

### Analysis of Variations Between Current (3<sup>rd</sup> June 2009) and New (1<sup>st</sup> October 2009 Onwards) Versions

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GrainCorp has made a range of changes to the Port Terminal Protocols (PTP's) since the version published on 3<sup>rd</sup> June 2009. The key changes are described below:

- Exporters are now able to apply to book cargos up to 12 months ahead (up to 30<sup>th</sup> September 2010).
- All Cargo Nomination Applications (CNA's) are placed on the shipping stem the next business day following receipt, noted as 'pending acceptance.'
- Previously, CNA's were placed on the shipping stem on acceptance, which may be 5 days after receipt.
- The requirement for a 14 day 'load laycan' in Clause 1.3.3 of the current PTP's has been removed.
- A new Clause (2.4) has been added to the PTP's to allow for a variation to the 28 day minimum notice period for cargo nominations should circumstances arise that require such action.
- The information a Client must provide in a Cargo Nomination Application is less onerous and now focuses on
  - Requested Elevation Period,
  - Required port or ports,
  - Cargo specification, commodity, grades.
- A CNA no longer requires a customer to provide 'proof of ownership' of grain (Cls. 1.3.4 and 1.3.5 of the current PTP's).
- The requirement to provide advice in a CNA on the fumigation status of grain has been removed. This is now covered in the Site Assembly planning process.
- The Assessment process is much more clearly defined and transparent (Clause 6) and is no longer referred to as a 'risk assessment'. It is now the assessment of a Cargo Booking.
- GrainCorp will notify an applicant of a decision to accept or reject a cargo nomination application on the day the decision is made. GrainCorp will provide notice in writing of the decision. Clause 7 of the new PTP's.
- A new Acknowledgement of Acceptance of a Cargo Booking process has been inserted (Clause 8). The applicant has 2 business days in which to acknowledge GrainCorp's acceptance of a cargo booking and to agree to the relevant booking fee and invoicing terms. Exporters have to pay cargo booking invoices within 7 days of receipt. Failure to do so will lead to loss of any cargo booking.
- New invoicing terms contained within the Pricing Schedule ease potential cashflow problems for exporters booking up to 12 months ahead. Exporters are invoiced for the 3 months of cargo bookings, and then monthly for 2 months hence.
- Under the previous protocols, GrainCorp assigned a Load Date at the time of completion of the Risk Assessment. Under the new protocols, the Client may, at any time after completion of a Cargo Nomination Assessment, but no later than 21 days prior to the estimated time of arrival (ETA) of the vessel, submit to GrainCorp an ETA Nomination. GrainCorp will assign a Load Date based on the Client's ETA Nomination. This provides the Client with more flexibility and does not disadvantage it.
- The minimum time by which a Client must submit a Vessel Nomination is reduced from 21 days prior to the first date of the Load Laycan to 10 days prior to the date of the nominated ETA. (Clause 11). The information required is less than that under the current Clause 3.
- Exporters can now seek / apply for variations of the ETA 21 day notice period and the 10 day vessel nomination period. Clause 12. No provision is made for such variations in the current protocols.

- Under the previous protocols, a Client could substitute a nominated vessel for the same cargo (+/- 5% tolerance on cargo tonnes) without being required to pay a new Booking Fee. Under the new protocols, the tolerance has been increased to +/- 10%.
- A clear timeframe has been inserted into the processes relating to changing a Load Port, which is now a minimum of 21 days from the ETA. The penalty of forfeit of the booking fee and requirement to submit a new CNA has been removed.
- The process of making changes to the Vessel Loading Order has been clarified and defined in Clause 16, including a new requirement on the part of GrainCorp to notify all affected parties of changes to Loading Order, and the reason for such changes.
- The process for managing two port loading has been clarified (Clause 17), including clear definitions of what occurs to vessel loading order at the first and second ports should delays be experienced, according to who is responsible for delays.
- The matter of accumulating cargos from non GrainCorp storages has been clarified in Clause 19.
- Clause 20 clarifies that GrainCorp does not undertake to provide transport services or cargo assembly as a component of accepting a cargo booking.
- The process of calling a vessel to the berth and authorising commencement of loading (Authority to Load) has been clarified in Clause 22.
- The responsibility of the exporter for cargo assembly is clearly defined in clauses 20 and 24.1. The remainder of Clause 24 is consistent with Clause 11 of the current PTP's.
- Where a customer has failed to accumulate sufficient grain at a terminal to complete loading of a vessel by the assigned load date, they may approach other exporters and attempt to procure sufficient grain from them to finalise cargo assembly. Clause 25 sets out clearly the protocol for this activity.
- Exporters will, from examination of the shipping stem, be able to determine if other exporters are accumulating cargos of a similar commodity at a terminal. The exporter can then approach another exporter(s) to see if they can swap stock.
- GrainCorp will not undertake this process for an exporter and will not reveal to any exporter (including GrainCorp Trading) the grade and tonnage details of other exporters cargos held at port pending elevation.
- The process for managing Late or Cancelled vessels has been simplified in Clause 26.
  - It is worth noting that the penalty for cancelling a vessel is the same as that in the current protocols, loss of booking fee and Assigned Load Date.
  - A penalty of this sort is required to prevent an individual exporter, or a number of exporters, from placing speculative cargo nominations on the shipping stem, and then cancelling them later (gaming of the shipping stem). Such actions would be unfair to all port terminal users.
- Clauses 27 and 28 clearly spell out the liability of GrainCorp for the failure of grain from GrainCorp storage, and from non GrainCorp storages, to meet relevant quality specification.
- The treatment or fumigation history of grain, and related requirements, is now clearly described in Clause 29.
- Clause 30 clearly describes the requirement for a Clearance Certificate for grain that has been fumigated.
- The provisions for Residual Grain left at a port terminals have not been materially altered.
- The Dispute Resolution clause (32) has been clarified and aligned with that contained within the BWPTS.