

WAFarmers WHEAT POOL

Current as at 8 January 2009. Note these terms and conditions may be varied as set out below

TERMS AND CONDITIONS

Introduction

Emerald, as manager of the WAFarmers Wheat Pool, offers the WAFarmers Wheat Pool to members of WA Farmers. Pools involve the acquisition by Emerald of Wheat from multiple suppliers. Emerald arranges sale of the Wheat over time, and, after adjustments, returns the net average sale proceeds to all suppliers.

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

Please Read these terms and conditions carefully and ensure that You understand Your entitlements and obligations when entering into a Pool Contract or delivering into the WAFarmers Wheat Pool. If You are uncertain please contact Emerald on 08 9432 5503

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

Estimated Pool Returns quoted at silos are estimates only, based on the delivery of a particular grade and quality to that silo. Your return will vary depending on the payment option selected and any finance costs, the actual grade and quality of Your delivered Wheat compared to the applicable receival standards and payment grades. Emerald does not warrant that the Pool Return will equal the Estimated Pool Return, or any other amount. You should be aware that Wheat markets are influenced by a number of factors and can be volatile in nature. Consequently, Wheat values will have the propensity to fluctuate throughout the life of the WAFarmers Wheat Pool.

The Agreement

Whenever You (or Your agent, for example Your advisor) enter into a Pool Contract Emerald has accepted your offer to sell the quantity of Wheat for the Consideration and You are deemed to have accepted, in respect of that Pool Contract, these Terms and Conditions.

Delivery Requirements

Subject to meeting the delivery requirements (including WAFarmers financial membership, grade and quality specifications), and while the WAFarmers Wheat Pool remains open, delivery and therefore transfer of title and risk of physical loss occurs:

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

Physical deliveries must be made on a load by load basis with individual quality data provided for each load.

Emerald, following consultation with WAFarmers, may not accept certain grades of Wheat into WAFarmers Wheat Pool. The decision of what grades may be accepted into WAFarmers Wheat Pool is entirely at Emerald's discretion.

Any person delivering using Your card, CBH grower number, or utilising 'Load Net' internet login and transfer facility, is deemed to be Your agent with full authority to transfer Your Wheat to the WAFarmers Wheat Pool based on these Terms and Conditions.

Weight

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

Pesticide Residues

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

Pool Opening and Closing

Emerald may open and close the WAFarmers Wheat Pool at any time without any prior notice. WAFarmers Wheat Pool closure dates may vary across port zones, at Emerald's discretion, depending on prevailing market conditions. If You have entered a Pool Contract, You are required to deliver to the WAFarmers Wheat Pool notwithstanding the Pool may have closed subject always to the Access Contract provisions set out below.

Access Contract

Emerald may enter into an Access Contract with You to provide you with guaranteed access to the WAFarmers Wheat Pool for a specified quantity of Wheat notwithstanding that Emerald has closed the WAFarmers Wheat Pool.

If you enter into an Access Contract and Emerald closes the WAFarmers Wheat Pool, You have 7 days to notify Emerald in writing that You will convert the Access Contract to a Fixed Volume Contract. Emeralds WA Fax number is (08) 9432 5566. If Emerald has not been notified within 7 Days of closing the WAFarmers Wheat Pool, the Access Contract expires and Your right to guaranteed access to deliver to the WAFarmers Wheat Pool ceases.

Pool Return

Emerald will pay You the Consideration for the sale and delivery of the Wheat adjusted for any quality and grade variations and less any Fees. The Pool Return is calculated following finalisation of the WAFarmers Wheat Pool having taken into account all Fees, duties and costs. Emerald must apply Your Pool Return as follows:

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

Fixed Contract Premium

Emerald may provide You with a Fixed Contract Premium in addition to the Pool Return. Any Fixed Contract Premium must be specified in the Pool Contract. Where a Fixed Contract Premium is set out in the Pool Contract, Emerald will pay Consideration to You that is the Pool Return plus the Fixed Contract Premium. Emerald will not pay a Fixed Contract Premium to You except where specified in a Pool Contract.

Payments and Loans

The WAFarmers Wheat Pool offers a range of payment choices, which includes Loans, Advances and Distributions. You can nominate a payment choice on the applicable Pool Contract, Payment Form, or at Your point of delivery. Your payment choices are set out on the Pool Contract and Payment Form, and the details of each are contained in the schedules to these Terms and Conditions. Additionally you can elect to have your WAFarmers membership fees paid out of the payments owing to You.

Deductions

Unless otherwise stated Emerald may deduct, prior to calculating Your WA Farmers Wheat Pool payments, fees as set out above, all receival, transport, transfer, storage, handling, outturn, distribution, finance, underwriting and interest charges and compulsory levies applicable to Your WA Farmers Wheat Pool deliveries. WA Farmers Wheat Pool payments for all suppliers will be net of any fees, selling costs and expenses incurred by the WA Farmers Wheat Pool from time to time.

BuyBack

A BuyBack may be available to You during the BuyBack Period, regardless of the Pool payment option chosen by You. You may apply to Emerald for a BuyBack during the BuyBack Period, on the following conditions:

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

Fees

Emerald will, at its discretion, deduct fees from the WA Farmers Wheat Pool. Prescribed fees that may be deducted from the WA Farmers Wheat Pool are set out below, including the maximum fee amounts.

- a) An administration and management fee of 2.20% of the Pool Return. Please note that it will not be deducted from the Estimated Pool Return as the Estimated Pool return is net of the administration and management fees. If the Estimated Pool Return alters after the first payment so that the Estimated Pool Return at the time that a fee was deducted and the Pool Return are not equal, settlement will be made in the last WA Farmers Wheat Pool payment to ensure that the fee is reflective of the Pool Return at completion of the WA Farmers Wheat Pool.
- b) An out-performance fee amounting to 20% of the amount over and above the Benchmarks at completion of the WA Farmers Wheat Pool, as per the following calculation:

$$\text{Out-performance Fee} = \text{Pool Return} - \text{Benchmark} \times \frac{\text{Total Pool Tonnage}}{\text{Total Pool Tonnage}} \times 20\%$$
- c) Where a Buyback is agreed by Emerald and You, a \$500 administration fee applies to this service.
- d) A Cancellation Fee determined by Emerald will be payable if you fail to deliver the Wheat in accordance with Your Pool Contract.
- e) An Underwriting Fee as determined by Emerald may be payable depending on the payment option selected by You. Refer to the details of the payment options set out in the schedules.

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

Underwriting

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

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

Substantial Production Failure

The Maximum Cancellation Fee will only be available where You can demonstrate Substantial Production Failure to the satisfaction of Emerald. Where You claim Substantial Production Failure, You must provide a statutory declaration to Emerald setting out:

- a) the your estimate average district production over the last 5 years and Your average production over the last 5 years;
- b) your actual or estimated annual production for the 2008/09 season; and
- c) the tonnes required under Your Pool Contract and the total tonnes that you have available to deliver.

If, on receipt of the statutory declaration, Emerald is not satisfied with the information contained in the statutory declaration provided, Emerald may, at Your cost, engage an independent agronomist to assess Your production and provide a report assessing if there is Substantial Production Failure. The report of the independent agronomist is conclusive evidence of the production that You have had and will be the used to determine if satisfy You have satisfied the requirement for Substantial Production Failure

Crop Liens and Other Encumbrances

You agree to notify Emerald if a crop lien or any other encumbrance exists over the Wheat, or over the proceeds of sale of the Wheat, that You deliver to Emerald. Emerald may deduct from any payments due to You any amounts required to satisfy liens and encumbrances granted by You over the Wheat You have delivered to the WA Farmers Wheat Pool.

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

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

Right of Set-off

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

Trade Rules

These Terms and Conditions expressly incorporate the Trade Rules of the National Agricultural Wheat Marketing Association Ltd (NACMA) in effect at the time You enter into a Pool Contract or deliver Wheat to the WAFarmers Wheat Pool, except to the extent of any inconsistency, in which case these Terms and Conditions will prevail. The Trade Rules form an integral part of these Terms and Conditions and both parties agree to be bound by them.

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

Force Majeure

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

Representations

You represent and warrant now and at the time of each delivery to the WA Farmers Wheat Pool that:

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

Indemnities and Limitation of Liability

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

Emerald will not be liable for any contingent, consequential, direct or indirect, special or punitive damage, whether arising as a result of Emerald's negligence or otherwise, and You acknowledge this express limit of liability and agree to limit any claim accordingly. No other term, condition, agreement, warranty, representation or understanding, whether express or implied, other than these Terms and Conditions, or any other term by which Emerald agrees to be bound in writing, is made or given.

Sharefarmers

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

You must notify Emerald immediately if:

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

Certificates

Emerald may from time to time provide you with a certificate or notice of a matter or an amount payable in relation to Your Pool Contract or delivery to the WA Farmers Wheat Pool. A certificate provided by Emerald is sufficient evidence of the matter or amount payable, unless it is proven to be incorrect.

Tax

Unless otherwise stated, all WA Farmers Wheat Pool payment declarations and estimates are quoted exclusive of GST.

Emerald does not warrant the tax effect or timing of assessability of income that results from any payment made or owing in connection with the WA Farmers Wheat Pool. You should obtain Your own advice regarding these matters.

Communication

All communications in connection with these Terms and Conditions must be in writing and sent to Emerald.

Emerald's address is:

Level 3, 20 Council Street,
Hawthorn East, Victoria, 3123

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

Waiver

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

Severability

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

Assignment and Variation

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

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

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

Applicable Law

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

Schedule 1: Definitions

In these terms and conditions, unless otherwise stated:

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

Access Contract means a Pool Contract where Emerald will provide You will a right to deliver Wheat to the WAFarmers Wheat Pool, notwithstanding that the WAFarmers Wheat Pool may have already closed.

Benchmarks means the benchmarks for WAFarmers Wheat Pool performance as published by Emerald, which for 2008 season will be AWB Western Pool, and compared on APW net of any adjustments, including but not limited to, protein, moisture, screenings and test weight adjustments.

Buy Back means the process where Emerald may accept a request from You to buy back the future entitlement to Consideration from the WA Farmers Wheat Pool.

Buy Back Period means the period of:

- (a) Pre-seeding BuyBack, being the month of April only; or
- (b) Spring BuyBack, being the month of September only.

Cancellation Fee means the fee payable by You for cancelling a Pool Contract or failing to deliver under the terms of a Pool Contract, being:

- (a) the amount determined by Emerald as the reasonable cost resulting from such cancellation or non-delivery of the Fixed Volume Contract (where possible calculated by Emerald by reference to the price of acquiring the same or similar Wheat as specified in the Fixed Price Contract in the same or similar location together with any associated costs);
- (b) if there is a Maximum Cancellation Fee specified in the Fixed Volume Contract, that Maximum Cancellation Fee, provided always that the Maximum Cancellation Fee is only available where You are able to demonstrate Substantial Production Failure to Emerald's satisfaction;
- (c) for any Hectare Contract, unless You are able to demonstrate Substantial Production Failure, in which case Emerald will waive any Cancellation Fee, an amount determined by Emerald, not exceeding \$4 per tonne, where the tonnes are calculated by multiplying Your yield by the hectares specified in the Hectare Contract; or
- (d) for any Access Contract, no Cancellation Fee is payable, unless that contract converts to a Fixed Volume Contract in which case the Cancellation Fee will be determined in accordance with (a) above.

Consideration means the amount paid, or to be paid, to You for the Wheat delivered to the Pool, being the total tonnage delivered multiplied by the Pool Return.

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

Fixed Contract Premium means the premium payable to You above the Pool Return, being the amount specified as the Fixed Contract Premium in the Pool Contract.

Emerald means Emerald Group Australia Pty Ltd (ABN 82 109 203 054).

Estimated Pool Return means the estimate by Emerald of the Gross Pool Return on finalisation of the Pool, being the Free On Board (FOB) equivalent estimated return for the Pool.

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

Fixed Volume Contract means a Pool Contract where You agree with Emerald to deliver the Wheat specified in the contract to the WAFarmers Wheat Pool.

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

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Hectare Contract means a Pool Contract where You agree with Emerald to deliver the Wheat produced from the hectares specified in the contract to the WAFarmers Wheat Pool, with the maximum quantity of Wheat to be delivered calculated by multiplying the hectares by the anticipated yield.

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

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

Maximum Cancellation Fee means the maximum cancellation fee specified on a Pool Contract, if any.

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

Pool Contract means the WAFarmers Wheat Pool contract between Emerald and You for the delivery of Wheat into WAFarmers Wheat Pool, and may include:

- (a) Hectare Contracts;
- (b) Fixed Volume Contracts; or
- (c) Access Contracts.

Pool Return means the amount per tonne calculated by Emerald as the return to each supplier to the WA Farmers Wheat Pool, including You, following the finalisation of the WA Farmers Wheat Pool.

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

Substantial Production Failure means where production is 45% or less of Your average production.

Terms and Conditions means these terms and conditions.

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

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

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

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

WA Farmers Wheat Pool means the WA Farmers Wheat Pool that You have delivered the Wheat to.

WA Farmers means the Western Australian Farmers Federation Incorporated and located at Ground Floor, 28 Thorogood Street, Burswood in the State of Western Australia.

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

Schedule 2: Loans (Harvest / Flexible)

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

Emerald's Loan payment options are the harvest loan and the flexible loan. If You deliver the Wheat to WA Farmers Wheat Pool and nominate either Loan payment option You have nominated to receive a loan against the value of the estimated distribution payments of the WA Farmers Wheat Pool, at the time the loan is made.

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

The harvest loan provides for a loan at harvest of the Harvest Payment amount. The harvest loan can be increased by a top up in February 2009 and further increased in July 2009. Final payment will be in May 2010 and will be adjusted to take into account any variation from the Estimated Pool Return and the Pool Return on finalisation of the WA Farmers Wheat Pool. Underwriting is provided as set out below.

The flexible loan provides for a loan at harvest determined by You of up to the Harvest Payment amount. The flexible loan can be increased by a top up in February 2009 and further increased in July 2009. Final payment will be in May 2010 and will be adjusted to take into account any variation from the Estimated Pool Return and the Pool Return on finalisation of the WA Farmers Wheat Pool.

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

Emerald is not responsible to You for any loss suffered because of delay in payment of a Pool distribution.

Emerald does not guarantee to meet the payment timings nominated for the relevant Pool product as set out in the schedule.

Underwriting

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

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

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

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

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

Schedule 3: Advance (Harvest / Deferred)

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

Emerald's advance payment options are the harvest advance and the deferred advance.

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

The harvest advance provides for an advance at harvest of the Harvest Payment amount. The harvest advance may be increased by a top up in February 2009 and further increased in July 2009. Final payment will be in May 2010 and will be adjusted to take into account any variation from the Estimated Pool Return and the Pool Return on finalisation of the Pool. Underwriting is provided as set out below.

The deferred payment advance provides for payment of up to the Harvest Payment amount in July 2009. Final payment will be in May 2010 and will be adjusted to take into account any variation from the Estimated Pool Return and the Pool Return on finalisation of the Pool. Underwriting is available for this payment option.

Emerald is not responsible to You for any loss suffered because of delay in payment of a WA Farmers Wheat Pool distribution.

Emerald does not guarantee to meet the payment timings nominated for the relevant payment option selected by You.

Prompt Payment Guarantee

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

Underwriting

Unless otherwise agreed with Emerald, Underwriting is provided for the harvest advance and it is available for the deferred advance, but not provided unless requested by You. You will need to notify Emerald in writing if you have selected the deferred advance and You want Underwriting to be provided to You. If for any reason Underwriting is not provided, You accept the risk that You may have to repay any advances and acknowledge that Emerald will have full recourse against You to recover any shortfall in the event that the total Consideration is insufficient to entirely repay the advances made to you by Emerald.

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

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

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

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

Schedule 4: Distributions (Standard / Single)

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

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

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

Standard

The standard distributions payment option provides for payments to be made in April 2009, July 2009, October 2009, January 2010 and a final payment in May 2010. No underwriting is available.

Single

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

Emerald is not responsible to You for any loss suffered because of delay in payment of a Pool distribution.

Emerald does not guarantee to meet the payment timings nominated for the relevant Pool product or distribution option selected by You.