

POOL PROVIDER DISCLOSURE GUIDE



The CBH Group is an integrated supply chain co-operative owned and controlled by approximately 3,900 Western Australia grain grower member businesses.

We are Australia's largest co-operative and a leader in the Australian grain industry with operations extending along the grain supply chain from storage, handling and transport to marketing, shipping and processing. Our core purpose is to sustainably create and return value to growers.

CBH's Marketing and Trading arm is responsible for managing CBH's pool products on behalf of growers. With a dedicated team of experienced professionals we use sophisticated risk management strategies to maximise returns.

CBH has been at the forefront of activities to support increased transparency and consistency in the Australian pool management industry on behalf of growers. We make available information about how our pools operate to assist growers in making an informed decision on our products. We also provide regular updates to pool participants on performance and strategy as well as historical performance of all our pools.

The following Pool Provider Disclosure Guides contain a summary of our pool products and links to important information.

POOL PROVIDER DETAILS

Pool Provider	CBH Group
Pool Product	Harvest Pool
Pool Mandate	The pool mandate prescribes the boundaries within which the pool must be managed, maintaining exposures within upper and lower limits for physical sales, commodity and foreign exchange hedging. For further detail on CBH pool mandates please refer to the following link: https://pthsvrsico01.cbh.com.au/pool-products/pool-master-mandates-ea
Legal entity operating the pool	CBH Grain Pty Ltd
Years this legal entity has run pools	88 years
Legal Entity owning the pooled grain	CBH Grain Pty Ltd
Name of responsible Pool Manager	Paul Smith
Pool manager's years of relevant experience	8 years managing CBH pools; 18 years trading commodity, interest rate and foreign exchange markets in the banking industry and with CBH Group; Responsible Manager on CBH's Financial Services License.

POOL PRODUCT DETAILS

Pool Objective	The objective of the Harvest Pool is to add value through active management from harvest, with returns locked in over time. We aim to provide a final pool return which outperforms the average of market prices across the life of the pool.
Period open for deliveries/contracts	Open: Harvest (October) onwards Closed: At pool manager's discretion (no fixed date) CBH do not announce closure dates in advance in order to ensure the best interests of existing pool participants are protected at all times.
Length of pool	Commodity and season dependent – see below table for indications.
Area where pool is offered	Commodity and season dependent - see below table for more information.
Commodities/Grades accepted	As per table below
Hedging tools used (if any)	Commodity and Foreign Exchange derivatives and options.
Payment options	Advance; Harvest or Flexi Loan; Distribution; Deferred
Fees charged by the pool manager	Overhead Cost Recovery: typically \$4-5 per tonne (variable) Management Fee: 0.75% of final pool return
When will Final Audit be Completed?	Prior to pool finalisation. Audit statements available on our website https://www.cbh.com.au/pool-products/pool-information

COMMODITY, GRADES, LENGTH AND LOCATIONS

COMMODITY	GRADES	LENGTH	AREAS
Wheat	All grades	10-12 months	Adelaide, Giles, Lincoln and Wallaroo

OTHER DETAILS

Will the pool be offered according to the GTA operating standard for pool providers?	Yes	CBH supports transparency and has been actively involved in the GTA initiative towards increasing transparency and consistency in the pools management industry.
Does the pool provide participants with an Estimated Pool Return (EPR*)?	Yes	Via Fact Sheets and the Pool Calculator on the website https://www.cbh.com.au/pool-products/pool-information
Does the pool provide participants with an Estimated Silo Return (ESR*)?	Yes	Via the Pool Calculator on the website: https://www.cbh.com.au/pool-products/pool-information

Does the pool provide participants with a Final Pool Return (FPR*)?	Yes	Via Fact Sheets and the Pool Calculator on the website https://www.cbh.com.au/pool-products/pool-information
Does the pool provide participants with a Final Silo Return (FSR*)?	Yes	Via the Pool Calculator on the website: https://www.cbh.com.au/pool-products/pool-information
Does the Pool provide a Guaranteed Pool Return (GPR*)?	No	Any form of Guaranteed Pool Return involves the purchase of protective structures at a cost to pool participants. CBH prefers to utilise these strategies only as necessary, rather than incur costs to provide a GPR which may not be required.
Does the Pool provide an Underwritten Pool Return (UPR*)?	Yes	CBH offers optional underwriting on Advance and Loan payments. A grower can elect to have their payment underwritten at a cost of \$1.90 per tonne.
Is there a potential for conflict between the pool manager and related entities?	Yes	<p>CBH Grain Pty Ltd trades its own balance sheet and operates pools on behalf of growers which gives rise to potential conflicts of interest. To address this:</p> <ul style="list-style-type: none"> • CBH has strict internal controls and policies which are governed by the CBH Board of Directors and monitored by various internal risk and audit committees to ensure our pool products are managed as mandated. • CBH pool products are managed separately to our cash trading activities, with different reporting lines and clear mandates to deliver the best possible outcomes for our pool products. • All pool products are managed as separate seasonal business units, with segregated stock management and a separate general ledger to cash trading activities. • CBH operates different accounts with the respective bulk-handlers for all pool products to ensure pool stocks can be accounted separately to other business operations. • CBH pools are externally audited prior to finalisation.
Are the pool assets owned in a separate entity from the pool manager's assets?	No	<p>When a grower nominates grain to a CBH pool, title transfers to CBH Grain Pty Ltd, a wholly owned subsidiary of CBH Group. CBH Grain Pty Ltd is the custodian of these tonnes, and subsequent equity, until such time as final equity is returned to the grower.</p> <p>See above for comments on how we segregate pool assets from other business activities.</p>
Are the pool activities conducted separately from the pool managers activities?	Yes	See above for comments on how we segregate pool activities and controls from other business activities.

Items marked with an * are Defined Terms.

DEFINED TERMS

Estimated Pool Return (EPR)	<p>Means an estimate of the Pool Return in \$/t exclusive of GST provided by the Pool Provider to Pool Participants.</p> <p>The EPR must also be quoted at Track or track equivalent level for East Coast and SA or FIS for WA and net of all costs, management fees, any other fees (including estimates of any costs and fees) where possible, otherwise explicitly define what costs, fees and charges are included and excluded in the published figure.</p>
Estimated Silo Return (ESR)	<p>Means an Estimated Pool Return quoted at up country silo level. It shall be the EPR (ie quoted at Track level on East Coast/SA, or FIS level in WA) less the applicable freight and any other costs for the respective silo.</p>
Final Pool Return (FPR)	<p>Means a final Pool Return in \$/t excl of GST provided by the Pool Provider to Pool Participants.</p> <p>The FPR must also be quoted at Track or track equivalent level for East Coast and SA or FIS for WA and net of all costs, management fees, any other fees (including estimates of any costs and fees) where possible, otherwise explicitly define what costs, fees and charges are included and excluded in the published figure.</p>
Final Silo Return (FSR)	<p>Means a Final Pool Return quoted at up country silo level. It shall be the FPR (ie quoted at Track level on East Coast/SA, or FIS level in WA) less the applicable freight and any other costs for the respective silo.</p>
Guaranteed Pool Return (GPR)	<p>Means the guaranteed minimum payment (\$/t) (excl GST) the Pool Provider will pay Pool Participants net of all Pool Provider charges at a designated price basing point, i.e. country silo, track, free in store (“FIS”) excl of GST. A GPR is in effect a guaranteed minimum FPR.</p>
Underwritten Pool Return (UPR)	<p>Means the guarantee by a Pool Provider that a payment or loan made to a Pool Participant, if nominated as “Underwritten”, is non-recourse should the subsequent proceeds, of Final Pool Return from the Pool be less than the Underwritten amount. Consequently, the Pool Participant shall have no further debt or liability to the Pool Provider (or associated provider) with respect of the Underwritten amount and that the Pool Provider guarantees the FPR paid to the Pool Participant will not be less than the Underwritten return.</p>
Ring Fencing of Assets	<p>Means the activities undertaken by the Pool Provider to quarantine or separate pool participants net assets, and equity from the assets and liabilities of the Pool Provider for the purpose of protecting the Pool Participants net assets, and equity from any administration or liquidation proceedings or actions should the Pool Provider become insolvent or be subject to administration or liquidation proceedings</p>
Ring Fencing of Activities	<p>Means the clear identification of grain belonging to a Pool and the separation of Pool assets and liabilities from other Pools and that of the Pool Provider. The fiduciary responsibility should be prioritised to Pool Participants at all times.</p>

Full definitions are available in the GTA Technical Guideline Document (TGD) No.4