FLEXI GRAIN

PRE HARVEST TONNAGE **CONTRACT**

FLEXIGRAIN.COM.AU

PRE HARVEST TONNAGE CONTRACT

WHEAT, OATS, BARLEY & FABA BEANS

FLEXI GRAIN

Flexi Grain is a grassroots pool manager focused on maximising grower returns, while minimising price risk.

Established in the Victorian Mallee in 2013 to service Eastern Australia growers, Flexi Grain expanded into South Australia and Western Australia in 2017.

Flexi Grain's Head Office is located in SWAN HILL, VICTORIA.

Flexi Grain is a member of Grain Trade Australia (GTA) and complies with GTA's Operating Standards for Pool Providers. Flexi Grain is also a member of the Grain Industry Association of Victoria (GIAV).

FINANCIAL SECURITY AND GOVERNANCE

Grower assets (grain and proceeds from grain sales) are protected by a ring fenced trust structure known as FXG Group Unit Trust.

Flexi Grain has independent oversight of the FXG Group Unit Trust to ensure compliance with GTA's Operating Standards for Pool Providers.

MANAGING COUNTERPARTY CREDIT RISK

Flexi Grain's pool mandate requires management of all counterparty credit risk.

This risk is managed using a combination of mechanisms including:

1. Credit Insurance
2. Pre paid grain sales
3. Utilisation of third party clearing services

DISCLOSURE AND COMMUNICATIONS

Flexi Grain provides growers with full disclosure of all pool financial statements on request. Monthly estimated pool equity statements are made available to growers via a client portal from February of each year until the closure of all pools.

Market leading strategy and supply/demand updates are circulated to pool participants on a regular basis.

PRE AND POST-HARVEST GRAIN POOL

An 18-month strategy to take advantage of volatility in the international and domestic grain markets from the moment your crop is sown, without the inherent risks associated with futures trading. Commencing at seeding (April 1), this 18-month actively managed pool provides growers with exposure to both pre and post-harvest grain markets.

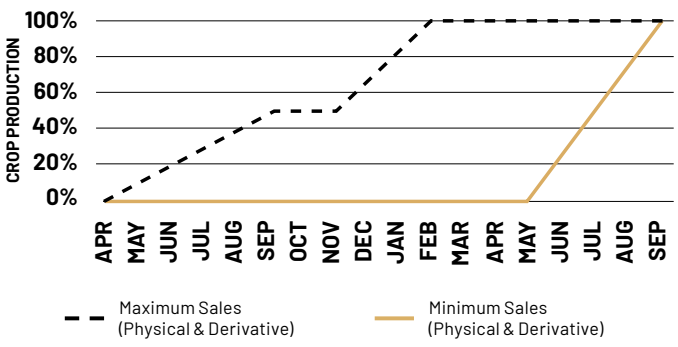
SALES PROGRAM

Flexi Grain's Early Tonnage Contract is a non-restrictive 18-month pool designed to capture and manage price opportunities from the moment the crop is sown.

Pre-harvest pricing opportunities may be managed by options and/or basis management strategies. Options may be executed over a range of grain and fx futures markets including Chicago Board of Trade (CBOT), Kansas City Board of Trade (KCBT), Euronext (Matif), and the Australian Stock Exchange (ASX).

Harvest and post-harvest pricing opportunities are managed by physical and/or derivative management strategies. Derivative strategies may utilise bank SWAPs, futures and/or options in the CBOT, KCBT, Matif and ASX futures markets. Physical strategies may utilise but are not limited to forward sales, commodity, and port zone swaps.

SALES TARGET



POOL DURATION

Growers contract to the Early Tonnage Contract from April 1, with 100% of their equity being distributed on, or before, September 25 in the following year.

GROWER PAYMENTS

The Early Tonnage Contract offers growers a 60% Harvest Advance, paid weekly, following receipt of grain by the pool (FXG GROUP). Payment deferral is available on request.

An 80% pool distribution will take place on June 15 or early July, with 100% of the final remaining pool equity distributed on, or before, September 25.

MANAGEMENT FEE

The Early Tonnage Contract Management Fee is $10/mt excluding GST and this will be deducted from the first pool payment.

POOL COSTS

The Early Tonnage Contract Pool will have costs which may include, but are not limited to, derivatives, options, grain receival, transport, transfer, storage and insurance, outturn, service fees, brokerage, finance, interest, royalties and statutory levies.

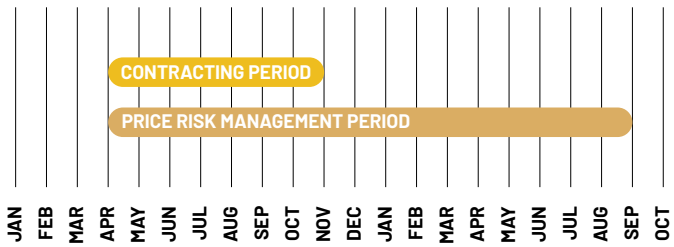
FINAL POOL RETURN

The final pool return will be calculated and communicated on a Port Basis or Free in Store net of all costs.

Site and time of entry indexing will be applied if applicable.

RECEIVAL POINTS

All grain grown under an Early Tonnage Contract must be delivered to an approved receival site.

The list of approved receival sites can be found at **flexigrain.com.au**

18-MONTH STRATEGY