

## Material Contracts



**COLLABORATION AGREEMENT BETWEEN  
SL AGRITECH CORPORATION AND BANGLADESH AGRICULTURAL  
DEVELOPMENT CORPORATION  
ON SL-8H F<sub>1</sub> SEED PRODUCTION  
IN BANGLADESH (2<sup>nd</sup> PHASE)**

This contract agreement is made between SL AGRITECH CORPORATION, a corporation engaged in agribusiness ventures duly registered with the Securities and Exchange Commission, having its address at Sterling Place, 2302 Pasong Tamo Extension, Makati City, Philippines, represented by its Chairman and CEO, (hereinafter referred to as the "FIRST PARTY").

-AND-

Bangladesh Agricultural Development Corporation, Dhaka, Bangladesh with its address at 49-51, Dilkusha C/A, Dhaka-1000, Bangladesh and represented by its Chairman, (hereinafter referred to as the SECOND PARTY.)

Whereas, both parties have started their collaborative activities for SL-8H F<sub>1</sub> registration and seed production since the year 2005. The production activities were carried out in the farm of the second party in Dattanagar farm where the average seed yield obtained at the rate of 2.17 t/ha which is within its genetic potential and found promising in the ecological condition of Bangladesh.

Whereas, SL8H has been trialed and successfully released by National Seed Board (NSB) Ministry of Agriculture, Government of the Peoples Republic of Bangladesh in the year 2008 after two years multi-location trials.

Whereas, the first phase of the agreement with the SL AGRITECH CORPORATION, Philippines was Five (5) years for the period of July 06, 2009 to July 05, 2014 for SL-8H F<sub>1</sub> rice seed production has been successfully implemented. The collaboration with the SL Agritech Corporation for next Five (5) years is needed. For this reason the collaboration between both the parties for the SL-8H hybrid (F<sub>1</sub>) rice seed production for the said period starting from July 06, 2014 to July 05, 2019 has been undertaken.

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NOW, THEREFORE, for and in consideration of the foregoing and mutual covenant hereinafter set forth, the Parties hereto agree to sign and execute this 2<sup>nd</sup> phase agreement on the following terms and conditions:

#### Article I. Statement of objectives and property right.

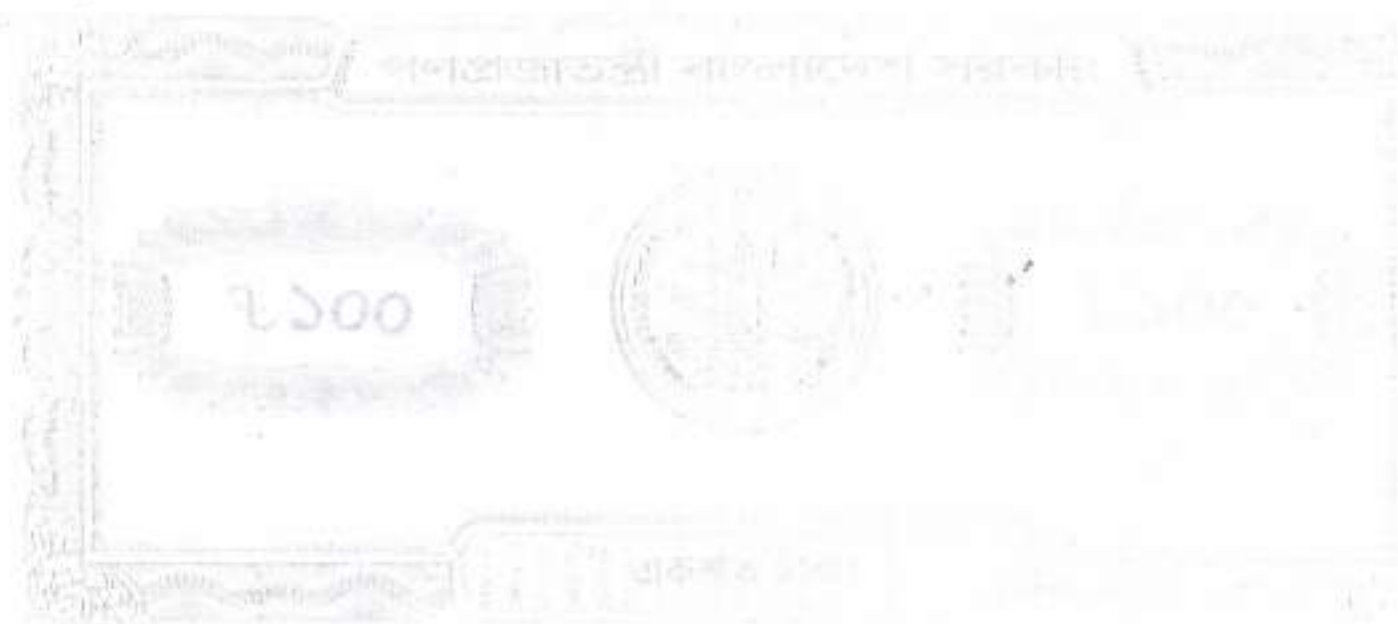
- 1.1 The SECOND PARTY acknowledges that the FIRST PARTY has the exclusive and absolute ownership right of variety SL8H and its parental lines.
- 1.2 Parental lines of SL8H: (a) SL1A, which is nucleic and cytoplasmic interaction type of male sterile line or female parent of SL8H, (b) SL1B, which is maintainer line of SL1A; and (c) SL8R, which is the restorer of SL1A or male parent of SL8H.

#### Article II. Multiplication of Parental Lines.

- 2.1 In order to maintain genetic purity and originality, the FIRST PARTY must be responsible for multiplication of parental lines of SL8H, viz SL1A, SL1B, SL8R according to the principles as follows:
  - 2.1.1. The FIRST PARTY will guarantee on timely supply of good genetically pure parental lines to be used for F<sub>1</sub> seed production (AXR) in Bangladesh. The First party has agreed to fix the price of SL1A at US\$7.5 per Kilogram for the entire agreement period.
  - 2.1.2. The SECOND PARTY will not conduct any AXE production and multiplication of parental lines and uses for breeding purposes or transfer to any third party without written authorization from the FIRST PARTY

#### Article III. Joint Hybrid Seed Production (AXR)

- 3.1 Both parties agree that joint seed production program referred to implementation of procedures of production of SL-8H F<sub>1</sub> hybrid rice seeds using SL1A as female parent and SL-8R as male parents (referred as AXR), will be operated jointly between two parties.
- 3.2 Both parties acknowledges that the operation procedures and quality requirements are as indicated in appendix-I will be followed. The standard may be revised before starting cropping season with approval of both parties.



3.3 For the FIRST PARTY, the pattern of investment is that the FIRST PARTY would be responsible for assigning experts to technically control the operation procedures with all investment of their salaries and life insurance as well as international travel expenses. The first party should make sure to assign minimum one expert for every year for F<sub>1</sub> seed production.

3.4 To ensure high technical performance of SL-5H AXR seed production and technology concerns, THE SECOND PARTY agrees that THE FIRST PARTY is responsible for controlling the supply of important commodities for this joint seed production program, which do not allow to go for public tendering process, namely:

- 3.4.1 Female parent: SL1A
- 3.4.2 Male parent: SL-5R, if required by the Second Party.
- 3.4.3 BOSGA-Gibberellic Acid(GA<sub>3</sub>)

3.5 For the SECOND PARTY, the pattern of investment should include the following:

- 3.5.1 Production area
- 3.5.2 Labor expenses
- 3.5.3 Administration expenses
- 3.5.4 Material inputs, namely, parental seeds (SL1A and SL5R), fertilizers, pesticides, BOSGA<sub>3</sub>, foliar fertilizers
- 3.5.5 Harvest and post harvest expenses
- 3.5.6 Providing housing facility, transport facility for working station, attendant and a cook for the experts.

3.6 Both parties agree to do their best to acquire highest yield in seed production except for natural calamity.

#### Article IV. Royalty Particulars

4.1 During the tenure of this joint SL-5H F<sub>1</sub> seed production program, THE SECOND PARTY agrees to pay royalty in the form of US\$0.40 per kilogram to THE FIRST PARTY.

4.2 The total amount of royalty should be computed on the basis of amount of actual harvest of seed yield and royalty rate.

4.3 Both parties agree that yield measurement is one of the key for determination of the royalty in this joint seed production program.

- 4.4 THE SECOND PARTY should be responsible to transfer the amount of royalty to the bank account in the Philippines as specified by THE FIRST PARTY within 31<sup>st</sup> December of every year after the amount of royalty is finalized by both parties. The 2<sup>nd</sup> party guarantees absolutely that there will be no delay payment. THE SECOND PARTY will not bear any income tax, vat, bank interest and other charges if any regarding transfers of royalty amount.

#### Article V. Evaluation Committee

- 5.1 The Second party shall constitute an evaluation committee from the representatives of both parties.
- 5.2 The evaluation committee will assess actual amount of produced seed, right after harvest, as per seed standard.

#### Article VI. Minimum Requirement for Seed Production Area, Support for Seed Promotional Activities and Human Resource Development

- 6.1 If within every three (3) consecutive years, a total area of seed production is less than 1200 ha, both parties may agree to terminate this agreement.
- 6.2 The First party has agreed to allocate an amount of US\$6000 per year for the seed promotional activities to the Second Party. However, the fund shall be available only upon the approval of the work plan by the First Party submitted by the Second Party.
- 6.3 The First Party has agreed to arrange an overseas short term training program for three (3) officers and one (1) contract farmer selected by the Second Party each year. The first party will bear all the training program expenses provided that a production area is not less than 400 ha for the concerned year.

#### Article VII. Terms and Other miscellaneous

- 7.1 This agreement should be effective immediately after signing by each representatives;
- 7.2 The term of this agreement should be 5(five) years, and may be extended by mutual agreement under the existing terms and conditions as determine by the parties;
- 7.3 If the Parties agree to terminate this agreements, the SECOND PARTY agree to return all the rights, viz. production, marketing and brand name of SL-8H variety to the FIRST PARTY intact and unconditionally.
- 7.4 Governing law and jurisdiction. The validity, construction, and enforceability of this agreement shall be governed in all respects by the law of Government of the People's Republic of Bangladesh.

- 7.5 **Disputes Settlement:** All disputes arising from this agreement shall be referred to and finally resolved by the Secretary, Ministry of Agriculture, The Peoples Republic of Bangladesh, Bangladesh Secretariat, Dhaka, Ministry of Agriculture's award shall be binding on the disputing parties as the first and final decision.
- 7.6 **Entire Understanding:** This agreement hereto expresses the entire agreement and understanding between two parties concerning the subject matter hereof, and this agreement cannot be changed except by written instrument signed by parties hereto.
- 7.7 **Severability:** To the extent that any of provisions of this agreement, or any provision, shall be found to be illegal or unenforceable for any reason, that provision or portion of a provision shall be modified or deleted in such manner so as to make this agreement as modified legally enforceable under applicable laws, and validity, legality and enforceability of remaining provisions contained therein shall not in any way be affected or impaired.
- 7.8 **Headings:** The headings of article used in this agreement are for convenience of reference only and shall not affect the meaning or interpretation of this agreement or any provision thereof.

IN WITNESS WHEREOF, the Parties hereto have set their hands on the date of 03 March, 2015 and place Philippines which will be effective from 06 July 2014. This Agreement is signed and made in 2 (two) original copies each having the same legal force.

FIRST PARTY,  
SL. AGRITECH CORPORATION  
PHILIPPINES

Name : Henry Liao Bon Liong  
Title : President & CEO

SECOND PARTY,  
BANGLADESH AGRICULTURAL  
DEVELOPMENT CORPORATION (BADC)

Name : Md. Anwarul Islam Sikder sec  
Title : Chairman, BADC



SIGNED IN THE PRESENCE OF:

Name: *Sanjay Kumar...*  
Title: *Senior Project of Advisor, Dk*

Name: *[Signature]*  
Title: *Vice President for Investment*

Name: *[Signature]*  
Title: *[Signature]*

Name: *[Signature]*  
Title: *[Signature]*

**MEMORANDUM OF AGREEMENT**  
**ON THE HYBRID RICE PRODUCTION IN SOUTH PACIFIC**  
**NATIONS SUCH AS PAPUA NEW GUINEA, FIJI, SAMOA, and**  
**SOLOMON ISLANDS**

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement is made and executed this 8<sup>th</sup> day of December 2014 by and between:

**SL AGRITECH CORPORATION**, a corporation duly organized and existing under Philippine laws, with principal office address at Sterling Place, Pasong Tamo Extension, Makati City, herein represented by its Chief Executive Officer **Dr. Henry Lim Bon Liong**, hereinafter referred to as the "FIRST PARTY";

-AND-

**CALMWIND PTY LTD.**, ACN 118275406, an Australian Company, with address at P.O. Box 357 Rosewood Queensland 4340, Australia, represented hereto by its Managing Director **Mr Philip G Davies**, hereinafter referred to as the "SECOND PARTY".

WITNESSETH:

**WHEREAS**, the FIRST PARTY is the Philippines' leading private company that engages in research, development, and production of superior hybrid rice seeds;

**WHEREAS**, the SECOND PARTY is an Australian company and developer in South Pacific Nations such as Papua New Guinea, Fiji, Samoa, and Solomon Islands that will cultivate, plant, grow, harvest, and process the hybrid rice for marketing with a local brand;

**WHEREAS**, the FIRST PARTY's business philosophy is consistent with the SECOND PARTY's advocacy aimed in helping countries and its marginalized citizens in the best way it can for eradication of hunger and poverty;

**NOW, THEREFORE**, the FIRST PARTY and the SECOND PARTY enter into this Agreement under the following terms and conditions:

1. That the FIRST PARTY will provide its high-yielding hybrid rice seeds including but not limited to **SL-8H, SL-12H, and SL-18H** to be planted in the SECOND PARTY's rice fields in South Pacific Nations (*Papua New Guinea, Fiji, Samoa, and Solomon Islands*);
2. That the FIRST PARTY will provide its recommended hybrid rice production technologies and ensure continuous supply of suitable hybrid rice seeds to the SECOND PARTY;
3. That the FIRST PARTY shall provide exclusivity in favor of the SECOND PARTY only and to no other, in whatever form and nature, in the supply, sale, and production of high-yielding hybrid rice seeds including but not limited to SL-8H, SL-12H, and SL-18H within the SECOND PARTY's territorial and operational jurisdiction in South Pacific Nations such as Papua New Guinea, Fiji, Samoa, and Solomon Islands;
4. That the FIRST PARTY will render assistance to the SECOND PARTY in facilitating recruitment of the Technical Staff who will be assigned in SECOND PARTY's area of territorial and operational jurisdiction;
5. That the SECOND PARTY will assign its own farm workers who will be trained by the recruited technical staff from the Philippines;
6. That the FIRST PARTY will provide SECOND PARTY technical assistance to ensure that the recommended planting protocol will be followed to assure high yield production of hybrid rice;



7. That the SECOND PARTY will facilitate the registration, if available and or operational, in the patenting of the FIRST PARTY'S hybrid rice seed varieties in SL AGRITECH'S name in Papua New Guinea. Thus, the SECOND PARTY will do whatever is necessary and legal to administrate and protect SL AGRITECH's hybrid rice.

**IN WITNESS WHEREOF**, the parties have signed this MEMORANUM OF AGREEMENT this 8<sup>th</sup> day of December 2014 at Makati City.

**SL AGRITECH CORPORATION,  
FIRST PARTY**

**CALMWIND PTY LTD,  
SECOND PARTY**

AS REPRESENTED BY:

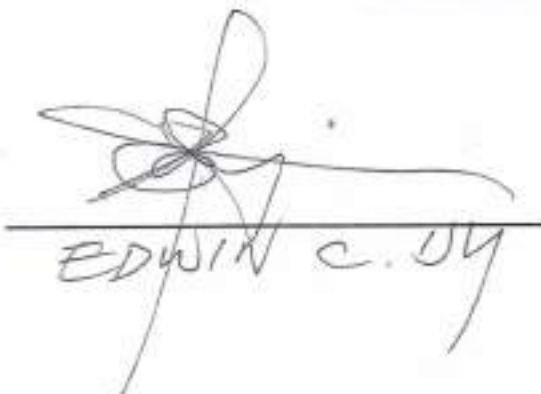
AS REPRESENTED BY:



**DR. HENRYLIM BON LIONG**

**MR. PHILIP DAVIES**

SIGNED IN THE PRESENCE OF:



EDWIN C. UY



## ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
City of Makati ) SS.

BEFORE ME, a Notary Public for and in the City of Makati, this 8<sup>th</sup> day of December 2014, personally appeared the following:

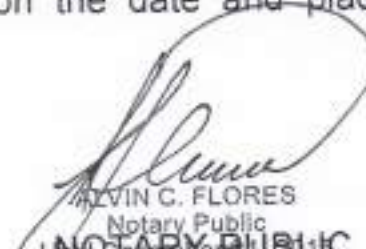
<u>Name</u>	<u>Identification</u>	<u>Date/Place Issued</u>
Henry Lim Bon Liong		
Philip Davies		

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged the same to be their free and voluntary act and deed.

This instrument, consisting of three (3) pages, including the page on which this acknowledgment is written, has been signed on each and every page thereof by the principal parties and their witnesses, and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on the date and place above-written.

Doc. No. 16;  
Page No. 5;  
Book No. VIII;  
Series of 2014

  
ALVIN C. FLORES  
Notary Public  
**NOTARY PUBLIC**  
IBP No. 948019, 1/02/14, Makati City  
PTR No. 4229419, 1/03/14, Makati City  
MCLE Compliance No. IV-0023045  
Roll No. 40866