



RAINWATER CROP LOSSES COMPENSATION SCHEME 2019 SEASON

WHEREAS the Kalamia Cane Growers Organisation Limited ('the Company') has resolved to provide a scheme from funds accumulated from contributions by members by way of levy.

AND WHEREAS the sum accumulated by the said levy will be expended in the interests of the member claimants concerned by reference to the purposes more particularly described in the said Regulation.

AND WHEREAS the Directors of Kalamia Cane Growers Organisation Limited have resolved by meeting held on the 13th February 2018 that in so expending the said sum they will follow the regulations specified hereinafter.

Regulations Governing Expenditure of Accumulated Funds

The Scheme applies only to Losses consequently incurred due to Rainfall

Recognition of Claims

Subject to the terms and conditions expressed herein if any one or more members shall suffer financial loss then subject to the following conditions and consequent upon -

A/ Wet weather after a controlled burn-off preventing, extending and delaying harvesting and/or delivery of the burnt cane before the end of the mill's crushing season.

Exclusions

- 1.1. cane burnt on/after a weather forecast from Bureau of Meteorology of 25mm or over of rain
- 1.2. cane burnt after wet weather and unable to be harvested due to the wet condition of the field .

or

B/ Wet weather after an unscheduled interruption of provision of logistics by the mill causing risk of loss and the incurring of additional costs are necessarily incurred (at the agreement of the mill as to the necessity of the costs) to avert such a loss.

Then the Company will pay out of the sum raised by levy to or on behalf of each and every member claimant in respect of each specified event the amount of loss resulting from such event in accordance with these regulations.

Extent of Liability for Claims

The liability of the Company to make such payment shall in no case exceed \$40 per tonne in respect of the limit of indemnity per tonne of cane or the aggregate indemnity expressed in the schedules or such other sum or sums as may be substituted therefore by resolution of the Company.

Claims Not Recognised

The Company may not make any payment to member claimants pursuant to these regulations in any or all of the following circumstances –

- (i) in respect of claims in the event of misrepresentation or non-disclosure by any such member in any material particular;
- (ii) the members interest ceases otherwise than by death provided however that if a members interest shall so cease then in every such case the transferee (if any) of the relevant contract area lands, shall thereupon be substituted and shall have all the rights and obligations of the former pursuant to these guidelines as though the latter were the original member and shall have the benefits of any levy paid in respect of the outgoing member; or
- (iii) in respect of claims arising out of conduct on the part of the member which is in breach of the provisions of the Cane Supply and Processing Agreement which applies to his farm from time to time.
- (iv) if the Claim be in any respect fraudulent.
- (v) if there are other persons against whom the claimant has rights to recover the said loss although a partial claim will be recognised to the extent it has not been met by the other party and in so far as it meets the regulations of this scheme.

Claimant's Responsibilities

1. The member must ensure that all reasonable steps have not been taken for the protection and preservation of the said crop and the loss has occurred as a result of such failure. (eg failing to harvest cane when the mill is open to receive it but the contractor refuses to fit half-tracks to the machine to attempt to remove the burnt cane and further rain falls and the cane is subsequently condemned)
2. In respect of each individual member on the happening of any specified event the member shall as soon as reasonably practicable notify the Company of the details and the time of the occurrence of the specified event, and where a total loss of cane occurs, deliver to the Company's office, a written claim notification containing full details of the claim signed by the member or his/her authorised representative. The member shall co-operate with the Company for the purpose of assessing such loss or damage.
3. The member shall do all things reasonably practicable to avoid or diminish the loss. (eg if the mill reopens to receive cane, the grower with burnt cane must attempt to harvest and deliver the cane where field conditions permit if the cane has not been condemned by the mill owner. Additional costs so incurred may qualify as claims under this scheme.)

4. The member shall at the expense of the Company do or concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

Responsibilities of the Company

The Company will obtain an estimate of the tonnage of cane from the Cane Inspector and shall settle the claim (subject to the daily quota provisions hereof) using the lowest of the two estimates provided. (ie the claimant should liaise with his Cane Inspector and harvesting contractor to obtain the most accurate estimate possible)

Rights of Recovery

Each of the terms contained herein are conditions precedent to the right of the members to recover under these guidelines and any payment made by the Company in circumstances where a term has not been complied with may be recovered by the Company from the relevant member.

**SCHEDULE
(Rainfall Water Losses Cover Only)**

PERIOD OF SCHEME: From 24 hours prior to the 2019 crushing season and up to the closure of the crushing season.

AGGREGATE INDEMNITY: Not to exceed the total sum of the fund.

CLAIMS DETERMINATION: The indemnity in respect of any one claim is limited to the following:

(a) \$40 per tonne of cane or such lesser value based on the sugar price and each claimant's farm seasonal average relative ccs.

OR

(b) The cost reasonably incurred for the sole purpose of avoiding or diminishing a loss consequent upon the happening of a specified event. (ie the extra cost of milling stale cane or use of wet weather equipment in the field)

PROVIDED THAT in respect of each claim for a loss caused through wet weather the indemnity provided by this scheme for:

Loss of Crop

shall not exceed one hundred percent of the allotment of bins to the grower's harvesting group which is equal to the largest number of days permitted for burning cane for harvest by all the Cane Supply Agreements that apply to members of the Company and the cane so affected is condemned and has to be destroyed. (This means where there are two growers in a Group with cane burnt, the definition of two days quota includes the cane of the grower yet to finish his turn and then the cane of the grower with the new burn up to the total of the cane that should have been burnt for two days. Cane over and above that quantity is not covered)

or

Costs Necessarily Incurred

shall not exceed the differences in rate per tonne between the district average cost for such additional harvesting services and the cost normally paid by the grower for that season, allowing for standard transport costs associated with the additional services, applied to the assessed tonnage affected..

THEN claims for losses up to the end of the crushing season will be paid:

a/ within 30 days after the end of the crushing season where there is clear evidence the final price for sugar will produce a cane price at or in excess of the gross sum insured (\$40 /tonne)

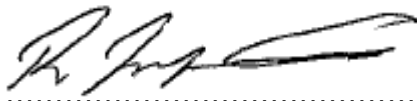
or

b/ If the sugar price is unlikely to reach a cane value of \$40 / tonne, payment of claims may be made in two parts, a first tranche (at an amount determined by the Company) within 30 days after the end of the crushing season and the remaining amount is deferred until the final price for sugar is declared. Such second payment will be made within 14 days of the declaration of the final price for the pool.

and

Where the amount of all claims received and permitted by this Compensation Scheme for total losses exceeds the amount of the aggregate indemnity after the settlement of all claims made in respect of Clause 1(b) hereof then each claim shall be paid on an average price per tonne basis for the whole tonnage of all claims for total losses of cane admitted under the scheme exhausting the whole of the money remaining in the fund established for the payment of rain water claims.

Dated this 13th day of February 2018.



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Director



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Company Secretary

KALAMIA RAIN WATER CROP COMPENSATION SCHEME
CLAIM NOTIFICATION
and
TAX INVOICE

Claimants ABN Name _____

Address _____

Date _____

Claimant's Farm No _____

Telephone Number _____

Claimant's ABN _____

Fax Number _____

For payment of claim electronically please complete the following

Name of Bank _____

Bank Account Name _____

Bank Account Number _____

BSB Number _____

Grower to provide the following information

For Loss of Crop

(a) The date and time of burning? (date)____/____/____ (time)_____am/pm

(b) The date your cane was condemned by the mill owner ____/____/____

(c) Your estimate of the tonnes of cane condemned _____

For Additional Costs Necessarily Incurred

(d) Nature and cost/tonne of additional expenses

(e) The date the mill agreed to the costs being incurred (date)____/____/____

(f) Your estimate of the tonnes of cane affected _____

CLAIMANTS SIGNATURE:

Cane Inspectors Advice

(i) Cane Inspectors estimate of tonnes of cane condemned/affected _____

(ii) Cane Inspectors advice of daily bins quota for Group or Claimant _____

CANE INSPECTORS SIGNATURE:

(for office use only)
Calculation of Amount of Claim

Tonnes of cane on which claim is paid _____

x value per tonne of cane \$ _____

Sub total _____

Add Goods and Services Tax \$ _____

TOTAL OF CLAIM PAYMENT VALUE \$ _____