

QSL PRE-CRUSH ADVANCE PAYMENT SCHEME TERMS (2019 SEASON)

1 OVERVIEW

The timing of standard advances scheme payments to Participants for who QSL is conducting marketing is determined in accordance with Clause 6.1 of the QSL Common Pool Terms (the **Standard QSL Advances Scheme**).

In accordance with clause 6.2 of the QSL Common Pool Terms, QSL may determine accelerated advance and payment schemes other than the Standard QSL Advances Scheme which may be made available in respect of a Season to eligible Pricing Pools and/or eligible Participants.

QSL has determined that for the 2019 Season, Eligible Participants in QSL Pricing Pools may apply to participate in an advances program that varies from the Standard QSL Advances Scheme (referred to as the **QSL Pre-Crush Advances Scheme**).

These QSL Pre-Crush Advances Scheme Terms set out the conditions for participation in the QSL Pre-Crush Advance Payment Scheme for the 2019 Season, and how advances will be paid and costs allocated to Participants who do participate.

2 QSL PRE-CRUSH ADVANCE PAYMENT SCHEME

The QSL Pre-Crush Advance Payment Scheme will allow a Participant to receive an advance payment for Raw Sugar in March 2019 for its eligible tonnage, prior to the tonnage actually being delivered to QSL, which is then repaid by off-setting it against subsequent payments due to the Participant.

The table below outlines the terms of the QSL Pre-Crush Advance Payment Scheme.

	Term	Description
1	Eligible Participants	All OSA participants with an OSA Grower Agreement are eligible to nominate to participate in the QSL Pre-Crush Advances Scheme.
2	Exclusions:	a) ABNs with multiple farms with different prime bank details will not be eligible. b) Growers supplying Mackay Sugar Ltd (MSL) mills who have elected to be paid by MSL are not eligible. c) Growers who have applied for the QSL Deferred Advance Payment Scheme in the same season are not eligible. d) Growers who have farm groups will be assessed on a case-by-case basis. Note: If your farm is transferred to another party/ABN during the season, the finance costs would have to be recovered from the outgoing party prior to the transfer.
3	Request to Participate	An Eligible Participant can request to participate in the QSL Pre-Crush Advance Payment Scheme via their QSL Direct account between 1 February 2019 and 15 March 2019 .
4	Eligible Tonnage	Up to a maximum of 50% of the relevant Delivery Participant's Supply Estimate attributable to an Eligible Participant will be eligible for the QSL Pre-Crush Advances Scheme. For OSA Participants the Supply Estimate will be determined on the basis of the Participant's GEI Sugar estimate nominated to QSL in accordance with their OSA or relevant OSA Grower Agreement.

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5	Confirmed Participants	<p>By no later than 22 March 2019, QSL will confirm to each Eligible Participant who has requested to participate:</p> <p>(a) whether they have been accepted to participate (becoming a Confirmed Participant); and,</p> <p>(b) if so, the tonnage for which they will participate (Confirmed Tonnage).</p>
6	Initial March 2019 Advance	<p>QSL will make an initial payment in March 2019 to each Confirmed Participant for A\$50 per Tonne IPS of Raw Sugar of Confirmed Tonnage relating to that Confirmed Participant (the Initial Advance).</p>
7	Subsequent 2019 Season Payments	<p>(a) The amount owing by QSL to a Confirmed Participant each month will be calculated in accordance with the QSL Pricing Pool Terms and the Standard QSL Advances Scheme, subject to the set-off described in paragraph 6(b) below.</p> <p>(b) The Initial Advance will be repaid by set-off against the Standard QSL Advances Scheme Payments that become payable to the Confirmed Participant until the Confirmed Participant has repaid the Initial Advance.</p> <p>(c) Once the Initial Advance has been repaid to QSL through such set-off, QSL will make payments to the Confirmed Participant in accordance with Standard QSL Advance Scheme payments.</p>
8	Cost	<p>(a) A fixed administration and financing fee will apply to cover QSL's additional cost of finance and administration for the QSL Pre-Crush Advance Payment Scheme (the Administration and Finance Fee), being approximately A\$0.60 per Tonne IPS of Confirmed Tonnage, calculated based on the actual market interest rates made available to QSL at the commencement of the Nomination Period and the aggregate Confirmed Tonnage across all Confirmed Participants.</p> <p>(b) The Administration and Finance Fee will be allocated to Confirmed Participants as a Participant Specific Cost (see the QSL Shared Pool Pricing Pool Terms).</p> <p>(c) For the avoidance of doubt, the Administration and Finance Fee is in addition to the Finance Charge as defined in clause 2.7 of the QSL Shared Pool Terms.</p>
9	Committed Sugar	<p>(a) Confirmed Tonnage is Committed Sugar for the purposes of the QSL Pricing Pool Terms (irrespective of whether the QSL Pricing Pool the Confirmed Tonnage is allocated to is a Committed Pool or Uncommitted Pool).</p> <p>(b) Consequently, if a Confirmed Participant fails to deliver or have delivered sufficient tonnage to meet its Committed Sugar obligations under these QSL Pre-Crush Advance Payment Scheme terms:</p> <p>(i) the failure will be dealt with in accordance with the procedure for a failure to deliver Committed Sugar, as set out in clause 5 of the Common Pool Terms; and</p> <p>(ii) to the extent that procedure does not repay any balance of the Pre-Season Payment made to the Participant, the Participant will be liable to finalise the outstanding balance including by cash payment to QSL.</p>

3 GLOSSARY

Although these Pre-Crush Advance Scheme Terms do not form part of the QSL Common Pool Terms, capitalised terms used in these QSL Pre-Crush Advance Scheme Terms have the meaning set out in the Pool Terms.

4 WHO TO CONTACT?

If you have any queries in relation to the QSL Pre-Crush Advances Scheme, please do not hesitate to contact the QSL Finance Team by emailing info@qsl.com.au or calling (07) 3004 4400.

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Disclaimer: As described in this Pricing Pool Terms document (the **Terms**), you should not make a decision based on these Terms unless you have read and understood the other Pricing Pool Term documents referred to in the Terms. These Terms do not constitute financial, investment or product advice, a risk management strategy, or a recommendation to allocate Raw Sugar to any Pricing Pool described in the Terms. You should therefore seek your own financial advice before making any decisions in relation to the Pricing Pools.

FURTHER INFORMATION

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