

Pool Provider Disclosure Guide (PPDG) - Protection Plus Pool

Pool Provider	Plum Grove Pty Ltd and CBH Grain Pty Ltd
Pool Product Name	Protection Plus Pool

Pool Mandate	<p>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.</p> <p>For further detail on CBH pool mandates please refer to the following link: https://www.cbh.com.au/selling-to-cbh/pool-master-mandates</p>
Legal entity operating the pool	Plum Grove Pty Ltd and CBH Grain Pty Ltd
Years this legal entity has run pools	85 years (CBH) 14 years (Plum Grove)
Legal Entity owning the pooled grain	CBH Grain Pty Ltd
Name of responsible Pool Manager	Paul Smith (CBH) Tyson Fry (Plum Grove)
Pool manager's years of relevant experience	5 years (Paul Smith) 4 years (Tyson Fry)

Pool Objective	The objective of the Managed Pool is to deliver an above average return using active trading strategies.
Period open for deliveries/contracts	Open for contracting: May/June Deliveries: At harvest
Length of pool	Typically around 10 months, finalises April
Area where pool is offered	WA – all zones
Commodities/Grades accepted	Wheat - all grades accepted
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) to CBH Management Fee: 3.25% of final pool return; split 2.5% to Plum Grove and 0.75% to CBH
When will Final Audit be Completed?	Within 6 months of final pool payments being made to growers. Audit statements available on our website https://www.cbh.com.au/selling-to-cbh/pools-and-structured-commodities

Will the pool be offered according to the GTA operating standard for pool providers?	Yes	Plum Grove and 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/selling-to-cbh/pools-and-structured-commodities
Does the pool provide participants with an Estimated Silo Return (ESR*)?	Yes	Via the Pool Calculator on the website: https://www.cbh.com.au/selling-to-cbh/pools-and-structured-commodities
Does the pool provide participants with an Final Pool Return (FPR*)?	Yes	Via Fact Sheets and the Pool Calculator on the website: https://www.cbh.com.au/selling-to-cbh/pools-and-structured-commodities
Does the pool provide participants with an Final Silo Return (FSR*)?	Yes	Via the Pool Calculator on the website: https://www.cbh.com.au/selling-to-cbh/pools-and-structured-commodities
Does the Pool provide a Guaranteed Pool Return (GPR*)?	No	
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	Plum Grove Pty Ltd and CBH Grain Pty Ltd trade their own balance sheet and operate pools on behalf of growers which gives rise to potential conflicts of interest. To address this: <ul style="list-style-type: none"> Plum Grove and CBH have strict internal controls and policies which are governed by the CBH Board of Directors and the Plum Grove Board of Directors and are monitored by various internal risk and audit committees to ensure our pool products are managed as mandated. Plum Grove and 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. Plum Grove and 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. Plum Grove and CBH pools are externally audited prior to finalisation.
Are the pool assets owned in a separate entity from the pool manager's assets?	No	When a grower nominates grain to the Protection Plus 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. See above for comments on how we segregate pool assets from other business activities.
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)	Means an estimate of the Pool Return in \$/t exclusive of GST provided by the Pool Provider to Pool Participants. 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.
Estimated Silo Return (ESR)	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.
Final Pool Return (FPR)	Means a final Pool Return in \$/t excl of GST provided by the Pool Provider to Pool Participants. 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.
Final Silo Return (FSR)	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.
Guaranteed Pool Return (GPR)	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.
Underwritten Pool Return (UPR)	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.
Ring Fencing of Assets	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
Ring Fencing of Activities	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.

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