

South Africa

SUGAR BEET CONTRACT

between

(PROPRIETARY) LIMITED

(Registration Number)

(the “Processor”)

and

GROWER

(Title and Full Names, Status and Registration or Identity Number as set out in Annexure
“A”)

(the “Grower”)

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WHEREAS:

- A. The Processor requires a continuous supply of sugar beet in order to supply the sugar beet factory to be constructed by the Processor (the “Factory”).
- B. The Grower is desirous of planting and growing sugar beet, and delivering it to the Processor.

ACCORDINGLY THE PARTIES AGREE THAT:

1. INTERPRETATION

1.1 Definitions

For the purposes of this Contract and the preamble above, unless the context requires otherwise:

- 1.1.1 “Beet Tonne” means 1 (one) tonne of cleaned, topped Crop determined in accordance with clause 14.1, where
- (a) “tonne” refers to a metric tonne equal to 1000 kg (one thousand kilograms);
 - (b) “cleaned” refers to the removal of all soil; and
 - (c) “topped” refers to the removal of leaves and other green material by cutting the sugar beet along a line through the middle of where the lowest leaves on the crown have grown, and “Actual Beet Tonnage” shall be interpreted accordingly;
- 1.1.2 “Adjusted Beet Tonne” The Adjusted Beet Tonne shall be equal to the factor set out opposite the Harvest Time Factor as stipulated in Annexure “E”.
- 1.1.3 “Applicable Legal Provisions” means all laws, statutes, by-laws, ordinances, regulations, orders and other measures having the force of law to the extent that such legal provisions are applicable to sugar and sugar beet;
- 1.1.4 “Average Sugar Price” means [the realised average sales price of sugar per tonne net of VAT, rebates and discounts processed from sugar beet delivered during a particular Campaign Period.
- 1.1.5 “Actual Beet Price” means, the average sugar price * 5.4%

1.1.6 “Campaign Period”	means the period during the Production Year in which the Factory is open for acceptance of Consignments by the Processor;
1.1.7 “Consignment”	means a delivery of the Crop of the Grower to the Factory in accordance with clause 10;
1.1.8 “Contract Address”	means the address of the Grower as set out in Annexure “A” or in any subsequent Annual Return Document completed in accordance with clause 7;
1.1.9 “Contract”	means this sugar beet supply agreement between the Processor and each Grower or between the Processor and this Grower, as the case may be, and includes its Annexures which shall form part of it;
1.1.10 “Contracted Area”	means an area of land consisting of such number of hectares on the farm operated by the Grower as set out in Annexure “A” and reflected on the map attached as Annexure “B”;
1.1.11 “Contracted Hectares”	means the number of hectares of arable land (excluding headland areas, access roads and the like) on which the Grower has agreed to plant and grow sugar beet in a Production Year as set out in Annexure “A” or in any subsequent Annual Return Document completed in accordance with clause 7;
1.1.12 “Crop”	means the whole or any part of the sugar beet crop grown by a Grower in terms of this Contract in a Production Year;
1.1.13 “Delivery Distance”	means the distance in kilometres between the Grower’s Contracted Hectares and the Factory by the shortest practicable route for a Vehicle as set out in Annexure “A” or as determined in accordance with any subsequent Annual Return Document completed in accordance with clause 7;
1.1.14 “Field and Previous Cropping Declaration”	means a declaration in the Annual Return Document in terms of which the Grower gives certain warranties in relation to the fields to be planted with sugar beet;
1.1.15 “First Production Year”	means the first Production Year in which the Processor commences processing sugar beet at the Factory on a continuous basis;

1.1.16 “Force Majeure Event”	means Act of God including, but not limited to, drought, flood, pests, act of war, civil commotion, any act or omission of any national or local authority, or any other cause beyond the reasonable control of a Party, provided that a Force Majeure Event shall not include strikes or breach of contract by any person with whom either Party has contracted;
1.1.17 “Grower”	means any person who contracts with the Processor for the delivery of sugar beet and who is a beneficiary of the Trust or the Grower whose name and identity number are set out in Annexure “A”, as the case may be;
1.1.18 “Growers’ Association”	means the association formed to collectively represent the Growers;
1.1.19 “Harvest Time Factor”	Actual Average Sucrose Percentage of all Beet Delivered to the processor at date that payment becomes due, plus the net of the sucrose percentage of the consignment and the average sucrose percentage for the week in which the consignment was delivered. The number obtained should be rounded to one decimal point.
1.1.20 “Levy”	means a levy agreed upon in writing by the Processor and the Growers Association acting on behalf of the Grower which the Processor shall apply to assist with the cost of research work conducted by the Processor for the benefit of the sugar beet industry and for the ultimate benefit of the Processor and the Grower;
1.1.21 “Loan”	means the loan from the Industrial Development Corporation of South Africa Limited to the Trust, financing the Growers’ beneficial interest in the Trust;
1.1.22 “Nominee”	means a person appointed by the Processor for the purposes of harvesting the Crop and/ or transporting the Crop from the Contracted Hectares to the Factory in terms of clause 10, and/ or planting and growing sugar beet on the Contracted Area in terms of clause 26, on behalf of the Processor, which nominee shall be entitled to exercise the rights and perform the obligations of the Processor in respect of the relevant activity;
1.1.23 “Notional Beet Price”	means [5.4%] of the Notional Sugar Price, ;

- 1.1.24 “Notional Sugar Price” means [the estimated Average Sugar Price per tonne for the coming campaign
- 1.1.25 “Party” means the Processor and the Grower, and “Party” shall mean any one of them;
- 1.1.26 “Processor” means (Proprietary) Limited, a private company incorporated under the laws of the Republic of South Africa under registration number _____
- 1.1.27 “Production Year” means a period of 12 (twelve) months commencing on 1 April and ending on 31 March;
- 1.1.28 “Pulp” means dried molassed sugar beet pulp in the form of shredded pulp, pulp nuts or pulp pellets;
- 1.1.29 “Purity” means [•]; $100 \times \text{sucrose \%} / \text{dry substance \%}$
- 1.1.30 “Quota” Means [•] Adjusted Beet Tonnes of sugar beet as set out in Annexure “A”;
- 1.1.31 “Trust” Means the Sugar Beet Growers’ Trust, trust number [•];
- 1.1.32 “Trust Deduction” means the amount which the Grower irrevocably authorises the Processor to pay to the Trust, on his behalf, until such time as the Loan is repaid by the Trust, which amount shall be equal to an amount determined by the trustees of the Trust taking into account the annual re-payments of the Loan, the remuneration of the trustees and all other expenses of the Trust divided by the Quotas of all Growers, and which shall entitle the Grower to a beneficial interest in the Trust represented by points in the allocation accounts of the Trust;
- 1.1.33 “Vehicle” means any lorry or truck or similar heavy bulk transport vehicle or machine used to harvest the Crop and/ or to transport the Crop from the Contracted Hectares to the Factory;

1.2 General Interpretation

In addition to clause 1.1, unless the context requires otherwise:

- 1.2.1 the singular shall include the plural and vice versa;
- 1.2.2 a reference to any one gender, whether masculine, feminine or neuter, includes the other two; and
- 1.2.3 natural persons include created entities (corporate or unincorporated) and vice

versa.

1.3 Headings and Sub-headings

All the headings and sub-headings in this Contract are for convenience only and are not to be taken into account for the purpose of interpreting it.

2. **OBLIGATIONS OF THE GROWER AND THE PROCESSOR**

2.1 The Grower shall:

2.1.1 plant and grow sugar beet on the Contracted Hectares;

2.1.2 produce at least the Quota; and

2.1.3 deliver the Crop to the Processor,
on the terms and subject to the conditions of this Contract.

2.2 The Processor shall:

2.2.1 provide the documents and information to the Grower and/ or the Growers' Association as referred to elsewhere in this Contract;

2.2.2 provide assistance to the Grower; and

2.2.3 buy and accept delivery of at least the Grower's Quota of sugar beet,
on the terms and subject to the conditions of this Contract.

3. **GROWERS' ASSOCIATION**

3.1 The Grower shall be entitled to monitor and take part in the business of the Processor together with other Growers as a collective through the Growers' Association to the extent and in the manner set out in this Contract. Accordingly, the Grower hereby irrevocably authorises the Growers' Association to represent him in relation to his dealings with the Processor, the intention being that the Processor will have dealings not with a multitude of Growers participating in the sugar beet project but with only the Growers' Association representing all Growers.

3.2 The Grower shall procure that the Growers' Association shall represent his interests under this Contract in accordance with its terms and subject to its conditions.

3.3 It is anticipated that the Growers' Association will appoint 1 (one) individual who shall be responsible for communicating with the Grower and generally dealing with the Grower in relation to any concerns which the Grower may have, such individual hereinafter

being known as the “Growers’ Representative”.

4. CONDITION PRECEDENT

This Contract shall take effect upon the Processor issuing to the Grower a letter of acceptance in accordance with clause 7.2.7 by no later than _____, failing which this Contract shall not take effect and the Parties shall have no claims against each other arising from this Contract.

5. ASSISTANCE TO THE GROWER AND CROP VERIFICATION

5.1 The Processor shall provide assistance to the Grower by:

5.1.1 co-ordinating the planting and growing of sugar beet;

5.1.2 providing Technical advice through regular visits[extension advice] to the Grower; and

5.1.3 conducting agronomy trials and demonstrations.

5.2 The Processor shall be entitled to enter upon the Contracted Area and to take steps which, in the reasonable opinion of the Processor, are necessary for the purpose of ensuring the sugar beet is being grown within the terms and conditions of this Contract, provided that the Processor shall give to the Grower at least 24 (twenty-four) hours written notice of any such exercise.

6. ROTATION

6.1 The Grower shall not in any Production Year sow any sugar beet seed on any land which was sown with either sugar beet seed or the seed of any other member of the Beta Species as set out in Annexure “C” in either of the 2 (two) years immediately preceding the Production Year.

6.2 The Processor shall be entitled to update Annexure “C” from time to time by agreement with the Growers’ Association in writing, provided that the Processor shall give notice to the Grower in writing of any such update and provided further that any such update shall only take effect on 1 April of the third Production Year after the Production Year in which the notice thereof was given.

7. ANNUAL RETURN DOCUMENT

7.1 On or before 31 October prior to every Production Year (excluding the first Production Year), the Processor shall issue to the Grower an Annual Return Document substantially in accordance with Annexure “D” (“Annual Return Document”).

7.2 The Grower shall complete and return the Annual Return Document to the Processor by no later than 31 December and shall ensure that its contents include the following:

7.2.1 the full name and address of the Grower;

7.2.2 the number of hectares within the Contracted Area on which the Grower proposes to plant and grow sugar beet in the following Production Year, provided that this is at least equal to the Contracted Hectares set out in Annexure “A”;

7.2.3 the Field and Previous Cropping Declaration;

7.2.4 sufficient information to enable the Processor to determine the Delivery Distance;

7.2.5 the amount and type or variety of sugar beet seed, as selected from a list agreed by the Processor and the Growers’ Association in writing, which the Grower requires for the following Production Year; and

7.2.6 any other matter in respect of the following Production Year which may be agreed upon by the Grower and the Processor from time to time in writing.

7.2.7 On or before 28 February, the Processor shall issue a letter of acceptance to every Grower whose duly completed form was received by 31 December, setting out the Contracted Hectares, the Quota, and any provisions agreed upon in terms of clause 7.2.6 for the following Production Year. Should the Grower fail to return the Annual Return Document on or before 31 December, the Grower shall automatically be in breach of this Contract whereupon the provisions of clauses 25 and 26 shall operate.

8. CONTRACTED HECTARES AND QUOTA

8.1.1 The Processor may, in its sole discretion, accept delivery to it by the Grower of sugar beet in excess of his Quota “(Excess Beet)”.

8.1.2 If the Grower delivers Excess Beet and the Processor is of the reasonable opinion that it will be unable to accept delivery of Excess Beet in the next Production Year, the Processor may, in its sole discretion, reduce the Contracted Hectares of the Grower below the Contracted Hectares set out in Annexure “A” in its letter of acceptance issued to the Grower in terms of clause 7.2.7 in the following Production Year.

9. CONTRACT PRICE AND PAYMENTS

9.1.1 The Processor shall pay to the Grower the Beet Price determined in accordance with the following formula for each Actual Beet Tonne delivered:

Actual Beet Price * Purity % / 92.1% * Adjusted Beet Tonne

Actual Beet Price per tonne = Average Sugar Price * 5.4%

9.1.2 The Processor shall make payment to the Grower of the Beet Price in the following manner:

9.1.3 the amount established by taking into account the Grower’s Consignments in Adjusted Beet Tonnes and applying thereto 90% of the Notional Beet Price, within 14 (fourteen) days of the delivery of the last of the Grower’s Consignments for the Production Year to the Processor at the Factory (the “Preliminary Payment”); and

Preliminary Payment = Notional Beet Price * Purity%/92.1% * Adjusted Beet Tonne * 90%

Mid Campaign Adjustment = (Notional Beet Price * Purity%/92.1% * Adjusted Beet Tonne * 90%)- Preliminary Payment

End Campaign Adjustment = (Notional Beet Price * Purity%/92.1% * Adjusted Beet Tonne * 90%)- Preliminary Payment-Mid Campaign Payment.

Final Payment = (Actual Beet Price * Purity%/92.1% * Adjusted Beet Tonne) - Preliminary Payment-Mid Campaign Payment-End Campaign Adjustment.

9.1.4 a balancing final payment, determined by deducting the Preliminary Payment, the Levy and the Trust Deduction from the total amount payable for the Crop, regard being

had to the Grower's Consignments for the Production Year and the Beet Price, by no later than 30 April in the following Production Year.

10. HARVESTING AND TRANSPORTING THE CROP

10.1 At least 14 (fourteen) days before the first day of the Campaign Period, the Processor shall prepare a schedule and shall provide a copy of the Schedule to each Grower not less than 7 (seven) days before the first day of the Campaign period. Such Schedule shall set out the estimated time of harvesting for and delivery of the Grower's Crop to the Factory.

10.2 The Processor shall be entitled to update the Schedule from time to time throughout the Campaign period and shall provide a copy of the updated Schedule to each Grower.

10.3 The Processor and/ or its Nominee shall harvest and shall transport the Crop at its own cost from the Contracted Hectares to the Factory.

10.4 The Processor shall be entitled to refuse to harvest the Crop if, in the reasonable opinion of the Processor, the Crop is unsuitable for processing.

10.5 The Grower shall:

10.5.1 allow the Processor and/ or its Nominee (including any of their Vehicles) access to the Contracted Hectares for the purposes of harvesting the Crop and, to the extent that it may be necessary to give effect to this obligation, the Grower shall, at his own cost, construct roads, bridges and gates to ensure such access; and

10.5.2 make available a suitable area of land adjacent to the Contracted Hectares reasonably acceptable to the Processor and/ or its Nominee, for the loading of the Crop onto the Vehicles.

10.6 The Grower shall be deemed to have delivered the Crop to the Processor as soon as the Crop is lifted out of the ground by the Processor and/ or its Nominee.

10.7 If the Crop is damaged, destroyed or lost wholly or in part in the course of being transported from the Contracted Hectares to the Factory, the relevant Consignment shall be deemed to be of the same weight and quality as the average weight and quality of the Grower's other Consignments for the Production Year.

11. WEIGHT OF CONSIGNMENT

The Processor shall determine the weight of every Consignment at the time of its arrival at the Factory by:

11.1 weighing each Vehicle before and after the unloading of such Consignment, provided that, when weighing, the vehicle shall be unmanned and shall not carry anything other than the Consignment; and

11.2 deducting the weight of the Vehicle after unloading from the weight of the Vehicle before unloading, provided that each Consignment shall be weighed to the nearest 20 kg (twenty kilograms).

12. SAMPLING

12.1 The Processor shall take a representative sample of not less than 15Kg sugar beet from each of the Grower's Consignments for the Production Year in order to determine the tare, purity and sugar content of the Growers' Consignments for the Production Year.

12.2 The Processor shall use all reasonable endeavours to ensure that the minimum sampling requirements set out in clause 12.1 are properly and fully adhered to.

12.3 The Processor shall conduct the following exercises in the respect of each sample taken in accordance with clause 12.1:

12.3.1 the sample shall then be weighed to the nearest 100 g (one hundred grams);
The sample shall then be washed and then reweighed to the nearest 100g to establish the dirt tare. The sample will then be topped, below the lowest green leaf and roots removed, and then reweighed to the nearest 100g to establish the Actual Beet Weight.

The beet shall then be sliced. A sub sample of the sliced beet shall then be analysed for purity and for sucrose content using the "cold water digestion method".

13. MONITORING OF SAMPLING

13.1 The Growers Association shall be entitled at its own expense to have, at any

one time, 1 (one) representative present at the Factory (“Growers’ Representative”) to monitor the sampling of each Grower’s Consignments and to verify that the sampling and the determination of the tare weight, tare percentage, sugar content and purity are conducted in accordance with this Contract and with any agreement made between it and the Processor in terms of clause 12.1.

13.2 The Growers’ Representative shall be entitled to demand that a second sample be taken and tested if, in his reasonable opinion, this is necessary.. The Growers Association will be entitled to take 5 second samples taken and tested each day at no cost to the Association. Any further samples shall be at the cost of the Growers Association.

14. BEET TONNAGE AND ADJUSTED BEET TONNAGE

14.1 The Beet Tonnage of a Consignment shall be determined as follows:

14.1.1 the Processor shall determine the net weight of the Consignment by reducing the weight of the Consignment, determined in accordance with clause 11, by a percentage equal to the tare percentage, determined in accordance with clause ..., and rounding off the resulting figure to the nearest 10 kg (ten kilograms).

14.1.2 the net weight of the Consignment so established shall be the Beet Tonnage of the Consignment.

14.2 The Adjusted Beet Tonnage of a Consignment shall be deemed to be the Adjusted Beet Tonnage of the next Consignment of the Grower delivered to the Factory.

15. COMPLAINTS

15.1 The Grower shall make any complaint which he has in respect of the operation of this Contract or the conduct of the Processor to the Growers’ Representative who shall record such complaint in writing irrespective of the manner in which it is made.

15.2 The Processor shall convene Complaints Meetings at regular monthly intervals throughout the Campaign Period (each a “Complaints Meeting”).

15.3 It is anticipated that, unless resolved between the Grower and the Growers’ Representative to the satisfaction of the Grower:

15.3.1 the Growers' Representative shall properly and fully investigate the complaint and the Processor shall give the Growers' Representative all reasonable facilities and assistance to enable him or her to do so;

15.3.2 the Growers' Representative shall give to the Processor written notice not less than 1 (one) week prior to the date of the Complaints Meeting informing the Processor of the nature of the complaint and that the Growers' Representative intends to raise the complaint at the Complaints Meeting; and

15.3.3 the Growers' Representative shall give to the Grower written notice not less than 1 (one) week prior to the date of the Complaints Meeting informing the Grower that the Growers' Representative intends to raise the complaint at the Complaints Meeting and that the Growers' Representative will report back to the Grower as to the outcome of the Complaints Meeting within 1 (one) week of the date of the Complaints Meeting.

15.4 The Growers' Representative and representatives of the Growers' Association and of the management of the Factory shall attend the Complaints Meeting, and the Factory Manager of the Processor shall attend and chair the Complaints Meeting.

15.5 At the Complaints Meeting, the Growers' Representative shall raise any complaints of which written notice has been given in terms of clause 15.3.2.

15.6 Within 1 (one) week of the date of the Complaints Meeting, the Growers' Representative shall:

15.6.1 report back to the Grower in writing as to the outcome of the Complaints Meeting ; and

15.6.2 provide a copy of the report given to the Grower in terms of clause 15.6.1 to the Agricultural Manager of the Processor.

16. INFORMATION

16.1 The Processor shall supply to the Growers in writing the following information at the time of payments during the Campaign Period:

16.1.1 total weight of Consignments received;

Adjusted beet tonnage

Harvest time factor

16.1.2 average tare [weight/ percentage];

16.1.3 average sugar content; and

16.1.4 purity,

Weekly Average Sucrose

16.2 The Processor shall supply to the Growers' Representative the following consolidated information at weekly intervals for the previous week and year to date during the Campaign Period:

17. PROVISION OF ACCOUNTING INFORMATION

17.1 The Processor shall provide the Growers' Association with such information as the Growers' Association reasonably requires in order to represent the interests of the Grower and to ensure that the Processor complies with its obligations under this Contract.

18. SUGAR BEET SEED

18.1 The Grower shall order all the sugar beet seed that he requires for a Production Year through the Annual Return Document.

18.2 The Processor shall promptly forward the order of the Grower to the seed supplier(s) approved by the Processor in writing ("Seed Supplier(s)") so as to ensure timely delivery of the sugar beet seed to the Grower.

18.3 The Grower shall pay for the sugar beet seed by paying the price directly to the Seed Supplier(s).

18.4 It is anticipated that 2 (two) representatives from each of the Growers' Association, the Processor and the Seed Supplier(s) shall hold meetings from time to time to discuss matters pertaining to sugar beet seed, provided that the Processor procures the attendance of the representatives of the Seed Supplier(s) at such meetings and provided further that the Growers' Association and/ or the Processor shall be entitled to convene such a meeting if, in its reasonable opinion, it considers it appropriate.

19. UNAUTHORISED AGRO-CHEMICALS

19.1 The Grower shall not:

19.1.1 use for the planting and growing of sugar beet, any land to which any agro-chemical not approved by the processor has been applied by anyone at any time during the period of 6 (six) months prior to the commencement of the sowing of the sugar beet seed;

19.1.2 sow any sugar beet seed to which any unapproved Agro-Chemical, as advised by the processor from time to time, has been applied by anyone at any time prior to sowing;

19.1.3 only apply to the Crop or to any land used for the Crop any agro-chemical as approved by the processor in writing at any time while the Crop is being grown or harvested or is in a clamp or is otherwise awaiting delivery to the Processor.

19.2 The Processor shall be entitled to reject delivery of the Crop if the tests of the Processor provide reasonable grounds for believing that there has been a breach of clause 19.1, provided that the Grower shall be entitled to see the results of the tests.

19.3 The Grower shall only use in connection with the Crop the agro-chemicals which were specified in the relevant Annual Return Document or otherwise approved by the Processor in writing.

20. PULP

Any Pulp produced as a result of the processing of the Consignments shall be the property of the Processor, provided that:

20.1 Grower shall be entitled to purchase from the entity to which the processor elects to sell the pulp, all the Pulp produced from his actual beet tonnage in each Production Year, for his own consumption at an ex factory price plus 2.5% plus distribution costs.

20.2 The grower is entitled to take up the average of his previous two years uptake, expressed as a percentage of the entitlement. In the first two years the entitlement will be 100%.

20.3 The grower must indicate the proportion of his pulp entitlement that he

intends to take up on the annual return document.

20.4 The processor will enshrine these rights in the off-take contract with entity procuring the pulp.

21. FORCE MAJEURE

21.1 If any Party is prevented or restricted, directly or indirectly, from carrying out all or any of its obligations under this Contract as a result of a Force Majeure Event, the affected Party shall be relieved of its obligations under this Contract during the period for which the Force Majeure Event and its consequences continue, but only to the extent so prevented, and shall not be liable for any delay or failure in its performance of any obligations under this Contract or any loss of damage which the other Party or Parties may suffer as a result of such delay or failure, provided always that the affected Party shall, within 48 (forty-eight) hours of the occurrence of a Force Majeure Event, give written notice to the other Parties of any such inability to perform and provided further that the obligation to give such notice shall be suspended to the extent necessitated by the Force Majeure Event.

21.2 Any Party invoking the provisions of this clause 21 shall use its best endeavours to terminate the circumstances giving rise to the Force Majeure Event and upon termination of the circumstances giving rise thereto, shall forthwith give written notice thereof to the other Parties.

21.3 The Parties agree that, in the event that a Force Majeure Event occurs as contemplated herein, the duration of this Contract shall be extended by the period for which such Force Majeure Event continues. However should the Force Majeure Event last more than 6 (six) months, the party who has not invoked the provisions of this clause 21 may terminate this Contract.

22. DURATION

22.1 This Contract shall commence on the fulfilment the conditions precedent set out in clause 4 and shall remain in force until such time as it is lawfully terminated in accordance with clauses 21.3, 22.2 or 23.4.

22.2 Either the Processor or the Grower may terminate this Contract by giving to the other Party 24 (twenty-four) calendar months' notice provided that such notice:

22.2.1 may only be given so as to terminate the Contract at the end of a Production Year; and

22.2.2 may not be given until at least 10 (ten) Production Years have elapsed since 1 April of the First Production Year, and the Loan has been repaid in full.

23. RE-NEGOTIATION

23.1 In the event of a material alteration in the Applicable Legal Provisions, the Processor and the Growers' Association, on behalf of the Grower, hereby agree to re-negotiate and amend the provisions applicable to each Contract to the extent this may be necessary and equitable.

23.2 If the Processor and the Growers' Association fail to reach agreement within 60 (sixty) days from the date of the material alteration to the Applicable Legal Provisions, the matter shall be referred to arbitration in accordance with clause 27.

23.3 Upon determination of the required amendments to the Contracts, whether in terms of clause 23.1 or clause 23.2, the Processor shall give to each Grower written notice of such amendments (an "Amendment Notice").

23.4 The Grower shall be bound by the terms of the Amendment Notice and the Contract shall be deemed to be amended in accordance with the Amendment Notice unless the Grower serves a written notice of rejection on the Processor within 14 (fourteen) days of the date of receiving the Amendment Notice (a "Rejection Notice"), whereupon this Contract shall terminate. The Growers' Association shall use its best efforts to encourage Growers not to serve any Rejection Notices.

24. ASSIGNMENT

24.1 The Grower may not assign or encumber his or her rights and/ or obligations under this Contract unless the Grower:

24.1.1 obtains the prior written consent of the Processor which, if given, may be given

unconditionally or subject to such conditions as the Processor thinks fit; and

24.1.2 in the case of an assignment, also transfers to the assignee at least his threshold interest in the Trust from time to time.

24.2 The Processor shall not have the right to assign any of its rights and/ or obligations under this Contract under any circumstances, this prohibition being for the benefit of all the Growers contracting with the Processor on a similar basis.

25. BREACH

25.1 Subject to clause 26, should any Party commit a breach of this Contract (“the defaulting party”) and fail to remedy that breach within 14 (fourteen) days after receipt of a written notice calling upon it so to do (provided that if such breach is one which is not reasonably capable of being remedied within the said period of 14 (fourteen) days, the Defaulting Party shall be allowed such additional period as is reasonably required therefore), then the innocent Party shall be entitled, in addition to and without prejudice to any right or remedy it may have under the circumstances, either to:

25.1.1 enforce the performance of the terms hereof; or

25.1.2 cancel this Contract and recover such damages from the defaulting party as it may have sustained.

26. STEP-IN RIGHTS

26.1 Notwithstanding anything to the contrary in this Contract, where the defaulting party is the Grower, the Processor and/ or its Nominee shall be entitled to step into the shoes of the Grower and to plant and grow sugar beet on the Contracted Area at its own cost in the Production Year subsequent to the breach and until:

26.1.1 the Contract is lawfully terminated in accordance with the provisions of this Contract; or

26.1.2 the Processor approves in writing the renewed participation of the Grower.

26.2 The Processor shall exercise its rights in terms of clause 26.1 by giving to the

Grower written notice within 60 (sixty) days from the date on which it became or ought reasonably to have become aware of the existence of a breach in terms of clause 25.1, failing which the step-in rights of the Processor shall lapse.

26.3 If the Processor exercises its rights in accordance with clause 26.2, the Grower shall provide to the Processor and/ or its Nominee access to the Contracted Area and to adequate water for the growing of the Crop.

26.4 In order to give effect to the provisions of clauses 26.1 and 26.3, the Grower shall sign the lease attached as Annexure “G” (where he is the owner) or the assignment attached as Annexure “H” (where he is the lessee), as the case may be, [and the power of attorney attached as Annexure “I”], provided that such lease or assignment, as the case may be, [and power of attorney] shall only take effect if:

26.4.1 the Processor exercises its rights in accordance with clause 26.2, in which case it/ they shall be deemed to have taken effect on the date of the written notice given by the Processor in terms of clause 26.2;

26.4.2 the Grower sells, donates or otherwise disposes of the Contracted Area to a third party, in which case it/ they shall be deemed to have taken effect immediately before transfer of the Contracted Area to the third party;

26.4.3 the Grower leases, sub-leases or assigns the lease of the Contracted Area to a third party, in which case it/ they shall be deemed to have taken effect immediately before the conclusion of the lease, sublease, or assignment, as the case may be; and/ or

26.4.4 the Grower dies or, if the Grower is a corporate entity, trust or partnership, then upon the liquidation, winding up, termination or dissolution thereof or similar event, as the case may be.

27. **ARBITRATION**

27.1 Any dispute, difference, impasse or deadlock (“dispute”) arising out of this Contract or the interpretation thereof, both while in force and after its termination, may be submitted to and determined by arbitration. Such arbitration shall be held in _____ unless otherwise agreed to and shall be held in a summary manner with a view to it being completed as soon as possible.

27.2 The appointment of the arbitrator shall be agreed upon by the Parties to the dispute, but failing agreement between them within a period of 14 (fourteen) days after a Party has given written notice to the other Party or Parties requiring such agreement, any Party shall be entitled to request the Chairman of the Association of Arbitration to resolve the dispute or to make the appointment of the arbitrator.

27.3 The arbitrator shall have the powers conferred upon an arbitrator under the Arbitration Act, 1965, as amended, or re-enacted in some other form from time to time, but shall not be obliged to follow the procedures described in that Act and shall be entitled to decide on such procedures as he may consider desirable for the speedy determination of the dispute, and in particular he shall have the sole and absolute discretion to determine whether and to what extent it shall be necessary to file pleadings, make discovery of documents or hear oral evidence.

27.4 The decision of the arbitrator shall be final and binding on the Parties, and may be made an order of any court of competent jurisdiction. Nothing in this clause 27 shall preclude a Party from seeking any interim relief from any competent court having jurisdiction pending the institution of any arbitration proceedings in terms of this clause

27.5 Each of the Parties hereby submits itself to the jurisdiction of the Eastern Cape Division of the High Court of South Africa in respect of any court proceedings arising out of this Contract.

28. ADDRESSES FOR LEGAL PROCESS AND NOTICES

28.1 The Parties choose for the purposes of this Contract the following addresses and telefax numbers:

28.1.1 Processor:[•]

Telefax No: [•]

28.1.2 Grower

Contract Address

28.1.3 Growers' Association :[•]

Telefax No: [•]

28.2 Any legal process to be served on a Party may be served on it at the address specified for it in clause 28.1 and it chooses that address as its domicilium citandi et executandi for all purposes under this Contract.

28.3 Any notice or other communication to be given to a Party in terms of this Contract shall be valid and effective only if it is given in writing, provided that any notice given by telefax shall be regarded for this purpose as having been given in writing.

28.4 A notice to a Party which is sent by registered post in a correctly addressed envelope to the address specified for it in clause 28.1 shall be deemed to have been received (unless the contrary is proved) within 14 (fourteen) days from the date it was posted, or which is delivered to the Party by hand at that address shall be deemed to have been received on the day of delivery, provided it was delivered to a responsible person during ordinary business hours.

28.5 Each notice by successful telefax to a Party at the telefax number specified for it in clause 28.1 shall be deemed to have been received (unless the contrary is proved) within 24 (twenty-four) hours of transmission if it is transmitted during normal business hours of the receiving Party or within 24 (twenty-four) hours of the beginning of the next business day after it is transmitted, if it is transmitted outside those business hours.

28.6 Notwithstanding anything to the contrary in this clause 28, a written notice or other communication actually received by a Party (and for which written receipt has been obtained) shall be adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address.

28.7 A Party may by written notice to the other Party change its address or telefax number for the purposes of clause 28.1 to any other address (other than a post office box number) provided that the change shall become effective 7 (seven) days after the receipt of the notice.

29. GENERAL

29.1 This Contract shall take effect and shall be construed in accordance with the laws of

the Republic of South Africa.

29.2 The Parties acknowledge and agree that this document constitutes the entire agreement between them in respect of the subject matter contained herein and that no representations, warranties or undertakings have been given or made by the Parties or by their respective agents, representatives or employees other than as are contained in this Contract.

29.3 No variation or amendment to the terms and conditions of this Contract will be of any force or effect unless is reduced to writing and signed by or on behalf of both the Parties. Similarly, no cancellation of this Contract shall be effective unless in writing.

29.4 No waiver of the terms of this Contract shall be binding for any purpose unless reduced to writing and signed by the Party giving the same, and such waiver shall be effective only in the specific instance and for the purpose given.

29.5 No remedy conferred by this Contract is intended to be exclusive of any other remedy which is otherwise available at law, by statute or otherwise. Each remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law, by statute or otherwise. The election of any one or more remedies by either of the Parties shall not constitute a waiver by such Party of the right to pursue any other remedy.

29.6 Termination of this Contract for any cause shall not release a Party from any liability which at the time of termination has already accrued to such Party or which thereafter may accrue in respect of any act or omission prior to such termination.

29.7 If for any reason any clause of this Contract is rendered void or unenforceable it shall be several from the remainder of this Contract which shall remain in full force and effect.

29.8 This Contract may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Contract by signing any such counterpart.

29.9 Each Party shall bear its own costs and expenses incurred by it in connection with the preparation and signing of this Contract.

29.10 Nothing in this Contract shall be deemed to constitute a partnership between the Parties for any purpose.

SIGNED AT

ON

For:

(PROPRIETARY) LIMITED

Signatory:

Capacity:

Authority:

SIGNED AT

ON

For:

GROWER

Name:

Capacity: Owner of Contracted Area