

DUNNS (LONG SUTTON) LIMITED

WHOLESALE TERMS OF PURCHASE 2016/2017

These are the Wholesale Terms of Purchase of Dunns (Long Sutton) Ltd (hereafter "Buyer") for 2016/2017 effective from 1 July 2017 and referred to herein as "Buyer's Terms".

1. CONTRACTS

For the purchase of Grain and Pulses, the terms and conditions of AIC 2/16 Grain and Pulses Contract including any subsequent amendments shall apply to every transaction insofar as they are not inconsistent with the Buyer's Terms. In the event of inconsistency, subject to Clause 3(c), the Buyer's Terms shall prevail. The Buyer specifically excludes the following clauses contained in AIC 2/16 Grain and Pulses Contract:-

Clause 16 (a), (b), (c), (d), (e), ("*Delivery and/or Collection Instructions*")
Clause 18 b, ("*Delivery & Weights, Sales on delivered basis*")
Clause 24 ("*Demurrage*")

The Buyer specifically excludes any terms contained within those clauses if they are subsequently introduced.

For the purchase of Oilseed Rape, the terms and conditions of the current FOSFA 26A Contract including any subsequent amendments shall apply insofar as they are not inconsistent with the Buyers Terms. For the purchase of Linseed, the terms and conditions of the current FOSFA9A contract including any subsequent amendments shall apply insofar that they are not inconsistent with the Buyer's Terms. In the event of inconsistency, subject to Clause 3(c), the Buyer's Terms shall prevail. The Buyer specifically excludes the following clauses contained within FOSFA 26A and the FOSFA9A contracts:-

Clause 6 (b) (i), (ii) and (iii) ("*Delivery and Weights, Sales on a delivered basis*");
Clause 7 ("*Demurrage*");
Clause 12 ("*Notices*").

The Buyer specifically excludes any amended terms contained within those clauses if they are introduced. The Buyer specifically excludes any provision for the payment of any interest contained within Clause 11 ("*Sampling and Analysis*") of FOSFA26A and FOSFA9A.

All transactions for Grain, Pulses and Oilseeds shall be expressed in multiples of 29 metric tonnes. [All sales are at Buyer's call unless expressly stated.](#)

2. SUSTAINABILITY

Sellers shall, at the first request of the Buyer and within 28 days from the end of the contract period, provide certification based on auditable records that any grain and/or oilseeds complies with the sustainability requirements of EU regulations and UK legislation including the Renewable Energy Directive 2009/28/EC Article 17 and 18 and any subsequent amendments. The documentation will



indicate the greenhouse gas value(s) and NUTS 2 region/s at the time of delivery under which the goods were grown. Sellers must be ISCC compliant as per the terms of the end receiver and must provide, on first request, a copy of the ISCC or [alternative sustainability](#) certificate and full traceability of the goods.

3. DELIVERY

- a) The Buyer will make every effort to give the Seller two clear business days notice when passing delivery instructions and/or delivery fixings but this is not a condition of the contract such that any breach will entitle the Seller to put the Buyer in default. The Buyer will give as much notice as they are reasonably able.
- b) **The Buyer has the right, by giving a minimum of two working days prior to the end of the original collection and/or delivery period on all contracts, to claim a 15 day extension to the collection and/or delivery period at a premium of £0.50 per tonne to the original contract price.**
- c) All contracts are concluded on the basis that the terms and conditions of the end receiver are expressly incorporated into any purchase and shall apply to each transaction. Where the end receivers' terms are inconsistent with the Buyers Terms, the end receivers' terms shall prevail. For the avoidance of doubt, the receiver of the goods is the operator of the delivery destination. The delivery destination is available from the Buyer when bookings and/or collection instructions are issued. Copies of the end receivers' terms are available from the Buyer upon written request and it is agreed that the Seller accepts the end receiver's terms and conditions where goods are sold to that destination.

Goods will be purchased for delivery to the Buyer's premises but the Buyer shall have the right to call the goods for delivery to any outlying store.

4. AS AVAILABLE

Where goods are bought "as available", the Seller is responsible to notify the Buyers that the total contract quantity of grain and/or oilseeds is available for collection and/or delivery. The Buyer is entitled to the remainder of the contract period to enact collection and/or delivery but where this falls within five working days of the end of the contract period, the Buyer has the right to claim an extension to the delivery and/or collection period of 15 days from the end of the original contract period to enable the contract to be executed.

5. WAITING TIME.

The Buyer will accept no liability whatsoever for claims arising from delays to transport occasioned by any cause. The Buyer undertakes to make every effort to minimise any waiting time which occurs.

6. MOISTURE/OTHER SPECIFICATION

All grain is purchased into Buyer's facilities on the basis of a maximum moisture content - normally but not exclusively of 15.0% (ISO 712 standard). Moisture content for oilseed rape, some malting barley and peas or beans will be as per the agreement at the time of contract or as below if not expressly agreed. Vehicles will be in sampled in accordance with ISO 24333 or comparable procedure.

Grain is purchased into Buyers' facilities on the following specifications (unless expressly stated to the contrary at the time of purchase):



Wheat:

Max 15% moisture

Max 2% admix

Max 6% Sprouted Grains

Barley:

Max 15% moisture

Max 2% admix

Max 6% Sprouted Grains

Beans

Max 16% moisture

Max 2% admix

Max 5% bruchid

Max 5% stain

Max 5% broken and/or damaged

Marrowfat Peas

Max 16% moisture

Max 2% admix

0% non soak

Large Blue Peas / Yellow Peas

Max 15% moisture

Max 2% admix

0% non soak

The Buyer is normally able to accept deliveries outside the contract quality parameters with an allowance but this is at the absolute discretion of the Buyer and the Buyer's decision is final. The Buyer reserves the right to amend the contracted maximum moisture and/or other contract quality specification upon an amendment of any industry/EU regulations change between dates of contract and delivery of the goods.

In addition to any warranties under the Sale of Goods Act 1979, the Seller expressly warrants that the goods are fit for purpose and of satisfactory quality and of the description of the goods in the contract.

The variety of the goods must be clearly stated on delivery.

Where it is expressly agreed that the goods shall be of a specific variety or varieties of grain and/or pulses then this shall become a condition of the contract upon which the Buyer is entitled to rely.

The Buyer has the right to reject where the varieties or varieties of the goods presented is incorrect. Where any error in the description of the variety is not detected on first inspection of the goods or where (in the case of a specific variety of goods being bought) by reason of the specified variety or varieties of grain and/or pulses being incorrectly described and such goods being accepted by (i) the Buyer or (ii) by any third party buyer from the Buyer and are subsequently admixed with other goods and/or enter the food chain, the Seller



shall be responsible for all losses including any consequential loss and the Seller shall indemnify the Buyer against all losses incurred by the Buyer.

The attention of the Seller is drawn to AIC Contract 2/16 Clause 10 ("Quality"). In addition to the specific items named in that clause, goods will not be accepted with a temperature in excess of 20°C or with any admixture of ergot.

The attention of the Seller is drawn to FOSFA26A and FOSFA9A Contract Clause 4 ("*Allowances, Premiums Rejections – Admixture*"). If the buyer chooses not to exercise the right to reject deliveries in excess of 4% admixture, the allowances will reflect 4% of the contract price for each 1% in excess of 4%, with fractions thereof

7. AMENDMENT OF TIME LIMITS

(i) Oilseed Rape

Where Oilseed Rape has been bought, first analysis under Clause 11 of the FOSFA26A is undertaken by the end receiver of the goods, a FOSFA analyst or by the Buyer's TASCC accredited laboratory. The goods shall be subject to analysis including but not limited to Erucic Acid, Glucosinates, Free Fatty Acid and Benzo-Alpha Pyrene and it is hereby agreed between Buyer and Seller that defects discovered by this analysis are not apparent, discovered or discoverable by the exercise of reasonable due diligence at the point of delivery to the Buyer and are subject to time limits as per Clause 7 (ii) (c) below.

(ii) Latent Defects

Notwithstanding any provision of AIC 2/16 or FOSFA26A or FOSFA9A or of any terms to the contrary, the following time limits shall apply to any claim for any remedy, including, for the avoidance of doubt, the rejection of goods that arises from any defect and/or deficiency in the quality or condition of the goods that was not apparent by the exercise of reasonable diligence at the point of delivery to the Buyer (any such defect and/or deficiency hereafter "a Latent Defect"). For the avoidance of doubt, a defect and/or deficiency of the goods is agreed between Buyer and Seller to include, but is not limited to, chemically treated seed of any type, glass, ceramics, metal, stones, soil, thistle head, weed seeds, dead and/or alive infestation whole or in part.

In respect of any claim arising from a Latent Defect:

(a) the time by which the Buyer is to confirm claims for the purposes of clause 22(c) of AIC 2/16 is hereby amended so that the Buyer shall confirm claims (including any claim for latent defect) within 120 consecutive days of the claim or discovery of the latent defect which gave rise to the claim;

(b) the time limit for claiming arbitration in clause 29 of AIC 2/16 is amended so as to provide that arbitration shall be commenced within 120 consecutive days following the discovery of the Latent Defect.

(c) In respect of any claim arising from a Latent Defect for Oilseed Rape and Linseed, the time limit for passing any claim shall be 120 consecutive days following the discovery of the Latent Defect giving rise to the claim. The time limit for claiming arbitration in respect of Latent Defect in Oilseeds is agreed so as to provide that arbitration shall be commenced within 120 consecutive days following the discovery of the Latent Defect.



(iii) Rejection

Where on the terms of the contract or at law the Buyer has a right to reject the goods, the Buyer shall not by reason of having sieved, dressed, sorted or otherwise processed the goods be deemed to have accepted the goods or otherwise to have lost the right to reject the goods whether under section 35 of the Sale of Goods Act 1979 (or any statutory replacement or modification thereof) or otherwise.

(iv) Statutory Rights

The remedies afforded to the Buyer in clauses 19 ("Passing of Ownership and Risk") and 22 ("Claims") of AIC 2/16 are additional to any statutory remedy that may be available to the Buyer and nothing in those clauses or in this clause [7(v)] shall be interpreted so as to diminish or extinguish any statutory remedy that exists in favour of the Buyer.

8. EU LEGISLATION

All deliveries of grain must comply with all EU regulations including those covering the permitted levels of mycotoxins (both storage and field borne) current at time of delivery (as amended from time to time). There may also be a requirement from the end receiver to test for Ochratoxin A (OTA) which the Buyer will communicate to the Seller as and when required.

9. NOTIFICATION OF ALLOWANCES

Any loads delivered prior to 08.30 hours or after 16.30 hours or at weekends which are subject to quality claims may be tipped at Buyers' absolute discretion. Any allowance will be notified to the supplier as promptly as possible. A supplier not agreeing to the above must ensure that their loads are not scheduled to be delivered prior to 08.30 or after 16.30 hours and/or at weekends. In case of any dispute over the determined quality where sealed samples are required, the Buyer must be informed prior to tipping and subsequently confirmed in writing. Samples for retesting will only be retained for five days.

The Seller will ensure that the goods are transported by hauliers who comply with the TASCC Code of Practice for the Road Haulage of Combinable Crops and Animal Feeds or an equivalent certification scheme recognised by AIC.

10. DELIVERY

Deliveries to the Buyer or any facilities will not be accepted from trailers drawn by farm tractors or vehicles carrying a blower discharge unit without prior agreement. All vehicles must be fitted with ground operated sheeting systems and must be able to tailgate tip at Buyer's request. Discharging vehicles must comply strictly with Health & Safety Regulations in force at the time of delivery (See addendums 1 & 2 attached) and the TASCC Code of Practice for the Haulage of Combinable Crops and Animal Feeds. The Seller will ensure that the goods are carried on TASCC registered vehicles or an equivalent certification scheme recognised by AIC.

11. PRODUCT LIABILITY INSURANCE

The Seller should have adequate product liability insurance to cover any product liability or other claims for which they may be legally liable. Buyers reserve the right to require proof of such cover prior to any delivery being made.

12. WEIGHBRIDGE CHARGES



A weighing charge of £8.00 per load plus VAT will be deducted irrespective of the quantity.

13. QUANTITY TOLERANCE

Grain and Pulses: where the word 'about' is used with reference to quantity, any contract for less than 300 tonnes shall have a tolerance of 5% above or below the mean contract quantity at contract price.

Where the word 'about' is used with reference to quantity, any contract for or more than 300 tonnes shall have a tolerance of a maximum of 15 tonnes above or below the mean contract quantity at contract price.

Where the quantity delivered on a contract does not fall within the quantity tolerance, Buyers will calculate damages against the mean contract quantity.

Oilseed Rape/Linseed: Buyer has the option of accepting 2% more or less or 5 tonnes more or less than the mean contract quantity, whichever is the greater, unless the previous load delivered brings the total within the tolerance, at which point Buyer reserves the absolute right to consider the contract closed.

Where the quantity delivered against a contract is in excess of the maximum quantity permitted by the tolerance, Buyers reserve the right to calculate damages against the mean contract quantity.

14. ASSURANCE

The Seller will guarantee that at the time of delivery the Seller will be fully accredited and comply with the current TASCC Code of Practice for Merchanting of Bulk Combinable Crops or equivalent assurance scheme recognised by AIC. All goods purchased will be produced by a member of a source-assured, audited, combinable crop scheme which adopts Red Tractor Standards or an equivalent recognised by AIC. Non-assured grain will not be accepted unless specifically agreed at the time of transaction.

15. GRAIN PASSPORTS

The standard Combinable Crops Passport form will be required on all deliveries of grain. Grain passports must be completed correctly as per TASCC standard. Non-standard grain passports or incorrectly completed passports will not be accepted

16. GENETICALLY MODIFIED GOODS

All goods bought are sourced as non-genetically modified and are therefore described as NON GMO according to the Common position (EU) 1829/2003 regarding genetically modified food and animal feed in addition to Common position (EU) 1830/2003 regarding traceability and labelling of food and animal feed produced with genetically modified organisms and their derived regulations.

17. INVOICING FOR GOODS

Buyer will not process any invoice which does not carry the following information:-

- Delivery date.
- Intake reference.
- Weighbridge ticket number and net quantity.
- Delivery point.



18. MODERN SLAVERY ACT 2015

The Modern Slavery Act 2015 came into force in October 2015, the act encompasses human trafficking, slavery, servitude and forced or compulsory labour. The Company are committed to the rights and well-being of the people who work for us and our suppliers. As such, we're committed to taking the appropriate steps to ensure that everyone who works for us benefits from a working environment in which their fundamental rights and freedoms are respected. Our company policy promotes freedom of association and clearly defines that forced labour is unacceptable. We ensure all of our employees are legally entitled to work, registered to pay the appropriate tax and National Insurance contributions and that relevant legislation relating to health and safety, Working Time Regulations, pension enrolment and minimum wage are followed.

As a valued trading partner our expectation and requirement is that your business operates and is committed to the same ethical standards as we are, ensuring the rights and well-being of your own employees and those within your own direct supply chain.

We recognise that the issue of slavery and human trafficking is a global issue and often difficult to detect; therefore, open communication with our supply chain is critical to ensure that any issues are detected and resolved. We welcome and encourage our trading partners to discuss any queries or concerns you may have relating to this legislation. If you have any questions or require any guidance relating to slavery or human trafficking, then please contact our Human Resource Department: HR@leadell.co.uk

Dunns (Long Sutton) Ltd
Winters Lane
Spalding
PE12 9BE

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