the control of Rabobank. These markets can also be volatile resulting in a significant range of "mark-to-market" valuations at any point in time. Foreign exchange markets, commodity and financial markets are influenced by the prevailing and future economic and political climate. Apart from exchange rates, interest rates, agricultural commodities prices and related factors, financial markets are also influenced by weather conditions, disease, tariff barriers, subsidies, import quotas locally and overseas.

Market disruptions

A market disruption may result in a loss for you. Common examples of disruption include "crash" of a computer based trading system, fire or other emergency on a trading floor.

Credit Support

Rabobank may require additional security from you should there be a significant change in market valuations.

Commercial Contract Failure/Production Risk

Significant losses can occur where commercial contracts do not proceed or partial or total production failure occurs. Losses under the Facilities cannot be offset since there is limited income from production.

Performance by Rabobank

The value of each Transaction which you enter into under the Facilities is dependent on the ability of Rabobank to perform its obligations under the Master Agreement. These obligations are unsecured contractual obligations of Rabobank which rank equally with Rabobank's other unsecured contractual obligations and debt other than liabilities mandatorily preferred by law. You should make your own assessment of Rabobank's ability to meet its obligations under the Facilities.

Copies of Rabobank's Financial Statements are available at www.rabobank.com.au.

Exercise of discretion by Rabobank

The Master Agreement confers discretions on Rabobank regarding a Transaction. Please refer to the Master Agreement for the particular terms and conditions applying to how Rabobank may exercise its discretion. Some of these discretions include (but are not limited to):

- a discretion relating to the methodology for determining the settlement price for OTC agricultural commodity derivative transactions;
- a discretion relating to the call for payment of a deposit of collateral or margins and the ability to deal with the deposit of collateral or margins, and to vary the requirements;
- a discretion to terminate transactions in an event of default and calculate the early close out amount and set-off the amount payable;
- a discretion to terminate the Master Agreement and vary the terms and conditions of the Master Agreement.

The exercise or non-exercise of these discretions could affect adversely the value of a Transaction. You do not have the power to direct Rabobank concerning the exercise of any discretion.

Adjustment Events and Changes to the Master Agreement

The Master Agreement may be amended or varied if an Adjustment Event (as set out in Clause 2.1 of the Master Agreement) occurs or in certain other limited situations such as following a change in law. If this happens, Rabobank has very wide powers to make adjustments to the terms in the Master Agreement (including adjusting any variable, price, formula, calculation or other term). However, Rabobank will carry out the adjustment so as to put both Rabobank and you in substantially the same economic position you and Rabobank would have been had the Adjustment Event not occurred. If this is not possible then Rabobank may terminate the relevant Transactions. For example, Adjustment Events include the following:

- discontinued trading in a Reference Contract or Currency;
- the occurrence of a market disruption event affecting the ability of Rabobank to obtain prices for a Reference Contract or Currency; and
- the variation, adjustment, correction or amendment of the official method of calculation of the price or the published price of a Reference Contract by a Relevant Exchange, or the method of calculation of a Settlement Price.

The occurrence of any force majeure event or any other event which is beyond Rabobank's reasonable control and which prevents Rabobank from performing any obligation under the Master Agreement or makes the performance of such an obligation impossible or impracticable provided Rabobank reasonably consider that they could not after using their reasonable efforts overcome such prevention, impossibility or impracticability may also mean that Transactions are terminated early.

Potential Conflicts of Interest

Companies in the Rabobank group will conduct transactions as principal and as agent in various derivatives and financial products.

World Events

World events such as terrorism, war, political and economic trends, can all have an impact on the market price of foreign exchange, commodities and exchange rates, and hence affect the value of a Transaction.

Security for Amounts owing under the Facilities and Debits to All In One Accounts

As a result of entering into Transactions, amounts may be debited against the All In One account identified in your Application Form. This may result in the amount owing under the All In One account substantially increasing. The securities provided for the All In One account will also extend to secure amounts payable in connection with the Facilities and Transactions.

Specific Risks – FX Facility

Market Liquidity Risk

There may be a variation in liquidity between currencies. In addition, the Central Banks of some countries may impose restrictions on the movement of currencies.

Changes to your underlying circumstances

Changes to your underlying circumstances may impact your ability to meet your obligations. For example, significant losses can occur where partial or total production failure occurs or you fail to receive currency under a contract with a third party. The producer cannot offset losses under the hedging products since there is limited production income.

Specific Risks – OTC Commodity Facility

Correlation of physical commodity prices and OTC Commodity product prices (Basis Risk)

Commodity Swaps and Options which you enter into under the OTC Commodity Facility will not be perfect hedges. There is a risk that the price of the physical commodity a producer or processor receives (excluding known fixed costs and adjustments for quality) varies significantly from the Settlement Reference Price. A user of Commodity Price Swap Transactions and Commodity Price Option Transactions should have an understanding of the historical relationship between the physical commodity price and the underlying market prices that these products are based upon.

This is also known as “Basis Risk” and exists to some extent also given the inevitable price difference between futures and local cash prices (expressed in the same unit as the underlying futures market) due to location (transport costs) and quality of the commodity. “Basis Risk” can be positive or negative depending upon a combination of factors associated with the location of supply and demand relative to the futures markets.

Foreign Exchange Risks

Producers who receive Australian Dollar income and processors who pay for commodities in Australian Dollars and who use OTC Commodity products should be aware that there is significant currency risk when these products are entered into in a currency other than Australian Dollars. A producer does not have an effective hedge and can suffer loss. Producers should be aware that income received is in Australian dollars whereas the hedge is in USD or other currency, and therefore exchange losses may also be incurred.

Changes to your underlying circumstances

Changes to your underlying circumstances may impact your ability to meet your obligations arising from a Transaction under the OTC Commodity Facility.

For example, significant losses can occur where partial or total production failure occurs. The producer cannot offset losses under the hedging products since there is limited production income.

Market Liquidity Risk

Some financial markets may be illiquid resulting in restricting the trading in Commodity Swap and Option products. Similarly there may be some restraints in the physical commodity market.

How to apply for the Facilities

To apply for all or any of the Facilities, you will need to complete the Application Form for this PDS and return it to Rabobank. There is a provision in the Application Form that will require you to grant to Rabobank a Power of Attorney. If your application is accepted, Rabobank will execute the Master Agreement and any other necessary documents on your behalf under this Power of Attorney. You will also need to read the Master Agreement, which is incorporated by reference into this PDS. Go to www.rabobank.com.au/pds_rmf for a full copy of the Master Agreement or refer to the Master Agreement section on page 27 of this PDS for a short summary. Before Rabobank accepts your application, you may be required to provide further information including:

- reason for requiring either of the Facilities; and
- volume of exports/imports/production.

If you are a trustee applicant, you will need to provide Rabobank with a copy of the trust deed before signing the Application Form. You should provide a copy of the trust deed to your Rural Manager. Once Rabobank has confirmed that your trust deed enables you to enter into the Facilities, the Application Form may be signed.

Once the Master Agreement has been executed on your behalf, the Facilities will be made available to you.

You may request copies of the documents executed by Rabobank on your behalf by contacting your local Rabobank branch.

How to enter into Transactions under the Facilities

If Rabobank has accepted your application to establish the relevant facility, you or your Authorised Persons may request Transactions under the facility after you, or another person whom you have notified us is an Authorised Person and authorised to do so on your behalf, have notified Rabobank of the names of all persons who are Authorised Persons who will be permitted to make requests:

- verbally by telephone;
- in writing by e-mail or facsimile; or
- in writing delivered by post or courier.

Where an instruction is provided in writing, a Transaction will only occur subsequent to verbal or written confirmation of receipt.

If Rabobank accepts your request and enters into a Transaction with you or your Authorised Person, then the terms of that Transaction will be binding on you from the time Rabobank communicates its acceptance. For example, if a Transaction is requested over the telephone and Rabobank accepts it, the terms of that Transaction over the telephone will be binding on you from that time. Please note that a Transaction will only be entered into by Rabobank with you or your Authorised Person if it has accepted your request for the Transaction and that it is under no obligation to do so.

Following acceptance of a Transaction request, Rabobank will also provide you with a written Confirmation.

You must within two Business Days of receiving a Confirmation, sign and return it to us or, if the Confirmation contains an error, notify Rabobank of the error. If no such notice is provided and until you inform us that the Confirmation contains an error both parties acknowledge that the Confirmation accurately reflects the terms upon which the relevant Transaction was entered into. A draft form of Confirmation

for each type of Transaction available under the Facilities are set out in Schedules E, F and G of the Master Agreement. This draft Confirmation shows the additional terms which ordinarily will need to be agreed between you or your Authorised Person and Rabobank in respect of each individual Transaction under the relevant facility. For more information on Authorised Persons refer to clause 6 of the Master Agreement.

Your Authorised Persons are identified in the Application Form. You, or any other person whom you have notified us is an Authorised Person and authorised to do so on your behalf, can notify Rabobank of changes to the persons who are Authorised Persons by providing written notification.

How payments are made under the Facilities

The payment methods are different under the two Facilities.

The FX Facility

Where Rabobank is required to make a payment to you, it will be made by electronic funds transfer. You will need to provide us with instructions regarding the name of the account, the institution and account number to make payments to. Where you are required to pay Rabobank, we will provide you with instructions where any amount due to Rabobank is to be paid. Rabobank can also debit any amounts payable to the All In One account or Rural Term Loan account nominated in the Application Form.

The OTC Commodity Facility

All payments between you and Rabobank which are due on the same day and in the same currency under the OTC Commodity Facility will be netted against each other so that only one net amount is payable.

For example, if on a particular date Rabobank owed you AUD 100,000 under a wheat Commodity Price Swap Transaction and on the same date you owed Rabobank AUD 70,000 under a cotton Commodity Price Collar Transaction, then instead of each party having to make these respective payments only one payment of AUD 30,000 would be required to be made by Rabobank to you. However, if these payments had been due on different days or in different currencies then separate payments by each party would be required to be made.

Rabobank can also debit any amounts payable to the All In One account or Rural Term Loan account nominated in the Application Form.

The Master Agreement

The Rabobank Australia Limited Master Agreement for Risk Management Facilities (the "Master Agreement") is incorporated by reference into this PDS. You should ensure that you read the full Master Agreement before submitting the Application Form. The Master Agreement is available from our website at www.rabobank.com.au/pds_rmf. You can also request that a printed copy of the Master Agreement be sent to you free of charge by calling 1300 30 04 79 and quoting the reference RMF_MasterAgreement. If your Application is accepted, Rabobank will execute the Master Agreement, and any other incidental documents required to set up the Facilities or effect the transactions, on your behalf under the Power of Attorney granted to Rabobank in the Application Form.

Amongst other things, the Master Agreement provides for the following:

- your obligation to lodge collateral or margin with us;
- your liability to reimburse us for all payments and liabilities incurred in respect of a Transaction;
- your acknowledgements and representations to us;
- the events of default;
- the consequence of an event of default occurring, including our ability to close out any of your Transactions, exercise any Options, sell any of your property we hold, use any collateral or margin we hold or take any other action a reasonably prudent broker would take;
- the commissions, fees and expenses you have to pay;
- your indemnity to us against all liabilities incurred in relation to the Facilities, including arising out of any Transaction, or as a result of your default, negligence, fraud or dishonesty;
- that you will bear all exchange rate risk in relation to a Transaction;
- our ability to set off and net any amounts payable under one or more Facilities;
- terms specific to the individual Transactions, in particular, payment, settlement and termination terms and the manner in which a termination payment is calculated following termination.

Costs and charges associated with using the Facilities

The costs and charges that may apply vary depending on the Transaction and the facility. We have divided these costs and charges into general costs that apply to all the Facilities and specific costs that apply to the FX Facility and the OTC Commodity Facility.

General Costs

Taxes, Duties and Increased Costs

Rabobank may pass on to you all taxes and duties (including goods and services tax) which are or which in the future may become payable in connection with the Facilities or a Transaction. Rabobank may also pass on to you any increases in its costs which it incurs as a result of making the Facilities or a Transaction available to you. This would include any increased costs which Rabobank incurs in funding or hedging a Transaction.

Other Costs and Charges

Charges which you will be required to pay include:

- all costs in connection with the negotiation, execution, administration, termination or variation of the Master Agreement;
- any expenses incurred by Rabobank in enforcing any of its rights under the Master Agreement;
- any costs or expenses which Rabobank incurs in connection with making any of the Facilities available to you;
- all costs incurred by Rabobank in responding to any enquiry about you from any authority; and
- default interest on unpaid amounts.

There is no commission, establishment fee or additional ongoing management fee charged to you in respect of the Facilities.

Specific Costs

The FX Facility

Option Premium

You may be required to pay Rabobank an Option Premium in respect of Transactions under the FX Facility.

Essentially a premium is determined by the amount and expiry date of the contract, the setting of the level of the contract or strike rate in relation to the market rate at the time, the exchange rate volatility that has occurred in the past and the degree of uncertainty in the future. The Option Premium will be agreed by you before entering into a Transaction and will be specified in your Confirmation.

The OTC Commodity Facility

There will be no commission or establishment fee charged to you in respect of the OTC Commodity Facility. Rabobank may profit from its ability to manage the underlying risk associated with its obligations under the OTC Commodity Facility.

Option Premium

You may be required to pay Rabobank an Option Premium in respect of Options associated with Commodity Price Option Transactions and Commodity Price Collar Transactions which you request under the OTC Commodity Facility.

The amount of the Option Premium is the product of the Option Premium per Tonne/bale and the Number of Tonnes/bales (which will be agreed before entering into a Transaction and which Rabobank will specify in your Confirmation). The Option Premium per Tonne/bale will vary from time to time and will be agreed in respect of each separate Transaction under the OTC Commodity Facility. The Option Premium will be agreed by you before entering into a Transaction and will be specified in your Confirmation.

Factors influencing FX Facility and OTC Commodity Facility Option Premiums

For the FX Facility and the OTC Commodity Facility, there are common factors that impact on the cost of an Option Premium. These are listed below:

Strike Price versus the market price of the commodity or currency

As the Strike Price of a currency or commodity Option becomes more favourable compared to the underlying market price the premium will increase. It follows that the probability of the Option being exercised becomes greater and therefore a higher premium is required. Similarly the premium will decrease as the Strike Price becomes less favourable compared to the underlying market price of the commodity or currency.

The expiration date of an Option contract

Generally speaking, the premiums of Put or Call Options will increase the further away an expiration date is and vice versa. Similarly the longer the duration of the contract the more uncertainty is present which generally translates into a higher premium.

Volatility

The premium paid for a Put or a Call Option will increase with an increase in the price volatility of the underlying currency, commodity swap or futures price. Volatility implies more uncertainty which implies greater risk and therefore a higher premium. Volatility is a combination of past volatility and future expectations.

Early termination of Transactions under the Facilities

The FX Facility

Rabobank may terminate its obligations to you in respect of a Transaction in the following circumstances:

- if an event of default (as described in clause 9.1 of the Master Agreement) occurs. These events include (but are not limited to):
 - failure by you to pay an amount or comply with an obligation under the Master Agreement;
 - if you become insolvent or bankrupt;
- if an Adjustment Event (as defined in the Glossary) or change of law occurs and Rabobank considers that it is not possible or not desirable to adjust the terms of the Transaction; or
- if a Force Majeure Event or an Illegality occurs.

Either you or Rabobank may also voluntarily terminate the FX Facility by giving to the other party not less than 30 days notice. If the FX Facility is terminated in this way then any outstanding Transactions will continue unaffected (that is, they will not be closed out) and any other rights or obligations of you or Rabobank arising prior to the date of termination will also continue unaffected. However, no new Transactions will be entered into.

You may specifically request an early termination of a Transaction. However, Rabobank is not obliged to effect this termination. Please refer to the Master Agreement for more details.

Calculation of payments if a Transaction is terminated early under the FX Facility

If a Transaction is terminated, Rabobank will calculate a termination payment by reference to either the loss or gain which Rabobank considers would be incurred in replacing the terminated Transaction (or group of terminated Transactions).

This means that Rabobank will calculate the mark-to-market value of your terminated Transaction (or group of terminated Transactions). The mark-to-market value will be affected by current price level of the underlying, interest rates and time to maturity.

Rabobank will determine the mark-to-market value of your terminated Transaction by having regard to what a person would have to pay Rabobank (expressed as a negative number) or what Rabobank would have to pay a person (expressed as a positive number) to replace your terminated Transaction. If you terminate a group of Transactions, the aggregate of all negative mark-to-market amounts will be set-off against the aggregate of all positive mark-to-market amounts. If the resulting amount is positive, you must pay Rabobank the value of the positive amount and if the resulting amount is negative, Rabobank must pay you the absolute value of the negative amount. To terminate a Par Forward Contract Transaction, each outstanding leg must be individually marked to market. This may result in a different total cost/benefit than if a string of regular FEC had been used. The result will depend on how many legs have settled, how many legs are outstanding and the prevailing interest rates in the country for each currency at the time.

You may contact Rabobank by calling 1300 30 04 79 to obtain an estimate of the termination payment prior to requesting a termination. Further details of the way in which Rabobank will calculate termination payments are set out in clauses 2.2 of Schedule A of the Master Agreement and clause 9 of the Master Agreement.

The OTC Commodity Facility

Rabobank may terminate its obligations to you in respect of a Transaction in the following circumstances:

- if an event of default described in clause 9.1 of the Master Agreement occurs. These events include (but are not limited to):
 - failure by you to pay an amount or comply with an obligation under the Master Agreement;
 - if you become insolvent or bankrupt; or
- if an Adjustment Event (as defined in the Glossary) or change of law occurs and Rabobank considers that it is not possible or not desirable to adjust the terms of the Transaction; or
- if a Force Majeure Event or an Illegality occurs.

Either you or Rabobank may also voluntarily terminate the Facility by giving to the other party not less than 30 days notice. If the Facility is terminated in this way then any outstanding Transactions will continue unaffected (that is, they will not be closed out) and any other rights or obligations of you or Rabobank arising prior to the date of termination will also continue unaffected. However, no new Transactions will be entered into.

You may specifically request an early termination of a Transaction. However, Rabobank is not obliged to effect this termination. Please refer to the Master Agreement for more detail.

Calculation of payments if a Transaction is terminated early under the OTC Commodity Facility

If a Transaction is terminated, Rabobank will calculate a termination payment by reference to either the loss or gain which Rabobank considers would be incurred in replacing the terminated Transaction (or group of terminated Transactions).

This means that Rabobank will calculate the mark-to-market value of your terminated Transaction (or group of terminated Transactions). The mark-to-market value will be affected by current price level of the underlying, interest rates and time to maturity.

Rabobank will determine the mark-to-market value of your terminated Transaction by having regard to what a person would have to pay Rabobank (expressed as a negative number) or what Rabobank would have to pay a person (expressed as a positive number) to replace your

terminated Transaction. If you terminate a group of Transactions, the aggregate of all negative mark-to-market amounts will be set-off against the aggregate of all positive mark-to-market amounts. If the resulting amount is positive, you must pay Rabobank the value of the positive amount and if the resulting amount is negative, Rabobank must pay you the absolute value of the negative amount. To terminate a Commodity Par Swap Transaction, each outstanding leg must be individually marked to market. This may result in a different total cost/benefit than if a string of regular Commodity Price Swaps Transactions had been used. The result will depend on how many legs have settled, how many legs are outstanding and the prevailing commodity price level, interest rates and time to maturity.

You may contact Rabobank by calling 1300 30 04 79 to obtain an estimate of the termination payment prior to requesting a termination. Further details of the way in which Rabobank will calculate termination payments are set out in clauses 2.2 of Schedule A of the Master Agreement and clause 9 of the Master Agreement.

Disputes

At Rabobank we pride ourselves on providing high quality service to our clients, so if we don't measure up to your expectations we genuinely want to know.

How to make a complaint

If you have a complaint about our products, services, staff or how we handled your complaint, in the first instance, please contact us by using the details below:

Head of Rural Sales by calling 1300 300 479.

For further information about our internal dispute resolution processes please visit our Compliments and Complaints page on <https://www.rabobank.com.au/compliments-and-complaints/>.

Statutory Information

Additional terms and conditions for the Facilities

The terms and conditions of the Master Agreement apply in respect of your use of the Facilities and each Transaction which you request under the relevant facility. It is very important that you read and understand these terms and conditions prior to submitting the Application Form as they set out your rights and obligations in relation to the Facilities. Additional terms may also be agreed upon from time to time either generally in relation to any of the Facilities or in relation to specific Transactions executed under any of the Facilities.

Can the terms and conditions relating to the Facilities change?

Yes.

We can change the terms and conditions at any time where permitted by law. If Rabobank introduces a new fee or charge, you will be provided notice of this introduction in writing at least 30 days before the change takes effect. Alternatively, the Terms may be varied with immediate effect if an Adjustment Event (as defined in clause 2.1 of the Master Agreement) occurs in respect of a Transaction otherwise Rabobank will give notice by direct communication or by notice to the media no later than the day on which the change takes effect. You should read the Master Agreement to further understand your rights and obligations if an Adjustment Event occurs and the manner in which the terms of the Master Agreement can be altered.

Further information

For more information on the Facilities contact your financial adviser or Rabobank (see Contact Details on back cover).

Cooling off period

No cooling off period applies to the Facilities.

Labour Standards

In relation to the Facilities, Rabobank does not take into account labour standards or environmental, social or ethical considerations.

Information about Rabobank

Rabobank Australia Limited is a member of the international Rabobank Group. The Rabobank Group is the world's leading specialist in food and agribusiness banking, with over 110 years experience providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness. The Netherlands-based Rabobank is among the world's 25 largest financial institutions (based on tier one capital) and is one of Europe's most recognised financial institutions. It is the dominant financial services provider in the Dutch market.

Rabobank operates in 46 countries, servicing the financial needs of more than nine million clients worldwide through a network of more than 1600 offices and branches. With headquarters in Utrecht, the Netherlands, the Rabobank Group employs more than 60,000 people around the world.

Rabobank Australia Limited is one of Australasia's largest rural lenders and a significant provider of corporate financial services to the food and agribusiness sectors in Australia.

Rabobank Australia Limited's success lies in its people and its structure which allows it to leverage its expert knowledge and global strength to deliver superior customer relationships and client value.

The key to Rabobank Australia Limited's success in agribusiness banking is its uniquely qualified team of credit and lending staff, with a genuine understanding and knowledge of local farming enterprises and a strong appreciation of the global marketplace. This has enabled us to develop into one of Australia's leading and most respected rural financiers.

Tax Summary

Transactions under the Facilities may have tax implications. These will vary according to individual circumstances and you should consult your tax adviser in relation to any implications for your tax position that your use of the Facilities may have before entering into any Transactions under the Facilities.

Privacy Statement

We will handle the personal data we obtain and hold as set out in our Privacy Policy (available on our website or in hard copy upon request) and the Privacy Notice and Acknowledgment which forms part of the application process for your product. You understand and acknowledge that we will collect, use, hold and disclose personal data in the manner we have set out, both at the time of application and ongoing during our relationship with you.

Glossary

Adjustment Event – see clause 2.1 of the Master Agreement.

At-the-money means a Put or Call Option with an exercise price equal to the price of the underlying Forward Exchange Contract or the Underlying Commodity Swap Price.

Call or Call Option means an Option giving the right but not the obligation to buy a nominated commodity or currency at a specified rate or price. See Call Option in clause 2.1 of Master Agreement.

Collar means a combination of Put and Call Options with both minimum and maximum strike rates or prices – protecting against adverse movements in the market but limiting the benefit from favourable movements.

Commodity Price Swaps – see Commodity Price Swap Transactions in clause 2.1 of the Master Agreement

Commodity Swap Price – see clause 2.1 of the Master Agreement.

Commodity Price Par Swap means a Transaction consisting of multiple Commodity Price Swaps with different Valuation Dates and the same Commodity Swap Price.

Forward Exchange Contract means a contract for the purchase or sale of foreign currency for delivery at a future date at a predetermined rate. See Forward Exchange Contract Transaction in clause 2.1 of the Master Agreement.

Forward Exchange Rate means the predetermined exchange rate agreed under a Forward Exchange Contract, being the Spot Exchange Rate plus (or minus) the Forward Margin.

Forward Margin means the difference (either positive (called a premium) or negative (called a discount)) between the Spot Exchange Rate and the projected future exchange rate.

Foreign Currency Option means an Option to buy or sell one currency in terms of another at a specified rate.

In-the-money means a put Option or a call Option with an exercise price more favourable than the price of the underlying Commodity Swap or Forward Exchange Contract.

Mark-to-Market means the daily valuation of open positions and calculation of variation margin due to price fluctuations.

Option – see clause 2.1 of Master Agreement.

Option Premium – see clause 2.1 of Master Agreement.

Option Premium Payment Date means the date agreed between you and us (which will be specified by us in a Confirmation), or if no such date is agreed the date which is 2 working days after the Commencement Date.

Option Premium per Tonne/bale means the amount which is agreed between you and us as payable in connection with each tonne/bale specified in respect of a Transaction (which we will specify in a Confirmation).

Out of the Money – means a put or a call Option with an exercise price less favourable than the price of the underlying Forward Exchange Contract or Underlying Commodity Swap.

Par Forward Contract means a Transaction consisting of multiple Forward Exchange Contracts with different Value Dates and the same Forward Exchange Rate.

Put or Put Option – means an Option giving the right but not the obligation to sell at a specified rate. See Put Option in clause 2.1 of Master Agreement.

Reference Contract – see clause 2.1 of Master Agreement.

Settlement Reference Price – see clause 2.1 of Master Agreement.

Spot Exchange Rate means the exchange rate used for settlement in two business days.

Strike Price – see clause 2.1 of Master Agreement.

Swap means a contract under which one entitlement is exchanged for another.

Terms means the terms and conditions governing the Facilities as set out in the Master Agreement and includes, the relevant law and the rules of any relevant exchange or regulatory body.

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Rabobank

Master Agreement for Risk Management Facilities

September 2023

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This Master Agreement is not part of and does not form part of the PDS.

Effective Date

The date specified as the Effective Date in Schedule H.

Parties

RABOBANK AUSTRALIA LIMITED (ACN 001 621 129) of Level 16, Darling Park Tower 3, 201 Sussex Street, Sydney in the State of New South Wales ("Rabobank" or "we" or "us").

The Client as specified in Schedule H "Client" or "you".

The All In One holder or Rural Term Loan Facility holder as specified in Schedule H (the All In One Holder).

The guarantor or security provider as specified in Schedule H (the Security Provider).

Operative provisions

- A. The Client wishes to retain the services of Rabobank to enter into Foreign Exchange Facilities and/or OTC Commodity Facilities in order to manage risks (Risk Management Facilities).
- B. Rabobank has agreed to so act on the terms and conditions of this Agreement.

1. How this Agreement Works

- 1.1 This Agreement (including Schedule A) contains the general terms applicable to any Foreign Exchange Facility or OTC Commodity Facility which is entered into between you and us. You should read the terms of this Agreement carefully. Further specific terms applicable to Commodity Price Swap Transactions, Commodity Price Option Transactions and Commodity Price Collar Transactions are contained in Schedules B, C and D respectively. If there is any inconsistency between the terms of this Agreement and the terms of a Schedule, the terms of the Schedule will prevail.
- 1.2 Additional terms will also be agreed with you prior to entering into a Transaction and will be confirmed in a written Confirmation which we will deliver to you following the execution of a Transaction (a draft form of Confirmation is attached in Schedule E for a Forward Exchange Contract and Par Forward Contract; in Schedule F for a Foreign Currency Option and Foreign Currency Collar Transaction and Schedule G for a Commodity Price Swap Transaction, Commodity Price Par Swap Transaction, Commodity Price Option Transaction and Commodity Price Collar Transaction).
- 1.3 The terms of this Agreement and all Transactions which we enter into with you will form a single agreement between you and us.
- 1.4 If, in respect of a Transaction, there is any inconsistency between the terms of this Agreement and the terms of a Confirmation, the terms of the Confirmation will prevail.

2. Definitions and Interpretation

- 2.1 The following words have these meanings in this Agreement unless the contrary intention appears:

Definitions

Account(s) has the meaning given in clause 19.1(a)(i).

Adjustment Event means:

- (a) for Foreign Exchange Facilities:
 - (i) the non-commencement or permanent discontinuance of trading in a Currency or a Reference Contract at any time prior to the Valuation Date; or

- (ii) the occurrence of a market disruption event affecting the ability of Rabobank to obtain prices for a Currency.
- (b) for OTC Commodity Facility Transactions:
 - (i) the variation, adjustment, correction or amendment of:
 - (A) the official method of calculation of the price or the published price of a Reference Contract by a Relevant Exchange; or
 - (B) the method of calculation of a Settlement Reference Price; or
 - (ii) the non-commencement or permanent discontinuance of trading in a Reference Contract at any time prior to the Valuation Date; or
 - (iii) the occurrence of a market disruption event affecting the ability of Rabobank to obtain prices for a Reference Contract.

Affected Party means a party affected by the Illegality or Force Majeure Event.

Agreement or **Master Agreement** means this agreement, including any annexures and schedules and any other document (including a letter of offer) signed by the parties which specifies that it is part of this agreement.

All In One Holder means each person specified as the All In One holder or Rural Term Loan holder in Schedule H.

Application Form means the application form for the Facilities.

Approved Securities means any security listed on the Australian Securities Exchange and as approved by Rabobank from time to time.

AUD Conversion Rate means the currency rate for an agreed currency which we have agreed with you and specified in a Confirmation and which we will apply on the Valuation Date for the purpose of converting a Swap Payment Amount, an Option Payment Amount or a Collar Payment Amount into Australian dollars.

Authorised Person means:

- (a) in relation to the Client, a person notified by the Client, or by any other person whom the Client has notified us is an Authorised Person and authorised to do so on the Client's behalf, to Rabobank in the Application Form or otherwise in writing, setting out their name and (in the case of an individual) a specimen signature, as a person authorised to give instructions, notices or other communications on behalf of the Client; and
- (b) in relation to Rabobank, a person notified to the Client in writing as a person authorised by Rabobank to perform Rabobank's functions and obligations under this Agreement.

Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business in Sydney.

Call Option means an Option giving the buyer the right but not the obligation to buy Currency or an OTC in relation to an agricultural commodity derivative at a specified rate.

Call Option Strike Price means the strike price of a Call Option as agreed between you and us (which will be specified by us in a Confirmation) at which price the Call Option may be exercised by the buyer.

Client or you means an applicant for the Facility.

Collar Payment Amount means the amount we calculate in accordance with clauses 8 or 9 of Schedule D in connection with the settlement of a Commodity Price Collar Transaction.

Commencement Date in relation to:

- (a) a Foreign Exchange Facility means the first day of the term of a Transaction or, if not specified, the Trade Date; or

(b) in relation to an OTC agricultural commodity derivative Transaction means the first day of the term of a Transaction, and if not specified by the parties will mean the Trade Date.

Commodity Price Collar Transaction means a Transaction which is governed by the terms in Schedule D and the general terms of this Agreement.

Commodity Price Option Transaction means a Transaction which is governed by the terms in Schedule C and the general terms of this Agreement.

Commodity Price Par Swap Transaction means a Transaction which is governed by the terms in Schedule B and the general terms of this Agreement.

Commodity Price Swap Transaction means a Transaction which is governed by the terms in Schedule B and the general terms of this Agreement.

Commodity Swap Price means the fixed price as agreed between you and us in a Commodity Price Swap Transaction. The Commodity Swap Price is calculated by reference to the relevant Reference Contract and the forward exchange rate.

Confirmation means the document or documents (or other confirming evidence) which we deliver to you (electronically or otherwise) to evidence the terms of a Transaction entered into between you and us under this Agreement.

Corporations Act means the Corporations Act 2001 (C'th).

Currency means any major traded currency as determined from time to time by Rabobank or which is the subject of a Confirmation.

Deposit means a deposit of collateral being money, Approved Securities or other property.

Early Close-out Amount means the amount calculated by Rabobank under clause 2.2 of Schedule A.

Early Termination Date means the date determined under clause 9.6.

Effective Date means the effective date shown at the beginning of this Agreement.

Expiry date means the date on which an Option contract will expire if it is not exercised.

Facility means the Foreign Exchange Facility and the OTC Commodity Facility.

Force Majeure Event if at any time, by reason of force majeure or act of state occurring after a Transaction is entered into, on any day, the office through which such party (which will be the **Affected Party**) makes and receives payments or deliveries with respect to such Transaction is prevented from performing any absolute or contingent obligation to make a payment or delivery in respect of such Transaction, from receiving a payment or delivery in respect of such Transaction or from complying with any other material provision of this Agreement relating to such Transaction (or would be so prevented if such payment, delivery or compliance were required on that day), or it becomes impossible or impracticable for such office so to perform, receive or comply (or it would be impossible or impracticable for such office so to perform, receive or comply if such payment, delivery or compliance were required on that day), so long as the force majeure or act of state is beyond the control of such office or such party and such office or party could not, after using all reasonable efforts (which will not require such party to incur a loss, other than immaterial, incidental expenses), overcome such prevention, impossibility or impracticability.

Foreign Currency Option Transaction means a Transaction which is governed by the terms in Schedule A and the general terms of this Agreement.

Foreign Exchange Facility means any one of a Forward Exchange Contract Transaction, Par Forward Contract Transaction, Foreign Currency Option Transaction (Put or Call) and a Foreign Currency Collar Transaction offered by Rabobank.

Foreign Currency Collar Transaction means a Transaction which is governed by the terms in Schedule A and the general terms of this Agreement.

Forward Exchange Contract Transaction means a Transaction which is governed by the terms in Schedule A and the general terms of this Agreement.

Illegality means if, at any time, due to an event or circumstance (other than any action taken by a party) occurring after a Transaction is entered into, it becomes unlawful under any applicable law (including the laws of any country in which payment, delivery or compliance is required by either party) on any day, or it would be unlawful if the relevant payment, delivery or compliance were required on that day (other than as a result of the party failing to maintain in full force and effect all necessary consents of any governmental or other authority) for the office through which such party (which will be the **Affected Party**) makes and receives payments or deliveries with respect to such Transaction to perform any absolute or contingent obligation to make a payment or delivery in respect of such Transaction (which will be an **Affected Transaction**), to receive a payment or delivery in respect of such Affected Transaction or to comply with any other material provision of this Agreement relating to such Affected Transaction.

Number of Tonnes/Bales means the number of tonnes/bales in respect of a Transaction as agreed between you and us (which we will specify in a Confirmation).

Option means an OTC put and/or call option over agricultural commodities and a put and/or call option over a Currency.

Option Payment Amount means the amount we calculate in accordance with clause 8 of Schedule C in connection with the settlement of a Commodity Price Option Transaction.

Option Premium means the amount of premium specified in the Confirmation.

OTC means an over the counter derivative transaction.

OTC Commodity Facility means any of a Commodity Price Swap Transaction, a Commodity Price Par Swap Transaction, a Commodity Price Option Transaction (Put or Call) and a Commodity Price Collar Transaction offered by Rabobank.

Par Forward Contract Transaction means a Transaction which is governed by the terms in Schedule A and the general terms of this Agreement.

Payment Date means the date which we agree with you that a Swap Payment Amount, an Option Payment Amount or a Collar Payment Amount is required to be made under a Transaction (which we will specify in a Confirmation) or which is otherwise determined in accordance with this Agreement.

PDS means the product disclosure statement and any supplement, supplementary product disclosure statement.

Premium Due Date means the date agreed between you and us (which will be specified by us in a Confirmation), or if no such date is agreed the date which is 2 business days after the Trade Date.

Premium per Tonne/Bale means the premium for each tonne/bale as agreed between you and us (which will be specified by us in a Confirmation).

Put Option means an Option giving the buyer the right, but not the obligation, to sell a Currency or an OTC in relation to an agricultural commodity, at a specified rate.

Put Option Strike Price means the strike price as agreed between you and us of the Put Option which we grant to you (which will be specified by us in a Confirmation) at which price the seller can exercise the Option.

Rabobank or us or we means Rabobank Australia Limited ABN 50 001 621 129, AFSL 234 700.

Reference Contract means in respect of a Transaction, the relevant

futures or other contract as agreed between you and us in or, in accordance with, the relevant Schedule of this Agreement relating to that type of Transaction (which will be specified by us in a Confirmation).

Relevant Currency means, in respect of a Transaction, Australian dollars or such other currency as may be agreed between you and us and specified by us in a Confirmation.

Relevant Exchange means in respect of a Reference Contract relating to a Transaction the exchange or quotation system relating to that Reference Contract which is agreed between you and us, or in the absence of such agreement as is notified by us to you (which we will specify in a Confirmation).

Settlement Reference Price means:

- (a) for Foreign Exchange Facility Transactions: the daily futures price established by the Relevant Exchange at the end of a trading session as the closing price. This is used to determine profits and losses for the mark to market for determining margins.
- (b) For OTC Commodity Facility Transactions: the price determined by Rabobank as the closing price for a commodity Reference Contract on a trading day in accordance with such methodology as Rabobank may apply from time to time acting in a commercially reasonable manner. If there is a closing range of prices, the settlement reference price may be determined by Rabobank by averaging those prices over a period prior to the close of trading on that day.

Specific Account has the meaning given in Schedule H.

Security Provider means each person specified as a security provider in Schedule H.

Strike Price means:

- (a) in respect of a Foreign Currency Option Transaction the price as agreed between you and us (which we will specify in a Confirmation) at which the Option may be exercised.
- (b) in respect of a Commodity Price Option Transaction the price as agreed between you and us (which we will specify in a Confirmation) at which the Option may be exercised.

Swap Payment Amount means an amount which we calculate in accordance with clause 7 of Schedule B in connection with the settlement of a Commodity Price Swap Transaction.

Termination Date means in respect of a Transaction the date agreed as such between you and us (which we will specify in a Confirmation) and if no such date is agreed shall mean the last Payment Date in respect of a Transaction. However, if no payment is required to be made on the last Payment Date the Termination Date shall be the last Valuation Date in respect of that Transaction.

Trade Date means in respect of a Transaction the date you and we enter into that Transaction.

Transaction means a transaction which is entered into between you and us in accordance with the terms of this Agreement.

Trust has the meaning given in clause 18.1.

Unit means in respect of a particular commodity the type of trading unit determined by us (which we will specify in a Confirmation).

Variation Margin means the funds that are required to bring the cash balance in a futures account back to the price level of the futures market each day.

Valuation Date means in respect of a Transaction each date agreed as such between you and us (which we will specify in a Confirmation), provided, however, that if a Valuation Date falls on a date that is not a Business Day or a day on which the Relevant Exchange is not open for trading, the Valuation Date shall be the following such day.

Value Date means the date on which payment is made to settle a Transaction or a Transaction is otherwise closed out under the Facility.

Waiting Period means:

- (a) in respect of an event or circumstances that constitutes an Illegality, other than where the relevant payment, delivery or compliance is actually required on the relevant day (in which case no Waiting Period will apply) a period of three Business Days; and
- (b) in respect of an event or circumstances that constitutes a Force Majeure Event, other than where the relevant payment, delivery or compliance is actually required on the relevant day (in which case no Waiting Period will apply) a period of eight Business Days.

Weight Conversion Rate means the value determined by us for the purposes of converting the underlying unit in respect of a Reference Contract into one metric tonne or bale.

Interpretation

- 2.2 In this Agreement unless the contrary intention appears:
 - (a) terms which are not otherwise defined have the respective meanings given under the Corporations Act;
 - (b) the singular includes the plural and vice versa;
 - (c) words importing a gender include every other gender;
 - (d) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (e) a reference to this Agreement or another instrument includes any variation or replacement of it;
 - (f) the word "person" includes a firm, body corporate, an unincorporated association or an authority;
 - (g) a reference to a person includes a reference to the person's executors, administrators, successors, permitted substitutes (including, without limitation, persons taking by novation) and permitted assigns;
 - (h) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively, to any two or more of them collectively and to each of them individually; and
 - (i) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally.

Headings

- 2.3 Headings are inserted for convenience and do not affect the interpretation of this Agreement.

3. Scope of Transactions Covered by this Agreement

- 3.1 This Agreement takes effect from the Effective Date.
- 3.2 You may only enter into Transactions of a type described in a Schedule and in respect of a particular commodity if we have provided you with approval in respect of that type of Transaction and in respect of a Reference Contract relating to that particular type of commodity.
- 3.3 You may also enter into other types of commodity Transactions with us under the terms of this Agreement or on such other additional terms as we may agree with you from time to time, provided we have given you approval to enter into such Transactions with us.
- 3.4 Every transaction between the parties whether entered into before on or after the commencement of this Agreement, which is, or is described in its Confirmation as being, of the type specified in this Agreement is a Transaction governed by the terms of this Agreement (and not any other master agreement) and forms part of this Agreement unless the parties expressly

agree in writing that this clause is not to apply. This applies whether or not the parties refer to this Agreement or state that the Transaction is governed by the terms of any other master agreement when entering into the Transaction.

4. Entering and Varying Transactions

- 4.1 You may request a Transaction by one or more of the following methods:
- (a) verbally by telephone;
 - (b) in writing by e-mail or any other electronic means which we approve; or
 - (c) in writing delivered by post, courier or facsimile.
- You must promptly provide us with any additional information which we ask for from you in connection with your request.
- 4.2 We will enter into a Transaction with you only if we have accepted your transaction request. We are not under any obligation to accept a transaction request.
- 4.3 You will be legally bound by the terms of a Transaction proposed by you in a transaction request from the moment we notify you that we agree to those terms (whether orally or in writing) and regardless of whether we have delivered to you a written Confirmation of the details of that Transaction.
- 4.4 If we enter into a Transaction with you we will provide you with a written Confirmation setting out the details of the Transaction. You must within 2 Business Days of receiving this Confirmation either sign and return it to us or, if it contains an error, notify us of the error. If no such notice is provided and until you inform us that the Confirmation contains an error, both parties acknowledge that the Confirmation accurately reflects the terms upon which the relevant Transaction was entered into.
- 4.5 You may request an extension, variation or early termination of all or a part of a Transaction. Subject to our rights under clause 9, we may, but are not obliged to, agree to this request on such terms and subject to such conditions as we consider appropriate acting reasonably.

5. Deposit of Collateral

- 5.1 Where Rabobank has been authorised by the Client to make payments or incur liabilities in respect of a Transaction, the Client agrees to reimburse and indemnify Rabobank for all such payments and liabilities incurred by Rabobank (including any deposits and margins for Transactions traded by Rabobank on the Client's behalf) except to the extent the payment or liability involves the fraud, negligence or wilful misconduct of Rabobank or its employees, officers, contractors, agents or appointed receivers relating to such payment or liability.
- 5.2 Rabobank may call for payment of a deposit of collateral or margins (Deposit) being such money or property (including Approved Securities or call for the lodgement of Approved Securities in lieu thereof) for such amount or type as Rabobank, in its reasonable opinion, determines is necessary to protect itself from the obligation incurred by Rabobank in respect of any Transaction or the risk of non-fulfilment by the Client of its obligations under this Agreement.
- 5.3 All Deposits lodged will secure all the Client's liabilities to Rabobank under this Agreement and Rabobank may use, apply, sell, dispose of, transfer, assign, set-off under clause 16, or otherwise deal with the Deposit (or any part of it) to satisfy and discharge (either completely or in part) the Client's obligations under this Agreement. where the Client has failed to fulfil such an obligation. Rabobank will, as soon as is reasonably practicable, provide the Client written notice of its intention to do so.
- 5.4 The time for payment of Deposit is of the essence and if no other time is stipulated by Rabobank when making a call for

payment then the Client is required to comply within 48 hours.

- 5.5 Unless otherwise agreed, the liability to pay the margin accrues at the time the dealing takes place irrespective of the time the call is made. The liability to pay margin accrues at the time the margin comes into existence, irrespective of the time the call is made.
- 5.6 If Approved Securities are arranged and lodged by the Client with Rabobank in respect of the Client's liabilities, then:
- (a) in respect of Transactions made on or after such arrangement all deposits are deemed to have been called on the date when the relevant Transactions are made and all debit margins are deemed to have been called on the date when the relevant margins come into existence;
 - (b) all cover lodged will secure the Client's liability for the Deposits referred to above. The Client need not satisfy that liability by a cash payment whilst Approved Securities are held until the limit of such cover approved by Rabobank has been exceeded.
- 5.7 Rabobank may (despite any Approved Securities held by Rabobank and despite the ability to debit an Account or the Specific Account in accordance with clause 19.1 or 19.2 respectively) charge interest on the amount of the Client's liability under this clause 5 from the date such liability is incurred until the date it is discharged. Such interest accrues from day to day at the rate of the then current variable base rate applicable to Rabobank loans (which, if this clause applies, Rabobank will advise you of).
- 5.8 The Client's liability to Rabobank under any Transaction is not limited to the amount (if any) deposited with Rabobank as a Deposit.

6. Authorised Persons

- 6.1 If, as part of the Application Form or otherwise in writing, you, or another person whom you have notified us is an Authorised Person and authorised to do so on your behalf, provide us with the name of an Authorised Person, the Authorised Person will be permitted to make requests under clause 4.1 and to give instructions, notices and any other communications under this Agreement on your behalf.
- 6.2 We shall be entitled to assume the genuineness and authenticity of any instructions given by you or an Authorised Person and we shall not be obliged to make any further enquiries unless we are on notice that person does not have authority.
- 6.3 You, or any other person whom you have notified us is an Authorised Person and authorised to do so on your behalf, may revoke the authority of an Authorised Person to act on your behalf at any time by notifying us in writing to that effect. You, or any other person whom you have notified us is an Authorised Person and authorised to do so on your behalf, may, at any time, also authorise a further person as an Authorised Person to act on your behalf in respect of the Facilities by giving us written notice to that effect.

7. Acknowledgments

- 7.1 The Client and Rabobank each represent and warrant that:
- (a) to the best of its knowledge and after having made due enquiries, it would not breach any law or any obligation to another person by entering into this Agreement and it is not aware of (or a reasonable person would not have been aware of) any other person that would be in breach of a law or obligation by a party entering into this Agreement;
 - (b) its obligations under this Agreement are valid and binding and it benefits by entering into this Agreement;
 - (c) it has full legal capacity and power to enter into this Agreement;
 - (d) it has obtained, and will obtain, all the consents and

authorisations required to enter into and exercise its rights and perform its obligations under this Agreement and any Transaction; and

- (e) in entering into this Agreement and, in respect of the Client, in requesting a Transaction, it will be acting as principal and not as agent for any other party and it undertakes as primary obligor all obligations relating to such Transactions except in respect of the Client where the Client is acting as trustee of a trust, in which case the Client makes the representations and warranties set out in clause 18.
- 7.2 The Client and Rabobank each agree and acknowledge that:
- (a) entering into Foreign Exchange Facilities and OTC Commodity Facilities incurs the risk of loss as well as the prospect of profit;
 - (b) the Client and Rabobank are bound by:
 - (i) the Corporations Act; and
 - (ii) in relation to OTC Transactions – the business rules, customs, usages and practices of the futures exchange and clearing house applicable to each dealing.
- 7.3 The Client agrees and acknowledges that:
- (a) to the extent that it is a corporation, it has been and is duly formed under the laws of the place of its formation;
 - (b) it has power and authority to enter into this Agreement and will have such power and authority at the time that it enters into any Transaction; and
 - (c) the persons executing this Agreement have full power and authority to execute this Agreement on behalf of the Client and Rabobank respectively.
- 7.4 The Client represents and warrants to Rabobank that, to the best of its knowledge and having made due enquiries:
- (a) to the best of its knowledge and belief, it is not in breach of any laws that applies to it and has not engaged in fraud, theft or other similar illegal activities;
 - (b) all information the Client has given Rabobank is correct and not misleading, and the Client has not withheld any information that might have caused Rabobank not to enter into this Agreement; and
 - (c) there is no current, pending or threatened action or proceeding affecting it or any of the Client's assets before a court, tribunal, government agency, commission or arbitrator which draws or purports to draw into question or is likely to affect the legality, validity or enforceability of this Agreement or any Transaction or the ability of the Client to observe its obligations under and in respect of this Agreement; and
 - (d) no event of default as defined in clause 9 or event which with the giving of notice, lapse of time or fulfilment of any conditions would, to its knowledge or the knowledge of a reasonable person, be likely to become an event of default, has occurred or continues unremedied.
- 7.5 All representations and warranties made by a party under this Agreement are taken to be made on the date of:
- (a) this Agreement; and
 - (b) each Transaction entered into by the Client with Rabobank.
- 7.6 Each party agrees to notify the other party immediately if at any time any representations in this clause 7 cease to be accurate.
- 7.7 Each party agrees that if a Force Majeure Event occurs, it will promptly upon becoming aware of it take all reasonable steps to notify the other party, specifying the nature of that Force Majeure Event, and will also give the other party such other information about that Force Majeure Event as the other party may reasonably require.
- 7.8 Each party agrees that if an Illegality occurs, it will, promptly upon becoming aware of it take all reasonable steps to notify

the other party, specifying to the extent permitted by law the nature of that Illegality and each Affected Transaction, and will also to the extent permitted by law give the other party such other information about that Illegality as the other party may reasonably require.

8. Duties of Rabobank

- 8.1 Rabobank must:
- (a) where the instructions have been accepted, comply with the Client's instructions within a reasonable time;
 - (b) promptly notify the Client of any instructions given to it by the Client which have not been able to be complied with;
 - (c) promptly clarify any instruction from the Client that is ambiguous or unclear; and
 - (d) comply with the Corporations Act, the conditions of its licence and any other relevant law, policy or guideline.

9. Termination

- 9.1 A party commits an event of default if:
- (a) it ceases to exist or, in respect of the Client where the Client is a natural person, dies or becomes of unsound mind or otherwise lacks capacity; or
 - (b) it makes any representation that is incorrect or misleading in any material way in connection with this Agreement; or
 - (c) in respect of the Client, any guarantee or security for the Client's obligations to Rabobank is, without the consent of Rabobank, withdrawn, expires or becomes defective or insufficient; or
 - (d) it fails to pay on time any amounts payable under this Agreement when due; or
 - (e) in respect of the Client, the Client fails to comply with clause 5 and fails to meet a call for deposit or margin or to lodge Approved Securities in lieu thereof; or
 - (f) it does something which it has agreed not to do or fails to do something it has agreed to do under this Agreement which may materially impact the other party; or
 - (g) a representation or warranty given by such a party in connection with this Agreement is or becomes untrue or misleading in a material respect; or
 - (h) a party becomes insolvent or bankrupt, or steps are taken or proceedings are commenced for its bankruptcy, or a receiver or manager is appointed or steps are taken for its liquidation or winding up; or
 - (i) it imposes a moratorium on payments to creditors or ceases or threatens to cease carrying on business; or
 - (j) it is unable to pay its debts when they become due or becomes bankrupt or enters into a composition or arrangement for the benefit of creditors or being a company goes into liquidation voluntarily or otherwise (except for the purpose of reconstruction) or enters into any scheme of arrangement with creditors under Part 5.1 of the Corporations Act or any liquidator, receiver, receiver and manager, administrator, trustee or similar officer is appointed to it or to all or any part of its(a) property; or
 - (k) in respect of the Client, this Agreement or any security interest held by us in connection with this Agreement or the power of attorney granted in the Application Form is or becomes wholly or partially void, voidable or unenforceable in a material respect, or is claimed to be so by the Client, any security provider or any person on your behalf; or
 - (l) in respect of the Client, it is in default under the Accounts or any financial agreement or any other financial arrangements, security or mortgage; or

- (m) any other event occurs which we and you have agreed is an event of default for the purpose of this clause 9.1; or
- (n) in respect of the Client:
 - (i) any of the Accounts (as described in paragraph 19.1(a)) are terminated or closed or any event of default occurs in relation to any of the Accounts;
 - (ii) there is a reduction in the loan limit on any of the Accounts;
 - (iii) a security for any Account becomes wholly or partially void, voidable or unenforceable in a material respect, or is claimed to be so by the Client or any security provider or any person on any of their behalf.

Termination of Agreement and/or Transactions following an event of default or Illegality or Force Majeure Event or Adjustment Event

- 9.2 If a party commits an event of default as specified in clause 9.1, the other party is entitled in its absolute discretion and without notice to the other party and at such times as such party in its absolute discretion may determine, to, subject to clauses 9.15 and 9.17, do all or any of the following:
- (a) terminate this Agreement; and/or
 - (b) close out all or any of the Transactions; and/or
 - (c) close out, exercise or abandon any Option not yet exercised; and/or
 - (d) terminate all or any outstanding Transactions between you and us; and/or
 - (e) if terminated or closed out by Rabobank, realise or any part of any Deposit or Approved Securities held by Rabobank and applying the proceeds thereof to the outstanding obligations under this Agreement, subject to any relevant legislation and/or debit any amount outstanding to an Account or the Specific Account in accordance with clause 19.1 or 19.2 respectively; and/or
 - (f) exercise any other power or right which a party may have under this Agreement or in law or equity.
- 9.3 If at any time an Illegality or a Force Majeure Event has occurred and is then continuing and any applicable Waiting Period has expired either party may terminate all the Affected Transactions.
- 9.4 Rabobank may terminate one or more outstanding Transactions if an Adjustment Event occurs in relation to those Transactions and Rabobank reasonably considers that it is either not possible nor desirable in respect of either party to adjust this Agreement in accordance with clause 2.1 of Schedule A.
- 9.5 A party agrees to promptly notify the other party of any action taken pursuant to clauses 9.3 and 9.4.
- 9.6 The Early Termination Date will occur on the date a party exercises its right to terminate Transactions under clauses 9.2, 9.3 or 9.4 or such early termination date specified by the party in any notice.
- 9.7 Without prejudice to the other provisions of this Agreement, upon the occurrence of the Early Termination Date, no further payments in respect of the terminated Transactions will be required to be made.
- 9.8 For each terminated Transaction, Rabobank will calculate the Early Close-out Amount (whether positive or negative) in accordance with clause 2.2 of Schedule A and notify the other party of the Early Close-out Amount in accordance with clause 2.3 of Schedule A and such Early Close-out Amount will become payable in accordance with clauses 2.4 and 2.5 of Schedule A.
- 9.9 If:
- (a) the Early Close-out Amount is positive – the Client must pay that amount to Rabobank and Rabobank may debit

the amount to an Account or the Specific Account in accordance with clause 19.1 or 19.2 respectively;

- (b) the Early Close-out Amount is negative – Rabobank must pay the absolute value of that amount to the Client.

Termination of Agreement other than for event of default

- 9.10 Even if no event of default or Adjustment Event or Force Majeure Event has occurred, either you or Rabobank may terminate this Agreement at any time by giving to the other party not less than 30 days' notice to that effect.
- 9.11 Upon termination under clause 9.10 the Client will not be entitled to request and Rabobank will not be obliged to make available any new Transactions under this Agreement.
- 9.12 However, delivery of a notice of termination under clause 9.10 will not affect either party's obligations under this Agreement in respect of any existing Transactions that are not being terminated (that is, existing Transactions will not be closed out) or any other rights or obligations of you or us arising prior to the date of termination.
- 9.13 Termination of the Agreement under clauses 9.2 and 9.10 does not release any party from liability for any breach (antecedent or subsequent) of any of the terms of this Agreement or any obligation under this Agreement which remains unfulfilled or executory at the time of termination.
- 9.14 The terms of this Agreement do not merge at any time.
- 9.15 Notification
- (a) To the extent that it is aware of such a matter, a party (the **Defaulting Party**) must immediately notify the other party (the **Non-Defaulting Party**) of the occurrence of any event of default or anything which, with the giving of notice or passage of time or both, would be likely to become an event of default under clause 9.1.
 - (b) Following receipt of the notice under paragraph (a) above or otherwise becoming aware of an event of default under clause 9.1, a Non-Defaulting Party will not exercise any rights under this Agreement unless it has, to the extent that the default is capable of remedy, provided the Defaulting Party with a period that the Non-Defaulting Party considers reasonable for the event of default to be remedied (the **grace period**) to remedy the event of default. No notice or grace period will be provided where:
 - (i) the event of default is unable to be remedied;
 - (ii) it is reasonable for the Non-Defaulting Party to not provide such a grace period in order to manage a material and immediate risk relating to the nature of the relevant event of default, the Defaulting Party's particular circumstances, or the value of any Security; or
 - (iii) the Non-Defaulting Party has already given the Defaulting Party a period to remedy the same event of default and the Defaulting Party has not remedied that event of default.
 - (c) If the Non-Defaulting Party has notified the Defaulting Party of an event of default, and such event of default is remedied within any notice period given, and no event of default of the same type arose during that time period, the Non-Defaulting Party will not exercise its rights to take further action as a result of the event of default (including its rights under this clause 9).
- 9.16 To the extent that a party becomes aware of a Force Majeure Event or Illegality that applies to it, such party must take all reasonable steps to notify the other party of the occurrence of the event and whether a Waiting Period applies and if so when the Waiting Period commences. Failure to provide such notice does not mean that a party cannot terminate the Transactions where it is entitled to do so.

Materiality

- 9.17 A Non-Defaulting Party will only act on a specific event of default if the event of default committed by the Defaulting

Party is by its nature material, or, where Rabobank is the Non-Defaulting Party, the event of default has had, or is likely to have, a material impact on:

- (a) the Client's or a Security Provider's ability to meet their financial obligations to Rabobank (or Rabobank's ability to assess this) under this Agreement or any Transaction;
- (b) Rabobank's credit or security risk (or Rabobank's ability to assess this) under this Agreement or any Transaction; or
- (c) Rabobank's legal or reputational risk under this Agreement or any Transaction.

10. Commission, Fees, Expenses

- 10.1 Rabobank may share any money the Client gives to it with, or pay a commission to, any person Rabobank chooses – including any broker or agent.
- 10.2 The Client agrees to pay:
 - (a) all costs reasonably incurred by Rabobank in connection with the negotiation, execution, administration, termination or variation of this Agreement;
 - (b) premium on any Option purchased by Rabobank on behalf of the Client or entered into between Rabobank and the Client at such a rate as is notified by Rabobank to the Client in writing from time to time;
 - (c) any fees, fines, penalties or other charges imposed by a governmental agency or any court of competent jurisdiction on any account opened or transaction executed or cleared for the Client;
 - (d) all stamp and other duties, fees, goods and services tax, other taxes and other direct or indirect taxes (other than taxes imposed on net income) which are payable in connection with this Agreement or any Transaction under this Agreement and any fines, penalties or interest in respect of such amounts. For the avoidance of doubt, any consideration or amount payable to Rabobank under or in connection with this Agreement does not include any amount on account of goods and services tax;
 - (e) any expenses reasonably incurred by Rabobank (or Rabobank's agents) in connection with the enforcement of any of Rabobank's rights under this Agreement;
 - (f) an additional amount on account of any deduction or withholding which is required by law to be made in connection with a payment by Rabobank under this Agreement;
 - (g) Rabobank's reasonable costs in responding to any enquiry about the Client from any authority;
 - (h) all amounts reasonably incurred by Rabobank as a result of the Client's default under the terms of this Agreement, including, without limitation, all legal costs and expenses; and
 - (i) in respect of any unpaid amount required to be paid under this Agreement, interest at the current variable base rate applicable to Rabobank loans calculated daily commencing on the date when the amount was due (irrespective of any grace period) to the date of its final payment in full save for any costs incurred due to the fraud, negligence or wilful default of Rabobank or its employees, officers, contractors, agents or appointed receivers.
- 10.3 The Client must pay Rabobank reasonable charges incurred by Rabobank with respect to the execution of Transactions under this Agreement:
 - (a) if such charges are subject to a separate agreement between the Client and Rabobank, in accordance with that agreement;
 - (b) otherwise, where the Client has been given prior notification by Rabobank that charges may be payable at the time of execution of a Transaction (even if the amount of such charges are not ascertainable at that stage), at the

time of such execution; or

- (c) if the circumstances in (a) or (b) do not apply, from the date that Rabobank notifies the Client of such charges and provides a reasonable period to make such payment (such reasonable period to be advised by Rabobank).

- 10.4 To the extent that fees and charges are payable, Rabobank will provide a separate schedule detailing our standard fees and charges payable in respect of this Agreement on request. You may also obtain a copy of the schedule at any Rabobank branch.

11. Indemnity and Limit of Liability

- 11.1 Subject to clause 11.2, the Client indemnifies, agrees to keep indemnified and hold harmless:
 - Rabobank; and
 - Rabobank's related bodies corporatefrom and against all actions, proceedings, suits, claims, demands, damages, fines, liabilities, costs, expenses, payments of sums of money and any other amounts reasonably incurred arising out of:
 - any Transaction entered into under or in accordance with this Agreement; or
 - any default, whether by act or omission, of the Client under this Agreement; or
 - the negligence, fraud or dishonesty of the Client; or
 - anything lawfully done by Rabobank (including its officers, employees, agents, related bodies corporate and representatives) in accordance with this Agreement including complying with any rule, direction, request or requirement of an authority, court or tribunal.
- 11.2 The Client also indemnifies us against, and must pay us immediately on demand, all loss or costs (including consequential or economic loss) suffered or reasonably incurred as a result of:
 - (a) the occurrence of any default by the Client under this Agreement or a Transaction;
 - (b) our entering into and performing our obligations under this Agreement;
 - (c) the exercise of our rights under this Agreement;
 - (d) any material inaccuracy in or breach of any representation or warranty, declaration or undertaking which you give; or
 - (e) us acting in good faith on any instruction (despite the instruction's form (e.g. electronic, facsimile)) that has come from you or an Authorised Person.

However, an indemnity provided under clauses 11.1 or 11.2 will not apply to the extent this involves the, fraud, negligence or wilful misconduct of Rabobank or its employees, officers, contractors, agents, appointed receivers or other parties involved in the provision of the Facility.

- 11.3 Rabobank indemnifies and agrees to keep indemnified the Client against any damages, loss, costs, expenses and any other amounts suffered or reasonably incurred as a result of any default, whether by act or omission, by Rabobank under this Agreement or the negligence, wilful misconduct, fraud or dishonesty of Rabobank or its employees, officers, contractors, agents, appointed receivers or other parties involved in the provision of the Facility.
- 11.4 Where the Competition and Consumer Act 2010 (Cth) or any similar State or Territorial legislation implies in this Agreement any term, condition or warranty, and makes void or prohibits application of or exercise of, or liability under such term, condition or warranty, such term, condition or warranty shall be deemed to be included herein. However, the liability of Rabobank for any breach of such term, condition or warranty

shall be limited, at the option of Rabobank, to any one or more of the following:

- (a) if the breach relates to goods:
 - (i) the replacement of the goods or the supply of equivalent or similar goods,
 - (ii) the repair of the goods,
 - (iii) the payment of the cost of repairing the goods or of acquiring equivalent goods, or
 - (iv) the payment of the cost of having the goods repaired; or
- (b) if the breach relates to services:
 - (i) the supplying of the services again, or
 - (ii) the payment of the cost of having the services supplied again.

11.5 The indemnities in this Agreement are continuing obligations, independent of your other obligations under this Agreement. They continue notwithstanding termination of this Agreement or a Transaction. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.

12. Tape Recording of Conversations

12.1 The Client agrees:

- (a) to the electronic recording by Rabobank of the Client's telephonic conversations with Rabobank, with or without an automatic tone warning device; and
- (b) to the use of recordings or transcripts from such recordings for any purpose which Rabobank in its reasonable opinion deems desirable, including their use as evidence by either party in any dispute or anticipated dispute between Rabobank and the Client.

12.2 Rabobank agrees to make available to the Client, on request, a copy of any recording in the possession or control of Rabobank pertaining to the Client's dealings in the event of a dispute or anticipated dispute with respect to the Client's dealings provided that nothing in this Agreement shall oblige Rabobank to keep a recording longer than 30 days. The Client agrees to pay the reasonable costs of Rabobank in providing a copy of the relevant recording.

13. Exchange Rate Risk

13.1 Dealing by Rabobank in Foreign Exchange Facility Transactions and OTC Commodity Facility Transactions may require the buying or selling of foreign Currency. Unless we specifically agreed otherwise, the Client will bear any exchange rate risk in connection with a Transaction. The exchange rate which will apply is the exchange rate applicable at the time the Client's money is exchanged by Rabobank's bankers and at which the Client's money is actually exchanged, unless otherwise agreed in writing between the parties.

13.2 If the Client defaults under the terms of this Agreement Rabobank may convert any amount owed by the Client (including any interest) into Australian dollars at the money market rates of exchange prevailing at the relevant time.

14. Right of Rabobank to Refuse to Deal

14.1 Despite any other provision of this Agreement, where required by law, Rabobank may at any time refuse to deal in or may limit dealing in any Transaction. This may include where we, acting reasonably suspect that dealing may breach laws relating to sanctions, anti-money laundering, counter-terrorism financing or currency controls. We will to the extent

permitted by law notify the Client of any refusal or limitation as soon as practicable

14.2 Such refusal to deal or limitation of a dealing may be exercised by Rabobank without prejudice to any other rights and powers under this Agreement.

15. Notices

15.1 In addition to effecting service as permitted by law, any statement, demand or notice to you may be validly served by being delivered or sent to the address or email address nominated by the owner(s) of the Account in writing.

15.2 Subject to any other specific provision, service pursuant to this clause is taken to be effected:

- (a) where sent by post, upon the earliest of actual receipt, the day when the addressee would have received the item in the ordinary course of post, or 10 Business Days after posting; or
- (b) where sent by facsimile or by email, when the machine or system respectively from which it was sent indicates that it was sent successfully, or where delivered, upon actual delivery, except where sent/delivered after 4.30 pm (Sydney time) or on a day which is not a Business Day, in which case service is taken to be effected on the next Business Day.

15.3 Notwithstanding anything contained in this clause, Rabobank is entitled to communicate calls for payment of deposits or margins orally (either by telephone or otherwise). Rabobank also agrees that if it is unable to contact the Client, it will also communicate such calls for payment of deposits or margins by email.

16. Set Off and Netting

Netting

16.1 If, on any date amounts would otherwise be payable in the same currency in respect of two or more Transactions entered into under this Agreement, then, on such date:

- (a) each party's obligation to make payment of such amount will be automatically discharged and satisfied; and
- (b) if the aggregate amount that would otherwise have been payable by the one party exceeds the aggregate amount that would otherwise have been payable by the other party, the discharged obligations are replaced by an obligation upon the party by which the larger amount would have been payable to pay to the other party the amount by which the larger aggregate amount exceeds the smaller aggregate amount.

Set-off on termination

16.2 Any Early Close-out Amount payable to one party (the Payee) by the other party (the Payer) (in circumstances where there is an event of default under clause 9.1 or all of the outstanding Transactions are terminated) will be reduced by its set-off against any other amounts payable by the Payee to the Payer (whether or not arising under this Agreement, matured or contingent, and irrespective of currency, place of payment or place of booking of the obligation) (**Other Amounts**).

16.3 For this purpose, if either the Early Close-out Amount or the Other Amounts (or relevant portions of them) is in another currency, it may be converted by Rabobank into the currency in which the other is denominated at the rate of exchange at which Rabobank is able to purchase the relevant amount of such currency.

17. General

Employees Protected

17.1 Every exemption from liability, defence or immunity available to any party is also available to and extends to protect that party's directors, employees, agents, officers, related bodies corporate and representatives. For the purposes of this clause 17.1 that party is deemed to be acting as agent on behalf of its directors, employees, agents and representatives.

Exercise Rights

17.2 No failure, delay, relaxation or indulgence in exercising any power or right conferred upon any party under this Agreement or otherwise will operate as a waiver of such power or right, nor will any single or partial exercise of such power or right preclude any future exercise of that power or right. We may exercise a right or remedy under or in connection with this Agreement or give or refuse our consent in any way that we reasonably consider appropriate including by imposing conditions and without giving you any reasons for our actions. If we do not exercise a right or remedy fully or at a given time, we can still exercise it later. Our rights and remedies under this Agreement are in addition to other rights and remedies provided by law.

Enforcement of Rights

17.3 Any party may enforce their rights and remedies in any order that it chooses. A party's rights and powers under this Agreement are in addition to any other rights such party may have under statute or at general law.

Severability

17.4 If the whole or any part of a provision of this Agreement is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this Agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the fundamental nature of this Agreement or is contrary to public policy.

Assignment

17.5 We may assign our rights under this Agreement or any Transaction, without prior notice to you. In order to exercise this right we may disclose documents and personal information concerning you. Your rights are personal to you and may not be assigned without our written consent.

Time of Essence

17.6 Time is of the essence under this Agreement.

Waiver

17.7 A provision under this Agreement or right created under it may not be waived or varied except in writing signed by the party or parties to be bound.

Confidentiality

17.8 Where necessary for a purpose related to our implementation of this Agreement or execution of a Transaction, we may share all the information you give us or that we collect about you in connection with the Agreement with the following people:

- a related body corporate; and
- a corporation that enters into financial arrangements with us; and
- any party to this Agreement, any authorised representative and any broker or adviser for you; and
- any person, if required, or allowed by law or required by the constituent documents of any entity; and

- other persons as required by law, and as authorised by Australian Privacy Principle 2.1 in the Privacy Act 1988 (Cth); and
- otherwise where you have consented to us sharing the information with that person.

Our certificate

17.9 We may give a certificate signed by us or our lawyers about a matter or about an amount payable in connection with this Agreement. If you do not agree with the certificate you can notify us of any error or that you do not agree. In the absence of such a notice from you or any manifest error, both parties acknowledge that such a certificate will accurately reflect the matter or amount set out therein.

Joint and separate liability

17.10 If there is more than one of you, you are liable for all your obligations under this Agreement, both separately and jointly. This means that:

- your obligations apply to each of you individually and to any two or more of you together;
- any one or more of you may exercise rights in relation to this Agreement on behalf of all of you and the rest of you will also be bound; and
- if we deal with any one of you, we will be taken to have dealt with all of you.

No merger

17.11 This Agreement does not merge with or adversely affect and is not adversely affected by:

- any guarantee or indemnity or mortgage, charge or other security, or right or remedy to which we are entitled at any time; or
- a judgment or order that we obtain against you in respect of an amount payable under this Agreement (we can still exercise our rights under this Agreement as well as under any judgment, order or other guarantee or security).

Change of law

17.12 If there occurs any change in law or in its interpretation which makes it unlawful for either of us to give effect to any provision of this Agreement or which may have a detrimental effect on a party's rights under this Agreement or which results in any penalties (including penalty interest) or which makes it illegal for you or us to exercise our rights under this Agreement, then either party will notify the other and use their best endeavours to amend this Agreement on terms as similar as possible to preserve the economic position of the parties before the amendment.

General information

17.13 If you ask us, we will give you general information about the identification requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and the options available to you or a potential customer under tax file number legislation.

17.14 Your identity must be verified by Rabobank. Rabobank must also verify the identity of any Authorised Persons. You acknowledge that Rabobank may delay, intercept, block or refuse to make a payment in connection with a Transaction if we believe on reasonable grounds that making a payment may breach any law in Australia or any other country, and we will not incur any liability if it does so (except to the extent that such liability is caused by Rabobank's fraud, negligence or wilful misconduct or that of our employees, officers, agents, contractors or appointed receivers). You agree to provide all information to Rabobank which we reasonably require to comply with any laws in Australia or other country. You declare and undertake to us that the payment of monies in accordance with your instructions by us will not breach any laws in Australia or any other country.

- 17.15 (a) In certain circumstances, where reasonable, we may combine all or any of your accounts (including your Transactions) held with us or our related entities. If we combine accounts, we will apply some or all credit funds against some or all of the debt you owe us; and there will be only a single amount either we owe you or you owe us.
- (b) We may also apply some or all credit funds in all or any of your accounts held with us or our related entities against debts which you owe us that are due and payable.
- (c) If we exercise our rights under this clause, we will promptly notify you.
- 17.16 Rabobank requires that you inform us promptly when you are in financial difficulty.

18. Trustee Provisions

Application of Clause

- 18.1 This clause shall apply where the Client, All In One Holder or Security Provider (in this clause a Trustee) has entered into this Agreement as trustee of a trust specified in the Agreement or any other trust not disclosed to Rabobank (called the Trust).
- 18.2 The warranties made by the Trustee in clause 18.3 are continuing and deemed to be repeated by the Trustee on each date on which a Transaction remains outstanding. The Trustee agrees to notify Rabobank immediately if at any time any representation in clause 18.3 ceases to be accurate.

Trustee's Warranties

- 18.3 The Trustee represents and warrants to Rabobank that:
- the Trustee is the only trustee of the Trust and has entered into this Agreement in its personal capacity and also as trustee, and for the benefit of the beneficiaries of the Trust;
 - the Trust is validly created and existing and no circumstances exist by which it may be determined and no date for the vesting of any of the Trust's assets has been appointed;
 - the Trustee is validly appointed as the trustee of the Trust, is not in breach of its obligations as trustee and no circumstances exist by which it may be removed;
 - the Agreement is executed pursuant to and in proper exercise of the powers of the Trustee as trustee of the Trust and all formalities required in connection with such acceptance have been complied with;
 - the Trustee has given to Rabobank complete and up to date copies of the trust deed and other documents relating to the Trust which contain all the terms of the Trust;
 - the purpose and performance by the Trustee of its obligations under the Agreement is for a proper purpose of and provides commercial benefit to the Trust;
 - the Trustee is entitled to be fully indemnified out of the assets of the Trust for its liability under the Agreement and has not charged its right of indemnity to any other party and the assets of the Trust are sufficient to cover the Trustee's right of indemnity;
 - the Trustee is the legal owner of all the assets of the Trust and no property of the Trust has been resettled or satisfied or transferred to any trust or trusts;
 - our rights under this Agreement have priority over the rights of the beneficiaries of the Trust;
 - no action has been taken or is proposed to terminate the Trust or revoke any of the Trustee's powers and (so far as the Trustee is aware) no one intends to take any such action;
 - there is no dispute between the Trustee and any other

person in relation to the Trust or the Trust assets which has the potential to affect Rabobank's rights under this Agreement; and

- the Trustee is empowered to carry on its business as now conducted or contemplated and to own its property and assets in its capacity as trustee of the Trust and there is no restriction or condition upon such activity by it.

Specific provisions relating to Trust

- 18.4 The Trustee must not without Rabobank's consent:
- cease to be the trustee of the Trust nor will it do anything which would cause or enable its removal, nor will it retire, as trustee of the Trust;
 - cause or permit the Trust to be determined or a vesting date to be appointed;
 - do or permit anything which adversely affects the Trustee's right of indemnity against the Trust assets;
 - in any way vary or permit to be varied the terms of the Trust;
 - resettle, set aside, distribute or dispose of any Trust assets; or
 - delegate any powers of the Trustee as trustee of the Trust or exercise any power of appointment.

Financial Information

- 18.5 The Trustee must at the request of Rabobank provide full financial and other details of the Trust.

Recovery from Trust

- 18.6 The Trustee irrevocably and unconditionally grants Rabobank direct access to the Trust assets to recover any money not paid on time under the Agreement.

New Trustees

- 18.7 The Trustee must procure that any person who becomes a trustee of the Trust (whether in replacement of or in addition to the Trustee) enters into a deed with Rabobank whereby it agrees to perform the obligations identical to those of the Trustee under the Agreement.

Trustee's Liability Unlimited

- 18.8 The Trustee's liability under the Agreement is not limited or otherwise affected by the Trustee being trustee of the Trust or the extent of its ability to indemnify itself out of the assets of the Trust.

19. All In One Holder and Security Provider

- 19.1 Where the All In One Holder is the same as the Client, each All In One Holder and each Security Provider:
- agrees to the following matters:
 - that any amount owing to Rabobank under the Facility may be paid by making a drawdown from or debit to any account or other facility held by it with Rabobank, including any All In One/Rural Term Loan Facility if applicable, (the "Accounts"). For clarity, and without limiting the foregoing, the All In One Holder and each Security Provider acknowledges that a reference to 'the Accounts' may include any All In One/Rural Term Loan Facility it may have with Rabobank in the future if this future All In One/Rural Term Loan Facility is controlled by it, or its successor;
 - that any guarantees and securities provided by the All In One Holder or Security Provider which secure monies and liabilities owing by the Client to Rabobank from time to time extend to secure any liability or obligation owed to Rabobank under the Facilities or the Master Agreement, and any amount

- having been drawn down from or debited to the Accounts under paragraph (a)(i) above; and
- (iii) that if any one or all of the Accounts referred to in paragraph (a)(i) above is a Rural Term Loan any amounts drawn down or debited in accordance with that paragraph will be deemed to be a drawdown requested by the All In One Holder under the Rural Term Loan Facility for the purpose of making the payment referred to in paragraph (a)(i) above (such purpose being approved by Rabobank) under the terms and conditions of the Rural Term Loan Facility;
 - (iv) that if any one or all of the Accounts referred to in paragraph (a)(i) above is a Line of Credit facility made available on the All In One account Standard Line of Credit Terms, any amounts drawn down or debited in accordance with that paragraph will be deemed a Drawing (or drawdown) requested by the All In One Holder under the Line of Credit facility for the purpose of making the payment referred to in paragraph (a)(i) above (such purpose being approved by Rabobank) and will form part of the Debit Balance under the terms and conditions of the Line of Credit facility;
 - (v) it is an event of default under this Agreement the matters described in paragraph 9.1(n) of this Agreement occur.
- (b) agrees that Rabobank does not have an obligation to, nor in fact will they, keep the Security Provider informed of the status of the Facility or any of the transactions entered into under it;
 - (c) represents and warrants to Rabobank that
 - (i) to the best of its knowledge and having made due enquiries, all the information provided to Rabobank is true and complete and not misleading and no information was withheld that might have caused Rabobank not to enter into this Agreement;
 - (ii) it has the power to provide the guarantee or grant the security in respect of the Accounts;
 - (iii) it is not bankrupt or insolvent (as the case may be) and is able to pay its debts as and when they become due and that no step has been taken to make it bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of its assets or make an arrangement, compromise or composition with any of its creditors;
 - (iv) to the best of its knowledge and having made due enquiries, there is no current or pending or threatened action or proceeding affecting it or any of its assets before a court, tribunal, government agency, commission or arbitrator which draws or purports to draw into question or is likely to affect the legality, validity or enforceability of this Agreement or any Foreign Exchange Facility Transactions and OTC Commodity Facility Transactions or the ability of it to observe its obligations under and in respect of this Agreement; and
 - (v) to the best of its knowledge and having made due enquiries, no event of default as defined in clause 9 of this Agreement or event which with the giving of notice, lapse of time or fulfilment of any conditions would be likely to become an event of default, has occurred or continues unremedied;
 - (vi) agrees and acknowledges that Rabobank will not inform it of amounts owing or positions under the Facility and it will keep itself informed;
 - (d) makes each of the representations and warranties set out in clause 7.1 as if a reference to "you" was a reference to the All In One Holder or the Security Provider, as applicable;
 - (e) agrees and acknowledges that trading in Foreign Exchange Facility Transactions and OTC Commodity Facility Transactions incurs the risk of substantial loss as well as the prospect of profit. Any loss may be debited to the Accounts and may result in a material increase in the amount owing under the Accounts;
 - (f) agrees and acknowledges that amounts will be drawn down against the Accounts automatically and without further notice to them;
- The above representations and warranties are made on the date of this Agreement and on each date a Transaction is entered into under the Facility.
- 19.2 Where the All In One Holder is not the same as the Client, each All In One Holder and each Security Provider:
- (a) agrees to the following matters:
 - (i) any amount owing to Rabobank under this Agreement may be paid by making a drawdown from or debit to the Specific Account (as defined in Schedule H) or recovered under the indemnity granted by the All In One Holder in clause 19.5 of this Agreement. For clarity, and without limiting the foregoing, the Specific Account Owner and each Security Provider acknowledges that a reference to the Specific Account may include any All In One/Rural Term Loan Facility they may have with Rabobank in the future if this future All In One/Rural Term Loan Facility is controlled by them, or their successor;
 - (ii) the guarantee(s) and securities which secure the Specific Account extend to secure any amount, having been drawn down from or debited to the Specific Account or which is payable under the indemnity granted by the All In One Holder in clause 19.5 of this Agreement, in each case referred to in paragraph (a)(i) above.
 - (iii) if the Specific Account referred to in paragraph (a)(i) above is a Rural Term Loan any amounts drawn down or debited in accordance with that paragraph will be deemed to be a drawdown requested by the Specific Account Owner under the Rural Term Loan Facility for the purpose of making the payment referred to in paragraph (a)(i) above (such purpose being approved by Rabobank) under the terms and conditions of the Rural Term Loan Facility;
 - (iv) if the Specific Account referred to in paragraph (a)(i) above is a Line of Credit facility made available on the All In One account Standard Line of Credit Terms ("Standard Line of Credit Terms"), any amounts drawn down or debited in accordance with that paragraph will be deemed a Drawing (or drawdown) requested by the Specific Account Owner under the Line of Credit facility for the purpose of making the payment referred to in paragraph (a)(i) above (such purpose being approved by Rabobank) and will form part of the Debit Balance under the terms and conditions of the Line of Credit facility;
 - (v) if relevant, for the purposes of the definition of "Other Amount" in clause R of the Standard Line of Credit Terms for the All In One account owned by the Specific Account Owner, the Client or Clients are persons nominated by the Specific Account Owner;
 - (vi) it is an event of default under this Agreement if the matters described in paragraph 9.1(n) of this Agreement occur;
 - (vii) Rabobank does not have an obligation to, nor in fact will they, keep Security Providers informed of the status of the Facility or any of the Transactions entered into under it;
 - (b) represents and warrants to Rabobank that:
 - (i) to the best of its knowledge and having made due

enquiries, all the information provided to Rabobank is true and complete and not misleading and no information was withheld that might have caused Rabobank not to enter into this Agreement;

- (ii) it has the power to provide the guarantee or grant the security in respect of the Specific Account;
 - (iii) it is not bankrupt or insolvent (as the case may be) and is able to pay its debts as and when they become due and that no step has been taken to make it bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of its assets or make an arrangement, compromise or composition with any of its creditors;
 - (iv) to the best of its knowledge and having made due enquiries, there is no current or pending or threatened action or proceeding affecting it or any of its assets before a court, tribunal, government agency, commission or arbitrator which draws or purports to draw into question or is likely to affect the legality, validity or enforceability of this Agreement or any Foreign Exchange Facility Transactions and OTC Commodity Facility Transactions or the ability of it to observe its obligations under and in respect of this Agreement; and
 - (v) to the best of its knowledge and having made due enquiries, no event of default as defined in clause 9 of this Agreement or event which with the giving of notice, lapse of time or fulfilment of any conditions would be likely to become an event of default, has occurred or continues unremedied;
- (c) makes each of the representations and warranties set out in clause 7.1 as if a reference to “you” was a reference to the All In One Holder or the Security Provider of the Specific Account, as applicable;
- (d) agrees and acknowledges that Rabobank will not inform it of amounts owing, positions or collateral required under the Facility and it will keep itself informed;
- (e) agrees and acknowledges that trading in Foreign Exchange Facility Transactions and OTC Commodity Facility Transactions incurs the risk of substantial loss as well as the prospect of profit. Any loss may be debited to the Specific Account and may result in a material increase in the amount owing under the Specific Account;
- (f) agrees and acknowledges that amounts will be drawn down against the Specific Account automatically and without further notice to them;

19.3 The above representations and warranties are made on the date of the Application Form, the Master Agreement and on each date a Transaction is entered into under the Facility.

19.4 Each Security Provider and the All In One Holder also acknowledges and agrees that:

- (a) Rabobank may debit the amount to the Accounts or the Specific Account without first taking any action against or demand of the Client;
- (b) its obligations under the Accounts or the Specific Account or security (as applicable) are continuing and extend to all amounts debited to the Accounts or the Specific Account;
- (c) it unconditionally and irrevocably indemnifies Rabobank for any loss or costs Rabobank may suffer or reasonably incur if:
 - (i) it does not, or is not obliged to, or is unable to pay Rabobank all or any part of the money debited to the Accounts or the Specific Account in accordance with this Agreement;
 - (ii) it is not obliged to pay an amount to Rabobank under this clause 19;
 - (iii) Rabobank is obliged, or agrees, to pay an amount to a trustee in bankruptcy, liquidator or controller

(as defined in the Corporations Act) (or to a bankrupt person or insolvent company) in connection with a payment by you (for example if Rabobank has to pay interest on the amount).

However, an indemnity described in this clause 19.4(c) will not apply to the extent this involves the fraud, negligence or wilful misconduct of Rabobank or its employees, officers, contractors, agents, appointed receivers or parties involved in the provision of the Facility;

- (d) it is responsible for making itself aware of its financial position;
- (e) the indemnity provided in this clause 19 is a continuing obligation independent of its other obligations under this Agreement. It continues even after those obligations end. It is not necessary for Rabobank to incur expenses or take any other action before enforcing a right of indemnity conferred by this guarantee and indemnity;
- (f) under law, a trustee in bankruptcy, a liquidator or a controller (as defined in the Corporations Act) may ask Rabobank to refund a payment Rabobank has received in relation to this Agreement. If Rabobank is obliged, or agrees, to make a refund, then Rabobank may treat the payment (or part payment) as if it had not been made. This applies despite anything in this Agreement, the All In One/Rural Term Loan or the security (as applicable) or the fact that the All In One Holder or Security Provider may have ended it;
- (g) it must pay all amounts due and payable under the Accounts or the Specific Account or security (as applicable), in full and without setting off amounts that it believes Rabobank owes to it and without counterclaiming against Rabobank;
- (h) Rabobank may set off any money that Rabobank owes it against any money it owes Rabobank under this Agreement or the Accounts or the Specific Account or security, as applicable; and
- (i) as long as an amount payable under this Agreement remains unpaid, or a Transaction is continuing:
 - (i) it may not, without Rabobank’s consent:
 - (A) claim an amount from the Client or another All In One Holder or Security Provider under a right of indemnity; or
 - (B) claim an amount in the insolvency of the Client or another All In One Holder or Security Provider.

19.5 Where the All In One Holder is not the same as the Client:

- (a) the All In One Holder unconditionally and irrevocably indemnifies and agrees to hold harmless Rabobank from and against all actions, suits, claims, demands, proceedings, liabilities, losses, damages, costs and expenses of any kind suffered or reasonably incurred or payable by Rabobank arising directly or indirectly out of or in relation to the failure, refusal or inability of the Client to comply with any of its obligations or meet any of its liabilities under this Agreement, under the Facilities or in respect of any Transaction and, without limitation, includes the failure of the Client to pay when due any termination payment payable by the Client in respect of a Transaction, except to the extent this involves the fraud, negligence or wilful misconduct of Rabobank or its employees, officers, contractors, agents, appointed receivers or parties involved in the provision of the Facility;
- (b) the All In One Holder must pay to Rabobank any amount owed under paragraph (a) within 2 business days from demand; and
- (c) the indemnities of the All In One Holder are continuing obligations and survive the termination of this Agreement, and it is not necessary for Rabobank to incur expense or make payment before enforcing a right of indemnity under this Agreement.

19.6 The Client, each All In One Holder and the Security Provider

agree that as long as an amount payable under this Agreement remains unpaid, or a Transaction is continuing the Client may not, without Rabobank's consent:

- (a) claim an amount from any All In One Holder or Security Provider under a right of indemnity; or
- (b) claim an amount in the insolvency of any All In One Holder or Security Provider.

20. Multiple Parties

- 20.1 If a party to this Agreement is made up of more than one person, or a term is used in this Agreement to refer to more than one party:
- (a) an obligation of those persons is joint and several;
 - (b) a right of those persons is held by each of them severally; and
 - (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

21. Electronic Instructions Indemnity

- 21.1 In this clause, "Electronic Means" means telephone, telex, facsimile, e-mail or any other electronic means but does not include the use of a card (such as a Rabobank Visa Debit Card) or Rabobank Internet Banking.
- 21.2 The Client agrees:
- (a) that Rabobank will not be liable for any unauthorised or fraudulent notice or communication given to Rabobank by Electronic Means, except for risks involving the fraud, negligence or wilful misconduct of Rabobank or its employees, contractors, agents, or parties involved in the provision of the Facility;
 - (b) that Rabobank may, without further enquiry or reference to the Client, act on that notice or communication if it includes a reference to the Client and is signed or given by an Authorised Person or an authorised signatory of the Client;
 - (c) that Rabobank, despite any other term of this indemnity, may, in its absolute discretion, defer acting in accordance with the whole or any part of a notice or communication received by it pending further enquiry to and/or confirmation by the Client, but the Client expressly agrees that Rabobank will not be under any responsibility to so defer in any case.
- 21.3 The Client:
- (a) releases Rabobank from all actions and claims in connection with Rabobank in good faith acting on instructions given by Electronic Means or deferring to act under paragraph 21.2(c) above; and
 - (b) indemnifies Rabobank against all losses, costs and expenses suffered or reasonably incurred as a result of any actions or claims in connection with Rabobank in good faith acting on instructions given by Electronic Means, except to the extent this involves the fraud, negligence or wilful misconduct of Rabobank or its employees, contractors, agents, or parties involved in the provision of the Facility.
- 21.4 The Client shall hold Rabobank, its officers, correspondents and agents free from any claim for the consequences arising from delay or loss in transit of any message, letter or document, or the delay, mutilation, omission or other error in the transmission of any facsimile, email, telex or other transmitted message or any error in translation or interpretation of technical terms or arising from any ambiguity in instructions from the Client or in connection with any reliance placed by Rabobank in good faith

on such messages or as a result of such message not having been properly authorised by the person by whom it is purported to have been sent. However, this clause will not apply to the extent that such circumstances involve the fraud, negligence or wilful misconduct of Rabobank or its employees, contractors, agents, or parties involved in the provision of the Facility.

22. Governing Law

This Agreement is governed by the laws of New South Wales. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

23. Alterations to the Terms and Conditions

- 23.1 We can alter the terms of this Master Agreement including fees in the following instances:
- (a) to comply with any change in the relevant law, code of practice, guidance or general banking practice;
 - (b) to reflect any decision of a court, ombudsman or regulator;
 - (c) if we consider it necessary for security reasons;
 - (d) if we add new features or benefits to the Facility or Agreement;
 - (e) to respond proportionately to changes in the cost of providing the Facility; or
 - (f) to make them clearer.
- 23.2 We will provide you notice of such change no later than the day on which the change takes effect. However if we believe a change is unfavourable to you, then we will give you prior notice of at least 30 days. In certain limited circumstances described in the Banking Code of Practice, we may give you a shorter period, or no notice period, of an unfavourable change.
- 23.3 Any other changes will be agreed between the parties.
- 23.4 If the government introduces or changes a government charge payable directly or indirectly by you, Rabobank will notify you in the media or in writing unless the introduction or change is publicised by the government, a government agency or a representative body.

24. Application of the Banking Code of Practice

- 24.1 Rabobank is a signatory to the Banking Code of Practice. If you are an individual or a small business (as defined in the Banking Code of Practice) at the time we provide you with a Facility under the terms of this Master Agreement, the provisions of the Banking Code of Practice apply to that Facility.
- 24.2 A copy of the Banking Code of Practice is available at the Australian Banking Association website at www.ausbanking.org.au or on request.

Execution

Executed as an Agreement

Signed for and on behalf of Rabobank Australia Limited by its duly appointed attorneys:

Signature of attorney (I have no notice of revocation of the power of attorney under which I sign this document)

Name of attorney (please print)

Title of attorney (please print)

Date

Signature of attorney (I have no notice of revocation of the power of attorney under which I sign this document)

Name of attorney (please print)

Title of attorney (please print)

Client

Signed for and on behalf of Client by its duly appointed attorney:

Client

Signature of attorney (I have no notice of revocation of the power of attorney under which I sign this document)

Name of attorney (please print)

Title of attorney (please print)

Date

Signature of witness

Name of witness (please print)

Security Provider

Signed for an on behalf of Security Provider by its duly appointed attorney:

Security Provider

Signature of attorney (I have no notice of revocation of the power of attorney under which I sign this document)

Name of attorney (please print)

Title of attorney (please print)

Date

Signature of witness

Name of witness (please print)

All In One Holder

Signed for and on behalf of All In One Holder by its duly appointed attorney:

All In One Holder

Signature of attorney (I have no notice of revocation of the power of attorney under which I sign this document)

Name of attorney (please print)

Title of attorney (please print)

Date

/ /

Signature of witness

Name of witness (please print)

Schedule A

Terms Applicable to Foreign Exchange Facility Transactions and OTC Commodity Facility Transactions

1. Payment Obligations

- 1.1 **Payment obligation:** each of you and us will make each payment:
- (a) specified in a Confirmation; or
 - (b) otherwise specified under or in connection with this Agreement,
- in freely transferable funds on the date and in the manner and Currency agreed under this Agreement or the terms of a Transaction, or if not so agreed as specified by us to you.
- 1.2 **Condition precedent:** each of our obligations to make a payment to you under clause 1.1 of this Schedule is subject to the condition precedent that no event of default (as described in clause 9.1 of this Agreement or event which with the passing of time we consider is likely to become an event of default) has occurred and is continuing.
- 1.3 **1.3 Default Interest:** a party must pay interest in respect of any amounts payable under this Agreement during the period such amounts remain unpaid. Such amounts are payable on demand and will be calculated on the daily balance of the amount owing at the current variable base rate applicable to Rabobank loans. Interest payable under this clause may be capitalised (by adding outstanding interest to the amount due) each 30 days.
- 1.4 **Business Day Convention:** unless we agree otherwise with you, if a payment is required to be made by either you or us under this Agreement on a day which is not a Business Day then the date on which that payment is required to be made will be the first following Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding Business Day.

2. Termination of Transactions

- 2.1 **Adjustment:** If an Adjustment Event occurs in respect of a Transaction under this Schedule, we may with immediate effect, adjust or amend any variable, formula, price or calculation or other term as set out or used in this Agreement or as may otherwise be agreed between you and us in a Confirmation. We will make any such adjustment or amendment for the purposes of putting you and us, as far as possible, in what we consider to be substantially the same economic position as you and we would have been in if the Adjustment Event had not occurred.
- 2.2 **Calculation of Early Close-Out Amount following Termination:**
- We will calculate in good faith a termination payment in Australian dollars based on the mark to market value of each terminated Transaction under this Agreement. The mark to market amount in respect of each terminated Transaction will be determined by reference to either the loss (expressed as a positive number) or the gain (expressed as a negative number) which we consider would be incurred by us in the circumstances prevailing at the time of termination of the Transaction in replacing or providing the economic equivalent of the terminated Transaction or group of terminated Transactions.
- The aggregate of all positive mark to market amounts will be then set off against the aggregate of all the negative mark to market amounts to determine the termination payment. If the resulting amount is a positive amount then you must pay to us the value of this positive amount on account of the termination payment. Alternatively, if the resulting amount

is a negative amount then we will pay to you the absolute value of this negative amount on account of the termination payment.

For the purpose of determining the mark to market value of each terminated Transaction under this Schedule we will have reference to the pricing and valuation models that are (at the time of termination of the relevant Transactions under this Schedule) used by us in valuing transactions between us and unrelated third parties and that are similar to the terminated Transactions or group of terminated Transactions. We may apply different valuation methods depending on the type, complexity, size, number or group of terminated Transactions.

- 2.3 **Termination payments** calculated by us under this clause will be notified to you within 2 Business Days of calculation of such amount and you may request reasonable details about the calculation.
- 2.4 You may be charged an Early Close-Out Amount payment in circumstances including (without limitation) where:
- (a) **either party terminates this Agreement or a Transaction under clause 9 of this Agreement;**
 - (b) **you terminate a Transaction under clause 4.5 of this Agreement; or**
 - (c) **your accounts are combined under clause 17.15 of this Agreement (for example, because you are insolvent).**
- 2.5 Subject to clause 16 of this Agreement, the termination amount is payable:
- (a) if you terminated the Agreement in accordance with clause 2.4(b) of this Schedule, on the day on which the notice of the termination amount is deemed to be given; or
 - (b) otherwise, (including if the Agreement is terminated in accordance with clause 2.4(a) or 2.4(c) of this Schedule), within 14 days from the day on which the notice of the termination amount is deemed to be given.

3. Confirmations

- 3.1 **Confirmations for Foreign Exchange Facility Transactions, Par Forward Contract Transactions and OTC Commodity Facility Transactions:** draft form of Confirmations are contained in Schedules E, F and G. Terms described in the draft confirmation will be agreed between you and us and evidenced in the Confirmation. Some of these terms are also defined in the Glossary section of the PDS.

4. Currencies

- 4.1 **Currencies:** Unless we have notified you otherwise, you may request Foreign Exchange Facility Transactions and OTC Commodity Facility Transactions in any Currency.

5. Term of Transaction

- 5.1 **Term of Transaction for Forward Exchange Contract Transaction:** each Forward Exchange Contract Transaction will commence on the Commencement Date and end on the Value Date.
- 5.2 **Settlement Payments for Forward Exchange Contract Transaction:** at value date an exchange of the principal amounts, as per the confirmation, agreed on the trade date, takes place.
- 5.3 **Term of Transaction for Foreign Currency Option Transaction:** we will grant to you on the Commencement Date in connection with a Foreign Currency Option Transaction a European style put or call Option. You are only entitled to payments under the terms of the Option in accordance with clause 5.4 of this Schedule unless otherwise agreed between you and us.

5.4 Settlement Payments for Foreign Currency Option

Transaction:

(a) Call Options

If you buy a Call Option and at expiry exercise the Option you will buy the nominated call Currency and sell the other Currency.

If you sell a Call Option, at expiry Rabobank may exercise the Option. You would then sell the nominated call Currency and buy the other Currency.

(b) Put Options

If you buy a Put Option and at expiry exercise the Option you will sell the nominated put Currency and buy the other Currency.

If you sell a Put Option, at expiry Rabobank may exercise the Option. You would then buy the nominated put Currency and sell the other Currency.

5.5 Payment of Premium by you for Foreign Currency Option

Transactions: you must pay to us on the Premium Due Date the Premium in respect of a Foreign Currency Option Transaction.

5.6 Type of Transaction for Foreign Currency Collar Transactions:

(a) Exporters/Producers: we will grant to you on the Trade Date in connection with a Foreign Currency Collar Transaction a European style Australian Dollar Call Option and you will grant us a European style Australian Dollar Put Option. You and we are only entitled to payments under the terms of these Options in accordance with clause 5.8 of this Schedule unless otherwise agreed between you and us.

(b) Importers: we will grant to you on the Trade Date in connection with a Foreign Currency Collar Transaction a European style Australian Dollar Put Option and you will grant to us a European style Australian Dollar Call Option. You and we are only entitled to payments under the terms of these Options in accordance with clause 5.8 of this Schedule unless otherwise agreed between you and us.

5.7 Term of Transaction for Foreign Currency Collar Transaction: each Foreign Currency Collar Transaction will commence on the Trade Date and end on the Value Date.

5.8 Settlement Payments for Foreign Currency Collar Transaction:

(a) When you buy a Call Option as part of a Foreign Currency Collar and at expiry exercise the Option, you will buy the nominated call Currency and sell the other Currency. If the Put Option sold as part of the collar is exercised by Rabobank, you will buy the nominated put Currency and sell the other Currency.

(b) When you buy a Put Option as part of a collar and at expiry exercise the Option you will sell the nominated put Currency and buy the other Currency. If the Call Option sold as part of the collar is exercised by Rabobank you will sell the nominated call Currency and buy the other Currency.

5.9 Payment of Premium by you for Foreign Currency Collar Transactions: you must pay to us on each Premium Due Date the Premium in respect of a Foreign Currency Collar Transaction.

5.10 Exercise of Options: each party may exercise an Option on its Expiry Date by providing written notice to the other party, unless you and Rabobank agree that notice may be provided verbally. You acknowledge and agree that the Expiry Date for a Put Option and a Call Option forming part of a Foreign Currency Collar will always be the same date.

Schedule B

Terms Applicable to Commodity Price Swap Transactions and Commodity Price Par Swap Transactions

- 1. Application of Schedule B:** If we have authorised you to enter into Commodity Price Swap Transactions then the terms contained in this Schedule B will apply in respect of those Transactions.
- 2. Confirmations for Commodity Price Swap Transactions:** a draft form of Confirmation for a Commodity Price Swap Transaction is contained in Schedule G. Terms described in the draft confirmation are highlighted in italics below and will be agreed between you and us and evidenced in the Confirmation. These terms are also defined in clause 2 of this Agreement.
- 3. Reference Contracts:** Unless we have notified you otherwise, you may request Commodity Price Swap Transactions with reference to the following commodities futures contracts (these futures contracts are denominated in US dollars, Canadian dollars or euros unless otherwise stated):
 - (a) Intercontinental Exchange – Cotton;
 - (b) Chicago Mercantile Exchange – Wheat;
 - (c) Intercontinental Exchange – Canola (Canadian dollars);
 - (d) Chicago Mercantile Exchange – Corn;
 - (e) Euronext – Rapeseed;
 - (f) Intercontinental Exchange - Sugar;
 - (g) Australian Securities Exchange – Australian Milling Wheat, Western Australian Milling Wheat and Australian Sorghum; or
 - (h) any other contract commodity which we, by issuing a supplementary PDS or replacement Part 1 of the PDS or otherwise notify you in writing is available in respect of Commodity Price Swap Transactions under this Agreement.

The type of futures contract to which a particular type of Commodity Price Swap Transaction relates is referred to as the *Reference Contract* and the exchange on which the *Reference Contract* is traded is referred to as the *Relevant Exchange*.
- 4. Tonnes/Bales:** we will only enter into Commodity Price Swap Transactions with you in respect of metric tonnes/bales of a particular commodity. The number of metric tonnes/bales in respect of a Transaction is referred to as *Number of Tonnes/Bales*.
- 5. Trade Date:** If we enter into a Commodity Price Swap Transaction the date on which we enter into that Transaction is referred to as the *Trade Date*.
- 6. Term of Transaction:** each Commodity Price Swap Transaction will commence on the *Commencement Date* and end on the *Termination Date*.
- 7. Settlement Payments:**
 - (a) We will calculate a Swap Payment Amount in respect of each *Valuation Date* relating to a Commodity Price Swap Transaction.
 - (b) The Swap Payment Amount will be calculated in accordance with following formula:

Swap Payment Amount	=	(Commodity Swap Price – Settlement Reference Price) x No. of Tonnes/Bales
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where *Commodity Swap Price* and *Settlement Reference Price* have the meanings defined in clause 2 of this Agreement.

- (c) A Swap Payment Amount is payable by:
 - (i) Rabobank if the agreed *Commodity Swap Price*

is more favourable to you than the Settlement Reference Price.

(ii) you if the *Commodity Swap Price* is less favourable to you than the Settlement Reference Price.

(d) We will notify you of the Swap Payment Amount no later than 2 Business Days after a *Valuation Date* and you or we (as the case may be) must pay this amount on the *Payment Date* or if no *Payment Date* is agreed between you and us within 2 days after we give this notice.

8. **Relevant Currency:**

- (a) Contracts will generally be denominated and settled in Australian dollars.
- (b) We may agree with you that the *Relevant Currency* for a Commodity Price Swap Transaction is US dollars, Canadian dollars or euros.
- (c) All foreign currency denominated Commodity Price Swap Transactions transacted by you will not be automatically converted to AUD. If you wish to convert these transactions to AUD in order to mitigate the risk of holding the resulting foreign currency position, you will need to also instruct Rabobank to execute a further forward foreign currency transaction on your behalf.
- (d) If the settlement of a Commodity Price Swap Transaction denominated in a foreign currency results in a positive or negative cashflow at the *Valuation Date*, we will convert this into Australian dollars using an exchange rate chosen at our discretion on the *Payment Date*.

as the *Reference Contract* and the exchange on which the *Reference Contract* is traded is referred to as the *Relevant Exchange*.

- 4. **Type of Option:** we will grant to you on the *Commencement Date* in connection with a Commodity Price Option Transaction a European style, cash settled put or call Option. You are only entitled to payments under the terms of the Option in accordance with clauses 8 and 10 of this Schedule unless otherwise agreed between you and us.
- 5. **Tonnes/Bales:** we will only enter into Commodity Price Option Transactions with you in respect of metric tonnes/bales of a particular commodity. The number of metric tonnes/Units in respect of a Transaction is referred to as *Number of Tonnes/Bales*.
- 6. **Trade Date:** If we enter into a Commodity Price Option Transaction the date on which we enter into that Transaction is referred to as the *Trade Date*.
- 7. **Term of Transaction:** each Commodity Price Option Transaction will commence on the *Commencement Date* and will end on the *Termination Date*.
- 8. **Settlement Payments:**
 - (a) If on a *Valuation Date* in respect of a Commodity Price Put Option Transaction the Settlement Reference Price is greater than the *Strike Price* on the *Valuation Date* then:
 - (i) the Option will be out of the money; and
 - (ii) we will not make any payment to you;
 - (b) Alternatively, if on a *Valuation Date* in respect of a Commodity Price Put Option Transaction the Settlement Reference Price is less than the *Strike Price* then we will pay you an Option Payment Amount which we will determine in accordance with the following formula:

Schedule C

Terms Applicable to Commodity Price Option Transactions

- 1. **Application of Schedule C:** If we have authorised you to enter into Commodity Price Option Transactions then the terms contained in this Schedule C will apply in respect of those Transactions.
- 2. **Confirmations for Commodity Price Option Transactions:** a draft form of Confirmation for a Commodity Price Option Transaction is contained in Schedule G. Terms described in the draft confirmation are highlighted in italics below and will be agreed between you and us and evidenced in the Confirmation. These terms are also defined in clause 2 of this Agreement.
- 3. **Reference Contracts:** Unless we have notified you otherwise, you may request Commodity Price Option Transactions with reference to the following commodities futures contracts (these futures contracts are denominated in US dollars, Canadian dollars or euros unless otherwise stated):
 - (a) Intercontinental Exchange – Cotton;
 - (b) Chicago Mercantile Exchange – Wheat;
 - (c) Intercontinental Exchange – Canola (Canadian dollars);
 - (d) Chicago Mercantile Exchange – Corn;
 - (e) Euronext – Rapeseed;
 - (f) Intercontinental Exchange – Sugar;
 - (g) Australian Securities Exchange – Australian Milling Wheat, Western Australian Milling Wheat and Australian Sorghum; or
 - (h) any other contract commodity which we, by issuing a supplementary PDS or replacement Part 1 of the PDS or otherwise notify you in writing is available in respect of Commodity Price Option Transactions under this Agreement.The type of futures contract to which a particular Commodity Price Option Transaction relates is referred to

$$\text{Option Payment Amount} = \frac{[\text{Strike Price} - \text{Settlement Reference Price}] \times \text{Number of Tonnes/Bales}}$$

where *Strike Price* and Settlement Reference Price have the meanings defined in clause 2 of this Agreement.

- (c) If on a *Valuation Date* in respect of a Commodity Price Call Option Transaction the Settlement Reference Price is less than the *Strike Price* on the *Valuation Date* then:
 - (i) the Option will be out of the money; and
 - (ii) we will not make any payment to you;
- (d) Alternatively, if on a *Valuation Date* in respect of a Commodity Price Call Option Transaction the Settlement Reference Price is more than the *Strike Price* then we will pay you an Option Payment Amount which we will determine in accordance with the following formula:

$$\text{Option Payment Amount} = \frac{[\text{Settlement Reference Price} - \text{Strike Price}] \times \text{Number of Tonnes/Bales}}$$

where *Strike Price* and Settlement Reference Price have the meanings defined in clause 2 of this Agreement;

- (e) If we are required to pay an Option Payment Amount to you we will notify you of the Option Payment Amount no later than 2 Business Days after a *Valuation Date* and we will pay this amount to you on the *Payment Date* or if no *Payment Date* is agreed within 2 days after we give this notice.

9. **Relevant Currency:**

- (a) Contracts will generally be denominated and settled in Australian dollars.
- (b) We may agree with you that the *Relevant Currency* for a Commodity Price Option Transaction is US dollars,

Canadian dollars or euros.

- (c) All foreign currency denominated Commodity Price Option Transactions transacted by you will not be automatically converted to AUD. If you wish to convert these transactions to AUD in order to mitigate the risk of holding the resulting foreign currency position, you will need to also instruct Rabobank to execute a further forward foreign currency transaction on your behalf.
 - (d) If the settlement of a Commodity Price Option Transaction denominated in a foreign currency results in a positive or negative cashflow at the *Valuation Date*, we will convert this into Australian dollars using an exchange rate chosen at our discretion on the *Payment Date*.
10. **Payment of Premium by you:** you must pay to us on each Premium Due Date the *Premium* in respect of a Commodity Price Option Transaction. The *Premium* will equal the product of the *Premium per Tonne/Bale* multiplied by the *Number of Tonnes/Bales*.

Schedule D

Terms Applicable to Commodity Price Collar Transactions

1. **Application of Schedule D:** If we have authorised you to enter into Commodity Price Collar Transactions then the terms contained in this Schedule D will apply in respect of those Transactions.
2. **Confirmations for Commodity Price Collar Transactions:** a draft form of Confirmation for a Commodity Price Collar Transaction is contained in Schedule G. Terms described in the draft confirmation are highlighted in italics below and will be agreed between you and us and evidenced in the Confirmation. These terms are also defined in clause 2 of this Agreement.
3. **Reference Contracts:** Unless we have notified you otherwise, you may request Commodity Price Collar Transactions with reference to the following commodities futures contracts (which are denominated in US dollars, Canadian dollars or euros unless otherwise stated):
 - (a) Intercontinental Exchange – Cotton;
 - (b) Chicago Mercantile Exchange – Wheat;
 - (c) Intercontinental Exchange – Canola (Canadian dollars);
 - (d) Chicago Mercantile Exchange – Corn;
 - (e) Euronext – Rapeseed;
 - (f) Intercontinental Exchange - Sugar;
 - (g) Australian Securities Exchange – Australian Milling Wheat, Western Australian Milling Wheat and Australian Sorghum; or
 - (h) any other contract commodity which we, by issuing a supplementary PDS or replacement Part 1 of the PDS or otherwise any other contract commodity which we notify you in writing is available in respect of Commodity Price Collar Transactions under this Agreement.
The type of futures contract to which a particular Commodity Price Collar Transaction relates is referred to as the *Reference Contract* and the exchange on which the *Reference Contract* is traded is referred to as the *Relevant Exchange*.
4. **Type of Option:**
 - (a) Producers: we will grant to you on the *Commencement Date* in connection with a Commodity Price Collar Transaction a European style, cash settled Put Option and you will grant to us a European style, cash settled Call Option. You and we are only entitled to payments

under the terms of these Options in accordance with clauses 8 and 11 of this Schedule unless otherwise agreed between you and us.

- (b) Processors: we will grant to you on the *Commencement Date* in connection with a Commodity Price Collar Transaction a European style, cash settled Call Option and you will grant to us a European style, cash settled Put Option. You and we are only entitled to payments under the terms of these Options in accordance with clauses 9 and 11 of this Schedule unless otherwise agreed between you and us.
5. **Tonnes/Bales:** we will only enter into Commodity Price Collar Transactions with you in respect of metric tonnes/bales of a particular commodity. The number of metric tonnes/bales in respect of a Transaction is referred to as *Number of Tonnes/Bales*.
 6. **Trade Date:** If we enter into a Commodity Price Collar Transaction the date on which we enter into that Transaction is referred to as the *Trade Date*.
 7. **Term of Transaction:** each Commodity Price Collar Transaction will commence on the *Commencement Date* and end on the *Termination Date*.
 8. **Settlement Payments: Producer**
 - (a) If on a *Valuation Date* in respect of a Commodity Price Collar Transaction:
 - (i) the Settlement Reference Price is greater than the *Put Option Strike Price*; and
 - (ii) the Settlement Reference Price is less than the *Call Option Strike Price*, then:
 - (iii) both the Call Option and the Put Option will be out of the money; and
 - (iv) we will not make any payment to you under the Put Option; and
 - (v) you will not be required to make any payment under the Call Option to us.
 - (b) If on a *Valuation Date* in respect of a Commodity Price Collar Transaction the Settlement Reference Price is less than the *Put Option Strike Price* then we will pay you a Collar Payment Amount which we will determine in accordance with the following formula:

$$\text{Collar Payment Amount} = \frac{[\text{Put Option Strike Price} - \text{Settlement Reference Price}]}{\text{Number of Tonnes/Bales}}$$

where *Put Option Strike Price* and Settlement Reference Price have the meanings defined in clause 2 of this Agreement.

- (c) If on a *Valuation Date* in respect of a Commodity Price Collar Transaction the Settlement Reference Price is greater than the *Call Option Strike Price* then you must pay to us a Collar Payment Amount which we will determine in accordance with the following formula:

$$\text{Collar Payment Amount} = \frac{[\text{Settlement Reference Price} - \text{Call Option Strike Price}]}{\text{Number of Tonnes/Bales}}$$

where *Call Option Strike Price* and Settlement Reference Price have the meanings defined in clause 2 of this Agreement.

- (d) If we or you are required to pay a Collar Payment Amount we will notify you of the Collar Payment Amount (and the party liable to make this payment) no later than 2 Business Days after a *Valuation Date* and you or we must make this payment on the *Payment Date* or if no *Payment Date* is agreed by you and us, within 2 days after we give this notice.

9. **Settlement Payments: Processor**

- (a) If on a *Valuation Date* in respect of a Commodity Price Collar Transaction:
 - (i) the Settlement Reference Price is greater than the *Put Option Strike Price*; and
 - (ii) the Settlement Reference Price is less than the *Call Option Strike Price*, then:
 - (iii) both the Call Option and the Put Option will be out of the money; and
 - (iv) we will not make any payment to you under the Put Option; and
 - (v) you will not be required to make any payment under the Call Option to us
- (b) If on a *Valuation Date* in respect of a Commodity Price Collar Transaction the Settlement Reference Price is less than the *Put Option Strike Price* then you must pay to us a Collar Payment Amount which we will determine in accordance with the following formula:

$\text{Collar Payment Amount} = \frac{[\text{Put Option Strike Price} - \text{Settlement Reference Price}] \times \text{Number of Tonnes/Bales}}$

where *Put Option Strike Price* and Settlement Reference Price have the meanings defined in clause 2 of this Agreement.

- (c) If on a *Valuation Date* in respect of a Commodity Price Collar Transaction the Settlement Reference Price is greater than the *Call Option Strike Price* then we will pay you a Collar Payment Amount which we will determine in accordance with the following formula:

$\text{Collar Payment Amount} = \frac{[\text{Settlement Reference Price} - \text{Call Option Strike Price}] \times \text{Number of Tonnes/Bales}}$
--

where *Call Option Strike Price* and Settlement Reference Price have the meanings defined in clause 2 of this Agreement.

- (d) If we or you are required to pay a Collar Payment Amount we will notify you of the Collar Payment Amount (and the party liable to make this payment) no later than 2 Business Days after a *Valuation Date* and you or we must make this payment on the *Payment Date* or if no *Payment Date* is agreed by you and us, within 2 days after we give this notice.

10. **Relevant Currency:**

- (a) Contracts will generally be denominated and settled in Australian dollars.
- (b) We may agree with you that the *Relevant Currency* for a Commodity Price Collar Transaction is US dollars, Canadian dollars or euros.
- (c) All foreign currency denominated Commodity Price Collar Transactions transacted by you will not be automatically converted to AUD. If you wish to convert these transactions to AUD in order to mitigate the risk of holding the resulting foreign currency position, you will need to also instruct Rabobank to execute a further forward foreign currency transaction on your behalf.
- d) If the settlement of a Commodity Price Collar Transaction denominated in a foreign currency results in a positive or negative cashflow at the *Valuation Date*, we will convert this into Australian dollars using an exchange rate chosen at our discretion on the *Payment Date*.

- 11. **Payment of Premium by you:** you must pay to us on each Premium Due Date the *Premium* in respect of a Commodity Price Collar Transaction. The *Premium* will equal the product of the *Premium per Tonne/Bale Unit* multiplied by the *Number of Tonnes/Bales*.

Schedule E

Draft Form of Confirmation for A Forward Exchange Contract or A Par Forward Contract*

*Please note that the actual terms for a Transaction which are agreed between you and us may vary from those described below.

[Letterhead of Rabobank Australia Limited]

Date: [insert date]

To: [insert name]

CONFIRMATION OF FORWARD EXCHANGE CONTRACT TRANSACTION

This document is a “Confirmation” for the purposes of the Agreement between [insert name of counterparty] (“you”) and Rabobank Australia Limited dated [insert date]. It confirms the terms and conditions of a [Forward Exchange Contract/Par Forward Contract] Transaction which was entered into between you and us on the Trade Date below.

IMPORTANT: Please check this Confirmation carefully and immediately on receipt so that any errors or discrepancies can be identified and rectified.

In the event of any inconsistency between the provisions of the Agreement and this Confirmation the terms of this Confirmation will prevail.

We are pleased to confirm our foreign exchange deal as follows:

Amount we purchased:

Amount we sold:

Trade Date:

Value Date [s]:

On [each] value date please credit our account with: [Bank] [Account number]	On [each] value date we shall pay your account with:
	From our account with: [Bank]

Please check the details above.

You must within 2 Business Days of receiving this Confirmation either sign and return it to us or, if it contains an error, notify us of the error.

Yours sincerely,

For and on behalf of Rabobank Australia Limited

By: _____

Name:

Title:

Confirmed as of the date of this document

[insert name of customer]

By: _____

Name:

Title:

Date:

I confirm that I have been appointed as an Authorised Person of [insert name of customer] in accordance with the terms of the Agreement and that to the best of my knowledge this appointment has not been revoked.

Schedule F

Draft Form of Confirmation* for Foreign Currency Option or Foreign Currency Collar Transaction

*Please note that the actual terms for a Transaction which are agreed between you and us may vary from those described below.

[Letterhead of Rabobank Australia Limited]

Date: [insert date]

To: [insert name]

CONFIRMATION OF [FOREIGN CURRENCY OPTION / FOREIGN CURRENCY COLLAR] TRANSACTION

This document is a “Confirmation” for the purposes of the Agreement between [insert name of counterparty] (“you”) and Rabobank Australia Limited dated [insert date]. It confirms the terms and conditions of a [Foreign Currency Option Transaction / Foreign Currency Collar Transaction] which was entered into between you and us on the Trade Date below.

IMPORTANT: Please check this Confirmation carefully and immediately on receipt so that any errors or discrepancies can be identified and rectified.

In the event of any inconsistency between the provisions of the Agreement and this Confirmation the terms of this Confirmation will prevail.

We confirm selling to you the following Currency Option:

Trade Date: []

Currency Option Style: European

If exercised the Bank will:

Buy: []

Sell: []

Strike Price [delete if Confirmation does not relate to a Foreign Currency Option Transaction]

Put Option Strike Price: [delete if Confirmation does not relate to a Foreign Currency Collar Transaction]

Call Option Strike Price: [delete if Confirmation does not relate to a Foreign Currency Collar Transaction]

Option Expiration Date: []

Option Expiration Time: 15:00 Tokyo Time

Value Date: [2 Business Days following Option Expiration Date]

Premium amount receivable: []

Premium Currency: []

Premium Due Date: [2 Business Days following Trade Date]

You must within 2 Business Days of receiving this Confirmation either sign and return it to us or, if it contains an error, notify us of the error.

Authorised:

By: _____

Name:

Title:

Date:

Confirmed as of the date of first written above:

[insert name of customer]

By: _____

Name:

Title:

Date:

I confirm that I have been appointed as an Authorised Person of [insert name of customer] in accordance with the terms of the Agreement and that to the best of my knowledge this appointment has not been revoked.

Schedule G

Draft Form of Confirmation* for Commodity Price Swap Transaction/Commodity Price Par Swap Transaction/Commodity Price Option Transaction/Commodity Price Collar Transaction

*Please note that the actual terms for a Transaction which are agreed between you and us may vary from those described below.

[Letterhead of Rabobank Australia Limited]

Date: [insert date]

To: [insert name]

CONFIRMATION OF [COMMODITY PRICE SWAP TRANSACTION/COMMODITY PRICE PAR SWAP TRANSACTION/COMMODITY PRICE OPTION TRANSACTION/COMMODITY PRICE COLLAR TRANSACTION]

This document is a “Confirmation” for the purposes of the Agreement between you and Rabobank Australia Limited (“Agreement”). It confirms the terms and conditions of a [Commodity Price Swap Transaction/Commodity Price Par Swap Transaction/Commodity Price Option Transaction/Commodity Price Collar Transaction] which was entered into between you and us on the Trade Date below.

IMPORTANT: Please check this Confirmation carefully and immediately on receipt so that any errors or discrepancies can be identified and rectified.

In the event of any inconsistency between the provisions of the Agreement and this Confirmation the terms of this Confirmation will prevail.

We are pleased to confirm that the terms of the [Commodity Price Swap Transaction/Commodity Price Par Swap Transaction/Commodity Price Option Transaction/Commodity Price Collar Transaction] to which this Confirmation relates are as follows:

Trade Date:	[]
Commencement Date:	[]
Termination Date:	[]
Reference Contract:	[]
Relevant Exchange:	[]
AUD Conversion Rate:	[]
Commodity [Par] Swap Price:	[] per tonne/bale delete if Confirmation does not relate to a Commodity Price [Par] Swap Transaction]
Fixed Price Payer:	delete if Confirmation does not relate to a Commodity Price [Par] Swap Transaction
Variable Price Payer:	delete if Confirmation does not relate to a Commodity Price [Par] Swap Transaction
Strike Price:	[[] per tonne/ bale] delete if Confirmation does not relate to a Commodity Price Option Transaction]
Call/ Put Option Buyer:	delete if Confirmation does not relate to a Commodity Price Option or Collar Transaction
Call/ Put Option Seller:	delete if Confirmation does not relate to a Commodity Price Option or Collar Transaction
Put Option Strike Price:	[[] per tonne] delete if Confirmation does not relate to a Commodity Price Collar Transaction]
Call Option Strike Price:	[[] per tonne Unit] delete if Confirmation does not relate to a Commodity Price Collar Transaction]
Payment Date:	[2 Business Days following notification of the [Swap Payment Amount/ Option Payment Amount / Collar Payment Amount by us to you/ or specify other date]
Unit:	[tonne/bale]
Number of Tonnes/ Bales:	[/ See table]
Relevant Currency:	[Australian dollars/ US dollars/ Canadian dollars]
Valuation Date(s):	[/ See table]
Premium:	[]
Premium per Tonne/bale:	[]

Premium Payment

Date(s): []

Security:

Your obligations and any amounts which you are required to pay to us under or in connection with this Transaction are secured liabilities to us under your loan contract with Rabobank Australia Limited and may be satisfied from the secured property provided under that Security.

You must within 2 Business Days of receiving this Confirmation either sign and return it to us or, if it contains an error, notify us of the error.

Yours sincerely,

For and on behalf of Rabobank Australia Limited

By: _____

Name:

Title:

Date:

Confirmed as of the date of this document

[insert name of customer]

By: _____

Name:

Title:

Date:

I confirm that I have been appointed as an Authorised Person of [insert name of customer] in accordance with the terms of the Agreement and that to the best of my knowledge this appointment has not been revoked.

Schedule H

Details of the Agreement

1. Effective Date

Effective Date

2. Client

Name

3. All In One holder/Rural Term Loan Facility holder (delete as applicable) where the holder is the same as the Client

Name

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Issuer: Rabobank Australia Limited

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Sydney NSW 2000
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