

BRITISH SUGAR PLC

NATIONAL FARMERS' UNION

INTER-PROFESSIONAL

AGREEMENT

THIS INTER-PROFESSIONAL AGREEMENT (“IPA”) is made
on 2024

BETWEEN:

- (1) **BRITISH SUGAR PLC** whose registered office is situated at Weston Centre, 10 Grosvenor St, London, W1K 4QY (the “Processor” or “British Sugar”); and
- (2) **THE NATIONAL FARMERS’ UNION** whose national headquarters is situated at Agriculture House, Stoneleigh Park, Stoneleigh, Warwickshire CV8 2TZ (the “NFU”).

WHEREAS:

- (A) The NFU is at the date hereof a body recognised by the Department of the Environment Food and Rural Affairs (DEFRA) as substantially representative of the Growers of sugar beet in the United Kingdom.
- (B) The Processor is at the date hereof the sole processor in the United Kingdom of sugar beet grown in the United Kingdom.
- (C) This Agreement is an agreement within the trade within the meaning of Part II of Annex II of the Regulation (EU) (n°1308/2013 of the European Parliament and the Council) as amended, supplemented and superseded from time to time in England.
- (D) This Agreement is intended to have effect in respect of the 2025/26 sugar beet crop and the parties intend to meet as envisaged in this Agreement to negotiate and agree the terms applicable to any subsequent sugar beet crop thereafter.

1 DEFINITIONS

Actual Beet Tonne	in respect of every Consignment of sugar beet one tonne of the clean beet in such Consignment ascertained and calculated upon its delivery and unloading at the Contract Factory (or at any other factory to which it may be diverted) in accordance with this Agreement; and “ Actual Tonnage ” shall be interpreted accordingly;
Adjusted Beet Tonne	an Actual Beet Tonne converted into an adjusted beet tonne in accordance with Appendix 1 to this Agreement and “ Adjusted Beet Tonnage ” shall be interpreted accordingly;
Advance Payment Agreement	an agreement regarding Cash Advancements in the form contained in Appendix 4;
BBRO	British Beet Research Organisation;
BBRO Recommended List	the Recommended List as set out on https://bbro.co.uk/sugar-beet-varieties/recommended-list/
Beet Delivery Service	the agreed scheme whereby the Processor coordinates and facilitates haulage transportation, cleaning and loading of the sugar beet directly from the Growers’ farms;
Campaign Period	the period during a Contract Year in which a Contract Factory is open for acceptance of Consignments;
Cash Advancement	a payment to Growers made under the terms of the Advance Payment Agreement, where such an agreement has been signed between the Processor and the relevant Grower.
Consignment	a delivery of sugar beet delivered by a Grower under his Contract;
Contract	the agreement between the Processor and each individual Grower evidenced by the Contract Document and incorporating the terms of this Agreement together with any applicable amendments, as contemplated by Clause 4;
Contract Address	the Grower’s address appearing on the Contract Document;

Contract Distance	the number of miles between the centre of the field the Grower has planted sugar beet on and the inbound weighbridge at the Contract Factory by the Shortest Legal Practical Route (as defined in clause 13(h)), or, in the case of a Grower who has contracted under a single Contract to grow beet on more than one field, the average number of miles between the centres of such fields and the Contract Factory, duly weighted to take account of the number of hectares upon which sugar beet is to be grown on each field, as agreed between the Grower and the Processor and as specified in the Contract Document;
Contract Document	for a Contract Year, or multiple Contract Years, the forms of offer and acceptance, referred to in Clause 4 hereof;
Contract Factory	the Processor's factory named in the Contract Document, subject to Clause 2(e);
Contract Year	a period commencing on any 1st October and ending on the following 30th September;
Contracted Tonnage	of a Grower for a Contract Year, the total number of Adjusted Beet Tonnes which the Grower has contracted to grow pursuant to the Contract Document, established in accordance with Clause 2 hereof, and regardless of whether such tonnage is paid at a single or combination of UK Contract Price(s);
Crop	the whole or any part of the sugar beet grown under his Contract by a Grower in a Contract Year;
Crop Area Declaration	the form which a Grower is required to complete and return to the Processor setting out the field(s) on which the Grower is growing the Crop and the hectareage thereof;
Final Offer Date	a date to be agreed between the Processor and the NFU in each Contract Year after the date the Processor's invitation to grow was received by the relevant Grower;
Finance Provider	any Bank or financial services company that the Processor makes arrangements with to provide Growers with early payment for beet under a Grower Finance Scheme;

Form of Offer	form to be sent by the Grower to the Processor in response to an invitation to grow, setting out the Grower's offer of Contracted Tonnage, any additional tonnage the Grower wishes to offer to grow, and the total tonnage the Grower wishes to be paid at each UK Contract Price set out in the invitation or that continues to apply based on previous agreements covering multiple years;
Frost Insurance	the annual insurance policy contracted by the NFU to cover Growers' beet from loss due to frost as further described in Clause 41
Futures Linked Contract	the futures linked contracts facilitated by Czarnikow Group Ltd (" CGL ") as further described in Clause 2(f) and Clause 4(e);
Grower	any person whether an individual, an unincorporated association, a limited company or partnership who offers to sell sugar beet to the Processor in a Contract Year and whose offer is accepted by the Processor;
Grower Finance Scheme	a scheme whereby the Processor facilitates the early settlement of beet invoices via a Finance Provider. This scheme may extend to the settlement of part of the Grower's crop whilst still in the ground;
Grower Representatives	representatives appointed by the NFU the most senior of whom is referred to herein as the " Beet Intake Manager ";
Late Delivery Allowance	the payment per Adjusted Beet Tonne due to the Grower pursuant to Clause 8 hereof;
Mapping Software	the software used by British Sugar from time to time to measure Contract Distance;
Mileage Related Payment	an allowance per Adjusted Beet Tonne calculated in accordance with Clause 9(c);
Multiyear Contract	has the meaning given to it in Clause 4;
NFU Mutual	National Farmers Union Mutual Insurance Society Limited;
Notice of Acceptance	notice to be issued by the Processor to a Grower accepting the Grower's offer to grow;
Novation Agreement	Means a novation agreement in the form contained in Appendix 5;
Payment Period	a period during the Contract Year in respect of which payment is to be made by the Processor to Growers in accordance with Clause 11 hereof;

Permit	a form issued by the Processor to the Grower and dated in accordance with the Schedule (or any revision thereof) specifying a time period and date on which the Grower may effect a delivery of sugar beet at the Contract Factory;
Road Access Point	The road access location declared in a Grower's Crop Area Declaration;
Schedule	the Schedule of deliveries prepared by the Processor prior to each Campaign Period setting down the time periods and days upon which each Grower is to make deliveries of sugar beet to the Contract Factory, or any revision thereof;
Seed Account	the records kept by the Processor as to the costs of seed supplied to Growers and of all financing costs and storage and delivery charges associated therewith;
Surplus Beet	any beet delivered in excess of a Grower's Contracted Tonnage;
Surplus Beet Price	the price for Surplus Beet set by the Processor annually;
Tonne	a metric tonne, equal to 1,000 kilograms and tonnage means an amount in Tonnes;
Transport Allowance	the allowance per Actual Beet Tonne for transport costs payable pursuant to Clause 13;
Transport Mileage Cap	a Contract Distance in respect of which Transport Allowance payment will be capped;
UK Contract Price(s)	the price(s) per Adjusted Beet Tonne as agreed in writing by the Processor and the NFU, which may apply to tonnage delivered in a single or multiple Contract Years, apportioned among a Grower's Contracted Tonnage as subsequently agreed between the Grower and Processor;
UK Regulation	Regulation (EU) (n°1308/2013 of the European Parliament and the Council) as retained in English law by the European Union (Withdrawal) Act 2018 and as amended, supplemented and superseded from time to time in England;
Working Day	any day that the banks are open for business in London.
Yield Protection Contract	A Contract where the commercial terms include those contained in Appendix 6.

Unless the context otherwise requires words denoting the singular shall include the plural, and vice versa, and words denoting any gender shall include all genders.

Interpretations of "Contract Year"

References to "Impending Contract Year" in this Agreement shall mean the Contract Year commencing on the 1st October immediately following the signature of this Agreement. This means that where a Grower needs to complete and return a form of offer relating to the Impending Contract Year on or prior to the Final Offer Date, the Impending Contract Year shall be the Contract Year commencing 1 October following the planting of the beet.

References to "**Completed Contract Year**" shall mean a Contract Year for which the 30th September has passed as at the time of planting the crop for the Impending Contract Year; for example, in 2023/24 the most recent "Completed Contract Year" would be 2022/23.

Otherwise, unless the context requires otherwise, references in this contract to "Contract Year" shall mean Contract Year 2025/2026.

2 CONTRACTED TONNAGE

- (a) Every Grower shall be allocated a Contracted Tonnage. When calculating each Grower's entitlement to Contracted Tonnage for the applicable Contract Year, account will be taken of the past performance of such Grower. Unless jointly agreed by the NFU and the Processor to the contrary, a Grower will be entitled to retain his Contracted Tonnage of the immediately previous Contract Year provided he has either:
 - (i) delivered at least 95 per cent. of his Contracted Tonnage on average over the preceding two Completed Contract Years, or such percentage as may be agreed by the NFU and the Processor from time to time. In the case of Growers contracted to the Newark factory, this percentage shall be 85 per cent. In calculating the average tonnage delivered, both contract and over-contract deliveries will be included; or
 - (ii) in respect of the most recent Completed Contract Year, planted a sufficient area of sugar beet on the land covered by the Crop Area Declaration and (if he delivered less than the per cent. of his Contracted Tonnage stipulated in sub clause (i) above) he delivered his entire sugar beet crop to British Sugar from such land. A sufficient area (A) is calculated by dividing the Grower's Contracted Tonnage (T) by their five-year average adjusted yield plus 5% (Y) [the formula where $A=T/Y$].
- (b) If neither of the conditions in sub clauses (i) or (ii) above are met, then the Grower's Contracted Tonnage for the year in question will be reduced by the actual shortfall and such reduced Contracted Tonnage will become the Grower's entitlement to Contracted Tonnage for subsequent Contract Years.
- (c) For the 2027/8 Contract Year, Growers will be entitled to retain their 2026/27 Contract Year Contracted Tonnage provided they have either:
 - (i) met either of the conditions in clause 2(a);
 - (ii) or delivered at least 70 per cent of their Contracted Tonnage in Contract Year 2025/26.
- (d) Should a Grower's Contracted Tonnage be reduced as a result of the provisions of sub clause (b) above, the Grower is entitled to reduce their tonnage that will be paid at any UK Contract Price that had been previously agreed by the Grower covering multiple years by any amount up to the total

size of the reduction in their Contracted Tonnage, provided such a reduction, in combination, is no greater than the total reduction in the Grower's Contracted Tonnage.

- (e) In relation to any Grower signing a Contract who does not have an existing Multiyear Contract signed in any of the 2021/22, 2022/23, or 2023/24 years, British Sugar is entitled to amend the Contract Factory upon written notice to the Grower provided that the Grower's Contract Distance remains within the Transport Mileage Cap calculated in accordance with Clause 13.
- (f) British Sugar has agreed to operate a Futures Linked Contract facilitated by Czarnikow Group Ltd (CGL) for 2025/26, as further detailed in Clause 4(e).

3 CONTRACT MANAGEMENT

- (a) A Grower shall be entitled to opt to group his Contract with that of one or more other Growers in respect of a specific Contract Year, subject to complying with the rules, terms and conditions agreed from time to time between the Processor and the NFU.
- (b) A Grower shall be entitled in each Contract Year to transfer or lease his Contracted Tonnage to another person subject to the conditions below and any other rules, terms and conditions agreed from time to time between the Processor and the NFU. The conditions are:
 - (i) Any holder of Contracted Tonnage no longer farming and who does not grow that tonnage themselves may permanently lose that Contracted Tonnage, subject to the decision of a joint NFU-British Sugar panel (whose decision shall be final) that will assess the position of each Grower on a case-by-case basis.
 - (ii) For the avoidance of doubt, the option to lease tonnage between active Growers remains available; and
 - (iii) Contracted Tonnage leasing and transfers will only be permissible providing that this does not lead to an increase in mileage, based on the most up to date mileage figures available for the relevant contracts. A Grower may appeal any rejection of the lease or transfer if they can show that there will be no increase in mileage in the Impending Contract Year. Appeals will be determined by a joint panel made up of representatives from the Processor and the NFU; and
 - (iv) The Processor will not act as an intermediary to match Growers seeking to lease out tonnes with those looking to lease in tonnes. Any leasing arrangements will have to be concluded between the relevant Growers. The Processor will administer leasing forms in order to ensure the correct tonnages are assigned to the relevant Growers, provided that these are returned completed by the relevant Growers to the Processor by the specified date.

4 OFFER AND ACCEPTANCE

- (a) Following agreement between the NFU and the Processor of the UK Contract Price(s) applicable for that Contract Year, the Processor shall (subject to the proviso contained in this Clause) issue an invitation to grow in compliance with

clause 4(c) to every Grower who is growing or has grown sugar beet in that Contract Year in relation to the Impending Contract Year on the basis that if that Grower enters into a Contract with the Processor he shall be entitled to grow sugar beet in the Impending Contract Year.

PROVIDED however that the Processor shall not be bound to issue such invitation to grow to any Grower who has, in that Contract Year, been in breach of such Grower's Contract with the Processor to such an extent that in the opinion of the Processor it is undesirable that such Grower should continue to contract with the Processor to grow sugar beet.

- (b) If a Grower is not entitled to be issued with an invitation to grow under sub-clause (a) above, the Processor may nevertheless agree to issue such Grower with an invitation to grow; and (subject to sub-clause (a) above) in unusual cases, cases in which the Processor is uncertain and cases of alleged hardship, the Processor shall seek the views of the NFU on whether so to agree.
- (c) The contents of the invitation to grow shall set out:
 - (i) the Contracted Tonnage to which the prospective Grower would be entitled calculated in accordance with Clause 2 hereof;
 - (ii) the UK Contract Price(s) that the Processor would pay to the prospective Grower for the Contracted Tonnage;
 - (iii) the Final Offer Date for issue of the Grower's offer;
 - (iv) a statement advising the Grower that information regarding the Processor's use of the Grower's personal data shall be as described in Appendix 3 of this Agreement;
 - (v) a statement to the effect that the Grower appoints the NFU as his agent to agree the contract conditions as to prices and any amendments to this Agreement which shall be incorporated into the Contract with the Grower; and
 - (vi) any special provisions already agreed upon between the Processor and the NFU in respect of the Impending Contract Year,

and in addition such other matters as may be agreed upon from time to time between the Processor and the NFU.

- (d) If the recipient of the invitation to grow desires to make an offer they shall complete such invitation to grow and shall return a Form of Offer to the Processor as soon as reasonably practicable and in any event not later than the Final Offer Date. Such completed invitation to grow shall constitute an offer from the Grower to the Processor to enter into a Contract to grow and supply the Processor with the sugar beet specified therein in accordance with the terms of this Agreement.
- (e) If a Grower has selected to offer tonnage on the Futures Linked Contract in the Form of Offer, then he must:
 - (i) sign and return a Novation Agreement (the template of which is found at Appendix 5) following receipt of their Notice of Acceptance; and

- (ii) agree to indemnify the Processor against any costs or losses that the Processor faces in the event that the Grower fails to plant and deliver the beet tonnage described in paragraph 2 of the Novation Agreement, unless such failure is due to a Force Majeure Event. The costs and losses referred to in this sub-clause are any costs or losses incurred in relation to the unwinding of futures positions where the Processor has taken positions in the market and the Grower has failed to deliver the tonnes of sugar beet contracted under the Novation Agreement.
- (f) Subject to receipt of a properly completed Form of Offer (based on the Processor's invitation to grow) from a Grower on or prior to the Final Offer Date, the Processor shall accept the Grower's offer and issue to the Grower a Notice of Acceptance to the relevant Grower confirming:
 - (i) the Grower's Contracted Tonnage; and
 - (ii) the UK Contract Price(s) that the Processor shall pay to the prospective Grower for the Contracted Tonnage.
- (g) For the avoidance of doubt, the Processor may, in its sole discretion, accept or reject (in whole or part) an offer submitted by a Grower after the Final Offer Date.
- (h) A Contract between the Grower and the Processor shall become immediately binding for the Impending Contract Year upon receipt by the Grower of the Notice of Acceptance referred to in Clause 4(f). The Grower shall only be entitled to withdraw from the Contract by sending to the Processor a written notice of withdrawal so that it is received by Processor within 15 days of the date on which the Grower received the Processor's Notice of Acceptance.
- (i) Only Growers who have received a Notice of Acceptance confirming that their offer to grow Contracted Tonnage on the Futures Linked Contract has been accepted shall be bound by the Novation Agreement at Appendix 5.
- (j) The NFU hereby undertakes to act, and accepts its appointment (contained in the Processor's invitation to grow), as the agent of each of the Growers for the purposes of agreeing the contract conditions as to prices and any amendments to this Agreement to be incorporated into each Grower's already-concluded Contract.
- (k) On or before the following 1st May the Processor shall issue to every Grower the Crop Area Declaration which the Grower shall complete and return to the Processor by the date specified thereon as a means of notifying the Processor of
 - (i) the areas of land which the Grower has sown in order to produce the Contracted Tonnage; and
 - (ii) the necessary details to establish the prospective Grower's Contract Distance;

and confirming that he has the legal right to grow sugar beet thereon.
- (l) If a Grower fails to complete and return the Crop Area Declaration by the specified date, then:
 - (i) the Frost Insurance cover will only be extended to the Grower at the Insurer's absolute discretion; and

(ii) the Processor may, at its absolute discretion, issue to that Grower a permit to deliver the Contracted Tonnage, provided that such permit to deliver shall be automatically revoked and be of no further effect as at the date of any attempted delivery of any Contracted Tonnage if, prior to such delivery date, the Grower has failed to complete and return the Crop Area Declaration.

(m) This subclause (m) applies where a Grower has entered into a Contract with the Processor which covers supply of sugar beet by Grower to Processor in more than one Contract Year (a “**Multiyear Contract**”). Where a Grower does not return (or withdraws prior to the Processor’s acceptance) an Offer in respect of any Contract Year covered by the 2023-2025 Multiyear Contract held by that Grower, then (without prejudice to and in addition to the Processor’s other rights) the Processor shall have the right to change the price and other commercial terms in respect of the previous Contract Year or Years in that Grower’s Multiyear Contract so that they align with the price and other commercial terms which would have been available to that Grower if he had (instead of the Multiyear Contract) entered into a Contract with the Processor covering supply of sugar beet in just that Contract Year.

5 CONTRACT PRICES AND PAYMENTS

- (a) This Clause shall be read in conjunction with Appendix 1.
- (b) In any Contract Year the Processor shall pay for the Contracted Tonnage delivered by each Grower at the UK Contract Price(s) per Adjusted Beet Tonne.
- (c) Where a Grower has split his Contracted Tonnage between multiple UK Contract Prices, then the priority of delivery and payment determining the applicable UK Contract Price for that Grower for any given load shall be:
 - (i) any Contracted Tonnage novated to CGL pursuant to Clause 4(e) being deemed delivered first;
 - (ii) the earliest dated Contract being delivered next;
 - (iii) subsequent Contracts delivered in order of beginning date;
 - (iv) in the event of a Grower holding more than one Contract dating from the same beginning date, the longest running Contract will be delivered first.
- (d) Notwithstanding anything contained in this Clause the Processor shall pay to the Grower throughout the Campaign without postponement the Transport Allowance and Late Delivery Allowance if applicable in respect of Consignments accepted by the Processor during each Payment Period.

6 SURPLUS BEET

The Processor shall purchase so much of the sugar beet that is in excess of that which is paid for at the price determined by clause 5(c) at the Surplus Beet Price(s) in respect of the relevant Contract Factory fixed by the Processor prior to the start of the relevant Contract Year. Unless otherwise agreed in writing between the Processor and NFU, in respect of Surplus Beet purchased by the Processor, the Grower shall be entitled to receive transport costs on the same basis as those set out in clause 13 of this Agreement, property in the sugar beet shall pass to the Processor on unloading at its factory and the provisions of clauses 8 to 11, 14, 15, 17 to 25, 27 to 31 and 33 shall also apply to such supplies.

7 PULP

Any pulp resulting from the processing of sugar beet delivered by the Grower to the Processor belongs to the Grower under the UK Regulation and it is agreed by the parties that it shall become the property of the Processor on delivery of the sugar beet to the Processor. Accordingly, each of the NFU, the Growers and the Processor acknowledge and agree that UK Contract Price(s) include the value of any pulp resulting from the processing of sugar beet delivered and no further payment is due in respect thereof.

8 LATE DELIVERY

The Processor shall pay to the Grower a Late Delivery Allowance for deliveries of sugar beet on or after 26th December in any Campaign Period which shall amount to 0.162% of the highest guaranteed minimum (i.e. without bonus) UK Contract Price being paid by the Processor during the Contract Year of delivery for deliveries made on 26th December and shall thereafter increase (according to the actual date of delivery) from 27th December onwards in daily increments of 0.162% per day of the UK Contract Price.

9 ADDITIONS

In addition to payment for beet there shall be payable to the Grower:

- (a) a Late Delivery Allowance calculated in accordance with Clause 8;
- (b) a Transport Allowance calculated in accordance with Clause 13;

a Mileage Related Payment per Adjusted Beet Tonne will be paid to Growers with a Contract Distance of 20 miles or below; this payment will be calculated according to the formula $(21 - \text{Contract Distance}) \times \text{£}0.10$, capped at £2; Growers with a Contract Distance of over 20 miles are not eligible to receive a Mileage Related Payment; and
- (c) any other payments agreed between the Processor and the NFU from time to time.

No Mileage Related Payment shall be payable to the Grower in 2025/26 only.

10 DEDUCTIONS

Subject to the control and supervision of the NFU, the Processor shall, at such times and in such amounts as the NFU may direct, deduct from payments due to the Grower:

- (a) A charge at such a rate per Adjusted Beet Tonne as may be agreed in writing by the NFU and the Processor which shall be payable to the BBRO on behalf of the NFU Sugar Board for the furtherance of sugar beet research and education through the BBRO. In return for this charge Growers will be provided with the results of BBRO research. The Processor further undertakes to make an annual contribution to the BBRO equivalent to the total payment made on behalf of the NFU; and
- (b) A charge at such a rate per Adjusted Beet Tonne as may be specified in writing by the NFU to the Processor which shall be payable to the NFU for use at the discretion of the NFU's Sugar Board in furtherance of the interest of Growers, including inter alia in the employment of Grower Representatives.

11 PAYMENT

- (a) Each Payment Period shall be of one week's duration and payment for each delivery shall be made on the fourth Tuesday following the week in which such

delivery was made (or, if a statutory holiday intervenes, the next day of business after the said fourth Tuesday).

- (b) The cost of seed payable by the Grower unless already paid by the Grower shall be deducted from the payment due in respect of the first Payment Period (and, if such payment is insufficient to cover such sums any shortfall shall be deducted from any subsequent payment(s)).
- (c) Payments in respect of each Payment Period shall be made by effecting a credit transfer to the Grower's bank account specified in the Contract (such account being at a Bank which has agreed with the Processor to operate credit transfer arrangements for payments under the Contract).
- (d) As soon as the final amount payable to each Grower in any Contract Year has been ascertained pursuant to Clause 5 above the Processor shall render to the Grower a statement of account showing what is payable by the Processor to the Grower or, as the case may be, by the Grower to the Processor, who shall effect a credit transfer of the sum due. Any sum payable by the Grower shall be paid within 14 days of a demand in writing being served upon the Grower at his Contract Address.
- (e) The Processor and the Grower shall be entitled but not obligated in preparing any statement of account or making any payment under the preceding provisions of this Clause to include in such statement or add to or deduct from such payment any sum (as the case may be) due from the Processor to the Grower or due from the Grower to the Processor under any other provision of the Contract or under any other contract or arrangement between the Processor and the Grower.
- (f) The Processor shall not make any deduction from a payment due to a Grower except (i) as specifically provided in this Agreement or (ii) as may be agreed from time to time by the NFU and the Processor.

12 POINT OF DELIVERY

Subject to Clauses 13 and 14, the Crop shall be delivered at the Contract Factory and the property in the sugar beet shall pass to the Processor on unloading at its factory.

13 TRANSPORT COSTS

The Transport Mileage Cap is set at a distance of 60 miles Contract Distance for Growers whose Contract Factory is Bury, Cantley and Wissington sugar factories. For Growers whose Contract Factory is Newark, the Transport Mileage Cap is set at 60 miles Contract Distance for 2025/26 and then will revert to 50 miles thereafter.

Part A: Beet Delivery Service

- (a) In respect of those Growers participating in the Beet Delivery Service with a Contract Distance not exceeding the Transport Mileage Cap, the Processor shall take sole responsibility, at its own cost, for the full transportation of those Growers' sugar beet from their farm to the Processor's factory, including cleaning and loading.
- (b) In respect of those Growers participating in the Beet Delivery Service with a Contract Distance that exceeds the Transport Mileage Cap, each Grower shall take sole responsibility, at its own cost, for the full transportation of the Grower's sugar beet from his farm to the Processor's factory but the Processor

shall pay an allowance per Actual Beet Tonne on all tonnes of beet accepted for processing calculated in accordance with Part B below.

Part B: Transport Allowance

- (c) For those Growers not participating in the Beet Delivery Service and those Growers with a Contract Distance exceeding the Transport Mileage Cap, the responsibility and costs of transport from the Grower's farm to the Contract Factory are the liability of the Grower but the Grower shall be entitled to be paid an allowance per Actual Beet Tonne on all tonnes of beet accepted for processing, equivalent to the cost that the Processor would have incurred under the Beet Delivery Service during the same Contract Year for the Contract Distance or, if the Contract Distance is greater than the Transport Mileage Cap, for the distance of the Transport Mileage Cap (the "**Transport Allowance**").
- (d) The following principles will apply when calculating the Transport Allowance:
 - (i) the standard cleaning and loading costs incurred will be averaged to arrive at a single rate per Tonne of clean beet payable at all Contract Distances;
 - (ii) the rates paid for transport (excluding the cleaning and loading element) at each mileage will be converted into a linear cost per Tonne of clean beet per mile using a line of best fit. This line of best fit will provide an additional single rate per Tonne of clean beet payable at all Contract Distances, and be used to pay the variable transport element up to the Transport Mileage Cap;
 - (iii) during the Campaign Period, an interim allowance will be applied as agreed between the NFU and the Processor; and
 - (iv) following the end of the Campaign Period, once the actual rates of the Beet Delivery Service for the current Contract Year are known, the balance over or under paid shall be calculated by the Processor. After discussion and agreement with the NFU, the balance will either adjust the final amount payable to each Grower in the Contract Year or be carried to the following Contract Year and added or deducted from that year's Transport Allowance.
- (e) If the charges of a road haulier are paid by the Processor on behalf of the Grower such charges will be deducted from the Grower's account and insofar as any amount is not so deducted will be payable to the Processor on demand.
- (f) The Processor and the NFU undertake to work together to identify means of reducing transport distances and costs consistent, however, with the principle that a Grower should normally deliver to its nearest factory.
- (g) Under the Beet Delivery Service, the Processor will take responsibility for cleaning, loading and delivering such quantity of sugar beet that the participating Grower is entitled to deliver to the Processor under the terms of its Contract and that complies with the terms of the applicable Contract, subject to clause 15(a) (excluding 15(a)(ii)) and 15(b) of the Contract and any other conditions agreed in writing between the Grower and the Processor in advance. Participating Growers are not entitled to receive any Transport Allowance for as long as they participate in the Beet Delivery Service.
- (h) The Shortest Legal Practical Route is the shortest legal route from a Grower's field centre, via a straight line to the Road Access Point, and then by road to

the inbound weighbridge of the Contract Factory, as measured by the Mapping Software, adjusted where:

- (i) the shortest legal route by a straight line from the centre of the Grower's field(s) to the Road Access Point passes through an obstacle that cannot be legally crossed (such as, by way of example only) an unbridged drainage ditch, river, rail line or wrong access onto a dual carriageway, in which case the obstacle will be avoided; and/or
 - (ii) the first A or B road on the route could have been joined at an earlier stage without taking additional time, in which case the more direct route to reach the A/B road will be taken; and/or
 - (iii) the shortest legal route to the factory uses roads through a town or village that are too congested for a lorry to pass through during the majority of the day, and an alternative route exists that is quicker, in which case the alternative route will be used; and/or
 - (iv) the shortest legal route leaves an A or B road to take a shortcut via an unclassified road(s) before returning to A/B roads, in which case the shortcut will not be used unless it is genuinely quicker to take this without causing additional risk to vehicles or pedestrians.
- (i) A Grower has the right to appeal the Contract Distance issued for a campaign. If a Grower appeals, a map of the route will be produced and made available to the Grower when the appeal is made. The appeal will be considered by a joint NFU-British Sugar panel, with equal representation from each, and its decision shall be final. An adjustment will be made to the route if there is an error on field location, if the route does not follow the agreed definition of Shortest Legal Practical Route, or if an additional road restriction is identified that is not in the Mapping Software.

14 DIVERSION

The Processor shall be entitled to require the Grower to divert the whole or any part of the Crop from delivery at the Contract Factory to delivery at any other factory of the Processor, in which event the Processor shall credit or debit the Grower's account (or haulier's account if used by the Grower) with any different Transport Allowance agreed for the new Contract Distance.

15 ACCEPTANCE OF DELIVERIES

- (a) The Processor may refuse to take delivery of any load of sugar beet:
 - (i) which is damaged by frost to the extent that in the opinion of the Processor such damage renders it unsuitable for sugar manufacture; or
 - (ii) which is not clean; or
 - (iii) which is not properly crowned; or
 - (iv) which has been grown or is offered for delivery in breach of any provision of Clauses 28(c) and 29; or
 - (v) which is not produced in accordance with sub-clause (b) below; or
 - (vi) which is otherwise unsuitable for sugar manufacture.

For the purposes of this Clause the word “clean” means as free as practicable from dirt, stones, loose leaves, weeds, straw and other foreign matter; and “properly crowned” means topped by the harvester to remove as far as practicable all leaves and green material.

- (b) Unless agreed otherwise at the time of purchase, all sugar beet supplied to the Processor must be produced under a recognised and audited Farm Assurance Scheme.
- (c) All sugar beet shall on delivery be unloaded on the factory premises by the Grower or his haulier in accordance with the instructions given by the Processor, but the Processor shall have the right to unload by water power or other mechanical means and shall be liable for any damage to any vehicle during the course of sampling or unloading attributable to the negligence of the Processor’s employees, on condition that notification of damage is made at the weighbridge office of the factory before the vehicle leaves the factory yard.
- (d) The Grower shall be liable to the Processor for any damage caused to the Contract Factory or the Processor attributable to the negligence of the Grower or his employees or his haulier or his haulier’s employees.

16 CAMPAIGN PERIOD

The Campaign Period at a Contract Factory shall begin on a date determined by the Processor following discussion with the NFU. The commencement date shall be notified in writing to the Grower as soon as reasonably practicable and in any event not less than seven days prior to such date. The Campaign Period shall end on a date to be announced by notice in writing to the Grower given not later than seven days before such date, but any date announced for the end of the Campaign Period may be deferred for a further period by a further announcement. If without any default on his part under Clause 17 the Grower is unable to deliver to the Contract Factory before the end of the Campaign Period all the sugar beet which he is entitled to deliver hereunder he shall be entitled to deliver all such undelivered sugar beet to such other factory or factories of the Processor as the Processor shall nominate and thereupon the provisions of Clause 14 shall apply. Nevertheless the Processor shall be under no obligation to keep open any factory for the reception of sugar beet if at any time to continue to do so would not be justified in the reasonable opinion of the Processor in the light of the tonnage of sugar beet remaining undelivered by Growers and in any event shall be under no obligation to accept any sugar beet which for whatever reason other than a default by the Processor is not delivered on or before the last day of March in the Contract Year.

17 REGULATION OF DELIVERIES

- (a) Before the first day of the Campaign Period the Processor shall prepare the Schedule and allocate and deliver to the Grower Permits based upon the Grower’s Contracted Tonnage or the Processor’s estimate of the whole of the Grower’s Crop if such an estimate is made before the start of the Campaign Period.
- (b) The Schedule (or any revision thereof pursuant to sub-Clause (d) below) shall spread the allocation of Permits evenly over the Campaign Period unless the Grower shall have notified the Processor in writing prior to the first day of June immediately before the relevant Contract Year that he desires a disproportionate amount of the Crop to be delivered, and to be accepted by the Processor, during a specified part of the Campaign Period. In such event

the Processor shall allocate Permits to that Grower accordingly so far as reasonably practicable and at the same time as taking into account the preferences of other Growers. From time to time Growers shall be permitted to exchange Permits only in accordance with rules agreed between the Processor and the NFU from time to time.

- (c) The Grower or his haulier shall make deliveries which shall be accepted by the Processor as provided in the Schedule (or any revision thereof). Such delivery and acceptance shall be subject to any conditions (which shall have been agreed between the Processor and the NFU) set out in the Schedule or revised Schedule and subject to any site safety or similar rules.
- (d) Either the Grower or the Processor may, at any time after issue of the Schedule but before the end of the Campaign Period, on reasonable grounds request in writing that the size of the Grower's Crop be re-estimated. Following such a request the Processor shall as soon as reasonably practicable (having regard to the number of other such requests being considered at the same time) re-estimate the size of the Grower's Crop. If the re-estimated Crop is smaller than the Contracted Tonnage (or, if applicable, the last previous estimate of the Crop) the Grower shall promptly return to the Processor (at the Contract Factory) an equal number of Permits (such still being available for use and spread as evenly as possible over the Campaign Period or, as appropriate, the remainder of the Campaign Period) covering the reduction in Crop size. If the re-estimated Crop is larger than the Contracted Tonnage (or, if applicable, the last previous estimate) the Processor shall deliver to the Grower a revised Schedule (together with revised or further Permits) for the remainder of the Campaign Period. The further Permits shall be spread as evenly as possible over the Campaign Period (or, as appropriate, the remainder of the Campaign Period) unless the Grower otherwise requests and the Processor is reasonably able to accommodate such request. The Processor shall also be entitled to prepare a revised Schedule (and revised Permits) to take account of the effect of any revised Schedules issued to other Growers pursuant to the foregoing provisions of this sub-clause (d).
- (e) Any estimate of the size of the Grower's Crop made prior to the commencement of the Campaign Period shall so far as practicable be based upon:
 - (i) the Grower's average yield per hectare in the last five Contract Years and the condition of the Grower's Crop; or
 - (ii) where the Grower is a new Grower (or otherwise has not provided an average yield per hectare for the last five Contract Years), the average factory yield over the last five Contract Years together with such Grower's average consignment weight.

Any estimate made after commencement of the Campaign Period shall also take account of the condition of the Grower's Crop at that later date, the yield per hectare of that part of the Grower's Crop actually harvested, and the average weight of delivered Consignments. In making every estimate under this Clause the Processor shall exercise due care and skill having regard to such information as is available to it at the time that such estimate is made.

- (f) Each delivery made by the Grower shall be made in accordance with any arrangements for controlling factory traffic which are in operation at the factory from time to time.
- (g) If the Grower fails to deliver any Consignment in accordance with the provisions of the Schedule (or revised Schedule) the Processor shall be entitled to impose such conditions as to time and place of delivery of a portion of the Crop equivalent to that Consignment as it sees fit and to make any necessary consequential re-scheduling of that Grower's deliveries. If the Grower delivers any Consignment otherwise than in accordance with this Clause and the Processor accepts delivery of that Consignment whether at the Contract Factory or at another factory then the Transport Allowance shall be that applying under Clause 13 as if the delivery had been to the Contract Factory.
- (h) Two or more Growers may agree with the Processor in respect of any Contract Year that they will form a group for the operation of a scheme to deliver their combined Crops (a "**Group Delivery Scheme**"). In such event regulation of deliveries shall be governed by this Clause 17 and by the following Group Delivery Scheme provisions:
 - (i) The Processor will prepare a group schedule of deliveries to cover the estimated Crop of the group in accordance with these conditions. For the purpose of arranging and performing the group schedule of deliveries the group will be treated as if it were a single Grower with the combined Crop of the group being that Grower's Crop. The schedule of deliveries of each Grower in the group shall be arranged jointly between the Processor and the group in such a way as to give effect to the group schedule of deliveries.
 - (ii) For the purpose of making the arrangements for the schedule of deliveries of each Grower in the group, the group shall appoint an agent to act on its behalf. Any arrangements requested or agreed to by the agent shall be deemed to be made with the full consent of every Grower in the group.
 - (iii) In making the arrangements for the schedules of deliveries of Growers the Processor shall not be under any obligation to agree to any variation in the group schedule of deliveries.
 - (iv) Beet delivered by a Grower in the group will be credited to that individual Grower. Beet advice notes, statements and payments will be sent to individual Growers and not dealt with on a group basis.
 - (v) Any default in making deliveries in accordance with the group schedule of deliveries will be deemed to be a default by each and every Grower in the group, in which case the provisions of Clause 17(g) above apply.
 - (vi) The Processor shall not be liable to any Grower in the group for any loss that arises and which is due to the Grower taking part in the Group Delivery Scheme and not to the default of the Processor.
 - (vii) For the avoidance of doubt the responsibility for arranging delivery and any liabilities arising out of the use of a Group Delivery Scheme shall be borne by the Grower.

18 UNTARED WEIGHT

The untared weight of every Consignment of sugar beet shall be ascertained on arrival at the factory by weighing each lorry or truck both before and after unloading. Each Consignment shall be weighed at least to the nearest 20kg weight.

19 SAMPLING

- (a) Samples to be used for the determination of tare and sugar content shall be taken by automatic beet sampler of a design approved by the NFU in accordance with such random sequencing procedure as may be agreed between the Processor and the NFU from time to time (**the “sequencing procedure”**).
- (b) A minimum of one sample shall be taken from each Consignment from each Grower whose Contracted Tonnage is 1000 Tonnes or less. Where a Grower’s Contracted Tonnage is less than 300 Tonnes, and the weight of the Consignment is greater than 15 Tonnes, then two samples shall be taken from such Consignment. If more than one sample is taken from any Consignment the second sample shall be taken from a different part of the load, in accordance with the sequencing procedure and the average shall apply for the purpose of tare and sugar content.

(c) Consignments shall be sampled in accordance with the below.

Contract Tonnes	Percentage sampled
<300	Double sampled when load size > 15 Tonnes
300 -1000	100%
1001 -1200	75%
1201-1500	66%
1501-2500	50%
2501-3300	33%
3301-4500	25%
> 4500	20%

For all tonnes contracted to be grown between 1000-2500 the first delivery will be sampled. For all tonnes contracted to be grown above 2500 the first 2 deliveries will be sampled.

Subsequent deliveries will then be subject to reduced sampling as in the table above.

- (d) The Processor shall use all reasonable endeavours to ensure that the sequencing procedure is properly and fully adhered to, in particular as to the precise position of the sampler in relation to the sides and ends of the vehicle (that is, not more than 300mm from the sides and ends thereof).
- (e) In the event that the Grower Representative or the Processor is of the opinion that any sample has not been taken in accordance with this Clause they shall have the right to demand another sample to replace it provided that the taking of a further sample is practicable. Such further sample shall be taken in the presence of the Grower Representative and a duly authorised representative of the Processor and shall then become the official sample.

- (f) The sample shall then be subject to a splitting process whereby a sub-sample is obtained and the whole of such sub-sample shall be weighed to the nearest 100g – this is known as the sample dirty weight.

20 TARE AND TARED WEIGHT

- (a) The beet in the sub-sample shall then be cleaned and again weighed to the nearest 100g. The difference between the two weighings, after adequate drainage, shall be the dirt tare weight of the aforesaid sub-sample. The figure so ascertained expressed as a percentage of the sub-sample shall be deemed to be the dirt tare per cent of the Consignment. The untared weight of the Consignment shall be reduced by a percentage equal to the dirt tare per cent of the Consignment and the resulting figure, rounded to the nearest 10kg, shall be the gross clean weight of the Consignment. In the event of dirt tare measurement by the aforesaid method not being reasonably practicable for any reason, the dirt tare shall be arrived at by such other means as the Processor, with the approval of the NFU, may adopt. For avoidance of doubt, no crown tare adjustment shall be applied to arrive at the net clean weight. The net clean weight of the beet so ascertained shall be deemed to be the weight of clean beet in the Consignment and shall be notified to the Grower on a beet advice note.
- (b) For the avoidance of doubt (and for illustrative purposes only), the process described at clause 20(a) above is set out in the following example, which is based on the following illustrative weights:

Illustrative weights:

Consignment weight:	28.0 Tonnes
Sub-sample weight before cleaning:	25.0 kilograms
Sub-sample weight after cleaning:	23.5 kilograms

Example calculation:

1. dirt tare weight = 1.5 kg (i.e. 25.0 – 23.5)
2. dirt tare percentage of the Consignment = 6.0 % (i.e. (1.5 / 25.0) x 100)
3. gross clean weight of the Consignment = 26.32 tonnes (i.e. 28.0 - (28.0 x 6.0%))

British Sugar reserves the right to quote Equivalent Prices (for the purposes of comparison) of what the price would have been if the fixed crown tare adjustment and pre-2021 sugar payment scale were still being applied.

21 WASHING

The washing machines used by the Processor shall have openings of not more than 7mm in width, with a maximum speed in normal circumstances of no more than 7 revolutions per minute or such other specification as may be agreed between the NFU and the Processor.

22 SUGAR CONTENT

The sugar beet in each sample taken under Clause 19 shall be analysed by competent employees of the Processor in order to ascertain the sugar content by the “cold water digestion

method". For this purpose a sample of brei shall be obtained from the sugar beet by such methods or such machine as the Processor may, with the approval of the NFU, adopt. A solution of dilute basic lead acetate between 2.1 and 2.3 Bx (or dilute aluminium sulphate at 0.3% (three tenths of one per cent)) shall be added to well mixed brei in accordance with the formula

Weight of Lead = Brei Weight x (6.8681 + 0.0269 x (Brix - 3))

The BRIX is normally 2.2 which gives a

$$\text{Weight of Lead} = \text{Brei weight} \times 6.84658$$

In practice the constant 6.84658 is truncated to three places of decimal.

The weight of lead is calculated using 6.846 as a constant and then the figure for weight of lead dispensed in accordance with the weight of brei is truncated to two places of decimal.

Where the brei weight is between 22 to 30 grams and the Brix is between 2.1 and 2.3 Bx as quoted above.

The said brei shall be as free as possible from beet pieces. After thorough mixing and filtration a drop (0.01ml) of glacial acetic acid shall be added to the filtrate which shall then be used to give the sugar content by polarising in a 200mm tube in a polarimeter or alternatively by such other means as the Processor with the approval of the NFU may adopt. The sugar content so ascertained rounded to the nearest 0.01% (one hundredth of one per cent), which shall be deemed to be the actual sugar content of the Consignment and shall be notified to the Grower on the beet invoice referred to in Clause 25. For avoidance of doubt, no deduction shall be made in respect of the historic change from multi to single saw blade.

23 GROWER REPRESENTATIVES

The NFU may at its own expense appoint one or more Grower Representatives who shall be responsible for verifying that the sampling procedure has been completed in accordance with this Agreement and that the weights, tares and sugar content of beet received at the factory and accepted by the Processor have been measured and calculated in accordance with the provisions of this Agreement. The Grower Representatives shall also deal with complaints received from Growers in connection therewith in accordance with the provisions of Clause 24 below.

24 COMPLAINTS

- (a) Any complaint by a Grower shall be made to the Grower Representative at the Contract Factory and, whether made by telephone or in writing, shall be recorded by the Grower Representative.
- (b) Unless resolved between the Grower and the Grower Representative to the satisfaction of the Grower any complaint shall be properly and fully investigated by the Beet Intake Manager (who shall be given all reasonable facilities and assistance in so doing by the Processor). The complaint shall be raised with the Beet Intake Manager, or his deputy, who will log the complaint; notify the Grower that the complaint is logged; and notify the Grower when the complaint will be heard at the next complaints meeting.
- (c) A complaints meeting shall be convened at regular intervals. The complaints meeting shall be attended by the Beet Intake Manager, or his deputy, and the representative of the Processor together with such other persons as may be agreed upon between the NFU and Processor from time to time.

- (d) The Beet Intake Manager, or his deputy, shall be responsible for reporting to the Grower in writing the outcome of such complaint after the complaints meeting with a copy of such report to the Factory Agricultural Business Manager.
- (e) An appeal by the Grower against a decision reached in accordance with this clause must be made in writing to the Beet Intake Manager. Such appeal will be heard, normally at the end of the Campaign Period, by senior representatives of the Processor and the NFU, whose decision will be communicated by the Processor to the Grower (with a copy to the Beet Intake Manager) and shall be final.

25 INFORMATION

- (a) The Processor shall supply weekly during each Campaign Period to the Grower Representative at each factory and to the NFU particulars of:
 - (i) total tonnage of unwashed beet received;
 - (ii) number of Consignments received;
 - (iii) total tonnage of clean beet;
 - (iv) adjusted tonnage of clean beet;
 - (v) average total tare;
 - (vi) average dirt tare;
 - (vii) average sugar content;
 - (viii) amino n, sodium and potassium average content

in respect of the preceding week and for the whole Campaign Period up to and including that week.
- (b) The Processor shall send to each Grower weekly throughout the Campaign Period a beet invoice which shall specify in respect of each Consignment from that Grower:
 - (i) Dirty beet tonnes;
 - (ii) Crown fixed clean %;
 - (iii) Dirt tare %;
 - (iv) Total clean beet tonnes;
 - (v) Amino-N
 - (vi) Sugar %;
 - (vii) Adjusted Total Tonnes;
 - (viii) Total (cumulative) Adjusted Tonnes;
 - (ix) Value of Beet;
 - (x) Transport Allowance;
 - (xi) Delivery Bonus (Late delivery allowance)
 - (xii) Levies (Includes NFU and BBRO levy)

- (xiii) Deductions VAT
- (xiv) Deductions Non VAT
- (xv) Total Credits;
- (xvi) Total Debits;
- (xvii) Miles (As agreed for the contract);
- (xviii) Transport Rate
- (xix) Todate Total Dirty Beet Tonnes
- (xx) Average Dirt Tare
- (xxi) Todate Total Clean Beet Tonnes
- (xxii) Average Amino-N
- (xxiii) Average Sugar %
- (xxiv) Todate Total loads
- (xxv) % loads sampled

Complaints and enquiries arising out of the beet invoice shall be made in the first instance by the Grower to the Grower Representative at the Contract Factory.

26 PROVISION OF INFORMATION

- (a) The Processor will provide to the NFU's accounting advisers on a confidential basis such information as the NFU reasonably requires relevant to the working of this Agreement and the compliance by the Processor with its terms and, in particular, for the purposes of (i) enabling the NFU to verify payments to and deductions or charges from or to Growers by the Processor and (ii) to conduct meaningful negotiations on the Contract Document and other matters in accordance with the provisions of this Agreement. Such information shall be:
 - (i) sufficient as to enable the parties to conduct such negotiations from a point of view of shared financial knowledge;
 - (ii) either derived directly from the Processor's management information systems or reconcilable with such systems, and shall be based upon the accounting policies disclosed in the latest audited accounts of the Processor and where applicable upon bases of allocation agreed between the Processor and the NFU's accounting advisers;
 - (iii) formulated on the footing of arm's length trading between the Processor or any company or undertaking associated with the Processor and the ABF group companies, and with the same principle applying to information relating to any and all trade between associates, subsidiaries and divisions of the Processor itself; and
 - (iv) provided as soon as reasonably practicable following written request from the NFU or its accounting advisers and in any event no less than three Working Days prior to any meeting between the Processor and the NFU and/or its accounting advisers arranged inter alia to discuss such information.
- (b) The information provided shall include, but not be restricted to:

- (i) balance sheets and profit and loss accounts of the Processor at the end of each accounting period and including the Processor's overall cash flows, ("**Accounts**") such Accounts to be furnished to the NFU within seven days of the announcement of the annual results of Associated British Foods plc or within seven days of the annual accounts of the Processor being approved by the Processor's directors, whichever is the later;
- (ii) details of the Processor's gross and net sales revenues, direct and indirect costs, capital employed, sales and production tonnages, and any other information deemed necessary to establish the accuracy and fairness of the payments relating to:
 - (aa) the purchase and processing of Contract Beet;
 - (bb) the purchase and processing of Surplus Beet;
 - (cc) other products derived from the beet used in the manufacture of sugar only or which may be derived from such sugar beet in the future.
- (c) This information shall be in addition to that supplied to the NFU as provided for elsewhere in this Agreement.
- (d) Upon giving not less than seven days' notice in writing to the Processor, the NFU's accounting advisers shall be allowed access to the Processor's accounting records for the purpose of verifying the accuracy and adequacy of any information provided to them pursuant to this Clause.
- (e) In the event of any disagreement between the Processor and the NFU as to what information should be provided to the NFU's accounting advisers or as to the accuracy or adequacy thereof the parties hereby agree to submit their respective cases to an independent accounting expert appointed by agreement between the Processor and the NFU or, failing agreement, within 14 days of a party serving on the other a notice requiring such agreement, by an expert nominated by or on behalf of the President at the time of the Institute of Chartered Accountants in England and Wales, whose costs shall be borne in such proportions as he may determine or, failing such determination, equally between the parties.
- (f) The decision of the expert on any matter referred to him under this Clause shall in the absence of manifest error be final and binding on the parties.

27 FARM ASSURANCE

- (a) It is the responsibility of the Grower to:
 - (i) ensure that at all times it has a valid Red Tractor Farm Assurance covering sugar beet under the Combinable Crops and Sugar Beet Scheme, and
 - (ii) inform the Processor if its Red Tractor Farm Assurance membership lapses or if membership is suspended for any non-conformity.
- (b) All holdings under the same management for sugar beet must be declared and listed with Red Tractor under the main holding number.
- (c) The Processor reserves the right to refuse to take delivery of the Crop if there has been any breach of the provisions of this Clause 27.

- (d) For the purposes of this clause,
 - (i) "the Crop" means the whole or any part of the Crop (including the seed).

28 SEED

- (a) The Processor shall offer to supply Growers with seed in accordance with Appendix 7. The cost of seed supplied by the Processor to the Grower shall be calculated by having a separate seed account, operated by the Processor, handling all costs and income directly related to seed. Such costs, and charges to Growers, must be agreed in principle by the NFU and the Processor. The seed price to Growers will be such that the balance of the seed account at the end of year remains as close as is reasonable to zero. The Processor shall operate the account at cost but interest on working capital will be charged at such rate jointly agreed.
- (b) The Processor shall provide to the NFU a copy of the Seed Account forthwith upon the conclusion of the annual negotiation between the Processor and the NFU as to prices and other terms and shall provide information as to the operation of the Seed Account as and when and to the extent reasonably requested by the NFU.
- (c) Growers shall only grow seed of varieties that either (i) are on the BBRO Recommended List for the Impending Contract Year, (ii) were on the BBRO Recommended List for the most recent Completed Contract Year, (iii) or are published on Animal and Plant Health Agency; Plant Varieties and Seeds Gazette and entered into the Year 3 BBRO Recommended List trials for the Impending Contract Year. Sugar beet shall not be accepted by the Processor unless grown from seed supplied in accordance with this subclause.
- (d) Representatives of the NFU, the Processor and the seed suppliers shall hold tripartite meetings from time to time to discuss any matter pertaining to seed, each party being represented by two persons. The Processor and the NFU shall each have the right to convene such a meeting when it considers appropriate but this shall be without prejudice to the right of both the Processor and the NFU to hold discussions from time to time with representatives of the seed suppliers in the absence of the other party.
- (e) The Processor shall have no liability arising out of or in connection with any seed which a Grower did not purchase directly from the Processor and, accordingly (and without limitation), the Processor shall have no liability in respect of any seed purchased by a Grower directly from any seed breeder or the trade.

29 CROP PROTECTION

- (a) The Grower shall co-operate with the Processor in any reasonable pesticide or other Food Safety Audits.
- (b) The Grower shall not:
 - (i) use for the Crop any land to which any unauthorised agricultural chemical has been applied by anyone at any time during the period of six months before the commencement of the sowing of the Crop; or

- (ii) to his knowledge sow any sugar beet seed to which any unauthorised agricultural chemical has been applied by anyone at any time before its sowing; or
 - (iii) apply or cause or permit anyone to apply to the Crop or to any land under the Crop any unauthorised agricultural chemical at any time while the Crop is being grown or harvested or is in clamp or otherwise awaiting or in transit for delivery to the Processor, unless such unauthorised agricultural chemical has been specifically approved by the Processor for use in connection with sugar beet; or
 - (iv) use on the Crop any pesticide in a manner which is contrary to any condition of use stipulated on the manufacturer's labels or instructions.
- (c) If applicable in Contract Year 2025/26, Growers must comply with the requirements and conditions of any Emergency Authorisation in place under Article 53 of Regulation (EC) No_ 1107/2009 as retained in UK law permitting the use of specified plant protection products. Growers must keep information demonstrating that they are compliant with any Emergency Authorisation in place under Article 53 of Regulation (EC) No_ 1107/2009 and provide a copy to the Processor on request.
- (d) Only non-flowering crops may be sown in the same field for the 32 months from the date of drilling Cruiser SB treated sugar beet seed. The only crops that may be drilled in the 32 months following Cruiser SB treated sugar beet seed are those listed in the 'Non-restricted' column of the table below:

	Non-Restricted	Restricted
Rules	No restrictions following Sugar Beet	A minimum of 32 months from drilling of Sugar Beet
Crops	1. Wheat (including Durum Wheat) 2. Barley 3. Millet 4. Sorghum 5. Oat 6. Maize / Corn 7. Rye 8. Triticale 9. Canary seed 10. Spelt 11. Potato 12. Cabbage 13. Kale 14. Swede 15. Lettuce / Babyleaf / Spinach 16. Onions 17. Leeks 18. Carrots 19. Parsnips 20. Cauliflower 21. Broccoli 22. Turnip	23. Oilseed Rape 24. Linseed 25. Mustard 26. Soya Bean 27. Pea 28. Bean 29. Buckwheat 30. Clover 31. Phacelia 32. Chicory 33. Radish 34. Vetch 35. False Flax 36. Lucerne 37. Sunflower 38. Borage 39. Sainfoin 40. Nyger 41. Lupins

Any crop excluded from the table above should be considered 'restricted' i.e. subject to a minimum of 32 -month interval from drilling Sugar Beet. Agri-environment options that allow flowers to grow or appear must follow the 32 -month restriction.

The Grower shall not re-drill any Cruiser SB treated seed in a field initially sown with Cruiser SB treated seed. Any re-drilled beet seed in this case must not be treated with Cruiser SB.

- (e) The Processor prohibits the use of biostimulants derived from animal by-products (e.g. blood, muscle, bone and skin) on the sugar beet crop. Biostimulants that are prohibited by this clause are sometimes referred to as protein hydrolysates derived from animal-by-products. Biostimulants derived from plant-based products are acceptable.
- (f) The Processor reserves the right to refuse to take delivery of the Crop if the Processor's tests give reasonable grounds for believing that there has been any breach of the provisions of this Clause. In such circumstances the Grower shall be entitled to see the results of any such tests.
- (g) If at any time the Grower breaches any condition of use of Cruiser SB stipulated on the manufacturer's labels or instructions, the Processor may:
 - (i) terminate the Contract with that Grower, and shall have the right not to contract with the Grower for future Contract Years;
 - (ii) reject the Crop in the relevant Contract Year that the breach occurred; and
 - (iii) notify, or require the Grower to notify, DEFRA or HSE of such breach.
- (h) For the purposes of this Clause:
 - (i) "the Crop" means the whole or any part of the Crop (including the seed);
 - (ii) "agricultural chemical" means any insecticide, fungicide, herbicide, biostimulant or other crop protection chemical substance and includes any formulation of and any product containing any such substance;
 - (iii) "unauthorised agricultural chemical" means any agricultural chemical which is not approved under the Control of Pesticide Regulations 1986 or any successor UK legislation and which at any time is not used in a manner which complies with the Conditions of Approval as described on the approved product label from the chemical manufacturer or supplier or as described elsewhere by DEFRA Pesticides Safety Division. The Approval may be Full Approval, Provisional Approval, or Off-Label Approval;

30 FINANCIAL ASSIGNMENT

The Grower may assign or charge the payments due to him or to become due to him under his Contract by an assignment or charge in a form approved by the Processor but not otherwise. The Grower agrees to pay the Processor a reasonable administration charge consequent upon such approval. Subject as aforesaid the Grower shall not assign or charge or purport or attempt to assign or charge any of his rights or obligations under his Contract without the prior written consent of the Processor (which may give such consent either unconditionally or subject to such conditions as it thinks fit or may withhold it) and any such assignment or charge, purported or attempted assignment or charge without such consent as aforesaid shall be of no effect and shall be deemed to be a breach of the Grower's Contract.

31 FORCE MAJEURE

If either party is unable to perform any of its obligations under the Contract by reason of industrial dispute, factory break-down or slow-down, break-down of machinery or vehicles, Act

of God, any act or omission of any national or local authority, or any other cause beyond the reasonable control of that party (each being a "Force Majeure Event"), the affected party shall notify the Force Majeure Event in writing to the other party and then such non-performance shall not be a default under the Contract and that party shall not be liable to the other party in respect of such non-performance caused by the Force Majeure Event, provided that the affected party shall use its reasonable endeavours to mitigate such non-performance.

32 DISPUTES

- (a) The provisions of paragraphs (b) and (c) of this Clause shall be limited by the provisions of Appendix 2.
- (b) Subject to paragraph (c) below, in the event of any dispute between the Processor and the NFU which may arise as to the rights or obligations of each to the other hereunder or as to the interpretation or performance of this Agreement or on any negotiations relating thereto or pursuant to Clause 33 below or failure to agree any matter which this Agreement provides is to be agreed between the Processor and the NFU, excluding any Negotiation Dispute relating to any Open Terms, as defined and provided for in Clause 34, there shall be appointed by agreement between the Processor and the NFU an independent arbitrator who shall be responsible for arbitrating between them; PROVIDED that if the parties hereto fail to agree on a person to appoint as such arbitrator within fourteen days of one party serving on the other a notice requiring such agreement, a request shall be made to Ministers either (under Section 69 of the Food Act 1984) to determine the matter in dispute or to designate a person to do so; or to appoint an arbitrator.
- (c) The decision of the arbitrator on any matter referred to him shall be final and binding on all parties to whom such decision relates.

33 COMPLIANCE WITH LAWS AND LEGISLATIVE CHANGES

- (a) The Processor, the NFU and each Grower shall comply with all laws applicable to their performance under this Agreement and each Contract including but not limited to the UK Bribery Act 2010, The Modern Slavery Act 2015 and any Economic Sanctions laws being any laws or regulations or other binding measures of the UK, the United Nations or the United States of America which relates to economic or trade sanctions and export controls or dealings with a Sanctioned Person.
- (b) In the event of any material alteration in the laws and regulations applying to sugar and sugar beet, or the growing of, prior to the end of the Contract Year, including but not limited to those applying to the use of key insecticides, and not already provided for in this Agreement, the Processor and the NFU on behalf of each Grower (the entering into of the Contract by each Grower constituting an appointment of the NFU as his agent for this purpose) hereby agree to re-negotiate the provisions hereof applicable to each Contract to such extent as may be equitable in the circumstances. Such negotiation shall be conducted in the first instance by the Processor and the NFU; if the Processor and the NFU fail to reach agreement in such negotiations any matter in dispute will be referred to arbitration in accordance with Clause 32 hereof. Upon agreement as aforesaid being reached (including as a result of arbitration) between the Processor and the NFU a written notification reflecting the terms of such agreement shall be made by the Processor to the Grower. The Grower shall be bound by the terms of such agreement PROVIDED

HOWEVER that he may serve a written notice of rejection on the Processor within fifteen days of receipt of the notification. The NFU will use its best efforts to encourage Growers not to serve any notice of rejection. Unless a notice of rejection has been served as aforesaid the Contract shall automatically be amended and thereafter continue in full force and effect as so amended.

- (c) The Grower shall at all times comply with the Processor's code of conduct, located here: <https://www.abf.co.uk/content/dam/abf/corporate/Documents/About-us/governance/policies/ABF-Supplier-Code-of-Conduct-Policy.pdf>. The Processor and NFU have agreed that the following shall apply for UK beet supply in respect of these Sections of the Code of Conduct:
- (i) Section 4 – the reference to children and young persons under 18 not being employed at night, shall be taken to mean (in addition to complying with the law generally) that children under 16 years old shall not work night shifts between 7pm and 7am and young workers (16 and 17 years old) shall not work night shifts between 10pm and 6am.
 - (ii) Section 6 – paying at least the UK National Living Wage (or any replacement) from time to time shall satisfy the requirement that wages should always be enough to meet basic needs and to provide some discretionary income.
 - (iii) Section 7 – Growers shall comply with Section 7 (Working hours are not excessive), except where a Grower or its worker each choose in writing to opt-out from the 48 hour average maximum working week (where permitted by law and subject to compliance generally with the law). Growers shall upon request provide Processor with documentation to verify their compliance.

34 COMMENCEMENT AND TERMINATION

- (a) This Agreement shall commence on the date of signature, apply in respect of the 2025/26 Crop and continue in force until the end of the Contract Year 2025/26 (the "**End Date**").
- (b) The NFU and the Processor shall by no later than 1 May 2025 commence negotiations to agree a new agreement upon such terms as may be appropriate to apply to Contract Year 2026/27. Each party shall act reasonably and in good faith in such negotiations and use its best endeavours to agree such new agreement by 7 July 2025.
- (c) If a new agreement has not been reached by 7 July 2025, the terms of the new agreement in respect of which the parties have not been able to reach agreement at that time (the "**Open Terms**") shall be considered to be in dispute (a "**Negotiation Dispute**") and shall be referred for resolution to the Director General of the NFU and the Chief Executive Officer of ABF Sugar (who shall have authority to agree the Open Terms for the Processor).
- (d) The parties shall use their respective best endeavours to ensure that all Open Terms are agreed and the Negotiation Dispute resolved so that a new agreement is entered into by 1 August 2025 and the parties may involve third parties such as a mediator or expert to assist negotiations (save that any opinions expressed by a mediator or expert shall be non-binding).

- (e) If the Director General of the NFU and the Chief Executive Officer of ABF Sugar have been unable to agree all Open Terms relating to the Negotiation Dispute by 1 August 2025 then:
- (i) either party may commence an arbitration by serving a notice on the other party requiring it to agree to the appointment of an arbitrator and nominating one or more candidates for this purpose (a "**Notice of Arbitration**");
 - (ii) in the event that the parties have not agreed upon the identity of the arbitrator within 7 days of the date of the Notice of Arbitration, the arbitrator shall be selected and appointed by the London Court of International Arbitration which shall act as an appointing authority for these purposes and the LCIA Appointment Terms and Conditions shall apply;
 - (A) the number of arbitrators shall be one;
 - (B) the seat of the arbitration shall be London, England;
 - (C) the award of the arbitrator shall be final and binding on the parties; and
 - (D) the arbitration proceedings shall be confidential.
 - (iii) the parties agree that the arbitration shall proceed on an expedited timetable and (subject to any extension agreed between the parties and evidenced in writing) shall result in an award by no later than 30 October 2025, save that the arbitrator shall be entitled to issue a separate award at a later date which is confined to addressing the legal costs and expenses of the arbitration, including the fees and expenses of the arbitrator.
- (f) Each party hereby waives any and all rights to appeal an arbitral award on a point of law if and to the extent that the relevant arbitral award concerns a Negotiation Dispute.
- (g) Any dispute concerning or related to the issue of whether the Processor is entitled to negotiate and enter into contracts directly with growers, including, without limitation, any dispute concerning the interpretation and application of the UK Regulation and/or the interpretation and application of Clause 34(h) of this Agreement, shall not constitute a Negotiation Dispute for the purposes of this Agreement.
- (h) The Processor shall not actively make any contractual offer to Growers in the period between 1 May 2025 and the earlier of: (i) the date by which the parties have agreed all Open Terms and any Negotiation Dispute has been resolved; and (ii) 30 October 2025 (the "**Restricted Period**"); so that the contractual restriction prescribed by this Clause 34(h) shall in any event cease to apply by no later than the end of 30 October 2025. As non-exhaustive examples illustrating the meaning of the restriction in this clause 34(h), during the Restricted Period:
- (i) The Processor shall (subject to (ii)) not proactively approach any Grower with a contractual offer to grow sugar which has not been agreed by the parties or set by arbitration (an "Active Offer"),
 - (ii) Processor shall not be prevented from responding to or contracting with a Grower who has approached the Processor requesting a contract (a "Passive Offer"); and

- (iii) The Processor shall not use the MyBritishSugar website to contract Active Offers with Growers, provided that nothing shall prevent the Processor using the website to contract Passive Offers.
- (i) Any termination of this Agreement shall be without prejudice to accrued rights and to the incorporation of this Agreement (and any applicable amendments) into the Contract for any Contract Year which commences prior to 30 September 2025.

35 DEROGATION AND INTERPRETATION

- (a) The provisions of the UK Regulation, or any other UK legislation as applicable, shall apply to Contracts except insofar as the terms of this Agreement (as amended from time to time) derogate therefrom in accordance with that Regulation.
- (b) This Agreement and each Contract shall be construed and shall take effect according to English law.

36 SEVERABILITY

- (a) If any provision of this Agreement shall be held to be void or declared illegal, invalid or unenforceable for any reason whatsoever, such provision shall be divisible from this Agreement and shall be deemed to be deleted from this Agreement and the validity of the remaining provisions shall not be affected.
- (b) In the event that any such deletion materially affects the interpretation of this Agreement, then the parties shall negotiate in good faith to agree a mutually satisfactory provision to be substituted for that provision which as nearly as possible gives effect to their intentions as expressed in the Agreement.

37 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement.

38 GOVERNING LAW AND JURISDICTION

This Agreement and all matters arising from or connected with it are governed by English law.

39 THIRD PARTY RIGHTS

Nothing in this Agreement is intended to create any rights for third parties as may arise pursuant to the Contracts (Rights of Third Parties) Act 1999 or as may be amended.

40 BBRO

The parties agree the following in relation to their dealings with BBRO:

- (a) the Processor shall not charge BBRO for advice provided by its Area Managers in the day to day course of business.
- (b) each party will pay its respective contributions to BBRO based on all Tonnage delivered;
- (c) each party will consider any requests by BBRO for additional funding in relation to various projects (supported by specific proposals) from time to time sympathetically and in good faith, having regard to both the current and future needs of the sugar beet industry.

- (d) BBRO acts as a data processor of the Processor's data (including grower contact and contract information) enabling BBRO to deliver transactional Knowledge Exchange activities.

41 FROST INSURANCE

- (a) The Processor agrees to work with the NFU to provide the information reasonably necessary to enable the NFU to purchase a Frost Insurance policy.
- (b) Provided NFU Mutual (or a substitute insurance provider) offers to renew the Frost Insurance policy for any given Crop on the same basis as NFU Mutual (or a substitute insurance provider) provided Frost Insurance for the previous Crop and at a substantially similar level of price (per pound sterling per Adjusted Beet Tonne announced for the Crop offered to be insured), then the Processor agrees to pay the cost of the insurance premium for that Contract Year.
- (c) If NFU Mutual (or a substitute insurance provider) offers the Frost Insurance for any given Contract Year at a higher price than the prior Contract Year, the parties agree to meet to jointly review the matter and to discuss whether or not:
 - i. the NFU will continue to provide Frost Insurance to Growers; and
 - ii. the extent to which the Processor will pay for the cost of the insurance premium for that Contract Year, any payments received by a Grower pursuant to the Frost Insurance policy shall be deducted from any compensation paid or payable to a Grower under the Yield Protection scheme or Virus Yellow Assurance Scheme.
- (d) Notwithstanding subclause 41(a) to (c) above, for Contract Year 2025/26 only, it is agreed that the Processor shall pay a premium for a Frost Insurance policy for that harvest, the terms of which shall be materially the same as the policy covering Contract Year 2024/25.

42 GROWER FINANCE/CASH ADVANCEMENT

- (a) The Processor may facilitate the operation of a Grower Finance Scheme.
- (b) The Processor has agreed to facilitate the making of Cash Advancements in respect of Contract Year 2025/26 for an eligible Grower who signs an agreement with the Processor in the form contained in Appendix 4.

43 YIELD PROTECTION

Only Growers who have received a Notice of Acceptance confirming that their offer to grow Contracted Tonnage on a Yield Protection Contract has been accepted shall be bound by the terms and conditions set out in Appendix 6.

IN WITNESS whereof the parties have entered into this Agreement the day and year first above written.

Signed by **British Sugar PLC**:

Print name:

Position:

Date:

Signed by **The National Farmers' Union:**

Print name:

Position:

Date:

APPENDIX 1

CONVERSION OF ACTUAL BEET TONNAGE INTO ADJUSTED BEET TONNAGE BY REFERENCE TO ACTUAL SUGAR CONTENT

- 1) Each tonne of beet will be paid for at a standard sugar content of 16.0%.
- 2) If the actual sugar content of any Consignment, calculated in accordance with the Agreement, varies from the standard sugar content of 16.0%, then the Actual Beet Tonnage ascertained in accordance with the Agreement shall be converted into Adjusted Beet Tonnage by multiplying the Actual Beet Tonnage by a Factor calculated by dividing the actual sugar content by 16.0%.
- 3) For information, the factors that would apply for sugar contents between 13.0% and 20.0% are as below.

Column 1	Column 2	Column 1	Column 2
ACTUAL SUGAR CONTENT %	FACTOR	ACTUAL SUGAR CONTENT	FACTOR
13.0	0.81250	16.6	1.03750
13.1	0.81875	16.7	1.04375
13.2	0.82500	16.8	1.05000
13.3	0.83125	16.9	1.05625
13.4	0.83750	17.0	1.06250
13.5	0.84375	17.1	1.06875
13.6	0.85000	17.2	1.07500
13.7	0.85625	17.3	1.08125
13.8	0.86250	17.4	1.08750
13.9	0.86875	17.5	1.09375
14.0	0.87500	17.6	1.10000
14.1	0.88125	17.7	1.10625
14.2	0.88750	17.8	1.11250
14.3	0.89375	17.9	1.11875
14.4	0.90000	18.0	1.12500
14.5	0.90625	18.1	1.13125
14.6	0.91250	18.2	1.13750
14.7	0.91875	18.3	1.14375
14.8	0.92500	18.4	1.15000
14.9	0.93125	18.5	1.15625
15.0	0.93750	18.6	1.16250
15.1	0.94375	18.7	1.16875

15.2	0.95000	18.8	1.17500
15.3	0.95625	18.9	1.18125
15.4	0.96250	19.0	1.18750
15.5	0.96875	19.1	1.19375
15.6	0.97500	19.2	1.20000
15.7	0.98125	19.3	1.20625
15.8	0.98750	19.4	1.21250
15.9	0.99375	19.5	1.21875
16.0	1.00000	19.6	1.22500
16.1	1.00625	19.7	1.23125
16.2	1.01250	19.8	1.23750
16.3	1.01875	19.9	1.24375
16.4	1.02500	20.0	1.25000
16.5	1.03125		

APPENDIX 2

DISPUTES

- (a) Both parties shall interpret and implement this Agreement in a fair and reasonable manner, in a way which will enhance the prosperity of the UK beet sugar industry.
- (b) Clause 32 of this Agreement shall not be invoked by the parties with respect to any dispute arising from matters expressly dealt with in this Agreement, the rights or obligations of each to the other under the terms of this Agreement or any Negotiation Dispute relating to any Open Terms, as defined and provided for in Clause 34.
- (c) Where a dispute arises over the interpretation or performance of this Agreement (the "Dispute"), and the Dispute cannot be resolved by the joint British Sugar/NFU Negotiating Committee, the Dispute shall be referred to the Director General of the NFU and the Chief Executive Officer of ABF Sugar (who shall have authority to act for the Processor) for resolution. For the avoidance of doubt, any Negotiation Dispute relating to any Open Terms, shall not be within the scope of this Appendix 2.
- (d) The Director General of the NFU and the Chief Executive Officer of ABF Sugar for resolution, having full authority, shall attempt in good faith to settle the Dispute within 90 days of the date that the disputing party gives written notice of the Dispute to the other party.
- (e) Where the Director General of the NFU and the Chief Executive Officer of ABF Sugar for resolution are unable to agree a resolution to the Dispute, the parties may together instruct a third party to assist in resolving the Dispute (in the event that a third party is instructed the time for instruction and the giving of its opinion shall be included within the 90 day period).

For the avoidance of doubt, if the third party is asked to give an opinion on the merits of the parties' positions, such opinion shall not be binding on either of the parties.
- (f) During negotiations each party's obligations to the other under the Agreement shall be continued.
- (g) If, after 90 days has elapsed agreement has not been reached, either party shall have the right to invoke the dispute resolution procedures set out in Clause 32 of this Agreement only in relation to the Dispute.

APPENDIX 3

This privacy statement sets how British Sugar Plc ("we"; "us") processes personal data relating to growers of sugar beet who are individuals or who are partners in unincorporated partnerships and who are contracted to supply sugar beet to British Sugar Plc under the terms of the Inter-Professional Agreement ("IPA") entered into between British Sugar Plc and the National Farmers' Union in respect of the 2025/26 sugar beet crop ("Growers"). This privacy statement relates only to personal data about Growers which is supplied to, or collected by British Sugar Plc, in connection with the provision of contracted services by Growers under the IPA ("Grower Personal Data").

The data controller in relation to the Grower Personal Data is British Sugar Plc of Weston Centre, 10 Grosvenor St, London, W1K 4QY.

(c) What Grower Personal Data do we collect?

British Sugar Plc collects personal information which Growers or their appointed agents knowingly give to us when transacting with us for the supply of sugar beet. The supply of this information is necessary in order to enter into a contract with British Sugar Plc.

British Sugar Plc also collects information supplied by Growers in the course of contract delivery as well as Grower Personal Data obtained through day to day working contact with British Sugar staff. This includes farm acreage, local working arrangements, the volume and quality of contracted sugar beet, the purchase of seed, purchase of by-products, haulage and harvesting arrangements, and information relating to the facilitation of finance packages. Grower Personal Data, in the form of aerial photography of sugar beet crop under cultivation, is also collected by British Sugar Plc using aerial technology.

British Sugar Plc also receives Grower Personal Data from the British Beet Research Organisation (BBRO) including information regarding event registration and survey data.

(d) How will we use Grower Personal Data?

We will use Grower Personal Data:

- to manage the contract and monitor and manage the delivery of beet and contracted services under the IPA and for payment management purposes;
- to contact Growers in connection with any proposed variation to the IPA terms on which we contract with Growers;
- to take orders for seed or other goods and to notify Growers about any changes to their orders;
- to carry out our obligations and exercise our rights arising from any contracts we enter into with Growers;
- to manage applications to participate in the Futures linked Contract;
- to provide technical information in conjunction with the BBRO;
- to provide the NFU with information to the extent necessary so that NFU can discharge its functions as the body that is substantially representative of sugar beet growers in the UK including for the purpose of IPA negotiation;
- to respond to queries from Growers;
- to provide Growers with information, products or services that they request from us, or which we feel may interest them (provided of course that they consent);
- to review and identify trends and for future planning and analysis for internal reporting purposes;
- for the purpose of obtaining professional advice and complying with our legal obligations;
- to provide technical information and advice via the BBRO;

- to facilitate at Growers' request the provision of third party finance packages such as 'FlexiBeet';
- to support the development by BBRO of a yield benchmarking tool for use by Growers;
- to arrange loading, haulage and spreading and delivery of any goods purchased from us; and
- for internal record keeping purposes including the maintenance of our customer relations management ("CRM") system.

Where relevant we will enter Grower Personal Data (together with personal data relating to Growers which is supplied by other means (for example via Area Manager contact, or via British Sugar Plc's growers portal), into our CRM system and will use this information to support our working relationship with Growers.

(e) Legal basis

Grower Personal Data is held and used by British Sugar Plc because: -

- this is necessary for the performance of a contract between British Sugar Plc and a Grower (or in order to take steps at the request of a Grower prior to entering into such a contract);
- this is necessary for the purposes of legitimate interests pursued by British Sugar in connection with contract negotiation and management, research and development work, maintaining internal records or in connection with the promotion of our activities;
- this is necessary for the purposes of legitimate interests pursued by BBRO in connection with research and the supply of its online yield benchmarking service to Growers;
- in the case of disclosures to NFU, this is necessary for the purpose of legitimate interests pursued by NFU in relation to the exercise of its functions as the body that is substantially representative of sugar beet growers in the UK; or
- this is necessary for the purpose of legitimate interests pursued by third party providers of services to relevant Growers.

Where Grower Personal Data are collected, used or disclosed on the basis of legitimate interests pursued by British Sugar, or by a third party, you have a right to object to this. For more information on how you can object to the use of your data, see below.

Where do we transfer Grower Personal Data to?

We may transfer Grower Personal Data to, or store it in, locations outside the UK, where standards of data protection are not equivalent to those that apply in the UK. If we do this we will comply with all relevant data protection legislation. Our usual practice when transferring personal data to countries outside the European Economic Area is to use European Commission approved standard contractual clauses.

(f) Who do we share Grower Personal Data with?

We disclose Grower Personal Data only to the following recipients:

- NFU;
- BBRO;
- Our service providers;
- Third party providers of finance packages;
- Third parties with whom the Grower has entered into a separate agreement governing alternative pricing structures and the Futures Linked Contract;

- Our professional advisers;
- Public authorities or judicial authorities (where disclosure is required by law or is necessary so that we can enforce our terms of use or rights, or the rights of any third party; or so that public authorities can exercise their functions in the public interest);
- Commercial partners (where disclosure is necessary in connection with the sale of a business or its assets).

(g) How long do we keep your information for?

We hold information relating to IPA related transactions for up to 20 years so that it is available if required in order to reclaim RPA Levy funds. Grower Personal Data held by us in connection with other contracts is normally retained for no longer than 6 years. Grower Personal Data which we hold so that we can review and identify trends and for future planning and analysis, is held for up to 10 years. Otherwise we usually only retain Grower Personal Data for as long as necessary for contract management purposes and in order to support our working relationship with you. Grower Personal Data held for promotional purposes will be retained for as long as it continues to be relevant for these purposes. Grower Personal Data in the form of aerial photographs will be held indefinitely for research purposes only.

(h) Your rights in relation to your data

You have the right to ask us to rectify, block, complete and delete your personal data, to restrict its use, and to 'port' your personal data (that is, to ask us to provide you with data that you have supplied to us, in a structured, commonly used and machine readable format and to transmit it directly to another organisation). You also have the right to request further information about the handling of your personal data. In some circumstances you also have the right to object to the processing of your data by us.

All requests will be dealt with at the earliest opportunity and any delay will be kept to a minimum. In any event, the statutory time limit for our response will not be exceeded. There are exceptions to these rights, however. For example, access may be denied in some circumstances if making the information available would reveal personal information about another person or if we are legally prevented from disclosing such information.

You also have the right to make a complaint to the Information Commissioner's Office if you believe that your rights have been breached.

If you would like to submit a request regarding your data or would like to know more about your rights in relation to this data please contact the Agricultural Help Desk at 1 Samson Place, London Road, Hampton, Peterborough, PE7 8QJ (tel. 0800 090 2376).

APPENDIX 4
TEMPLATE FORM OF ADVANCE PAYMENT AGREEMENT

Dated 2025

BRITISH SUGAR PLC
THE GROWER NAMED HEREIN

ADVANCE PAYMENT AGREEMENT

relating to the Contract with
contract number [●]

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Between

- (1) **BRITISH SUGAR PLC**, registered in England and Wales with company number 00315158 and whose registered office is at Weston Centre, 10 Grosvenor St, London, W1K 4QY (the "**Processor**"); and
 - (2) **THE PERSON** listed on the signature page as the Grower (the "**Grower**"),
- (each a "**Party**" together "**Parties**")

Whereas

- (A) pursuant to the terms of the Inter-Professional Agreement (as defined below), the Grower has entered into a Contract (as defined in the Inter-Professional Agreement) to sell an agreed tonnage of sugar beet to the Processor;
- (B) the Processor wishes to make a Cash Advancement (as defined in the Inter-Professional Agreement) to the Grower in respect of the Financed Beet (as defined in Clause 1.1).
- (C) the Grower opting to participate will be bound by the terms of this Agreement.

It is agreed

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) capitalised terms used but not defined herein shall have the meaning given to them in the Inter-Professional Agreement; and
- (b) unless the context otherwise requires:

"Advance Payment" has the meaning given to that term in Clause 2.1;

"Bank of England Rate" means at any time the Bank of England's Bank Rate as published by the Bank of England from time to time and, if at any time that rate is less than zero, then the Bank of England Rate shall be deemed to be zero at that time;

"Business Day" means a day (other than a Saturday, Sunday or a public holiday) on which banks are open for general business in London;

"Financed Beet" means 20 per cent. of Crop based on the crop area declared by the Grower for the Contract Year commencing 1 October 2025 multiplied by:

- (a) the Grower's prior 5 year average yield, or
- (b) where the Grower has not grown for 5 previous years, their prior 3 year average,

using factory averages for any missing years and multiplying by £32.31; and

"Inter-Professional Agreement" means the signed inter-professional agreement for 2025/26 Crop between the Processor and the National Farmers' Union.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Agreement to:
 - (i) any agreement or instrument is a reference to that agreement or instrument as amended, varied, novated, supplemented, superseded and/or restated; and
 - (ii) a provision of law is a reference to that provision as amended or re-enacted.
- (b) Clause and schedule headings are for ease of reference only.

1.3 Conflict with other documents

- (a) In the event of any conflict between the terms of this Agreement, the Inter-Professional Agreement and/or any Contract, the terms of this Agreement shall prevail in respect of the Financed Beet. Third Party Rights
- (b) A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

2 ADVANCE PAYMENT

- 2.1 Subject to paragraph 2.2 below, no later than the date: (i) falling 28 Business Days after date of this Agreement; or (ii) of the final crop area declaration, (whichever is later), the Processor shall make a payment (the **"Advance Payment"**) to the Grower in an amount equal to the amount of Financed Beet paid at the Grower's contracted rate.
- 2.2 The Advance Payment shall be made by the Processor effecting a credit transfer to the bank account of the Grower notified to the Processor prior to the date on which the Advance Payment is due. If the Grower does not notify the Processor of the Grower's account details prior to the date on which the Advance Payment is due, the Processor shall not be obliged to make the Advance Payment.
- 2.3 Notwithstanding any term of any Contract, upon receipt by the Grower of the Advance Payment, all right and title in respect of the Financed Beet shall automatically transfer from the Grower to the Processor.
- 2.4 Upon receipt by the Grower of the Advance Payment, the amount that would otherwise be payable under the Contract in respect of the Contracted Tonnage shall be reduced by an amount equal to the amount of the Advance Payment.
- 2.5 The Advance Payment shall only be available to those Growers who, based on their crop declaration do not have greater than 50 percent of their Contracted Tonnage committed between Futures, Flexi-Beet and this cash advance. Any Contract Tonnage over 50 percent will be restricted to the 50 percent cap.

3 OBLIGATIONS OF THE GROWER

The Grower undertakes to the Processor for the benefit of the Processor to:

- (a) declare and notify to the Processor the fields in which sugar beet contracted to the Processor has been planted on the crop declaration form or via the Beet Portal by the deadlines set by the Processor in respect of the Contract Year commencing on 1 October 2025;
- (b) continue to cultivate, harvest and deliver their Crop and Contracted Tonnage in the same manner as if any Financed Beet was still their own Crop;
- (c) ensure that any Financed Beet is segregated and kept separate from any other crop of the Grower not contracted to the Processor and that the location of the financed beet is made available to the Processor on request;
- (d) treat any Financed Beet in priority to the rest of the Crop such that if the Crop size or yield is lower than anticipated for whatever reason, the volume of any Financed Beet remains unchanged and is not pro-rated and all deliveries of any Contracted Tonnage under a Contract shall comprise Financed Beet in respect of that Contracted Tonnage after any beet contracted on the futures linked contract is delivered, until such volume is delivered;
- (e) not sell, encumber or dispose of any Financed Beet or any right, title, or interest in any Financed Beet unless agreed by the Processor in writing;
- (f) accept responsibility for the husbandry of any Financed Beet or any loss or damage to any Financed Beet until delivery;
- (g) allow the Processor or its agents to access the Grower's land to inspect, audit and if necessary to cultivate and harvest any Financed Beet; and
- (h) once any Financed Beet has been cultivated and/or harvested, deliver that Financed Beet to the Processor in terms of the Contract.

4 FAILURE TO DELIVER

4.1 Failure to Deliver

Where the Grower is unable to deliver any Financed Beet due to poor crop growth or any other reason except in circumstances where the Grower's inability to deliver the Financed Beet is by reason of a Force Majeure Event (as defined in Clause 31 of the Inter-Professional Agreement), either:

- (a) the Advance Payment will be repaid in full by the Grower at the end of April 2026 (a "**Due Date**"); or
- (b) where the Grower has contracted to grow beet for the next Contract Year, with the Agreement of the Processor, a debit equal to the Advance Payment will be placed on the Grower's beet account together with a fee for delayed delivery in an amount equal to 5% of the Advance Payment and recovered from the first beet delivered by the Grower the following year.

4.2 **Default Interest**

If the Grower fails to pay any amount when due under this Agreement, interest shall accrue on the overdue amount from the date on which it was due to be paid up to the date of actual payment at a rate which is 2 per cent. per annum above the Bank of England Rate. Any interest accruing under this clause 4.2 shall be immediately payable by the Grower on demand by the Processor.

4.3 **Recovery of costs**

The Processor shall be entitled to seek to recover from the Grower any costs which it has reasonably incurred in securing the repayment by the Grower of the Advance Payment in accordance with clause 4.1 above.

5 **REPRESENTATIONS AND WARRANTIES**

On the date of this Agreement, the Grower represents and warrants to the Processor that:

- (a) it validly exists under the laws of England (if it is a company) and has full power and authority to own its assets and to conduct business;
- (b) it has the power to enter into and perform its obligations under this Agreement to which it is a party. Where it is a body corporate, each person that executes the Agreement on its behalf is duly authorised to do so;
- (c) all things required to be done to enable it to lawfully enter into and perform its obligations under this Agreement to which it is a party have been done;
- (d) the Agreement to which it is a party constitutes legal, valid and binding obligations, enforceable in accordance with its terms;
- (e) it is the beneficial owner of the Crop required to produce any Contracted Tonnage under the Contract for the Contract Year commencing 1 October 2025 and such Crop is free from any security interest and, subject to any arrangements under this Agreement, it has good title to each Crop;
- (f) the crop declaration made to the Processor on or prior to the 1st June 2025 is accurate;
- (g) it has conducted its business in compliance with applicable anti-bribery and corruption, sanctions, anti-money laundering and anti-terrorism financing laws and regulations;
- (h) is not unable or has not admitted its inability to pay its debts as they fall due;
 - (i) is not deemed to, or is not declared to, be unable to pay its debts under applicable law;
 - (ii) has not currently suspended or threatened to suspend making payments on any of its debts;
 - (iii) by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors;

- (i) the value of its assets is equal to or more than its liabilities (taking into account contingent and prospective liabilities);
- (j) no moratorium has currently been declared in respect of any of its indebtedness; and
- (k) no corporate action, legal proceedings or other procedure or step is currently being taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Grower;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Grower;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager (if the Grower is a company) or a trustee in bankruptcy (if the Grower is an individual) or other similar officer in respect of the Grower or any of its assets; or
 - (iv) enforcement of any security over any assets of the Grower,

or any analogous procedure or step is taken in any jurisdiction.

6 RIGHTS OF THE PROCESSOR

The Processor may, at any time:

- (a) enter the Grower's land to verify that the Crop has been planted and is established in the field declared by the Grower;
- (b) run credit checks on the Grower prior to making the Advance Payment;
- (c) create an invoice to itself on behalf of the Grower in respect of any Financed Beet at the year's guaranteed Contract Beet Price. A due date for the Financed Beet will be set as immediate. The Processor will raise a second invoice credit with a due date of 1 September 2025 to ensure no further advancements are made until the Grower has delivered the relevant Financed Beet.

7 NOTICES AND COMMUNICATIONS

- (a) Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by email or letter.
- (b) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:
 - (i) if by way of email, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or received in post five business days after the post mark, ,

and, if a particular person or officer is specified as part of its address details provided under paragraph (c) below, if addressed to that department or officer.

(c) The notice details for the Processor are as follows:

Address: British Sugar plc, 1 Samson Place, London Road, Hampton, Peterborough PE7 8QJ

Email: agriculture@britishsugar.com

Attention: Farm Support

(a) The notice details for the Grower are those specified beneath the signature block of the Grower on the signature page to this Agreement.

(b) Each Party may at any time change its address by giving notice to the other parties in the manner described above.

8 DISCLOSURE OF INFORMATION

The Parties expressly acknowledge and agree that this Agreement and its terms and all information, whether written or oral, furnished by either Party to the other Party in connection with the preparation and negotiation of this Agreement are confidential and shall not be disclosed other than by a Party:

(a) to:

(i) any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives;

(ii) any person to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under this Agreement;

(iii) any potential financiers;

(iv) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental authority or similar body, the rules of any stock exchange or pursuant to any applicable law or regulation;

(v) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vi) insurers or insurance brokers; and/or

(vii) the National Farmers' Union; or

(b) with the written consent of the other Party.

9 **DEALINGS**

No Party may assign, novate, transfer or otherwise deal with its rights or obligations under this Agreement without the written consent of the other Party.

10 **MISCELLANEOUS**

10.1 Each Party shall bear its own costs and expenses in connection with negotiation of this Agreement.

10.2 Subject to any provisions herein to the contrary, any taxes and duties (including customs, levy, withholding, turnover tax, tax at source or social security and pension contributions), if any, shall be borne by the Party who is liable for them pursuant to the applicable laws.

10.3 The failure of any Party to enforce any of the provisions of this Agreement or any rights with respect thereto shall in no way be considered as a waiver of such provisions or rights or in any way to affect the validity of this Agreement. The waiver of any breach of this Agreement by any party hereto shall not be construed as a waiver of any other prior or subsequent breach.

10.4 Should any provision of this Agreement turn out to be invalid, illegal or unenforceable, the remaining provisions have to be regarded as severable and enforceable in accordance with their terms. The Parties shall replace the partly or entirely invalid, illegal or unenforceable provisions by provisions which are as similar as possible and correspond to the economic intent and purpose of such partly or entirely invalid or impractical provision and are valid and enforceable.

10.5 This Agreement may be amended only in writing through a document duly signed by each Party and any waivers to this Agreement require prior written approval of each Party.

11 **COUNTERPARTS**

This Agreement may consist of a number of copies, each signed by one or more Parties to this Agreement. Such signed copies form one document.

12 **GOVERNING LAW AND JURISDICTION**

This Agreement and any non-contractual obligations arising out of or in connection with it is governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement).

SIGNATURES

THE PROCESSOR

Signed for and on behalf of
British Sugar Plc

THE GROWER

Signed for and on behalf of
[insert name of the Grower]

Address:

Email:

Job Title:

APPENDIX 5

TEMPLATE FORM OF NOVATION AGREEMENT

BETWEEN

(1) [NAME AND ADDRESS OF GROWER AND CONTRACT NUMBER] ("THE GROWER")

AND

(2) BRITISH SUGAR PLC, COMPANY NUMBER 00315158, WHOSE REGISTERED OFFICE IS AT WESTON CENTRE, 10 GROSVENOR STREET, LONDON, W1K 4QY ("BRITISH SUGAR")

AND

(3) CZARNIKOW GROUP LIMITED, COMPANY NUMBER 02650590, WHOSE REGISTERED OFFICE IS AT PATERNOSTER HOUSE, 65 ST PAUL'S CHURCHYARD, LONDON, EC4M 8AB ("CGL")

THIS AGREEMENT IS DATED [INSERT DATE].

BACKGROUND

- (A) The Grower has entered into a contract with British Sugar to sell British Sugar an agreed tonnage of beet for sugar processing purposes for the 2025/26 season (the "Grower Contract").
- (B) The Grower wishes to novate title to a percentage of the agreed tonnage of beet under the Grower Contract to CGL in order to seek an alternative pricing structure for that proportion of their beet (the "novated beet").
- (C) CGL will enter into arrangements on the relevant financial markets to hedge their risk around the price of the novated beet that CGL have agreed to take from the Grower under this agreement.
- (D) In order to carry out such hedging, CGL needs title to the novated beet. The Grower intends to transfer such title to CGL in accordance with the terms of this agreement.

CONDITION PRECEDENT

- 1. This agreement will not come into effect until immediately after the Grower Contract has come into effect (the date of which will be the "Effective Date"). If British Sugar fails to issue a Notice of Acceptance, this agreement will not come into effect and the parties will not have any obligations to one another under it.

AGREED TERMS

- 2. With effect from the Effective Date,
 - a. title to the agreed tonnage of novated beet between the Grower and CGL as set out below will pass from the Grower to CGL;

- b. CGL will take all necessary steps to enter into such arrangements as it sees fit to hedge risk around the novated beet; and
- c. the pricing arrangements set out below, between CGL and the Grower, will apply to the novated beet which is the subject of this agreement.

GROWER OBLIGATIONS

3. With effect from the Effective Date the Grower agrees to transfer the title of [XX] tonnes of beet ("the novated beet") to CGL and hereby warrants that it has full title and rights to such beet immediately prior to the transfer.
4. Nothing in this agreement waives the obligations of the Grower to deliver the total agreed tonnage of beet to British Sugar under the terms of the Grower Contract. Except as set out in this agreement, the terms of the Grower Contract remain in full force and effect.
5. The Grower agrees to be responsible for any claims, costs or losses that CGL face or incur in the event that the Grower fails to make available the novated beet for the transfer described in clause 3, unless such failure is due to a Force Majeure Event. For the purposes of this agreement, a Force Majeure Event is any event beyond the reasonable control of the Grower including, without limitation, acts of God, flood, drought, earthquake or other natural disaster, crop disease, epidemic or pandemic, terrorist attack, civil war, threat of or preparation for war, nuclear, chemical or biological contamination, sonic boom, any law or action taken by a government or public authority (including imposing an export or import restriction or quota), collapse of buildings, fire or explosion.
6. The individual signing this Agreement on behalf of the Grower will be the individual responsible for selecting the relevant price(s) for the novated tonnage via the online application "Czapp".
7. The Grower acknowledges that for the purposes of this Agreement it shall be necessary for British Sugar to share certain personal data with CGL including email address. The Grower further acknowledges receipt of the privacy notice set out in Annex 1.
8. The Grower agrees to provide their bank details to CGL to facilitate CGL payments for beet delivered under this contract. The easiest way to do this is to send the following details to cglbankapp@czarnikow.com and treasurylondon@czarnikow.com:
 - Beneficiary name
 - Sort Code
 - Account Number
 - VAT number

CGL OBLIGATIONS

9. CGL will comply with all applicable laws, regulations, codes and guidance in relation to:
 - a. the financial arrangements it is providing to the Grower and will indemnify the Grower in respect of any claims, costs or losses the Grower incurs arising from CGL's breach of this clause; and
 - b. any arrangements that CGL enters into on the financial markets (to which neither the Grower nor British Sugar are a party) to hedge its risk around the price of the novated beet.
10. CGL will pay to the Grower the sums due for each week's beet delivered in accordance with the relevant pricing option(s) set out below within 24 hours of receipt of payment for that week's beet from British Sugar.

PRICING

11. CGL will display the beet price available per tonne to the Grower each day via its online application "Czapp". The price displayed will be calculated according to the formula below:

The October 25 Raw Sugar Futures traded on the Intercontinental Exchange;
Converted to GBP using the 1st October 2025 forward GBP/USD exchange rate. Minus an agreed GBP discount; Divided by 6.25; Minus £0.34 service fee.

CGL shall be accepting orders to buy October 2025 Raw Sugar Futures and sell 1st December 2025 GBP/USD. The result of this transaction will be used to create the agreed GBP discount for the Grower beet price so that the final price that British Sugar pay CGL for beet shall be GBP 30.70 pmt in line with the fixed beet price also offered to growers.

12. The Grower must select a price for all of the tonnage novated in accordance with clause 3 ("the novated tonnage") before 1st September 2025. The Grower may select multiple daily prices for different portions of the novated tonnage, in lots of 50 tonnes.
13. If the Grower fails to select a price for some or all of the novated tonnage by close of trading on 31st August 2025, the price received for that portion of the novated tonnage will be derived by the formula in clause 11 based on the October 2025 ICE Raw Sugar futures price executed by CGL on 1st September 2025.

BRITISH SUGAR CONSENT

In order to give full effect to this agreement, British Sugar hereby consents to the novation of the novated beet as set out in clause 3 (the "**Relevant Beet**") above from the Grower to CGL for the purposes identified in this agreement and on the terms set out in this agreement, and all parties confirm that British Sugar's obligations to pay the Grower the relevant price per tonne in respect of the Relevant Beet shall be transferred to CGL and British Sugar shall have no further obligations to pay the Grower in respect thereof. This is confirmed in the Notice of Acceptance issued by British Sugar to the Grower.

GENERAL

14. If CGL faces insolvency or other analogous circumstances which means it is, or is very likely to be, in financial difficulty, then without limiting any rights the Grower may have, all rights granted to CGL under this agreement will immediately cease. Nothing in this clause will have the effect of waiving CGL's obligation to comply with its payment obligations under this agreement.
15. Neither party may transfer, subcontract or deal in any other way with their respective rights and obligations under this agreement without the prior written consent of the other party.
16. If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall not affect the validity and enforceability of the rest of this agreement and it shall be deemed deleted or shall be amended to such extent possible to make it valid and enforceable.
17. This agreement constitutes the entire agreement between the parties, and supersedes and extinguishes all previous agreements, promises and understandings between them, whether oral or written.
18. This agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.
19. This agreement is governed by English law and is subject to the exclusive jurisdiction of the English courts.

Signed by the Grower:

Print name:

Date:

Signed by Czarnikow Group Limited:

Print name: Natalia Dziedzic

Position: Compliance Manager

Date:

Signed by British Sugar PLC:

Print name:

Position:

Date:

Annex 1

PRIVACY STATEMENT

This privacy statement sets out how British Sugar Plc processes personal data relating to “Grower Personal Data”.

Grower Personal Data means personal data, including contact details, relating to:

- Growers, who are individuals, or who are partners in unincorporated partnerships, and who participate in, or express an interest in, the pilot of a one year variable-priced beet contract (“the futures linked beet contract pilot”); and
- Individuals signing the novation agreement entered into between the Grower, British Sugar Plc, and CGL on behalf of the Grower (“the Novation Agreement”).

The data controller in relation to the Grower Personal Data is British Sugar Plc of Weston Centre, 10 Grosvenor St, London, W1K 4QY (“British Sugar”).

British Sugar will process Grower Personal Data for the purpose of managing applications to participate in the futures linked beet contract pilot. In particular, British Sugar will share Grower Personal Data with CGL to enable CGL to liaise with Growers and facilitate their participation in the futures linked beet contract pilot, and, where relevant, so that CGL can discharge its obligations under the Novation Agreement.

The legal basis for British Sugar’s processing of Grower Personal Data is that this is necessary so that British Sugar can manage the futures linked beet contract pilot application process.

British Sugar retains information concerning transactions related to the Inter-Professional Agreement (“IPA”) for up to 6 years. For further information, please see Schedule 3 to the IPA. Growers’ rights in relation to their personal data are as set out in Schedule 3 to the 2022 IPA.

Any queries in relation to this privacy statement should be directed to the Agricultural Help Desk at 1 Samson Place, London Road, Hampton, Peterborough, PE7 8QJ (tel. 0800 090 2376).

APPENDIX 6

YIELD PROTECTION

2025/26 Yield Protection Terms and Conditions

1. This schedule contains terms and conditions for the Yield Protection scheme ("**YP**") in respect of the 2025/26 Contract Year. Unless specifically defined in this schedule, terms are intended to have the same meaning as in the IPA. In case of contradiction or ambiguity as between the terms of this schedule and the terms of the IPA, the terms of this schedule will take precedence.
2. A Grower may choose a YP contract for a reduced price of £1.40/t on every tonne of beet on that contract. If YP is selected, it will apply to all tonnes allocated to that contract. This guarantees that where a Grower's Adjusted Beet Tonnage delivered against eligible contracts is below 85% of a Grower's Expected Tonnage, and provided the Grower has at all times complied with this schedule and the IPA, the Processor shall make a payment to the Grower in respect of the difference in value between the Expected Tonnage (calculated in accordance with clause 3 below) and the Adjusted Beet Tonnage actually delivered, which shall in no event be more than 85% of the Contracted Tonnage.
3. In the event that the Processor makes a YP payment to the Grower, the Grower's Expected Tonnage shall be calculated as being: the lower of either the Grower's Contracted Tonnage, or the better of their prior 5-year average Adjusted Yield or 5 year excluding 22/23 Yield multiplied by their crop area as declared to British Sugar. If in any of the previous 5 Contract Years the Grower did not hold a contract with British Sugar, the factory average yield will be used instead for those Contract Year(s).
4. Notwithstanding anything else in the IPA or this schedule, the total amount the Processor will pay out to growers collectively in YP payments in respect of the 2025/26 Contract Year will be capped at £250 multiplied by the total sugar beet hectares declared to the Processor that Contract Year grown under Yield Protection. If the cap is reached in that Contract Year, all YP payments to Growers that Contract Year will be reduced by an equal percentage.
5. In order for a Grower to be eligible for payment under the terms of YP, that Grower must:
 - 5.1. Demonstrate it has sufficient seed available, either from new purchases or carried over stock, to drill at least 1.15 units of beet seed per hectare in all fields declared to the Processor. All seed must have been sourced in accordance with the IPA. If a Grower's standard practice has been to drill at a lower seed rate, the Grower must demonstrate they have sufficient seed available for that lower rate.
 - 5.2. Return their completed Crop Declaration to the Processor by 1st June 2025.
 - 5.3. Have drilled sugar beet in the declared fields by 1st June 2025 in accordance with the seed rate specified in clause 5.1 above.
 - 5.4. Harvest the entire beet area declared to the Processor, and deliver all beet harvested from the declared fields to the Processor within the Campaign Period, unless the Processor rejects it or requests it not to be delivered in accordance with the terms of the IPA. The Grower must obtain written agreement from the Processor if they intend to leave any declared field unharvested beyond the end of the Campaign Period.

- 5.5. Within 14 working days of delivering a load, a grower with a Yield Protection contract must notify British Sugar of which field the beet in that load was harvested from using the 'Allocate Fields' tab within My British Sugar.
6. The Processor shall use all reasonable endeavors to make any YP payments by the end of June immediately following the Campaign Period, after all beet has been delivered, load complaints and appeals resolved, and any other relevant checks completed to the Processor's satisfaction.
7. In the event that the whole or a substantial proportion of the area in the Crop Area Declaration has been affected by significant human error this is deemed to be a breach of these terms the Processor may, subject to clauses 11 and 12 below:
 - a. withhold YP payments for the crop in question;
 - b. require repayment of any YP already paid in respect of the crop in question; and/or
 - c. remove any future entitlement for the Grower to opt in to YP.
8. In the event that the Processor has a reasonable belief that a Grower has breached these terms and conditions or the IPA, or that a claim for YP payment is incorrect, the Processor may, subject to clauses 10 and 11 below:

A withhold YP payments for the crop in question;

 - d. require repayment of any YP already paid in respect of the crop in question; and/or
 - e. remove any future entitlement for the Grower to opt in to YP.
9. In the event that the Processor has a reasonable belief that a Grower with more than one contract has intentionally allocated beet delivered to the wrong contract with a view to triggering or increasing their YP payment the Processor may reallocate that beet to the correct contract. The Processor may also, subject to clauses 10 and 11 below:
 - a. withhold YP payments for the crop in question;
 - b. require repayment of any YP already paid in respect of the crop in question; and/or
 - c. remove any future entitlement for the Grower to opt in to YP.
10. In the event that a Grower has failed to comply with clause 5.4 and seeks to claim YP, the Processor may, subject to clauses 10 and 11 below:
 - a. withhold YP payments for the crop in question;
 - b. require repayment of any YP already paid in respect of the crop in question;
 - c. remove any future entitlement for the Grower to opt in to YP; and/or
 - d. if the terms of the beet contract allow, terminate that contract or refuse to enter into any further such contracts.
11. In the event that any of clauses 7 to 10 apply, the Processor will notify the Grower of their belief by the later of 30th April 2025 or four weeks after closure of the final the Processor factory, and supply copies of any evidence on which that belief is based. Any such notification should also provide contact details for any further correspondence regarding the alleged breach or misallocation. At all times it is for the Grower to substantiate their compliance with all applicable terms and conditions.

12. In the event that a Grower disagrees with a decision of the Processor notified under clause 8, the Grower may request a review of that decision, explaining why they do not agree with the decision and supplying evidence, and any other documentation reasonably requested by the Processor, to show that any alleged non-compliance (as above) did not occur. The Processor agrees that any such representation shall be reviewed by a representative of the Processor who was not involved with the original decision as to any possible YP payment.

13. The Processor has the right to audit a Grower's compliance with these YP terms. The Processor also has the right to check for beet sales elsewhere by Growers.

APPENDIX 7 – SEED TERMS

Terms and Conditions for the Sale of Seed (the "Terms for Sale of Seed")

BETWEEN:

BRITISH SUGAR PLC whose registered office is situated at Weston Centre, 10 Grosvenor St, London, W1K 4QY (the "**Processor**" or "**British Sugar**"); and

Grower, being the grower of sugar beet in the United Kingdom placing an order for sugar beet seed from the Processor.

These Terms for Sale of Seed constitute the terms and conditions on which the Processor supplies sugar beet seed (the "**Seed**") to any Grower that places an order to buy Seed from the Processor.

1. Application of these Terms for Sale of Seed

These Terms for Sale of Seed shall be deemed to be incorporated into the version of the Inter-Professional Agreement between the Processor and the National Farmers' Union ("**NFU**") applicable to the Impending Contract Year (the "**IPA**") if such IPA is executed. In the event of any conflict between any of these Terms for Sale of Seed and any term of the IPA, these Terms for Sale of Seed shall take precedence.

Except with respect to the terms of the IPA, these Terms for Sale of Seed shall apply to the exclusion of and prevail over all other terms and conditions which the Grower may purport to apply, impose or incorporate, or which are implied by law, trade custom, practice or course of dealing.

Any defined terms that are not defined in these Terms for Sale of Seed shall have the meaning given in the version of the Inter-Professional Agreement between the Processor and the NFU applicable to the Completed Contract Year.

For the purposes of these Terms for Sale of Seed:

Seed Contract means an individual contract between Processor and Grower for the sale and purchase of Seed on these Terms for Sale of Seed; and

2. Orders

2.1 Each order for Seed placed by the Grower to be supplied by the Processor ("**Order**") shall be deemed to be an offer by Grower to purchase Seed and is subject to acceptance by the Processor. Grower is responsible for ensuring the accuracy and completeness of any Order.

2.2 Any quotation by Processor does not constitute an offer and Processor reserves the right to withdraw or revise a quotation at any time prior to Processor's acceptance of the Order.

2.3 No Order shall become a "**Confirmed Order**" unless and until the earlier of:

- a. Processor has accepted such Order in writing; or
- b. Processor has dispatched the Seed for delivery or made the Seed available for collection.

2.4 The Grower may only cancel the Order by notifying the Processor within 15 days (such 15 days commencing on the date on which the Processor accepts a Grower's Order in writing). The Grower may not cancel any Confirmed Order except with the written agreement of Processor.

2.5 The Grower shall have the right to sell Seed, provided that clause 6 of these Terms of Sale for Seed shall apply to the Second Grower. For the avoidance of doubt, the Processor has no liability in relation to the Seed sold to the Second Grower.

3. Availability

3.1 Grower acknowledges that the supply of Seed pursuant to a Confirmed Order is made subject to availability and that as a result of various factors including, without limitation, safe harvest, quality checks and safe processing, the Processor will not know until nearer the intended date of delivery how much of the Seed will be available for delivery. Processor may, at its discretion purchase Seed from alternative sources of supply to meet the Grower's requirements but shall not be obliged to do so.

3.2 If Processor informs Grower that it is unable to fulfil the sale of some or all of the quantity of Seed stated in a Confirmed Order, then the Confirmed Order shall be deemed to be cancelled in respect of the quantity of Seed that the Processor is unable to fulfil.

3.3 Notwithstanding clause 3.2, if the Processor is able to fulfil the balance of the Seed stated in a Confirmed Order with an alternative variety of Seed, such Seed being that which is of a variety as similar as possible to their selection, the Processor shall notify the Grower of the availability of this alternative variety and the Grower shall have 15 days from the Processor's notification to accept the alternative variety or to request that the Confirmed Order is cancelled in full. If no response is received by the Processor within 15 days the Confirmed Order shall be deemed to be cancelled in respect of the quantity of Seed that the Processor is unable to fulfil.

4. Price and Payment

4.1. The Grower shall be liable to pay any applicable VAT and any other taxes and duties that are payable in respect of the Seed to the Processor.

4.2. The price payable for the Seed supplied to the Grower under these Terms for Sale of Seed shall be payable in the May preceding the Campaign Period against the Processor's invoice and in accordance with its terms of payment. If for any reason payment in full is not so made the sum outstanding shall constitute a debt payable to the Processor which shall be satisfied by deduction from the payment due to the Grower in respect of the first Payment Period (and, if such payment is insufficient to cover such sums any shortfall shall be deducted from any subsequent payment(s)) and subject to a surcharge to be agreed by the Seed Working Group and specified in the Processor's invoice (5% in for the Contract Year 2025/26)).

5. Delivery

Unless otherwise agreed in writing, Seed shall be delivered to Grower to the delivery address stipulated in the Confirmed Order in Spring 2025. Processor shall keep Grower informed of the intended delivery window. Timing of delivery shall not be of the essence.

6. Plant Breeders Rights

Grower shall not do or omit to do anything in relation to the Seed that results in any infringement of any Plant Breeders' Rights registered with the Plant Variety Rights Office and/or the Community Plant Variety Office and/or with any other registry or other intellectual property rights in respect of the Seed. Grower shall indemnify Processor in respect of any claim, loss, damage, liability, fine or costs incurred by Processor as a result of Grower's breach of this Condition 6. The Grower shall use all reasonable endeavours to cooperate with the Processor, including with respect to gather evidence, in the event that the Processor is involved in proceedings concerning plant variety rights or other intellectual property rights resulting from the Grower's purchase of Seed under these Terms for Sale of Seed.

7. Specification

7.1. The Processor agrees that the Seed supplied under these Terms for Sale of Seed shall meet the following specification:

7.1.1. All seed shall be supplied in one-unit sealed boxes.

7.1.2. Number of seeds per unit: 100,000 +/-3%

7.1.3. Grading: 3.50-4.75mm

7.1.4. Minimum laboratory Monogermity: 92.5%

7.1.5. Minimum laboratory germination: 90%

8. Warranty and Liability

- 8.1. Processor warrants that at the time of delivery the Seed shall comply with all applicable UK laws and regulations and that the Seed shall comply with the applicable specification in all material respects.
- 8.2. Except as set out in these Terms for Sale of Seed, any conditions or warranties (whether express or implied by statute or common law or arising from conduct or a previous course of dealing or trade custom or usage or otherwise) or other terms as to the quality of the Seed, its fitness for any particular purpose, or its performance are hereby expressly excluded to the fullest extent permitted by law.
- 8.3. Nothing in these Terms for Sale of Seed excludes or limits the liability of Processor: (a) for death or personal injury caused by Processor's negligence; or (b) for any matter which it would be illegal for Processor to exclude or attempt to exclude its liability or which otherwise cannot be excluded at law; or (c) for fraud or fraudulent misrepresentation.
- 8.4. Subject to Condition 8.3, Processor shall not be liable to Grower (whether in contract, tort or otherwise) for any economic loss, loss of profit or for any indirect or consequential loss whatsoever and howsoever caused which arises out of or in connection with the Seed Contract.
- 8.5. Subject to Condition 8.3, where the Grower purchases treated Seed from Processor, it is acknowledged and accepted that such treatment has been applied by a third party and that Processor does not accept any responsibility whatsoever for the effectiveness of any such treatment or for any liability, loss or damage, whether direct or consequential, which may result from such treatment.
- 8.6. All information provided by Processor to Grower, whether contained in Processor's catalogue or other documentation or given by staff relating to varieties, varietal characteristics or periods of maturity or fitness for any particular purpose or otherwise relating to the performance of Seed is given for general guidance only as variations in local or climactic conditions can render such information inaccurate and Processor excludes all liability for loss or damage incurred by Grower as a result of its reliance on any such information.

9. Force majeure

For the purpose of these Terms for Sale of Seed, **Event of Force Majeure** means any circumstances beyond the control of a party including, but not limited to, acts of God, governmental actions, strikes or other labour disputes, lock-outs, accidents, war or national emergency, acts of terrorism, protests, riot, civil commotion, explosion, flood, epidemic, fire, reduction in or unavailability of power, breakdown, stoppage, slow working or reduced efficiency of plant or machinery, restraints or delays affecting carriers, shortage or unavailability of raw materials from normal sources of supply.

Save for Grower's obligation to pay for Seed, if either party is unable to perform any of its obligations under these Terms for Sale of Seed by reason of an Event of Force Majeure, the party subject to an Event of Force Majeure shall notify the other party in writing and then such non-performance shall not be a default under the Seed Contract and that party shall not be liable to the other party in respect of such non-performance caused by the Event of Force Majeure, provided that the affected party shall use its reasonable endeavours to mitigate such non-performance. The time for performance of an obligation which is affected by an Event of Force Majeure shall be extended by such period that reflects the delay caused by the Event of Force Majeure. If the Event of Force Majeure continues for more than thirty (30) days, either party may terminate the Seed Contract by giving written notice to other.

10. Miscellaneous

- 10.1. A waiver of any right or remedy under the Seed Contract is only effective if granted in writing, and if so granted shall not be deemed a waiver of any subsequent or other breach or default.
- 10.2. These Terms for Sale of Seed may be updated by Processor by notice in writing from time to time. Any such updates shall apply to any Orders placed after such update.

- 10.3. If any provision of the Seed Contract is held to be invalid or unenforceable it shall, to the extent of such invalidity or unenforceability be deemed severable and the remaining provisions, and the remainder of such provision, shall continue in full force and effect.
- 10.4. Processor may assign the Terms for Sale of Seed or sub-contract the whole or any part thereof. Grower shall not attempt to assign, transfer, charge or otherwise deal with its rights or obligations under the Terms for Sale of Seed without the prior written consent of the Processor (which may give such consent either unconditionally or subject to such conditions as it thinks fit or may withhold it) and any such assignment or charge, purported or attempted assignment or charge without such consent as aforesaid shall be of no effect and shall be deemed to be a breach of the Grower's Seed Contract.
- 10.5. The rights and remedies of Processor under these Terms for Sale of Seed shall be cumulative, and no right or remedy of Processor set out in these Terms for Sale of Seed shall be deemed to be in lieu of any other right or remedy.
- 10.6. Any notice required or permitted to be given by either party to the other shall be in writing addressed to the other party, as follows: For the Processor: [DETAILS] For the Grower: to the address specified on their Form of Offer. Notice (save for commencement of proceedings) may also be sent by email, to an approved e-mail address recipient (as notified by the recipient party in writing), provided that no failed delivery or out of office message is received. Nothing in these Terms for Sale of Seed creates a partnership or joint venture or relationship of employer and employee or principal and agent between the parties and no employee of one party shall be deemed to be or become an employee of the other party.
- 10.7. The Seed Contract will not be enforceable by any person other than Processor and Grower, save for NFU, who shall be entitled, at the request of the Grower, to enforce the Grower's rights under these Terms for Sale of Seed.
- 10.8. These Terms for Sale of Seed, the BTS Conviso Smart stewardship terms as notified to a Grower by way of the MyBritishSugar portal or in hard copy for any grower purchasing a BTS SMART variety only, and (if an IPA has been executed) the IPA contains the whole agreement between the parties in respect of the applicable subject matter and shall supersede all prior written or oral agreements, arrangements and understandings between the parties relating to such subject matter.
- 10.9. These Terms for Sale of Seed and any dispute or claim arising out of or in connection with any Seed Contract, or its subject matter or formation, whether of a contractual or non-contractual nature, shall in all respects be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.