



Overview

Riemann offer risk management products to the wheat industry.

- > Riemann Wheat OTC Forwards and OTC Options are physical delivered forward contracts, including automatic closeout, based on Grain Trade Australia (GTA) Contract No.2 Grain in Bulk Basis Track.
- > These are broad based risk management products that can be used for hedging and trading Australian wheat, including option contracts designed to provide efficient hedging strategies.
- > These financial products are available for trading on the Mercari market which holds an Australian Market Licence under the Corporations Act and is regulated by the Australian Securities and Investments Commission (ASIC) - offering a fair, orderly and transparent market place.
- > Promoting real-time price discovery and transparency, Mercari trading system supports the hedging and trading needs of the wheat industry.
- > Maturity dates extend out up to two years.

Users

Riemann Wheat products can be used by:

- > Wheat Producers
- > Domestic Millers
- > Wheat Exporters
- > Banks and Finance Institutions
- > Professional Investors
- > Hedge Funds

Benefits

The benefits of Riemann wheat products include:

- > Licenced and regulated marketplace
- > Independent and transparent market for buyers and sellers
- > Producers, millers, exporters and investors have easy access to risk management tools
- > Unlike futures contracts, participants are not subject to margin requirements

Contract Specifications

Riemann Wheat (GTA No.2) OTC Forwards

Product	An OTC physical delivered forward based on Grain Trade Australia (GTA) Contract No.2 Grain in Bulk Basis Track
Underlying Physical	Applicable GTA wheat grades Quality specifications as per seasons specifications issued by GTA
Contract Size	250 metric tons (mt) minimum contract parcel and then in 250mt increments
Price increments	A\$0.10 per mt
Pricing Unit	Australian dollars per mt
Contract Expiry Months	Jan, Mar, May, Jul, Sep
Contract Type	Positions remaining after the Automatic Close Out process are Physically Delivered
Contract Counterparty	Contracts are formed bilaterally between buyers and sellers after counterparty credit is mutually agreed
Terms of Trade	Grain Trade Australia "GTA Contract No 2"
Trading Hours	11.00am – 4.30pm Monday to Friday
Contract Expiry	At Market Close on the 3rd Thursday of the Contract Expiry Month, or if not a Sydney business day, the nearest previous business day
Automatic Close Out	Contracts are Automatically Closed Out and Cash Adjusted at the Final Netting Price on the Contract Expiry where possible. Contract holders that are Closed Out will be advised of their obligations with respect to the Cash Adjustment basis the Final Netting Price. Contract holders not closed out will be advised of the same and will be issued with a new contract detailing their Physical Delivery Obligation at the Final Netting Price. As per GTA Contract No.2 documentation and Trade Rules
Cash Adjustment basis the Final Netting Price	All Contract holders at the Contract Expiry will be advised of their net obligations to the counterparty of their original trade basis the Final Netting Price. Where the out-of-the-money party will pay the in-the-money party the difference between the Contract Price and the Final Netting Price multiplied by the number of metric tons traded. The cash adjustment to occur the business day immediately after the Contract Expiry. As per GTA Contract No.2 documentation and Trade Rules
Physical Delivery	Where possible contract holders with a zero net position at Contract Expiry will not be required to make or take any physical deliveries. Net position holders and zero net contract holders that were unable to be removed from the delivery process will be issued with new delivery contracts at the Final Netting Price. Sellers must deliver the grain and buyers must pay for the grain as per GTA Contract No. 2 documentation and trade rules
Grain Delivery Period	From the First business day after Contract Expiry through to the Second Last business day of the same month
Final Netting Price	The Final Netting Price is calculated by averaging the daily closing price for the last five trading days of the contract
Locations for Physical Delivery	As per GTA approved locations. See further details for each listed Track market zone
Physical Delivery Location Differential Adjustment	Contract settlements will deduct the relevant Location Differentials (LDs) as per GTA LD schedule in existence at the Contract Expiry, grossed up for shrink, as per GTA Contract No.2 documentation and Trade Rules
Max Delivery Limits	No single buyer can take delivery of more than 100,000mt's per contract expiry
For the avoidance of doubt	Mercari and Riemann take no part in the physical or cash settlement or adjustment of the trades other than to advise counterparties of their obligations to each other. Any disputes or defaults should be addressed under the Terms and Conditions of the Grain Trade Australia "GTA Contract No 2"

Riemann

For more information on our wheat products, visit www.riemann.com.au or contact a member of our team at products@riemann.com.au or on +61 2 8024 5200.

Contract Specifications

Riemann Wheat (GTA No.2) OTC Options

Product	An OTC option to enter into an OTC physical delivered forward based on Grain Trade Australia (GTA) Contract No.2 Wheat Grain in Bulk Basis Track
Underlying Physical	Riemann Wheat (GTA No.2) OTC Forwards
Contract Size	250 metric tons (mt) minimum contract parcel and then in 250mt increments
Price increments	A\$0.10 per mt
Pricing Unit	Australian dollars per mt
Contract Expiry Months	Jan, Mar, May, Jul, Sep
Strike Price	Put and Call strikes at \$5 increments as required
Option Premium	Payable within 3 business days
Option Type	American (exercise anytime up until Contract Expiry)
Contract Counterparty	Contracts are formed bilaterally between buyers and sellers after counterparty credit is mutually agreed
Terms of Trade	http://www.mercari.com.au/termssoftrade.pdf
Trading Hours	11.00am – 4.30pm Monday to Friday
Contract Expiry	Options expire at Market Close on the 1st Thursday of the Contract Expiry Month, or if not a business day, the nearest previous business day
Manual Exercise	Options are Manual Exercise, and may be exercised on any business day up to and including Contract Expiry. Option buyers may exercise Options by lodging a notice of manual exercise with the option seller and both parties advising Mercari by 4.30pm on the Contract Expiry. Exercised Options convert into the underlying OTC Forward Contract with a contract price equal to the Strike Price

Current Listed - Riemann Track OTC Products

	NSW Track (APW1)	VIC Track (APW1)
Port Zones	NTP Newcastle and Port Kembla	NTP Melbourne and Geelong
Bulk Handlers	Graincorp, Grainflow	Graincorp, Grainflow and Emerald Logistics
Number of Deliverable Sites	As per GTA Road and/or Rail, no road only no. of sites = contract volume/500mt's to one decimal place and rounded to whole no.	As per GTA Road and/or Rail, no road only no. of sites = contract volume/500mt's to one decimal place and rounded to whole no.
Adjustments	As per GTA Location Differentials, Levies, GST Shrink/Fees as per bulk handling agreement	As per GTA Location Differentials, Levies, GST Shrink/Fees as per bulk handling agreement
Grade Spreads	H2 deliverable at +\$5 ASW deliverable at -\$20	H2 deliverable at +\$5 ASW deliverable at -\$20

Riemann

For more information on our wheat products, visit www.riemann.com.au or contact a member of our team at products@riemann.com.au or on +61 2 8024 5200.

Although every attempt has been made to ensure the accuracy of the information within this brochure, Riemann explicitly assumes no responsibility for any errors or omissions. Any examples shown in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience nor do they constitute the solicitation of the purchase or sale of any product. Appropriate independent advice should be obtained or parties should conduct their own investigation and analysis before making any investment decision.

All matters pertaining to rules and specifications herein are made subject to and are superseded by the official Operating Rules specific to the trading of products mentioned in this brochure.

Derivatives are a leveraged investment. Financial Derivatives trading is not suitable for all investors, and involves the risk of loss.

Riemann Agricultural Services Pty Ltd (ACN 129 594 761).