

Terms and Conditions of Trade

Effective 2 February 2018

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These are the terms and conditions of Premium Crops – a division of Cefetra Limited (hereafter "PC Terms") and shall apply to each and every transaction undertaken by Premium Crops – a division of Cefetra Limited (hereafter "PC") where PC acts as Buyer and Seller. These terms shall not be varied without express written agreement.

Definitions

'First Producer' means a business which grows goods or has grown goods and is the end supplier of the goods.

'Wholesale' means transactions conducted by a business who is not a first producer of goods.

<u>Domicile</u>

Each contract is domiciled in England and Wales and English law applies. Where a dispute is referred for determination by arbitration it is subject to the rules of the referred arbitral institute and the Arbitration Act 1996 including any subsequent amendment.

<u>General</u>

The following terms shall apply to all purchase of cereals, pulses and oilseeds made by PC from 2 Feb 2018.

For the purchase of grains and pulses on wholesale provision, the terms and conditions contained within the AIC No 2/16 Grain and Pulses Contract with any subsequent amendment to that contract shall apply to every transaction undertaken by PC under the provision that it is not inconsistent with PC Terms. In the event of any conflict, the PC Terms prevail over any other incorporated terms and conditions.

For the purchase of grains and pulses from first producer to first buyer, the terms and conditions contained within the AIC No 1/16 Grain and Pulses Contract with any subsequent amendment to that contract shall apply to every transaction undertaken by PC under the provision that it is not inconsistent with PC Terms. In the event of any conflict, PC Terms prevail over any other incorporated terms and conditions.

For the purchase of Oilseed Rape (including High Erucic Acid Oilseed Rape) the terms and conditions contained within the FOSFA 26A Contract with any subsequent amendment to that contract shall apply to every transaction undertaken by PC under the provision that it is not inconsistent with PC Terms. In the event of any conflict, PC Terms prevail over any other incorporated terms and conditions.

For the purchase of linseed, the terms and conditions contained within the FOSFA9A Contract with any subsequent amendments shall apply to every transaction undertaken by PC under the provision that it is not inconsistent with PC Terms. In the event of any conflict, PC Terms prevail over any other incorporated terms and conditions. Clause 4 of the FOSFA9A ("Allowances, Premiums, Rejections") is specifically excluded from any contract.

The Seller, in all circumstances, warrants to be cognisant of PC Terms and those of the relevant AIC and/or FOSFA contract, unless they specifically draw PC's attention to that effect prior to entering into any transaction. A copy of any incorporated AIC or FOSFA contract is available by request from PC.

Delivery

All deliveries are made in bulk and at buyer's call during the contract delivery period. The passing of any delivery instruction and/or allowance will be as per the terms of the end buyer. Whilst PC will endeavour to provide two clear business days for the delivery of goods any breach shall not entitle the Seller to place PC in default. Goods will be sampled as per ISO24333 or comparable procedure.

Where the Seller disputes the quality results of the end receiver then the process for independent determination will be as per the end receiver of the goods. Where no such process exists, determination is per the clause entitled "Claims" contained within the AIC 1/16 and/or AIC 2/16 Contract.

All goods supplied must be fit for purpose, satisfactory quality and are subject to the implied terms contained with the Sale of Goods Act 1979. PC reserves the right to reject any load which does not meet the quality specification of the contract. PC additionally reserves the right to accept the load and claim an allowance at their absolute discretion.

All contracts concluded are guaranteed to be of the current crop year unless specifically agreed at the time of contract. Goods are warranted to be of UK origin. All goods are bought on the basis of a 0% ergot content.

<u>Assurance</u>

Unless expressly agreed at the time of contract, all goods bought must be within the auspices of a recognised and audited farm assurance scheme to Red Tractor Standards or an industry recognised equivalent. Any contract concluded is under the express provision that a wholesale supplier is accredited under an AIC approved and recognised assurance scheme and all deliveries must comply with the AIC Code of Practice for Road Haulage in force at the time of delivery.

All deliveries must be accompanied by a completed Combinable Crops Grain Passport with a valid farm assurance sticker.

The supply of sustainably traceable goods for final use within the biomass sector must meet the requirements of the EU Renewable Energy Directive and certification based on audible records must be supplied upon first request of PC. The Seller guarantees that they are fully aware and comply with the requirement of the EU Renewable Energy Directive 2009/28/EC and must be certified and compliant in accordance with the terms of the end receiver.

As Available

Where goods are bought "as available", it is the express responsibility of the seller, in all circumstances, to give notice the goods are available for collection within the delivery/collection period. Where notice has not been given by the Seller to PC within 10 days of the end of the contract period, PC reserves the right to extend the original contract delivery/collection period by 15 days in order for the goods to be collected and/or delivered.

Extension

PC has the right and the Seller accepts the right, that PC may, after giving notice 3 days prior to the end of the contract delivery/collection period, extend the contract delivery/collection period for up to and including the 15th day of the following month in consideration of payment of an additional £0.50 per metric tonne to the contract price.

Variety

Where the Seller agrees to supply a specific variety of a commodity against a contract, this then becomes a condition of the contract and becomes part of the description of the goods. Where a non-contracted variety is supplied and the Seller has failed to supply goods of that variety and description, PC reserve the right to reject those goods, notwithstanding the right under S.35 of the Sale of Goods Act 1979, or claim an allowance within 90 days of the date of the delivery date.

<u>Other</u>

A weighbridge charge of £8.50 plus VAT at applicable rate will apply to each load or part thereof.

PC shall have the right to make a retrospective allowance on loads of Oilseed Rape containing above the permitted level of 2% of Free Fatty Acid and/or a level of BAP greater than 2ppb which will be informed within a maximum 90 days from the date of final discharge of the load.

All deliveries of grain must comply with the EU regulations including the permitted maximum levels of mycotoxin current at the time of delivery and all goods must comply with EU Commission Regulation 856/2005 or any amendment thereto. The Seller warrants that goods supplied additionally comply with EU regulations pertaining to pesticide residue and food safety and the DEFRA Code of Practice for the Control of Salmonella. The Food Safety Act 1990 is expressly incorporated into any transaction.

Special Conditions for the Sale of Seed

For the sale of seed from PC, the terms and conditions contained in the AIC 16/11 Contract and any subsequent amendment shall apply every transaction undertaken by PC under the provision that it is not inconsistent with PC Terms. In the event of any conflict, the PC Terms prevail over any other incorporated terms and conditions.

Supplies of Seed: since seeds are growing organisms and their growth is subject to pests, disease and climatic conditions, all sales of seeds are subject to safe harvest and PC reserves the right in the event of market shortages to apportion such supplies as become available among its customers at its sole discretion.

Seed Quality: seed sold will comply at the time of delivery with United Kingdom Seed Regulations currently in force. All seed are "Certified Seeds". Seeds to which regulations apply are offered as complying with the applicable EU Regulations unless specifically licensed otherwise by DEFRA. All sales of Certified Seed are subject to the final certification of suitable stocks. Cereal seeds meet higher voluntary standard subject to safe harvest and suitable stocks being available.

Varietal Characteristics and Suitability: all information whether contained on PC's price list or given by a member of their staff and related to varieties, varietal characteristics or periods of maturity or fitness for any particular purpose or otherwise relating to the performance of seeds is given for general guidance only and shall not form part of any contract as variation in local or climatic conditions may render such information inaccurate. Purchasers are therefore advised that any such information given to them does not constitute a representation by PC as to these matters and should not be relied on as such. Purchases should satisfy themselves that any seeds which they order are of a variety and performance satisfactory for their requirements and order such seeds at their own risk.

Limitation of Liability: should goods fail to comply with the terms of supply they will be replaced free of charge to the purchaser or, at PC's option, they will refund all payments made by the purchaser in respect of the defective goods. A claim by the purchaser for any loss will be entertained only if he complies strictly and without qualification with the following conditions: -

The purchaser must inspect the goods upon delivery;

- i. The purchaser must inform PC promptly on discovery of any defect.
- ii. All seed must have been stored and used with reasonable care and in accordance with PC's recommendations.
- iii. All seed must have been sown, in suitable conditions and at a time that is consistent with recognised agricultural or horticultural custom and practice.
- iv. Any claim must be substantiated by documented records which prove beyond all doubt that the seed in question is that supplied by PC.
- v. Save as provided above, to the extent permitted by law no liability is accepted for any loss or damage arising from the use of any goods and for any consequential loss, or damage arising out of such use or any failure in the performance of, or any defect in any goods, or for any other loss or damage whatsoever.
- vi. In the event that notwithstanding the foregoing provisions of this Condition, PC is found liable for any loss or damage suffered by the customer, that liability shall in no event exceed the purchase price of the seed.
- vii. All claims other than those based on defects of quantity, quality or condition which shall be apparent upon reasonable inspection must be notified so as to be received by the Seller within 90 days from the last day of the period of delivery.

Reproduction of Seed: where seed is offered and sold for the production of consumer crops and not for reproduction of seeds no responsibility whatsoever can be accepted for any seed crops produced.

Special Conditions for the Purchase of Organic Grain, Pulses and Oilseeds.

All supplies warrant that all organic grains, pulses and oilseeds comply fully with a current auditable farm assurance scheme.

The relevant AIC or FOSFA contract can be requested from PC. The Seller, in all circumstances, warrants to be cognisant of these terms and conditions and those of the relevant AIC and/or FOSFA Contract unless they specifically draw the PC's attention to that effect prior to entering into any transaction. A copy of any incorporated contract is available by request from PC.