Agricultural Swaps

Product Disclosure Statement

Effective 30 May 2025

These products are issued by the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian Credit Licence 234945.

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Part 1: Features at a glance

Defined terms are in italics and are set out in the "Definitions" section of this PDS

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An AS transaction is not designed for, and should not be used for, speculative purposes.</td><td>2</td></tr>
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AS transactions for smaller transaction amounts and other commodities may be available on request.</td><td>3</td></tr>
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Topic	Description	Part in PDS
Term *(transaction period)*	3 *business days* to 3 years (up to 5 years for sugar), depending on the commodity. *AS transactions* for longer terms may be available on request.	3 and Definitions
Costs	The cost of an *AS transaction* will be quoted to *you* as a fixed swap price – see "What are the costs involved in an *AS transaction*?" at Part 14 of this PDS for further information.	14
Settlement	*Cash settlement amount* exchanged on the *settlement date*. No physical settlement is permitted. The *settlement date*, once agreed, cannot be varied.	10 and 11
Early termination	An amount may be payable to or by *you*, depending on the *mark-to-market value* of the transaction upon termination.	12

Important Information: Agricultural Swaps are financial products which involve dealing in agricultural derivatives. The information in this Product Disclosure Statement (PDS) does not take into account your personal objectives, financial situation and needs. Before entering into these products you should be satisfied that such products are suitable for you in view of your objectives, financial situation and needs, and we recommend that you consult your investment adviser or obtain other independent advice. Unless you are familiar with agricultural derivatives and products of this type, these products may not be suitable for you.

Please refer to the Target Market Determination for Agricultural Swap which is available at www.commbank.com.au.

Part 2: Purpose of a Product Disclosure Statement (PDS)

A PDS aims to provide *you* with information to help *you* decide whether the financial product listed in this document will meet *your* needs. It also helps *you* to compare the product with others *you* may be considering.

Issuer

This PDS is issued by the Commonwealth Bank of Australia ABN 48 123 123 124 and AFSL number 234945.

Contact details

If *you* have any questions or wish to contact *us*, please call **13 2221** between 6am and 10pm (Sydney time), Monday to Friday, visit *our* website at **www.commbank.com.au**, call CBA Commodities, Trade & Carbon or contact *your* relationship manager.

Definitions

To assist *you* in understanding this PDS, the definitions of words appearing in italics are provided in Part 19: Definitions section of this PDS.

General information only

AS transactions are financial products which involve dealing in agricultural derivatives. This PDS provides information about *AS transactions* and does not take into account *your* personal objectives, financial situation and needs. Before trading in any of these products, *you* should be satisfied that such product is suitable for *you* in view of *your* objectives, financial situation and needs.

Please refer to the Target Market Determination for Agricultural Swap published by the *Bank*, which is available at www.commbank.com.au.

We recommend that *you* consult your investment adviser or obtain other independent advice. Unless *you* are familiar with agricultural derivatives and products of this type, this product may not be suitable for *you*.

This information has been prepared without taking account of *your* taxation situation or needs. Taxation considerations are general and based on present taxation laws and may be subject to change. *You* should seek independent, professional tax advice before making any decision to enter into an *AS transaction* based on this information.

The *Bank* is not a registered tax (financial) adviser under the *Tax Agent Services Act 2009* and *you* should seek tax advice from a registered tax agent or a registered tax adviser if *you* intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

Australian distribution only

This PDS relates to *AS transactions* between the *Bank* and persons who are residents of Australia. The distribution of this PDS in any jurisdiction outside of Australia may be restricted by law. This PDS does not constitute an offer or invitation in any jurisdiction in which, or to whom it would be unlawful to offer or invite a person to enter into an *AS transaction*.

Updated information

The information in this PDS is subject to change and is up to date as at the date stated on the cover. Where new information arises that is materially adverse to the information in this PDS, the *Bank* will either issue a new PDS or a supplementary PDS setting out the new information.

Where the new information that arises is not materially adverse to the information in this PDS, the *Bank* may not issue a new PDS or a supplementary PDS but will make the updated information available to *you* on our website **www.commbank.com.au**, or *you* can call **13 2221**. *We* will send *you* a hard copy of the information (free of charge) upon request.

We will provide *you* (free of charge) with information about the current standard fees and charges applicable to *your* product upon request.

Examples used in this PDS

Examples used in this PDS are used for illustrative purposes only, and do not reflect current market prices or outcomes or the *Bank's* (or any of its associates') view on future matters.

Part 3: What is an *AS transaction?*

An *AS transaction* is an agreement between *you* and the *Bank*, which effectively fixes the price *you* receive, or pay, for a nominated quantity of a commodity (the fixed price) on a future date (*settlement date*).

Under the *AS transaction*, *you* and the *Bank* agree to swap the *commodity reference price* for an agreed fixed price for a nominated quantity of the underlying commodity, on a nominated *settlement date*. *AS transactions* therefore allow *you* to lock in a fixed price for the commodity in advance of a future sale or purchase of the commodity.

At the date of this PDS, the commodities for which the *Bank* enters into *AS transactions* are barley, canola, coffee, corn, rapeseed, soybean, soybean meal, soybean oil, wheat, cotton and sugar.

The minimum *transaction amounts* for each commodity are as follows:

Commodity	Minimum Transaction Amount/Quantity
Barley	250 metric tonnes
Canola	250 metric tonnes
Coffee	250 metric tonnes
Corn	250 metric tonnes
Rapeseed	250 metric tonnes
Soybean	250 metric tonnes
Soybean meal	250 metric tonnes
Soybean oil	250 metric tonnes
Wheat	250 metric tonnes
Cotton	100 bales
Sugar	100 metric tonnes

Smaller *transaction amounts* and other commodities may be available on request.

The term or *transaction period* of an *AS transaction* may be between 3 *business days* and 3 years and will be agreed with the *Bank* depending on the underlying commodity. In the case of *AS transactions* referencing sugar, the term or *transaction period* may be a period of up to 5 years.

AS transactions for longer terms may be available on request.

The *commodity reference price* in an *AS transaction* is based on the settlement price of an agreed *futures contract* for the underlying commodity on a *futures exchange*, or an index or settlement price quoted in a price guide for the underlying commodity.

The *futures exchanges*, indices and price guides, from which *commodity reference prices* are sourced will vary depending on the commodity underlying the *AS transaction* and will be agreed between *you* and the *Bank* on the *trade date*. Please refer to Appendix A for examples of some of the *futures exchanges* from which *commodity reference prices* could be sourced. Details of current *commodity reference prices*, including the commodities in which the *Bank* offers *AS transactions*, are available on request from *your* relationship manager.

Where the *commodity reference price* is not in the same currency as the fixed price, the settlement price from the *futures contract*, index or price guide will be converted to the same currency as the fixed price, using the *reference rate*. An example of a reference rate is the *Hedge Settlement Rate Average (HSRA)* that is a *reference rate* that is published on Reuters page *HSRA*.

The fixed price of an *AS transaction* is determined by the *Bank*. For more information on how the *Bank* determines the fixed price see Part 5. The fixed price of the underlying commodity can be denominated or expressed in *AUD, USD or CAD* or another currency as agreed between *you* and the *Bank*.

3.1 How does it work?

Under an *AS transaction*, a *cash settlement amount* is payable on a *settlement date*, either by the *Bank* to *you* or by *you* to the *Bank*. The *cash settlement amount* is an amount based on the net difference between the fixed price and the *commodity reference price* on the *pricing date*. The *pricing date* will generally be 2 *business days* before the *settlement date*.

Depending on the *commodity reference price* on the *pricing date*, a *cash settlement amount* may be payable by *you* to the *Bank* or by the *Bank* to *you* on the *settlement date* as follows:

- If *you* have entered into an *AS transaction* to provide protection against a rise in a *commodity price*, *you* and the *Bank* agree that if on the *pricing date*:
  - the *commodity reference price* is higher than the fixed price, the *Bank* must pay *you* the *cash settlement amount*; or
  - the *commodity reference price* is lower than the fixed price, *you* must pay the *Bank* the *cash settlement amount*; or
  - the *commodity reference price* is equal to the fixed price, there is no further obligation between *you* and the *Bank*, with respect to the *settlement date* under the *AS transaction*.
- If *you* have entered into an *AS transaction* to provide protection against a fall in a *commodity price*, *you* and the *Bank* agree that if on the *pricing date*:
  - the *commodity reference price* is lower than the fixed price, the *Bank* must pay *you* the *cash settlement amount*; or
  - the *commodity reference price* is higher than the fixed price, *you* must pay the *Bank* the *cash settlement amount*; or
  - the *commodity reference price* is equal to the fixed price, there is no further obligation between *you* and the *Bank* with respect to the *settlement date* under the *AS transaction*.

There may be one or more *pricing dates* and *settlement dates* over the *transaction period*, for example *pricing dates* and *settlement dates* may occur quarterly, semi-annually or annually.

See Part 6 for some worked examples of the settlement of *AS transactions.*

3.2 Are there credit or document requirements?

The entry into each *AS transaction* is subject to prior credit approval by the *Bank* and *your* entering into a *master agreement*. Please see Part 10 for more information.

Part 4: Uses of *AS transactions*

AS transactions may be commercially useful for people seeking to manage the risk of adverse movements in *commodity prices*, for example:

- producers of agricultural commodities such as wheat farmers, looking to protect against falling *commodity prices*;
- consumers of agricultural commodities such as dairy farmers, requiring cattle feed, looking to protect against rising *commodity prices*; and
- other clients who have exposure to agricultural *commodity price* movements.

AS transactions should not be used for speculation.

Part 5: Determining the *AS transaction* fixed price

The *Bank* will calculate the fixed price of an *AS transaction*, by taking into account a range of factors including:

- the *commodity reference price* from the agreed *futures exchange*, index or price guide. Some of these *futures exchanges*, from which *commodity reference prices* could be sourced, are listed in Appendix A;

- the *forward exchange rate* for the currency in which the *commodity reference price* is expressed. The fixed price of the underlying commodity can be denominated or expressed in *AUD, USD or CAD* or another currency as agreed to between *you* and the *Bank*;
- the *transaction amount*;
- the *pricing date*;
- the *transaction period*;
- an allowance for the *Bank's* costs, both fixed and variable. These costs are dependent on the liquidity of the underlying product, ability to hedge, basis risk and whether or not there is a *futures contract* that enables the *Bank* to hedge the risk; and
- the *Bank's* profit margin. This is dependent on the client credit rating, the *Bank's* market risk exposure and the *Bank's* appetite to manage risk.

All the above factors, individually and in combination, will have a positive or negative impact on the fixed price.

Part 6: Examples of how an *AS transaction* works

The following examples set out how *AS transactions* work for producers (sellers) of a commodity (in this example, wheat) and for consumers (buyers) of a commodity (in this example, wheat).

It is important to note that in these examples, the financial outcomes have been determined without allowing for basis risk (refer to "What are the Significant Risks of *AS transactions*" at Part 9 for a further discussion of basis risk). Examples are used for illustrative purposes only, and do not reflect current market prices or outcomes or the *Bank's* (or any of its associates') view on future matters.

6.1 Example 1

You are a producer (seller) of wheat

You would like to receive a fixed price in *AUD* for 100 metric tonnes of wheat in 1 years' time, based on the *commodity reference price* on the *futures exchange* agreed to between *you* and the *Bank*.

In this example, the *commodity reference price* will be based on the closing *USD* price of the wheat *futures contract* on *CBOT* on the *pricing date*, converted to *AUD** at the *HSRA AUD/USD exchange rate* on the following *business day* (*HSRA date*). The *settlement date* will be 2 *business days* after the *HSRA date*.

Assuming the current *commodity reference price* for wheat to be *AUD* 309.00 per metric tonne, a fall in the *commodity price* in *AUD* terms would mean that *you* would receive less *AUD* when *you* sell *your* wheat in the market.

You are therefore seeking protection against a fall in the *commodity price* of wheat.

The *Bank* will calculate the fixed price of the *AS transaction* based on certain factors including *your* specified *transaction amount* and specified *transaction period* (for more information please see "Determining the *AS transaction fixed price*" at Part 5).

Assume the following for Example 1

Commodity	*CBOT* Wheat
Transaction amount	100 metric tonnes
1 year *AUD* fixed price per metric tonne at the *trade date* (calculated by the *Bank*)	300.00
Pricing date	1 year from the *trade date*
HSRA date	1 *business day* after the *pricing date*
Settlement date	2 *business days* after the *HSRA date*

* In this example, if *you* agreed with the *Bank* to use the *commodity reference price* based on the closing *AUD* price of the wheat *futures contracts* on *ASX* on the *pricing date* instead of *CBOT*, there would be no requirement to convert the *commodity reference price* to *AUD*.

Example 1 Continued

Possible outcomes on the *settlement date* (Producer)	Possible price achieved**
If the *commodity reference price* is lower than the fixed price, then on the *settlement date*, the *Bank* must pay *you* the difference between the fixed price and the *commodity reference price*. For example, if the *commodity reference price* is *AUD* 280.00 per metric tonne, then on the *settlement date* the *Bank* will pay *you* the following *cash settlement amount*: 100 x (*AUD* 300.00 – *AUD* 280.00) = *AUD* 2,000.00 This *cash settlement amount* will compensate for the lower price *you* will receive when *you* sell *your* physical wheat. For example, if *you* sell *your* physical wheat at *AUD* 280.00 per metric tonne *you* will receive: 100 x *AUD* 280.00 = *AUD* 28,000.00 This means that *you* have received a net total of *AUD* 30,000.00 (*AUD* 28,000.00 + *AUD* 2,000.00). This equals *AUD* 300.00 per metric tonne: *AUD* 30,000.00 ÷ 100 metric tonnes = *AUD* 300.00 per metric tonne	*AUD* 300.00 per metric tonne

Possible outcomes on the *settlement date* (Producer)	**Possible price achieved****
If the *commodity reference price* is higher than the fixed price, then on the *settlement date you* must pay the *Bank* the difference between the fixed price and the *commodity reference price*. For example, if the *commodity reference price* is *AUD* 320.00 per metric tonne, then on the *settlement date*, *you* must pay the *Bank*: 100 x (*AUD* 320.00 – *AUD* 300.00) = *AUD* 2,000.00 For example, if *you* sell *your* physical wheat at *AUD* 320.00 per metric tonne *you* will receive: 100 x *AUD* 320.00 = *AUD* 32,000.00 This means that *you* have received a net total of *AUD* 30,000.00 (*AUD* 32,000.00 – *AUD* 2,000.00). This equals *AUD* 300.00 per metric tonne: *AUD* 30,000.00 ÷ 100 metric tonnes = *AUD* 300.00 per metric tonne	*AUD* 300.00 per metric tonne
If the fixed price is equal to the *commodity reference price*, *you* and the *Bank* will have no further obligations to each other with respect to the *settlement date* under the *AS transaction*.	*AUD* 300.00 per metric tonne

The examples do not include "basis risk". An explanation of Basis risk is included at Part 9.1.

** Examples are used for illustrative purposes only and do not reflect current market prices or outcomes or the *Bank's* (or any of its associates') view on future matters. If *you* have chosen more than one *pricing date* for the *transaction period*, the same calculation method will be used to determine the *cash settlement amount* on each specified *settlement date*.

6.2 Example 2

You are a consumer (buyer) of wheat

You would like to pay a fixed price in *AUD* for 100 metric tonnes of wheat in 1 year's time, based on the *commodity reference price* on the *futures exchange* agreed to between *you* and the *Bank*.

In this example, the *commodity reference price* will be based on the closing *USD* price of the wheat *futures contract* on *CBOT* on the *pricing date*, converted to *AUD** at the *HSRA AUD/USD exchange rate* on the following *business day* (*HSRA date*). The *settlement date* will be 2 *business days* after the *HSRA date*.

Assuming the current *commodity reference price* for wheat is *AUD* 309.00 per metric tonne, a rise in the *commodity price* in *AUD* terms would mean *you* would pay more *AUD* when *you* buy *your* wheat in the market. *You* are therefore seeking protection against a rise in the *commodity price* of wheat.

The *Bank* will calculate the fixed price based on *your* specified *transaction amount* and specified *transaction period*.

Assume the following for Example 2

Commodity	*CBOT* Wheat
Transaction amount	100 metric tonnes
1 year *AUD* fixed price per metric tonne at the *trade date* (calculated by the *Bank*)	318.00
Pricing date	1 year from the *trade date*
HSRA date	1 *business day* after the *pricing date*
Settlement date	2 *business days* after the *HSRA date*

The examples do not include "basis risk". An explanation of Basis risk is included at Part 9.1.

* In this example, if *you* agreed with the *Bank* to use the *commodity reference price* based on the closing *AUD* price of the wheat *futures contracts* on *ASX* on the *pricing date* instead of *CBOT*, there would be no requirement to convert the *commodity reference price* to *AUD*.

Example 2 Continued

Possible outcomes on the *settlement date* (Consumer)	Possible price achieved**
If the *commodity reference price* is higher than the fixed price, then on the *settlement date* the *Bank* must pay *you* the difference between the fixed price and the *commodity reference price*. For example, if the *commodity reference price* is *AUD* 320.00 per metric tonne, then on the *settlement date* the *Bank* will pay *you*: 100 x (*AUD* 320.00 – *AUD* 318.00) = *AUD* 200.00 This *cash settlement amount* will compensate for the higher price *you* will pay when *you* buy *your* physical wheat. For example, if *you* buy *your* physical wheat at *AUD* 320.00 per metric tonne *you* will pay: 100 x *AUD* 320.00 = *AUD* 32,000.00 This means that *you* have paid a net total of *AUD* 31,800.00 (*AUD* 32,000.00 – *AUD* 200.00). This equals *AUD* 318.00 per metric tonne. *AUD* 31,800.00 ÷ 100 metric tonnes = *AUD* 318.00 per metric tonne	*AUD* 318.00 per metric tonne

Possible outcomes on the *settlement date* (Consumer)	**Possible price achieved****
If the *commodity reference price* is lower than the fixed price, then on the *settlement date you* must pay the *Bank* the difference between the fixed price and the *commodity reference price*. For example, if the *commodity reference price* is *AUD* 280.00 per metric tonne, then on the *settlement date*, *you* must pay the *Bank*: 100 x (*AUD* 318.00 – *AUD* 280.00) = *AUD* 3,800.00 This *cash settlement amount* will offset the price *you* pay when *you* buy *your physical* wheat. For example, if *you* buy *your* physical wheat at *AUD* 280.00 per metric tonne *you* will pay: 100 x *AUD* 280.00 = *AUD* 28,000.00 This means that *you* have paid a net total of *AUD* 31,800.00 (*AUD* 28,000.00 + *AUD* 3,800.00). This equals *AUD* 318.00 per metric tonne: *AUD* 31,800.00 ÷ 100 metric tonnes = *AUD* 318.00 per metric tonne.	*AUD* 318.00 per metric tonne
If the fixed price is equal to the *commodity reference price*, *you* and the *Bank* will have no further obligations to each other with respect to the *settlement date* under the *AS transaction*.	*AUD* 318.00 per metric tonne

* In this example, if *you* agreed with the *Bank* to use the *commodity reference price* based on the closing *AUD* price of the wheat *futures contracts* on *ASX* on the *pricing date* instead of *CBOT*, there would be no requirement to convert the *commodity reference price* to *AUD*.

** Examples are used for illustrative purposes only and do not reflect current market prices or outcomes or the *Bank*'s (or any of its associates') view on future matters. If *you* have chosen more than one *pricing date* for the *transaction period*, the same calculation method will be used to determine the *cash settlement amount* on each specified *settlement date*.

Part 7: What are the significant benefits of *AS transactions*?

The benefits of entering into an *AS transaction* depend on how the *AS transaction* addresses *your* risk management strategy and financial circumstances. The benefits generally include:

- protection against adverse *commodity price* movements by providing the ability for *you* to receive or pay a fixed price for an agreed quantity of a commodity on an agreed future date;
- the ability for *you* to set the agreed *transaction amount* and the *transaction period* to match the level of *commodity price* protection that *you* require; and
- the ability for *you* to set the currency of the fixed price in respect of an *AS transaction*, as agreed to between *you* and the *Bank*.

You should be aware that use of *AS transactions* requires a good understanding of the international and domestic market for the relevant commodity, what influences the physical prices of the commodity over time and how the *AS transaction* works.

Before entering into an *AS transaction*, *you* should obtain independent advice (including financial, legal and tax advice) to ensure that the proposed *AS transaction* meets *your* objectives and needs and is consistent with *your* financial circumstances and risk management strategy.

Part 8: What are the significant disadvantages of *AS transactions*?

The potential disadvantages of an *AS transaction* include:

- an *AS transaction* may not eliminate basis risk (as described in Part 9 below);
- an *AS transaction* may not allow *you* to benefit from future favourable *commodity price* movements:
  - If *you* are a producer, *you* will not receive a benefit from the *AS transaction*, if the *commodity reference price* is more than the fixed price on the *pricing date*; or
  - If *you* are a consumer, *you* will not receive a benefit from the *AS transaction*, if the *commodity reference price* is less than the fixed price on the *pricing date*; and
- there may be a cost to *you* if the *AS transaction* is terminated before the *termination date* (see "Terminating an *AS transaction*" at Part 12 of this PDS).

Part 9: What are the significant risks of *AS transactions*?

Risks result from factors that are beyond *your* control. Starting from the time at which *you* enter into an *AS transaction* with the *Bank*, risk factors may lead to unfavourable changes in the financial outcomes for *you*.

Monitoring any risks associated with this product is *your* responsibility (subject to the responsibility of the *Bank* for its own operational processes, see "Operational risk" at Part 9.7).

The risks described here may not include all risk considerations that may be relevant to *you* when entering into an *AS transaction*.

Before entering into an *AS transaction*, *you* should carefully consider the following risk factors as well as other information contained in this PDS and be satisfied that the product is suitable for *you*. We recommend that *you* consult *your* financial adviser or obtain other independent advice.

9.1 Basis risk

Basis risk is the risk arising from entering into an *AS transaction* that does not perfectly offset the underlying *commodity's price* movement, leading to unexpected gains or losses.

The risk is a result of the difference between the *commodity reference price* and the *commodity price* at which *you* will buy or sell *your* physical commodity in the market. For example, an *AS transaction* referencing wheat uses a *commodity reference price* sourced from a *futures exchange*. However, the *commodity price* which a producer will receive upon the sale of their physical wheat may take into account a variety of factors such as the grade quality of the wheat, local supply and demand factors, transportation costs, location, impact of *exchange rates* on any supply/purchase contracts negotiated in foreign currencies and other market driven factors. As such, the fluctuations in the *commodity reference price* may not match those in the *commodity price* and this may impact the benefit realised under a particular *AS transaction*.

9.2 Worked Examples demonstrating the possible impact of basis risk

9.2.1 Example 3 (please refer to assumptions made in Example 1 at Part 6.1):

Possible outcomes on the *settlement date*, if basis changes (BASIS RISK) (Producer)	**Possible price achieved****
If the *commodity reference price* is lower than the fixed price, then on the *settlement date*, the *Bank* must pay *you* the difference between the fixed price and the *commodity reference price*. For example, if the *commodity reference price* is *AUD* 280.00 per metric tonne, then on the *settlement date* the *Bank* will pay *you* the following *cash settlement amount*: 100 x (*AUD* 300.00 – *AUD* 280.00) = *AUD* 2,000.00 However, this *cash settlement amount* will not compensate for the price *you* will receive when *you* sell *your* physical wheat, if the *commodity price* is less than the *commodity reference price*. For example, if *you* sell *your* physical wheat at a *commodity price* of *AUD* 270.00 per metric tonne *you* will receive: 100 x *AUD* 270.00 = *AUD* 27,000.00 when *you* sell *your* physical wheat. When the amount received from the *Bank* under the *AS transaction* is taken into account, this means that *you* have received a total of *AUD* 29,000.00 (*AUD* 27,000.00 + *AUD* 2,000.00). While the *AS transaction* sought to achieve a price of *AUD* 300.00 per metric tonne, because the fluctuations in the *commodity reference price* did not match the fluctuations in the *commodity price*, the price achieved was *AUD* 290.00 per metric tonne: *AUD* 29,000.00 ÷ 100 metric tonnes = *AUD* 290.00 per metric tonne.	While the *AS transaction* sought to achieve a price of *AUD* 300.00 per metric tonne, the actual price achieved was *AUD* 290.00 per metric tonne (given the *AUD* 10.00 difference between the *commodity price* and the *commodity reference price*).

** Examples are used for illustrative purposes only and do not reflect current market prices or outcomes or the *Bank*'s (or any of its associates') view on future matters.

9.2.2 Example 4 (please refer to assumptions made in Example 2 at Part 6.2)

Possible outcomes on the *settlement date*, if basis changes (BASIS RISK) (Consumer)	Possible price achieved**
If the *commodity reference price* is higher than the fixed price, then on the *settlement date*, the *Bank* must pay *you* the difference between the fixed price and the *commodity reference price*. For example, if the *commodity reference price* is *AUD* 320.00 per metric tonne, then on the *settlement* date the *Bank* will pay *you*: 100 x (*AUD* 320.00 – *AUD* 318.00) = *AUD* 200.00 However, this *cash settlement amount* will not compensate for the price *you* will pay when *you* buy *your* physical wheat, if the *commodity price* is higher than the *commodity reference price*. For example, if *you* buy *your* physical wheat at a *commodity price* of *AUD* 330.00 per metric tonne *you* will pay: 100 x *AUD* 330.00 = *AUD* 33,000.00 when *you* buy *your* physical wheat. When the amount received from the *Bank* under the *AS transaction* is taken into account, this means that *you* have paid a total of *AUD* 32,800.00 (*AUD* 33,000.00 – *AUD* 200.00). While the *AS transaction* sought to achieve a price of *AUD* 318.00 per metric tonne, because the fluctuations in the *commodity reference price* did not match the fluctuations in the *commodity price*, the price achieved was *AUD* 328.00 per metric tonne: *AUD* 32,800.00 ÷ 100 metric tonnes = *AUD* 328.00 per metric tonne.	While the *AS transaction* sought to achieve a price of *AUD* 318.00 per metric tonne, the actual price achieved was *AUD* 328.00 per metric tonne (given the *AUD* 10.00 difference between the *commodity price* and the *commodity reference price*).

** Examples are used for illustrative purposes only and do not reflect current market prices or outcomes or the *Bank*'s (or any of its associates') view on future matters.

9.3 Market risk

The markets in which the *Bank* trades can be volatile due to a number of factors, including local and offshore government regulations, political factors and market sentiment. Market risk is the risk that the value of an *AS transaction* will fluctuate as a result of movements in market prices.

In respect of *AS transactions*, the key market risk to *you* is that *you* do not receive any benefit from favourable movements in *commodity prices* after *you* have entered into an *AS transaction* with the *Bank*. This will occur if the fixed price is equal to the *commodity reference price* on the pricing date or if *you* must pay a *cash settlement amount* to the *Bank* on a *settlement date* because the *commodity reference price* is less favourable to *you* than the fixed price. A less favourable rate would be a higher price for a producer or lower price for a consumer. This represents an opportunity cost because it does not allow *you* to fully participate in favourable price movements. Whether *you* perceive this opportunity cost to be a material risk will depend on *your* reason for entering into an *AS transaction*.

Early termination of an *AS transaction* may result in *you* paying more or receiving less than the fixed price due to movements in market *commodity prices*. Any offsetting *AS transactions* are subject to movements in *commodity prices* or foreign *exchange rates* which may be adverse when compared to the *commodity prices* or foreign *exchange rates* on which the original *AS transaction* was based. For more information about early termination, see Part 12 of this PDS.

Additionally, there is a risk that *you* will pay more or receive less than *you* would have, if no *AS transaction* had been entered into at all.

9.4 Currency risk

The *Bank* expects that *AS transactions* will be used for managing *your* total exposure in both commodity and currency terms. As shown in Example 1, the *commodity price* is managed by choosing a fixed price, and the currency is managed through the fixed price being denominated in *AUD*. If *you* enter into an *AS transaction* for a purpose other than the management of *your* total exposure i.e. *you* hedge the commodity and not the currency, *you* may be directly exposed to changes in the foreign exchange market and the risk that over time, *exchange rates* move so that the benefits available to *you* from entering into an *AS transaction* may be reduced or eliminated.

For example, if the fixed price is denominated in *USD*, *you* will be exposed to changes in the *exchange rate* between *AUD* and *USD*, if *you* wish to convert any *USD* received from the *Bank* on the *settlement date* into *AUD*. These changes may result in losses to *you*.

9.5 Production/Consumption risk

You bear the risk that *you* will not be able to either produce, or consume, the *transaction amount* (quantity) and/or the specific grade or specification (quality) of the underlying commodity that *you* forecast and agreed to, when entering into the *AS transaction*. For example, a producer impacted by drought may not be able to produce the *transaction amount* and/or the grade of the underlying commodity specified in the *AS transaction*.

There are also other factors (generally outside of *your* control) that may impact *your* ability to produce or consume the *transaction amount* and/or the grade of the underlying commodity specified in the *AS transaction*. These include:

- disruptions in the supply chain or infrastructure associated with the underlying physical commodity, such as risks involved with transportation (e.g. damage during transit) and storage (e.g. grain in a silo may be spoiled by pests or fungi);
- changes in the domestic and/or international political or regulatory landscape associated with the underlying

physical commodity, such as tactical (e.g. temporary import or export tariffs imposed by foreign countries or Australia) or structural (e.g. regulation changes to support long-term carbon emission reduction targets) initiatives;

- impacts to the supply and demand associated with the underlying physical commodity, such as a global pandemic restricting the cross-border movement of transportation vessels (e.g. border closures restricting the incoming or outgoing movement of planes, ships or trucks) resulting in a higher demand (and cost) for the reduced supply of an underlying physical commodity or the inability to sell an underlying physical commodity *you* have produced into the market; and
- the quality or grade of the underlying commodity may be lower than anticipated, resulting in lower prices (when compared against the *commodity reference price*)

For producers, if the *commodity reference price* is higher than the fixed price and the amount produced is less than the *transaction amount* or of a lesser grade than those specified in *your AS transaction*, the cash benefit *you* receive from the favourable price movement in *your* underlying physical transaction may be less than the cash *settlement amount* paid under *your AS transaction*.

It is important that *you* closely monitor the amount and grade of *your* underlying physical production or consumption in connection with any *AS transaction* to minimise *your* exposure to the above risk. If *your* underlying physical production or consumption changes, either in quantity or quality, *you* may wish to consider varying or terminating *your AS transaction*, taking into account the potential impact of doing so as set out in Parts 11 and 12.

9.6 Credit risk

Credit risk is the risk of financial loss (or other disadvantage) associated with a counterparty not being able to meet their obligations under an *AS transaction*. Credit risk is common to all financial market products that *you* may enter into with the *Bank*.

In all cases, *you* are reliant on the ability of the *Bank* to meet its obligations to *you* under the terms of each *AS transaction* and *you* need to be satisfied as to the *Bank's* creditworthiness and ability to meet those obligations when due. This risk is sometimes described as "counterparty risk".

You can view additional information about the *Bank*, including financial statements and annual reports, at **www.commbank.com.au**.

9.7 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events.

You are reliant on the ability of the *Bank* to price and settle *your AS transaction* in a timely and accurate manner. The *Bank* in turn is dependent on the reliability of its own operational processes that include communications, computers and computer networks.

Disruptions in the *Bank's* processes may lead to delays in the execution, settlement or determination of price of *your AS transaction*. Such disruptions may result in outcomes that are less favourable to *you*.

However once *you* have entered into the *AS transaction*, the management of risks associated with its own operational processes is the responsibility of the *Bank*.

If for any reason the *commodity reference price* cannot be determined, the relevant price will be determined by the *Bank* acting in good faith and in a commercially reasonable manner.

9.8 Financial Crime risk

The *Bank* is required to ensure that money laundering, terrorism financing and sanctions matters are detected, managed and reported. This may involve the *Bank* disclosing information held about *you* to relevant regulatory and/or law enforcement agencies in Australia or overseas.

Other necessary activity may include the imposition of financial restrictions and/or the termination of arrangements. In certain circumstances, the *Bank* may be prohibited from dealing with or may decline to deal with, certain persons (including *you*), entities and transactions.

If there is any information which causes the *Bank* to be aware, or have reasonable grounds to suspect, that there are connections, however incidental, to financial crime matters, or that *you* are a *proscribed person* or entity under *sanctions law*, or any person, entity, good or service involved in a transaction is a *proscribed person* or entity or is subject to sanctions, or is dealing with persons, jurisdictions or services that are outside of the *Bank's* sanctions risk appetite, or if any dealings with *you* are otherwise in breach of applicable *sanctions laws*, then the *Bank* may be required to suspend, cancel, or refuse *you* services, or close or terminate any account, facility, transaction (including an *AS transaction*), arrangement or agreement with *you*.

The *Bank* may also be required to freeze *your* assets and/or any assets involved in a transaction to which *you* are a party.

Part 10: Entering into and settling *AS transactions*

10.1 Entering into an *AS transaction*

You can initiate an *AS transaction* by contacting the *Bank* (see the contact details provided in Part 2).

Credit preconditions

Before entering into an *AS transaction*, the *Bank* will conduct a credit assessment in accordance with *our* standard credit requirements.

Documentation preconditions

Before entering into an *AS transaction*, *you* will need to enter into a *master agreement* with the *Bank* (see "*AS transaction* documentation" at Part 10.2) for the *AS transaction*.

Settlement preconditions

Before entering into an *AS transaction*, *you* must have a transactional bank account held with the *Bank*.

You should contact the *Bank* and ask for an *AS transaction* for a specified amount of the underlying commodity for a specified *settlement date*.

1. The *Bank* will determine the fixed price. If the *Bank* offers *you* an *AS transaction*, and *you* accept the offer (which in most cases is done verbally by telephone), an *AS transaction* will be entered into between *you* and the *Bank*. All telephone conversations between *you* and the *Bank's* Commodities desk will be recorded.
2. The *Bank* will send *you* a *confirmation letter*, setting out the details of *your AS transaction*. *You* must notify the *Bank* as soon as practicable if the *confirmation letter* differs from what was agreed. *You* must sign and return this *confirmation letter* to the *Bank*. However, even if *you* do not do this, the *AS transaction* will be binding on *you*.

10.2 *AS transaction* documentation

The *AS transaction* documentation consists of a *master agreement* and a *confirmation letter*. These documents set out in full the terms and conditions and the *confirmation letter* will set out the particulars of the *AS transaction* *you* have entered into on a *trade date*.

Samples of the *AS transaction* documentation can be obtained from the *Bank* on request.

You should read these documents carefully before entering into any *AS transaction*. *You* should obtain independent advice (including legal, financial and tax advice) if *you* do not understand any aspect of the *AS transaction* documentation.

After receiving the *confirmation letter* for an *AS transaction*, *you* should review the *confirmation letter* and notify *us* if there is an error as soon as practicable. The *Bank* acknowledges that errors may appear in the *confirmation letter* that is system generated for an *AS transaction* from time to time and shall take reasonable steps to confirm if there is an error with *you* and resolve the matter.

10.3 Settling an *AS transaction*

Subject to the terms and conditions of the *AS transaction* documentation, a *cash settlement amount* may be payable by or to *you* on a *settlement date*. If the *cash settlement amount* is payable to *you* on the *settlement date*, it will be paid to *you* in *your* nominated transactional account held with the *Bank*. In the event that *you* must pay to the *Bank* a *cash settlement amount*, *you* must ensure that *you* have sufficient cleared funds in *your* nominated transactional account accessible to the *Bank*.

Part 11: Variations to the *settlement date(s)*

Variations to *settlement date* are not available after the *AS transaction* has been entered into.

Part 12: Terminating an *AS transaction*

An *AS transaction* may be terminated prior to the last *settlement date*, either:

- by agreement between *you* and the *Bank*; or
- as set out in the *AS transaction* documentation.

Upon termination, the *Bank* will calculate the *mark-to-market value* of the *AS transaction*, using prevailing market rates chosen by the *Bank* acting reasonably and in good faith. If the *AS transaction* has a *mark-to-market value* in *your* favour, then the *Bank* must pay *you* an amount equal to that *mark-to-market value*.

If the *AS transaction* has a *mark-to-market value* in the *Bank's* favour, then *you* must pay the *Bank* an amount equal to that *mark-to-market value*.

If more than one *AS transaction* is terminated, the sum of all *mark-to-market values* of those *AS transactions* in *your* favour and any other transactions in *your* favour also terminated under the *master agreement* and transactions addenda governing the transactions, will be set-off against the sum of all *mark-to-market values* of such transactions in the *Bank's* favour. If, as a result of this calculation, the overall sum is in the *Bank's* favour, *you* must pay the *Bank* an amount equal to that total sum. Alternatively, if as a result of this calculation, the overall sum is in *your* favour then the *Bank* must pay *you* an amount equal to that total sum.

The *Bank* must notify *you* as soon as practicable after calculating these amounts. All calculations and determinations of any amounts made by the *Bank* must be made in good faith and in a commercially reasonable manner. Upon request, the *Bank* must provide *you* with reasonable details about the sum payable, including applicable calculations, market data or other relevant information. If *you* wish to dispute the calculations or determinations, *you* can contact *your* relationship manager.

12.1 Worked Examples demonstrating the possible impact of early termination

12.1.1 Example 5 (please refer to assumptions made in Example 1 at Part 6.1):

Possible outcomes if *you* terminate early (Producer)	Possible Outcome**
If on the date the *AS transaction* is terminated, the *commodity reference price* is lower than the fixed price, then the *Bank* must pay *you* the *mark-to-market value*.* The *Bank* will calculate the *mark-to-market value* of the *AS transaction*, using the difference between the fixed price and the *commodity reference price* on the date the *AS transaction* is terminated. For example, if the *commodity reference price* is *AUD* 260.00 per metric tonne, then the *Bank* will calculate the following *mark-to-market value*: 100 x (*AUD* 300.00 – *AUD* 260.00) = *AUD* 4,000.00 For example, if the above *AS transaction* was terminated 90 days early and the interest rate was 2.00%, the present value of the *mark-to-market value* is calculated as: *AUD* 4,000.00 x [1/(1+(90/365 x 2.00%))] = *AUD* 3,980.37	Variable
If on the date the *AS transaction* is terminated, the *commodity reference price* is higher than the fixed price, then *you* must pay the *Bank* the mark-to- market value.* The *Bank* will calculate the *mark-to-market value* using the difference between the fixed price and the *commodity reference price* on the date the *AS transaction* is terminated. For example, if the *commodity reference price* is *AUD* 380.00 per metric tonne, then the *Bank* will calculate the following *mark-to-market value*: 100 x (*AUD* 380.00 – *AUD* 300.00) = *AUD* 8,000.00 For example, if the above *AS transaction* was terminated 90 days early and the interest rate was 2.00%, the present value of the *mark-to-market value* is calculated as: *AUD* 8000.00 x [1/(1+(90/365 x 2.00%))] = *AUD* 7,960.74	Variable
If the fixed price is equal to the *commodity reference price* on the date the *AS transaction* is terminated *you* and the *Bank* will have no further obligations to each other with respect to the *AS transaction*.	No payment is made

* This amount can either be present valued and settled up-front (in which case an interest rate adjustment will likely apply. If an interest rate adjustment applies, the interest rate reference used will be within the range of +/- 50 basis points either side of BBSY***), or paid to *you*, or by *you* (as applicable), in full on the last *settlement date*.

** Examples are used for illustrative purposes only and do not reflect current market prices or outcomes or the *Bank*'s (or any of its associates') view on future matters.

***If BBSY is 2.00%, the *reference rate* used will be in the range of 1.50% and 2.50%. The interest rate reference used from within that range will be at the discretion of the *Bank*.

12.1.2 Example 6 (please refer to assumptions made in Example 2 at Part 6.2):

Possible outcomes if *you* terminate early (Consumer)	Possible Outcome**
If on the date the *AS transaction* is terminated, the *commodity reference price* is higher than the fixed price, then the *Bank* must pay *you* the *mark-to-market value*.* The *Bank* will calculate the *mark-to-market value* of the *AS transaction*, using the difference between the fixed price and the *commodity reference price* on the date the *AS transaction* is terminated. For example, if the *commodity reference price* is *AUD* 360.00 per metric tonne, then the *Bank* will calculate the following *mark-to-market value*: 100 x (*AUD* 360.00 – *AUD* 318.00) = *AUD* 4,200.00 For example, if the above *AS transaction* was terminated 90 days early and the interest rate was 2.00%, the present value of the *mark-to-market value* is calculated as: *AUD* 4,200.00 x [1/(1+(90/365 x 2.00%))] = *AUD* 4,179.39	Variable
If on the date the *AS transaction* is terminated, the *commodity reference price* is lower than the fixed price, then *you* must pay the *Bank* the *mark-to-market value*.* The *Bank* will calculate the *mark-to-market value* using the difference between the fixed price and the *commodity reference price* on the date the *AS transaction* is terminated. For example, if the *commodity reference price* is *AUD* 210.00 per metric tonne, then the *Bank* will calculate the following *mark-to-market value*: 100 x (*AUD* 318.00 – *AUD* 210.00) = *AUD* 10,800.00 For example, if the above *AS transaction* was terminated 90 days early and the interest rate was 2.00%, the present value of the *mark-to-market value* is calculated as: *AUD* 10,800.00 x [1/(1+(90/365 x 2.00%))] = *AUD* 10,747.00	Variable
If the fixed price is equal to the *commodity reference price* on the date the *AS transaction* is terminated, *you* and the *Bank* will have no further obligations to each other with respect to the *AS transaction*.	No payment is made

* This amount can either be present valued and settled up-front (in which case an interest rate adjustment will likely apply. If an interest rate adjustment applies, the interest rate reference used will be within the range of +/- 50 basis points either side of BBSY***), or paid to *you*, or by *you* (as applicable), in full on the last *settlement date*.

** Examples are used for illustrative purposes only and do not reflect current market prices or outcomes or the *Bank*'s (or any of its associates') view on future matters.

***If BBSY is 2.00%, the *reference rate* used will be in the range of 1.50% and 2.50%. The interest rate reference used from within that range will be at the discretion of the *Bank*.

Part 13: Payments netting

In accordance with the *AS transaction* documentation, if *you* have more than one *AS transaction* under this documentation, with the same *settlement date* and for the same currency, the payments and receipts may be "net settled". This means that all settlements are combined to a single net payment between *you* and the *Bank*.

Part 14: What are the costs involved in an *AS transaction*?

There are no up-front fees and charges for entering into an *AS transaction*. The *Bank*'s costs and profit margin in respect of the *AS transaction* are built into the fixed price. The factors used in determining the fixed price, including an allowance for the *Bank*'s costs and profit margin, are set out in Part 5.

Part 15: Are there any tax implications *you* should be aware of?

AS transactions may have tax implications. These can be complex, may change over time and are invariably specific to *your* circumstances including, but not limited to, *your* tax status, any elections *you* have made and the purpose for which *you* have entered into the *AS transaction*. The outcomes may vary depending, amongst other things, on the type of entity transacting and whether *you* have made any elections. Therefore, *you* should discuss any taxation issues with *your* independent tax adviser before entering into an *AS transaction*.

Your AS transaction may be subject to Government taxes and duties (if any). These may vary from State to State.

Part 16: Notification of changes

Where there is a material change to a matter in circumstances where the Corporations Act 2001 (Cth) requires a new PDS or a supplementary PDS, we will issue a new PDS or a supplementary PDS.

Part 17: Banking Code of Practice

The Banking Code of Practice (the Code), outlines standards of practice for banks, their staff and their representatives when dealing with small businesses and individuals. A business will be a small business for the purposes of the Code where its annual turnover for the previous financial year is less than $10 million and it has fewer than 100 full-time equivalent employees and it has less than $3 million total debt outstanding. The Code does not apply to financial products and financial services that are provided to wholesale clients for the purposes of the Corporations Act 2001 (Cth) (unless *you* are a wholesale client only because of section 761G(7)(b)).

If *you* would like more information about the Code and whether it applies to *you*, please contact *us* on **13 2221** (between 6am and 10pm, Monday to Friday (Sydney time)).

Part 18: What to do if *you* have a complaint?

Most problems can be resolved quickly and simply by talking with *us*. *You* can talk to *us* by:

- Calling one of *our* branches
- Phoning *our* Customer Complaints team on **1800 805 605** or, if *you* are overseas, calling **+61 2 9687 0756**;
- Completing the online feedback form at **www.commbank.com.au/feedback**, where *you* can also view *our* complaint process, or
- Writing to *us* at CBA Group Customer Relations, Commonwealth Bank Group, Reply Paid 41, Sydney NSW 2001

If *you* are not satisfied with the resolution and wish to proceed further, *you* can contact the Commonwealth Bank's Customer Advocate for a further review of *your* complaint. The Customer Advocate can be contacted via:

Telephone: 1800 832 806 (between 8.30am and 5pm (Sydney time), from Monday to Friday);

Email: **customeradvocate@cba.com.au;**

Writing: Customer Advocate
Commonwealth Bank
Reply Paid 88915
Sydney NSW 2001

Please quote the case reference number *we* provide *you* in all correspondence.

If an issue has not been resolved to *your* satisfaction, *you* can lodge a complaint with the Australian Financial Complaints Authority or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: **www.afca.org.au**

Email: **info@afca.org.au**

Telephone: **1800 931 678** (free call)

Writing: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

You can also contact the Australian Securities & Investments Commission, or ASIC, to make a complaint and to find further information on *your* rights. ASIC can be contacted through the following means:

Website: **www.asic.gov.au**

Email: **infoline@asic.gov.au**

Telephone: **1300 300 630**

Part 19: Definitions

"AS transaction"

An agricultural swap transaction.

"ASX"

Australian Securities Exchange and ASX 24, the futures market operated by it.

"AUD"

Australian dollars.

the "Bank"

Commonwealth Bank of Australia ABN 48 123 123 124.

"BBSW/BBSY"

The Bank Bill Swap Rate (BBSW) is a short-term money market benchmark interest rate. In general terms, BBSW is the average mid-rate at approximately 10.00am for Prime Bank Eligible Securities with tenors of 1 to 6 months on a Sydney *business da*y. BBSY is the BBSW rate plus 5 basis points.

"business day"

A day on which the *Bank* is open for transaction of business in relation to an *AS transaction*.

"CAD"

Canadian dollars.

"cash settlement amount"

The amount payable on a *settlement date* by one party to the agreement to the other, based on the difference between the fixed price and the *commodity reference price* for the underlying commodity.

"CBOT"

Chicago Board of Trade, an American futures and options exchange.

"cleared funds"

Funds that are immediately available to *you* for settlement of *your AS transaction*.

"commodity price"

The price that a producer or consumer will receive or pay in exchange for the sale or purchase of their physical commodity.

"commodity reference price"

The price that will be used to determine the outcome of *your AS transaction* on an exercise date or *pricing date*. The *commodity reference price* is determined with reference to the price of a particular *futures contract* on a particular *futures exchange*, index or price guide, depending on the underlying currency of the *AS transaction*.

"confirmation letter"

A letter confirming the particulars of an *AS transaction* entered into between you and the *Bank* on a *trade date*.

"exchange rate"

The expression of the value of one currency in terms of another. For example, in the exchange rate AUD/USD 0.8000, 1 Australian dollar is equal to 0.8000 United States dollars.

"forward exchange rate"

The expression of the value of one currency in terms of another, where the currencies are exchanged at a future date, that is more than 2 *business days* after the contract to exchange the currencies is entered into.

"futures contract"

A contract to purchase a specific asset or financial instrument at a specified time in the future at a specified price. Nearly all futures contracts are traded on a *futures exchange* and are standardised in terms of delivery date, amount and contract terms.

"futures exchange"

A market in which futures contracts are bought and sold, traditionally in a central, physical location, i.e. a trading floor. Increasingly though, futures exchanges are operated by dispersed traders using computer links to post prices to buy and sell the *futures contracts*.

"Group"

The *Bank* and its subsidiaries.

"Hedge Settlement Rate Average (HSRA)"

An AUD/USD reference rate set at 9.45am each *business day* and published on Reuters page HSRA. The HSRA rates are compiled by the Reserve Bank of Australia by averaging the AUD/USD exchange rates of a sample of market participants in the foreign exchange market. When calculating the average, the highest and lowest rates are removed from the sample prior to computation.

"HSRA date"

For *AS transactions* where the fixed price is denominated in AUD, 1 *business day* after a *pricing date*.

"ICE"

ICE is Intercontinental Exchange, Inc, an American company that operates various financial and commodity marketplaces, including futures and cash exchanges, and provides central clearing services.

“mark-to-market value”

A valuation method where an existing *AS transaction* is valued against current market rates to calculate any potential payment (or other non-monetary outcome) that will arise on termination (including early termination).

“master agreement”

The *Bank’s* Derivative Master agreement that sets out the terms and conditions of derivative transactions that may include one or more *AS transactions*.

“pricing date”

The date the *commodity reference price* is determined with respect to a *settlement date*.

“proscribed person”

A person who is the target of any *sanctions law* (or who is owned or controlled by a person who is the target of any *sanctions law*, or who is acting on behalf of or for the benefit of a person who is the target of any *sanctions law*), including, but not limited to, a person whose name appears on a list of people with whom dealings are proscribed by any *sanctions law*.

“reference rate”

The benchmark exchange rate *you* agree with the *Bank* on the *trade date*, to convert the *commodity reference price* to the same currency as the fixed price. An example is the HSRA.

“sanctions law”

Any trade, economic or financial sanctions administered or enforced by the Australian Department of Foreign Affairs and Trade, and to the extent applicable, the U.S. Department of Treasury’s Office of Foreign Assets Control; the United Nations Security Council; the European Union; Her Majesty’s Treasury; the New Zealand Ministry of Foreign Affairs and Trade; the Hong Kong Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau; the Monetary Authority of Singapore; the Ministry of Finance Japan; or any other relevant sanctions authority.

“settlement date”

A *business day* on which a *cash settlement amount* will be exchanged between the parties to the agreement. For *AS transactions* where the fixed price is denominated in *USD* or *CAD*, the settlement date will be 2 *business days* after the *pricing date*. For *AS transactions* where the fixed price is denominated in *AUD*, the settlement date will be 3 *business days* after the *pricing date*.

“termination date”

The last day of the *transaction period* of the *AS transactions*.

“trade date”

The date on which an *AS transaction* is entered into by the parties to the agreement.

“transaction amount”

The agreed quantity of the underlying commodity.

“transaction period”

The period from and including the *trade date*, up to and including the final *settlement date*.

“USD”

United States dollars.

“you”, “your”

The customer who is one of the parties to the agreement.

“we”, “our”, “us”

The *Bank*.

Appendix A – *Futures exchanges* Examples

Australian Securities Exchange (*ASX*)

Chicago Board of Trade (*CBOT*)

Intercontinental Exchange (ICE)

Note: From time to time, the *Bank* may add or remove *futures exchanges* that may (or may not) be listed in the table above.

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