



## 2010 In-Season Fixed Price Contract

### What is it?

This contract enables suppliers to nominate a minimum target price for a set amount of current season sugar production. Returns are dependent on the market trading to the specified \$A/ tonne target price.

### How Does It Work?

Suppliers nominate an amount of current season tonnage to be priced in whole multiples of 6 lots or 304.815 tonnes at minimum target prices, until 15 September 2010.

QSL will on best endeavours, price the nominated tonnage for a minimum target price for the season, should the market reach that price.

Futures pricing exposure from 1 December 2009 until 15 June 2010 is fixed as follows:

Ratio	1	2	2	1
ICE No.11 Contract	July 2010	October 2010	March 2011	May 2011

If the supplier's target price has not been achieved by 15 June 2010, QSL will roll the unpriced ICE No.11 July contract tonnage forward to be priced against the October futures contract. QSL will advise the supplier of the costs incurred or benefit achieved, together with transactional costs from this, and unpriced tonnage will then be priced on the basis of the following fixed futures exposure until 15 September 2010:

Ratio	0	3	2	1
ICE No.11 Contract	July 2010	October 2010	March 2011	May 2011

Any unpriced tonnage at 15 September 2010 will be priced at market basis the above futures exposure prior to the ICE No.11 October 2010 contract expiry at QSL's discretion.

QSL undertakes the physical export marketing for sugar in this pool and all other pools and pricing schemes.

### When will I receive payment?

Suppliers will receive advance payments from QSL in the season the sugar is delivered. The pattern of payments will include an initial delivery payment and periodic top-up payments. The final payment will be made in early July 2011.



## 2010 In-Season Fixed Price Contract (continued)

<b>What is QSL's starting strategy for this product?</b>	QSL will on a best endeavours basis, price the nominated tonnage at a minimum target price, should the market reach that minimum target price, QSL will price as much of the allocated tonnage as market conditions will allow.
<b>Expected Return</b>	Returns are dependent on the market trading to the specified target price.
<b>What are the potential risks associated with this product?</b>	The main risk is that the market does not reach the Supplier's target price, resulting in unpriced tonnage. At 15 September 2010 unpriced sugar will be priced at market prior to the October 2010 ICE No.11 expiry at QSL's discretion.
<b>How will these risks be managed?</b>	<p>Any tonnage not priced at the end of each business day, will be carried forward to be priced at the next market opportunity, up until 15 September 2010.</p> <p>Suppliers can amend target price orders until 4pm on any Brisbane business day from 1 December 2009 until to 15 September 2010.</p> <p>QSL undertakes the physical export marketing for sugar in this pool and all other pools and pricing schemes.</p>
<b>Past Performance</b>	N/A – new product.

### SUPPLIER REQUIREMENTS

<b>Min. Tonnage</b>	Must be a whole multiple of 6 ICE No.11 Contracts (304.815 tonnes).
<b>Priced Tonnage</b>	Any tonnage priced under this product will be preserved and form part of the Supplier's elected Fixed Tonnage allocation for the season.
<b>Participation in Pricing</b>	Any tonnage priced on any given day will be shared amongst participants who have unpriced tonnage for the same price target and season. This will be done on a pro-rata basis (on allocated tonnage).



---

## 2010 In-Season Fixed Price Contract (continued)

### Unpriced Tonnage

If the supplier's target price has not been achieved by 15 June 2010, QSL will roll the unpriced ICE No.11 July contract tonnage forward to be priced against the October futures contract. QSL will advise the supplier of the costs incurred or benefit achieved, together with transactional costs, from this.

Any unpriced tonnage will then be priced on the basis of the following fixed futures exposure until 15 September 2010.

### Obligation to Supply

Tonnage committed by suppliers into this pool is a fixed obligation and a binding agreement. It must be delivered regardless of crop variations.