

Cost category proposals for toll manufacturing agreements

Nufarm submitted the following proposals for the toll manufacturing agreements:

- (a) *Key Raw Materials*. The key raw materials are: [X], MCA and Ortho Cresol. A price will be set every [X]. The customer has the option to source the key raw materials itself if it wishes to do so.
- (b) *Other Raw Materials*. This refers to Caustic and Chlorine. The prices for the supply are agreed with [X]. Any price movement is included [X].
- (c) *Utilities*. As with the key raw materials the price will be set [X].
- (d) *Effluent*. The effluent price movement is based on the annual price increase from Yorkshire Water for the disposal of effluent (Mogden formula).
- (e) *Employment*. The employment element of the costs is inflated each year by the agreed pay award.
- (f) *Conversion costs*. The costs of processing the raw materials into the technical acid. These costs will be inflation linked.
- (g) *Cost of formulating*. This will be based upon the KOH or DMA price plus a [X].