



GrainCorp Wheat Pre Harvest Pools 2010-11 Terms and Conditions

1. TERMS AND CONDITIONS

By signing the "GrainCorp Pools Contract" document, the Seller defined therein (or its agent) confirms that s/he has received, read and understood the import of the said document and these GrainCorp Wheat Pre Harvest Pools 2010-11 Terms and Conditions ("Terms and Conditions") and accepts that it has entered into a legally binding contract. If signed by the Seller's agent, the agent warrants that s/he is duly authorised by the Seller to enter into this Contract on its behalf. Where the Seller comprises more than one party, all such parties shall be jointly and severally liable under the Contract.

2. DEFINED TERMS

Terms which are defined or used and described on the front page of the "GrainCorp Pools Contract" document have the same meaning in these Terms and Conditions. Further terms used in the Contract are defined as follows:

Adjustment Factor: means the net profit or loss resulting from any hedging or other trading in financial instruments or other contracts undertaken by GrainCorp in relation to the Pool after deduction of all Expenses and Levies authorised under the Contract, divided by the total number of tonnes of Grain in the Pool.

Expenses: include but are not limited to any brokerage, hedging costs, freight costs, insurance, interest, storage or handling fees or other costs, Levies, charges or expenses, including the financing of the Pool operations, and any administrative costs which will be deducted by GrainCorp from any payment made to the Seller under the Contract. Expenses will be reflected in the Final Pool Return to the Seller and may be deducted at one time or in instalments from any payments to be made to the Seller under the Contract.

Estimated Pool Return: means GrainCorp's estimated value per metric tonne of the value of all Grain delivered to the relevant Pool, which is communicated to the Seller on a Free On Board ("FOB") basis, per INCOTERMS 2000. GrainCorp gives no warranty as to the accuracy of the estimate or level of the Final Pool Return.

First Payment Price: means GrainCorp's estimate of the Final Pool Return as stated on the Remittance Advice under "First Payment Price".

Final Payment: means the amount to be paid to the Seller at the finalisation of the Pool (after deductions for Expenses and the application of the Adjustment Factor).

Final Pool Return: means the FOB price per metric tonne received by GrainCorp on the disposal of the all the grain in the Pool less any Expenses and Levies, to be paid by GrainCorp to the Seller for the Grain, adjusted by the Adjustment Factor.

Grain: means the commodity described on the front page of the "GrainCorp Pools Contract" document.

Harvest Payment Option: means that the Seller has accepted a payment option with an initial advance of 70% of the First Payment Price less all estimated Expenses, paid within 21 days from the end of week of delivery of the Grain, and the remaining value of the Grain paid to the Seller by the end of July 2011.

Levies: means any industry, statutory or government levies including, without limitation, any endpoint royalties (plus GST) relating to the Grain.

Pool: means the GrainCorp Pool listed on the front page of the "GrainCorp Pools Contract" document.

Remittance Advice: means the document GrainCorp provides to the Seller after delivery of the Grain, confirming the payment.

Single Sum Payment: means that the Seller has accepted a payment option of 100% of the Final Pool Return less all Expenses, paid by GrainCorp by the end of July 2011.

3. PURPOSE

This Contract requires the Seller to commit to and then deliver the Quantity and Quality of the Grain to the Pool operated by GrainCorp within the Delivery Period. In return, GrainCorp will pay the Seller as set out in the payment terms below.

4. DELIVERY INTO POOL

A delivery of Grain in accordance with this Contract takes place when:

- (i) The Grain is physically delivered to the Delivery Location or other approved GrainCorp storage site; or
(ii) If Grain is to be transferred in-store, when the necessary warehouse transfer has been effected.

The Seller warrants:

- (i) that all deliveries of the Grain shall meet the receival standards required by GrainCorp as at the time of delivery and will, at all times, comply with the requirements on the front page of the "GrainCorp Pools Contract" document; and
(ii) all Grain delivered will comply with all applicable State and Federal pesticide legislation, rules, regulations or standards.

The Seller agrees that it shall be liable to GrainCorp for any cost, loss or any claim whether directly or indirectly suffered by or made against GrainCorp in connection with any failure on the part of the Seller in respect of the abovementioned warranties in its delivery of Grain to GrainCorp. The Seller further agrees to fully indemnify GrainCorp for any losses arising from any contamination of, or caused by the Seller's Grain, any loss of the Grain, or the any other losses arising from the Seller's breach of the Contract.

5. TITLE TO GRAIN AND RISK

Title to the Grain delivered pursuant to the above clause, and physical risk for same, shall pass to GrainCorp when GrainCorp accepts delivery of the Grain. If the Grain is lost, damaged or destroyed in whole or in part while in GrainCorp's sole possession and due to GrainCorp's negligence, the Seller's right and entitlements shall be limited and in no circumstances exceed the Final Payment.

The Seller warrants that the Grain was produced by the Seller in the ordinary course of its business and that no person other than the Seller has any right, title or interest in or to the Grain (including any crop lien). If an encumbrance does exist in respect of the Grain or in respect of the proceeds of sale of that Grain which the Seller had not previously disclosed to GrainCorp, the Seller agrees to reimburse and indemnify GrainCorp for any and all costs incurred by GrainCorp in processing, complying with and paying any claims or demands made by the holder of that encumbrance. The Seller agrees and acknowledges that the Contract does not create any relationship of trust, partnership or agency between GrainCorp and the Seller. The Seller also acknowledges that GrainCorp trades in agricultural commodities on its own account.

6. ASSIGNMENT

The Seller agrees that GrainCorp may assign or novate this Contract, or any rights or obligations there under to a third party at its absolute discretion and that GrainCorp need not provide the Seller with any notice of same. The Seller agrees that it cannot assign this Contract, or any rights or obligations there under, without GrainCorp's prior written approval, which may be conditional.

Table with 2 columns: Name, Date and 2 rows: Signed, (empty)

7. WASHOUT BEFORE DELIVERY

If the **Seller**:

- (i) encounters a significant event beyond the **Seller's** control which directly results in production failure of at least 50% of the **Seller's** current year crop of the **Grain**; and
- (ii) the **Seller** is therefore unable to honour its commitment in full or in part as set out in this **Contract**,

the **Seller** may give notice to **GrainCorp** of its desire to washout the **Contract**, attaching a statutory declaration to such notice evidencing the reasons for the request (which **GrainCorp** reserves the right to have verified).

Upon receipt of this notice and statutory declaration, and subject to any verification as required, **GrainCorp** will permit the **Contract** to be washed out and terminated, on the condition that the **Seller** agrees to make payment to **GrainCorp**, within 30 days from the agreed washout date, a fixed washout fee of A\$25/mt of the contracted mean quantity of the **Grain** the subject of the washout. Washouts are not available for **Grain** already delivered into a **Pool**.

8. EARLY EXIT AFTER DELIVERY & BEFORE FINALISATION OF POOL

On and from 1st March 2011, where **Grain** has been delivered into a **Pool**, **Sellers** have the option to exit the **Pool** before finalisation of that **Pool**, and will be entitled to receive one final cash payment. To exercise this right, the **Seller** must request early exit by giving **GrainCorp** 7 business days' prior written notice. The early exit will be available to the **Seller** 7 business days after **GrainCorp's** receipt of the said written request. The final cash payment will be calculated based on the **Estimated Pool Return** as defined, as at the date the early exit request become effective, minus **Expenses** and the **Adjustment Factor**, and minus 10% of the **Estimated FOB Pool Return**.

9. NO GUARANTEE

GrainCorp will exercise reasonable skill and care in its efforts to maximise the **Final Pool Return**, but makes no guarantee as to the **Final Pool Return** unless the first page of this "GrainCorp Pools Contract" document provides for a **Guaranteed Minimum Price Pool** and a **Guaranteed Minimum Price**.

10. PAYMENTS

The payment option selected by the **Seller** is detailed on the front page of the "GrainCorp Pools Contract" document and is either a **Harvest Payment Option** or a **Single Sum Payment**.

If the **Final Pool Return** as calculated for the purpose of final payment to the **Seller**, or at any time **GrainCorp's** current *bona fide* estimate of what the **Final Pool Return** will be, for the purpose of **Final Payment** to the **Seller**, is less than the amounts advanced to the **Seller**, the **Seller** must (on receipt of 30 days' written notice from **GrainCorp**) repay to **GrainCorp** the difference, or shortfall, between the **Final Pool Return** and the amounts previously advanced to the **Seller**, and pay any other amounts due to **GrainCorp**, including under any loan agreement or credit contract between the **Seller** and **GrainCorp**.

GrainCorp may deduct from any advance or payment any **Expenses** payable under the **Contract** and may set off any amounts which are due and payable by the **Seller** to **GrainCorp**, or a related body corporate of **GrainCorp**, at any time on any account with either of them, without prior notice to the **Seller**.

11. RECIPIENT CREATED TAX INVOICE:

This clause only applies if the **Seller** is registered for Goods and Services Tax ("GST").

When a payment is made to the **Seller** by **GrainCorp** under this **Contract**, a Recipient Created Tax Invoice will be issued by **GrainCorp** when authorised to do so. The **Seller** acknowledges that **GrainCorp** utilises the National Grower Registry to determine GST status, and unless otherwise notified in writing, **GrainCorp** will assume this status to be correct. The **Seller** agrees that it is solely responsible and liable for remitting the GST amount to the Australian Tax Office.

The **Seller** further agrees that it will immediately notify **GrainCorp** if the **Seller's** GST status should change during the duration of this **Contract**.

12. LATE PAYMENT

GrainCorp is not required to pay interest on late payments in relation to the **GrainCorp Pool** and is not responsible for any loss suffered due to a delay in payment of any amount in relation to the **GrainCorp Pool**.

13. SEVERABILITY

If any part of the **Contract** is found to be inoperative/unenforceable, that part will be severed and the remaining terms of the **Contract** will continue in effect.

14. GOVERNING LAW

The **Contract** is governed by and shall be construed in accordance with the laws in New South Wales. Any dispute will be discussed in good faith between the parties, and failing the resolution of such dispute, the parties agree that the dispute be referred to GTA for arbitration.

For any enquiries, please call GrainCorp on 1800 809 482

Name	Date
Signed	