

# PURCHASE OPTION PROCEDURES 15/16

## PART A – GENERAL TERMS AND CONDITIONS

### 1. Introduction

#### 1.1. Introduction

Emerald Grain's Purchase Options service is operated by Emerald at all Emerald Grain Facilities. Part A of the Purchase Options Procedure sets out the general terms and conditions that apply to, and are binding for, Clients when using the Emerald Purchase Option service. Part B of the Purchase Options Procedure a step by step guide for the uploading and managing of Purchase Options via the Emerald Service Centre.

Clients are advised to enter their Purchase Options as soon as practicable to avoid transmission delays that may occur from time to time when using internet facilities. Emerald will not be held liable where delayed transmission of information prevents the successful entry of Purchase Options to the Emerald Service Centre.

#### 1.2. Definitions

In this Schedule:

**Effective Date** means the date on which the Client wishes a Purchase Option to take effect.

**Effective Period** means the period for which the Client requests the Purchase Option to be valid.

**Emerald** means Emerald Logistics Pty Ltd ACN 087 280 260.

**Facility or Facilities** means any commodity receipt, storage and handling facilities used by Emerald in connection with the provision of Receipt or other Services to the Client, including the Upcountry Facilities and the Port Terminal.

**Harvest Duration** means the period from 1 October to 29 February each year.

**Port Terminal** means the Company's seaboard terminal at 18-20 Enterprise Road West Melbourne or such other port terminals as may be operated by the Company.

**Posted Price** means the purchase price offered by the Client in a Purchase Option.

**Purchase Option** means either a cash price, structured product or a pool option for a grade of a commodity offered, or to be offered, to Growers by the Client for the purchase of a commodity in accordance with the relevant documents published on the Company website at the time the commodity is Received.

**Receipt** means the process of testing, weighing, tipping, inwardly elevating and placing the Commodity into the Facilities on behalf of a Client. "Receive" has a corresponding meaning.

**Tonnage limit** means the total tonnage that can be applied to a Purchase Option.

## PURCHASE OPTION PROCEDURES 15/16

**Upcountry Facility** means a Company facility for Receipt and storage of Commodities but excluding the Port Terminal.

### 2. Creating a Purchase Option File

- 2.1. All Purchase Options must be uploaded and managed by Clients via the Emerald Service Centre <http://www.emeraldgrain.com/service-centre/>.. For security reasons, the Client must obtain password access for each person whom it wishes to access the system on its behalf. Purchase Options must be formatted in accordance to the directions outlined in Part B.
- 2.2. If the Emerald Service Centre remains unavailable for an extended period, following advice from Emerald, Purchase Options may be emailed to [customerservice@emeraldgrain.com](mailto:customerservice@emeraldgrain.com) for processing by Emerald staff.

### 3. Uploading Purchase Options via Emerald Service Centre

- 3.1. Purchase Options are entered by as a file upload. The file upload must be in the electronic format prescribed by Emerald and uploaded in accordance to the instructions outlined in Refer to Part B.
- 3.2. Emerald reserves the right to withdraw the availability of this service from time to time for routine maintenance or to deal with any issue that arises. Emerald will advise Clients at least 24 hours prior to the service being withdrawn for routine maintenance. If the service is withdrawn for any other reason, Emerald will endeavour to advise Clients of the unavailability of the service prior to the closure of entry for each affected day.

If the Emerald Service Centre is unavailable Emerald will advise Clients of how prices can be uploaded manually.

- 3.3. In uploading Purchase Options the following rules apply:
  - (a) Purchase Options may be submitted at any time during the period determined by Emerald as the Harvest Duration.
  - (b) Purchase Options can be withdrawn or changed by the Client at any time once submitted.
  - (c) The format of submitted Purchase Options must adhere to the guidelines outlined in Part B. Clients are required to record all the applicable details including the Purchase Option Code, the Commodity, Grade, Site, Price, Tonnage limit and the Effective Date for each Purchase Option. The Effective Period must only be recorded if applicable. (Note: It is preferable that all Pool Purchase Options remain open until their subsequent closure).
  - (d) The Client is responsible for ensuring the successful submission of all Purchase Options.
  - (e) The Client must provide Emerald, on request, with any information that Emerald reasonably requires to clarify any matter relating to the Client's Purchase Options. If Emerald requests any information under this clause, it may withhold publication of the Purchase Option until the information is provided.

## PURCHASE OPTION PROCEDURES 15/16

- (f) Emerald has no liability to the Client in regards to claims arising from any faulty email or fax transmission, illegibility of figures, corruption of electronic data, or any other issues that prohibit the successful entry or submission or publication of a Purchase Option.

### 4. Quotation of Base Purchase Options

- 4.1. All Posted Prices must be offered (and will be published on the Client's behalf) on a free-in-store basis (i.e. excluding all administration, freight, receipt and storage and handling charges) exclusive of GST. Emerald's charges (including, but not limited to Receipt Service and Storage Fees) will be directly charged to the Client by Emerald under the Clause 11 and Schedule A of the Emerald Grain Storage and Handling Agreement.
- 4.2. To ensure a fair and equitable service is offered to Growers, Clients must outline the cumulative cost of all other deductions (exclusive of GST) that will impact upon the Client's Purchase Options (e.g. underwriting, financing fees etc.).
- 4.3. Emerald will not post a price for a Purchase Option that is a pool and structured product. The description of the pool or structured product will be posted on the website.

### 5. Managing Purchase Options

#### 5.1. Updating Purchase Options

The Client may increase or decrease a Purchase Option Price or Tonnage limit at any time during its Effective Period. Clients can enter the change into the Client Portal – refer to *Updating a Purchase Option Price* in Part B.

#### 5.2. Withdrawal

- (a) The Client may withdraw a Purchase Option at any time during its Effective Period. Clients can manually enter the withdrawal in the Emerald Service Centre.
- (b) The Client may withdraw a Purchase Option on the effective day (known as intra-day withdrawals). Intra-day withdrawals become effective immediately they are entered into the Emerald Service Centre.
- (c) An intra-day Purchase Option withdrawal may be reinstated by the entry of a new Purchase Option by the Client in the Emerald Service Centre or the re-submitting of the Purchase Option at a different value.
- (d) A Purchase Option will be withdrawn once the Tonnage limit set by the Client has been reached.
- (e) The Client indemnifies Emerald against any liability, direct or indirect, that Emerald incurs following the withdrawal of a Purchase Option and release Emerald from any such liability to the Client itself.

### 6. Tonnage Limits

- 6.1. A Client can specify a maximum Tonnage limit for a Purchase Option that all deliveries and transfers are validated against.
- 6.2. Once a completed grower delivery exceeds the tonnage limit one additional grower delivery will be accepted before the Purchase Option is withdrawn.

## PURCHASE OPTION PROCEDURES 15/16

- 6.3. Grower deliveries that are in progress (i.e. have already selected the Purchase Option and are in the delivery process) will receive that Purchase Option, irrespective if the tonnage limit was received during that time.
- 6.4. The Procedure for setting tonnage limits for a Purchase Option is detailed in Clause 4.

### 7. Warehouse Transfer to Purchase Options

- 7.1. A Client can elect to participate in warehouse to Daily Cash Purchase Option transfer by requesting Emerald to establish a warehouse to cash capability.

### 8. Prices on Weighbridge Tickets

- 8.1. Where applicable, the price per tonne will be recorded on weighbridge tickets by Emerald staff based on the actual information supplied to the Emerald Service Centre.
- 8.2. If there is a discrepancy between the price recorded on a weighbridge ticket and the Posted Price the Grower will be paid the Posted Price at the time of delivery.

### 9. Operational Constraints

- 9.1. Where a site reaches its storage capacity for a particular Grade or Commodity, Emerald may, at its option, remove some or all of the Client's Purchase Options for that Grade or Commodity or decline to accept any more Purchase Options for that Grade or Commodity (or both).

### 10. Purchase Option Reporting

- 10.1. As a service to Clients, information of all the Purchase Options entered is available for viewing on the Client Portal – refer to *Creating Purchase Option Reports* in Part B. Clients can also register for an email subscription to all Active Cash Prices Report at either 8am, 1pm or hourly.
- 10.2. As a service to Growers, a list of all the Purchase Options for all Clients will be made available on the Emerald website <http://www.emeraldgrain.com>. This facility will enable viewing of currently available Purchase Options.
- 10.3. Growers will also receive a daily email of all their respective deliveries.
- 10.4. Emerald does not warrant the accuracy of the information and has no liability to the Client for any inaccuracy or other shortcoming in the information.

### 11. Service Guarantee

- 11.1. If:
  - the published Posted Price exceeds the actual price submitted by the Client; and
  - the inaccuracy was caused by Emerald's error in publishing data provided by the Client through the Emerald Service Centre Method or the Entry by Emerald Method

## PURCHASE OPTION PROCEDURES 15/16

then, Emerald will compensate the Client under clause 11.2.

- 11.2. Emerald will compensate the Client under clause 11.1 by paying the difference between the Posted Price and the submitted price up to \$10.00 per tonne, capped at \$5,000 per any one error occurring, with a cumulative seasonal cap of \$10,000.
- 11.3. Except as provided in clause 11.2, Emerald has no liability to the Client for errors in publishing a Purchase Option.

### 12. Warranty

The Client warrants to Emerald that:

- All information provided to Emerald by the Client will be correct and accurate; and
- The Client will purchase Grain under the Purchase Options notified to Emerald in accordance with the terms of this Procedure.

### 13. Release

Subject to clause 12 above, the Client releases Emerald from any liability in respect of the failure of Emerald to post, publish or remove Purchase Options in a timely manner or at all, or in accordance with the instructions of the Client.

### 14. Communication Protocols

- 14.1. If Emerald receives an entry or any other communication that relates to a Purchase Option and purports to come from the Client either:

- via the Emerald Service Centre from a person using the Client's password; or
- by email from an address in the Client's domain,

Emerald is entitled to treat the communication as having come from the Client with the Client's authority.

- 14.2. If Emerald is entitled to act on Purchase Options purportedly submitted by the Client, and if the instructions were not in fact issued by or with the authority of the Client, the Client indemnifies Emerald against any losses, damage, costs or expenses incurred by Emerald in reliance on such instructions.

### 15. Refusal to Publish

Despite anything contained anywhere in this Procedure, Emerald reserves the right to refuse to publish a Purchase Option if, in the reasonably held opinion of Emerald, the submitted Purchase Option is inconsistent with industry practice or is otherwise likely to mislead or deceive Growers. Emerald has no liability to the Client arising from Emerald's refusal to publish pursuant to this clause.

# PURCHASE OPTION PROCEDURES 15/16

## PART B – MANAGING PURCHASE OPTIONS

The following instructions are aimed to help clients manage the process of uploading and amending purchase options for sites within the Emerald Grain network. Instructions for creating purchase option files, uploading files and increasing, withdrawing and resubmitting active purchase options are detailed within this document.

In order to post purchase options within the Emerald Grain network a client must be registered in the Emerald Grain Service Centre and subsequently have access to the client portal (<http://portal.emeraldgrain.com/Portal/Login/Index>).

### 1. CREATING A PURCHASE OPTION FILE

Purchase options, uploaded into the Emerald Grain client portal, require to be presented within a CSV file format. A Purchase Options CSV File must abide to the layout specified within the below rubric and include certain character validations within each column.

Column	Field	Format	Description	Validation
<b>A</b>	TRANSACTION TYPE	2 characters	Constant value for Detail Record	Must be text and equal RP
<b>B</b>	SEASON	2 characters	Set to the first two digits of an abbreviated season code.	Must be an integer and match the first two digits of a season code. i.e. 15 for 15/16 season
<b>C</b>	SITE	3 characters	<b>Site short code:</b> ARD – Ardlethan COL – Coolamon DND – Donald ENH – Edenhope ELM – Elmore GOO – Goolgowi NUL – Nullawil ROC – The Rock TOC – Tocumwal WER – Werneth WOO - Woorinen	Must be text and match a Site Code.
<b>D</b>	PRICE TYPE	2 characters	<b>Selling Option</b>	Must be text and match a Selling Option Type (See <b>Harvest Reference Data</b> ) e.g. DC – Daily Cash Price
<b>E</b>	COMMODITY	3 characters	Commodity short code	Must be text and match a Commodity Code
<b>F</b>	GRADE	4 characters	Grade short Code	Must be text and match a Grade Code (see <b>Harvest Reference Data</b> ) i.e. AGP1
<b>G</b>	FROM DATE	8 characters	Date Selling Option is to start from	Must be numeric between 7 to 8 digits and be in the format YYYYMMDD i.e. 20151105 for 5th November 2015

## PURCHASE OPTION PROCEDURES 15/16

<b>H</b>	FROM TIME	4 characters	Time Selling Option is to start from	Must be numeric between 1 to 4 digits and be in the format HHMM i.e. 0800 for 8am, 1330 for 1.30pm
<b>I</b>	BULK HANDLER CODE	5 characters	Short Code of Bulk Handler	Must be ABA for Emerald Grain (Australian Bulk Alliance)
<b>J</b>	CLIENT CODE	20 characters	Short Code of Client posting the Selling Option	Must match the Client Code registered within the Emerald Grain Service Centre.
<b>K</b>	ACTION	1 character	Code of Action to be performed - <b>A</b> for Add <b>C</b> for Change <b>D</b> for Delete	Must be text and match either A, C or D
<b>L</b>	VOLUME TONNAGE	6 characters	Selling option volume tonnage	Can be blank.
<b>M</b>	RECEIVAL PRICE	Decimal(5,2)	Dollar amount for the Selling Option	May be blank if not a Cash Price. If a Cash Price then must be a number > 0 with no more than two decimal places. i.e. 210.00 for \$210/mt
<b>N</b>	TO DATE	8 characters	Date Selling Option is to finish	Must be numeric between 7 to 8 digits and be in the format YYYYMMDD i.e. 20151105 for 5th November 2015.
<b>O</b>	TO TIME	4 characters	Time Selling Option is to finish	Must be numeric between 1 to 4 digits and be in the format HHMM For Change & Delete the To Time must be set to a future time.
<b>P</b>	BLANK		Field is ignored	No Validation
<b>Q</b>	BLANK		Field is ignored	No Validation

It is important that when completing a Purchase Option CSV File that no column includes a heading title or filter and that the file content mirrors the layout captured below.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	RP	15	ARD	DC	WH	APW1	20150825	0	ABA	EMERALDSH	A		210.1	20150825			N
2	RP	15	ARD	DC	WH	H2	20150825	0	ABA	EMERALDSH	A		212.15	20150825			N
3																	

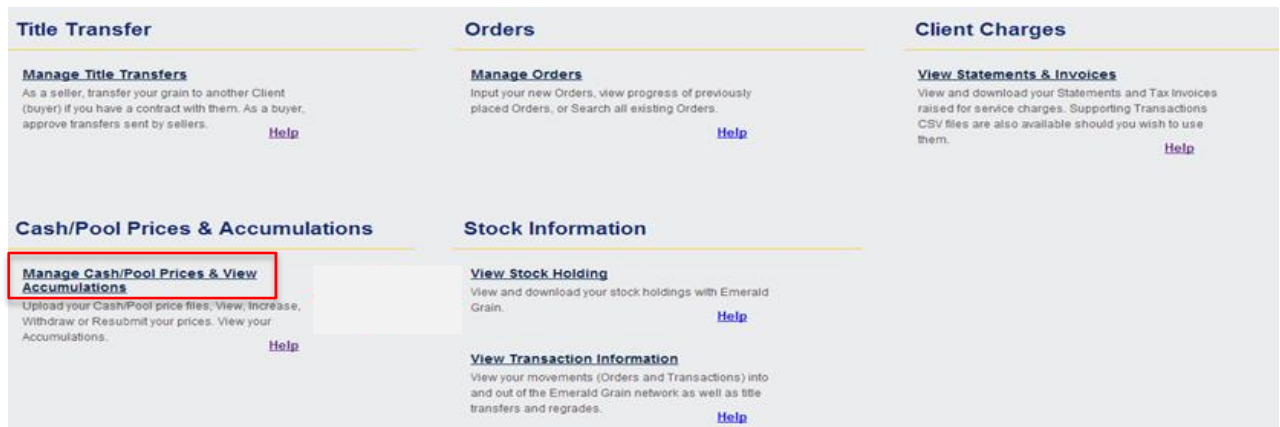
A template of a test Purchase Option CSV File, as well as the Harvest Reference Data, can be downloaded from the Emerald Grain Client Downloads section of the website (<http://emeraldgrain.com/home/industry-store-and-move-grain/client-downloads/>).

# PURCHASE OPTION PROCEDURES 15/16

## 2. UPLOADING PURCHASE OPTIONS

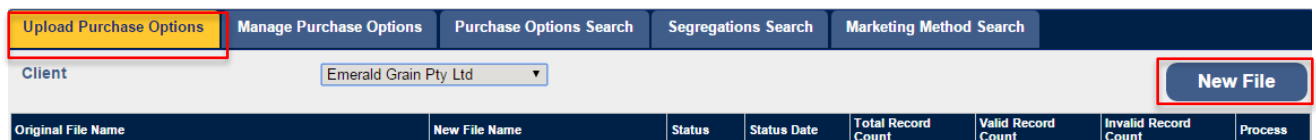
A Purchase Options File must be uploaded via the client portal. In order to do so please follow the outlined steps below.

1. Log into the client portal and select the **Manage Cash/Pool Prices & View Accumulations** heading. This option will redirect you to a new page where you are able to upload and manage your purchase options.



The screenshot shows a dashboard with several menu categories: Title Transfer, Orders, Client Charges, Cash/Pool Prices & Accumulations, and Stock Information. The 'Manage Cash/Pool Prices & View Accumulations' link is highlighted with a red box.

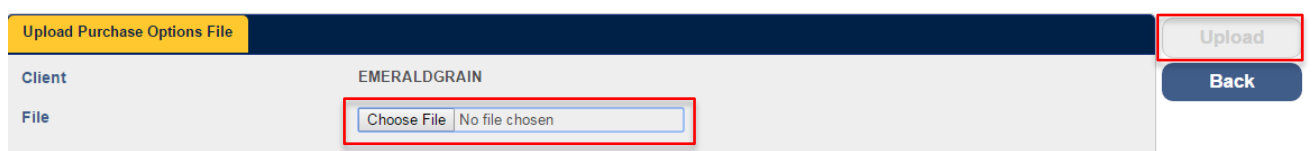
2. Click on the **Upload Purchase Options** tab. All previously posted Purchase Option Files will appear within the generated table.



The screenshot shows the 'Upload Purchase Options' tab selected. Below the navigation bar, there is a client dropdown menu set to 'Emerald Grain Pty Ltd' and a 'New File' button highlighted with a red box.

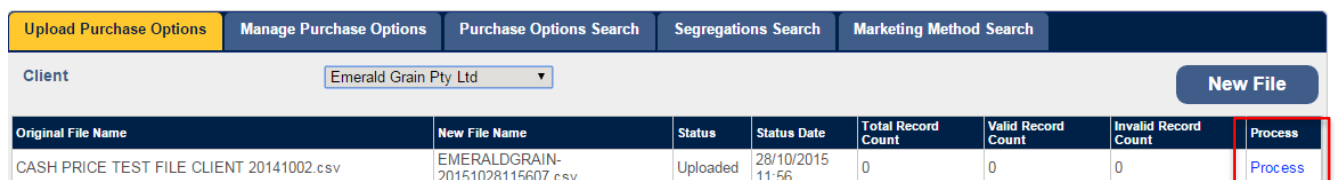
Original File Name	New File Name	Status	Status Date	Total Record Count	Valid Record Count	Invalid Record Count	Process
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3. Select the **New File** option to proceed to the uploading screen of the client portal.



The screenshot shows the 'Upload Purchase Options File' screen. The client is set to 'EMERALDGRAIN'. The 'File' field contains a 'Choose File' button and 'No file chosen' text, which is highlighted with a red box. There are 'Upload' and 'Back' buttons on the right.

4. Select **Browse** and insert the correct file with your chosen purchase options.
5. Once the file has been selected, click on the **Upload** option.



The screenshot shows the 'Upload Purchase Options' tab with a table of uploaded files. The 'Process' link for the first file is highlighted with a red box.

Original File Name	New File Name	Status	Status Date	Total Record Count	Valid Record Count	Invalid Record Count	Process
CASH PRICE TEST FILE CLIENT 20141002.csv	EMERALDGRAIN-20151028115607.csv	Uploaded	28/10/2015 11:56	0	0	0	Process

6. To activate your uploaded Purchase Options select the **Process** link for the respective Purchase Option line item.
7. Once processed the client portal will analyse the file and identify all valid and invalid records respective to the uploaded file.



# PURCHASE OPTION PROCEDURES 15/16

8. In order to complete the upload select the **Save** option.
9. If the **Back** option is selected the current upload will remain unprocessed.

File Details	Valid Records	Exceptions
Uploaded File Name	CASH PRICE TEST FILE CLIENT 20141002.csv	
Stored File Name	EMERALDGRAIN-20151028115607.csv	
Client	EMERALDGRAIN	
Total Record Count	2	
Valid Record Count (Including Overlaps)	0	
Valid Record Count (Overlaps)	0	
Exception Count	2	

**NOTE:** Incorrect records will be identified within the **Exception Count**. Incorrect records will not be processed and therefore will be unavailable to growers. The **Exception** tab will detail all invalid records.

File Details	Valid Records	Exceptions													
Transaction Type	Season	Site	Type	Commodity	Grade	Active From Date	Active From Time	Bulk Handler Code	Client	Action	Volume Tonnage	Price	Active To Date	Active To Time	Exceptions
RP	14	ARD	DC	WH	APW1	20141012	0000	ABA	CLIENT	A		210.1	20141014		Invalid season: Matched season must be current season, Invalid grade: Grade is not being received at this site, Invalid from-date: Purchase Option must have a Start Date of at least today's date, Invalid client: No matching client found, Invalid to-date: Must be greater than or equal to current date
RP	14	ARD	DC	WH	H2	20141012	0000	ABA	CLIENT	A		212.15	20141014		Invalid season: Matched season must be current season, Invalid grade: Grade is not being received at this site, Invalid from-date: Purchase Option must have a Start Date of at least today's date, Invalid client: No matching client found, Invalid to-date: Must be greater than or equal to current date

## 3. MANAGING PURCHASE OPTIONS

Purchase Options can be managed, without uploading a new file, by making changes directly within the client portal. Purchase Options can be withdrawn, resubmitted and updated at any point throughout the day.

### 3.1. MANUAL WITHDRAWAL

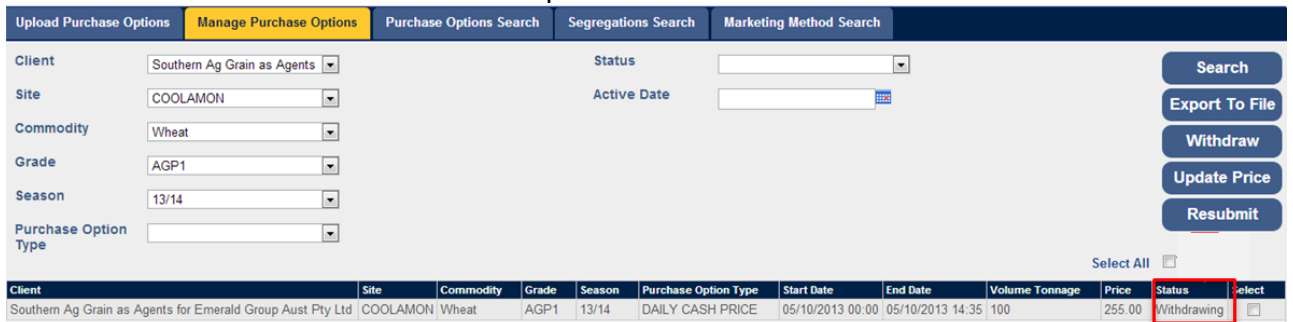
Clients have the ability to manually withdraw purchase options through the client portal. Please note that one additional delivery will be accepted, as well as any 'in progress' delivery transactions, once the withdrawal has been manually triggered. In order to manually withdraw a purchase option, complete the following steps:

1. Go to **Manage Purchase Options** and select, by ticking the select box, the purchase option you want to withdraw.

Upload Purchase Options	Manage Purchase Options	Purchase Options Search	Segregations Search	Marketing Method Search							
Client	Emerald Grain Pty Ltd	Status									
Site		Active Date									
Commodity											
Grade											
Season											
Purchase Option Type											
<input type="button" value="Search"/> <input type="button" value="Export To File"/> <input type="button" value="Withdraw"/> <input type="button" value="Update Price"/> <input type="button" value="Resubmit"/>											
Select All <input type="checkbox"/>											
Client	Site	Commodity	Grade	Season	Purchase Option Type	Start Date	End Date	Volume Tonnage	Price	Status	Select
Emerald Grain Pty Ltd	ARDLETHAN	Barley	F1	15/16	DAILY CASH PRICE					Active	<input checked="" type="checkbox"/>

## PURCHASE OPTION PROCEDURES 15/16

2. Select the **Withdraw** option. The Purchase Option will be in a status of *withdrawing* then move to *withdrawn* status once completed.

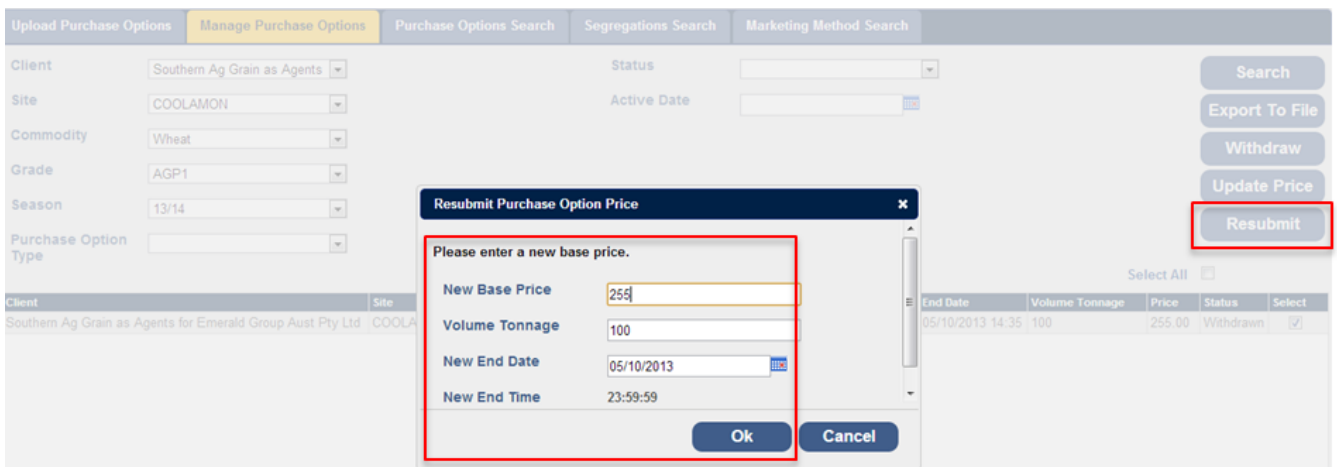


Client	Site	Commodity	Grade	Season	Purchase Option Type	Start Date	End Date	Volume Tonnage	Price	Status	Select
Southern Ag Grain as Agents for Emerald Group Aust Pty Ltd	COOLAMON	Wheat	AGP1	13/14	DAILY CASH PRICE	05/10/2013 00:00	05/10/2013 14:35	100	255.00	Withdrawing	<input type="checkbox"/>

### 3.2. RESUBMITTING WITHDRAWN PURCHASE OPTIONS

Withdrawn purchase options can be resubmitted via the client portal. By withdrawing and resubmitting a purchase option the price, tonnage limit and end date can be altered. In order to resubmit a purchase option follow the below steps:

1. Go to **Manage Purchase Options** and select, by ticking the select box, the withdrawn purchase option you want to resubmit.
2. Select the **Resubmit** option.
3. Within the Resubmit Purchase Option Price screen enter the new purchase option details.



**Resubmit Purchase Option Price**

Please enter a new base price.

**New Base Price**

**Volume Tonnage**

**New End Date**

**New End Time**

4. Select **Ok** to save the resubmission.

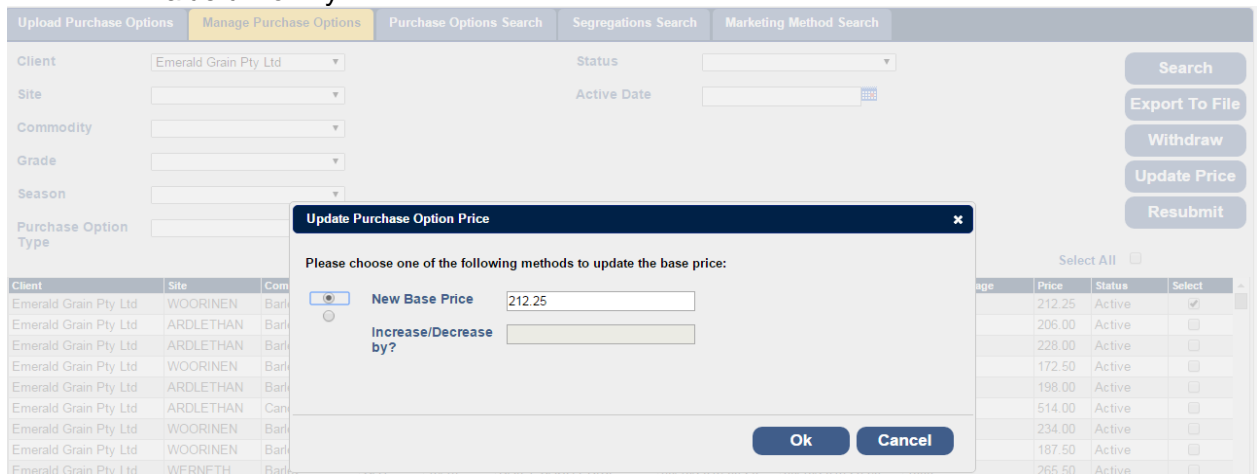
### 3.3. UPDATING A PURCHASE OPTION PRICE

The price of a purchase options can be updated and altered at any time, without the need to withdraw the price initially. To update a purchase option price complete the following steps:

1. Go to **Manage Purchase Options** and select, by ticking the select box, the purchase option(s) you wish to price alter.
2. Select the **Update Price** option.
3. Select to either;
  - a) Create a **New Base Price**

## PURCHASE OPTION PROCEDURES 15/16

- b) **Increase/Decrease** the price by a set value. By using this option multiple purchase options can be selected at once and will all be increased/decreased by the same value uniformly.



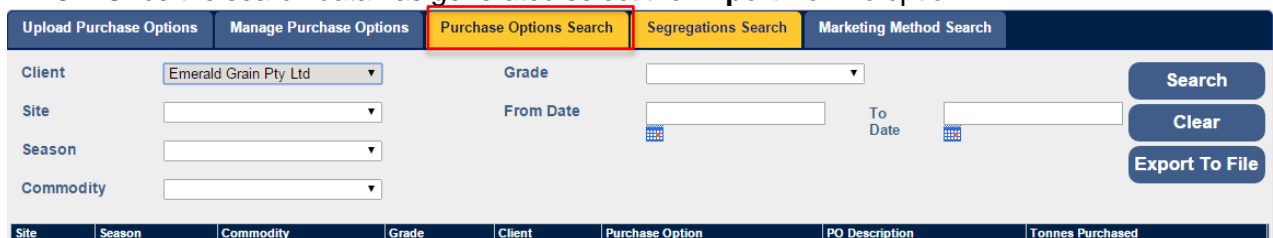
The screenshot shows the 'Update Purchase Option Price' dialog box. The dialog has a title bar and a close button. The main content area contains the text: 'Please choose one of the following methods to update the base price:'. There are two radio buttons: one for 'New Base Price' (which is selected) and one for 'Increase/Decrease by?'. The 'New Base Price' field contains the value '212.25'. The 'Increase/Decrease by?' field is empty. At the bottom of the dialog are 'Ok' and 'Cancel' buttons. In the background, a table is visible with columns: Client, Site, Commodity, Price, Status, and Select. The table contains several rows of data, including prices like 212.25, 206.00, 228.00, 172.50, 198.00, 514.00, 234.00, 187.50, and 265.50.

4. Select **Ok** to save the update.

### 4. CREATING PURCHASE OPTION REPORTS

Reports can be run in the client portal to view and download specific information about a client's own purchase options. The reports will provide clients with information about purchase options, segregations and marketing methods. In order to run these reports please follow the defined steps:

1. Go to **Purchase Options Search** and nominate the search criteria/filters.
2. Select **Search**.
3. Once the search data has generated select the **Export To File** option.



The screenshot shows the 'Purchase Options Search' form. The form has a header with tabs: 'Upload Purchase Options', 'Manage Purchase Options', 'Purchase Options Search' (highlighted), 'Segregations Search', and 'Marketing Method Search'. The form contains several input fields: 'Client' (dropdown menu with 'Emerald Grain Pty Ltd' selected), 'Site' (dropdown menu), 'Season' (dropdown menu), 'Commodity' (dropdown menu), 'Grade' (dropdown menu), 'From Date' (calendar icon), and 'To Date' (calendar icon). On the right side, there are three buttons: 'Search', 'Clear', and 'Export To File' (highlighted). Below the form is a table header with columns: Site, Season, Commodity, Grade, Client, Purchase Option, PO Description, and Tonnes Purchased.

### 5. SUPPORT

The Customer Services team can assist with the loading or changing of your purchase options. The team can be contacted during business hours on 03 9274 8880.