

Openfield Agriculture

Grains, Pulses and Oilseeds Ex Farm Purchase Terms 2019/20

Openfield Agriculture Grains, Pulses and Oilseeds Ex Farm Terms 2019/20, will apply to all ex farm purchases.

General Terms

Contract Terms

Our buying terms for the 2019/20 Season incorporate the following relevant trade contract terms, conditions and rules, of which, the contracting parties admit that they have full knowledge and notice. Such terms and conditions and rules shall be taken as having been written into the contract in the appropriate places unless specified otherwise at time of trading / contract confirmation: Copies of the contracts below are available at www.openfield.co.uk or by request from our head office.

| | |
|-------------------|--|
| Grains and Pulses | AIC No.1/19 |
| Rapeseed | FOSFA 26A (Excluding clause 11 sampling and analysis) |
| Linseed | FOSFA 9A (Excluding clause 4, Allowances, Premiums & Rejections) |

In the event of contradictions, the terms of the end receiver are to prevail over the Openfield Agriculture Grains, Pulses and Oilseeds Ex Farm Purchase Terms 2019/20 which in turn, will prevail over any other contract terms.

Miscellaneous

A fixed weighbridge charge of £8.25 per load (plus VAT) will be deducted irrespective of load size.

All contracts are subject to AHDB levy and/or any levy instigated by UK Government and all statutory EU / UK levies and regulations as may be mandatory and relevant to commodities traded under this contract.

Contract tonnage should be available for loading / delivery 7 days a week, as and when required by end receivers.

Contract Tonnage

Our contracts are based on multiples of 29 tonnes; whilst we will buy other quantities, we reserve the right to charge for any additional haulage or weighbridge costs, including capacity charges for any part load.

Our confirmation of purchase will incorporate the tolerance provisions of the AIC 1/19 contract clause 5, 'Quantity'; FOSFA 26A clause 2, 'Tolerance'; and FOSFA 9A, clause 2 'Tolerance'. All calculations for short or over delivered quantities and for damages arising from short deliveries will be calculated on the mean contract quantity.

Quality

Specifications

Goods are purchased on the following specifications (unless stated to the contrary at the time of transaction): OSR and Linseed sampling as per ISO21294 or comparable procedure, and analysis as per FOSFA contractual analytical methods, or comparative procedure.

| | |
|--|---|
| <u>Wheat</u> 15% Moisture maximum (ISO 712 standard) | <u>Barley</u> 15% Moisture maximum (ISO 712 standard) |
| 72 kg/hl minimum specific weight | 63 kg/hl minimum specific weight |
| 6% Sprouted grains max by number | 6% Sprouted grains max by number |
| 2% Admixture maximum by weight | 2% Admixture maximum by weight |

Malting Barley Final at time of trading and MAGB terms if applicable.

Oilseed Rape Basis 9% moisture, minimum 6%, maximum 10%,
Basis 2% admixture, maximum 4% - by weight
Basis 40% Oil Content.

Linseed 9% Maximum Moisture
2% Maximum admixture - by weight

Peas and Beans Final as per agreement at time of transaction

Moisture/Other:

All feed grains are purchased on a basis of maximum moisture content - normally but not exclusively 15.0% (ISO 712 standard).

Unless otherwise agreed at time of transaction all goods are to be generic to the current crop year.

The final quality for each and every load is determined by the end receiver. If the final receiver's tests show on delivery that the quality is outside the contract parameters, they have the right (at their absolute discretion) to reject the goods or to claim an allowance. Deliveries made to end receivers outside normal working hours may be tipped with the allowance only notified to Seller after the event. Suppliers who do not wish for vehicles to be tipped on this basis should request deliveries in normal business hours, which will be accommodated if possible.

Where goods are rejected on delivery, the quantity rejected will not count against the contract quantity and will form a new contract between buyer and seller. Goods will be required to be replaced on the original contract.

If goods are rejected for quality or condition, then Openfield reserves the right to sample and analyse the balance of the goods in situ which are to be assigned against the contract and determine whether the goods are contractual for delivery/collection. In the instance that it is determined that the goods are not contractual, Openfield reserves the right to buy alternative goods with any damages arising from that repurchase being chargeable to the seller.

Openfield reserves the right to reject any consignment of grain, pulses or oilseed with any admixture of ergot.

The variety or varieties of grain/pulses must be quoted on the Combinable Crops Passport. Where a specific variety and/or varieties have been agreed this becomes a condition of the contract and part of the description of the goods. All consignments of wheat or barley of a specific variety or varietal group may be subject to a post-delivery electrophoresis test. Openfield and end receivers, reserve the right to make retrospective claims and/or damages including but not limited to analysis costs should the variety prove to be non-contractual or not as described.

Malting Barley bought specifically on MAGB terms will be subject to the associated charges and allowances as per those published on the UK Malt website and instigated by end receiver. www.ukmalt.com

Goods will be rejected if found to contain any insects / animals (dead or alive) or rodent / animal droppings.

For consignments of Oilseed Rape being delivered to a store, port facility or ship, Openfield reserves the right to claim a retrospective allowance where the goods are found to be non-contractual with regard to Free Fatty Acid (FFA), Erucic Acid and/or Glucosinolates due to the nature and timescale of accurate post-delivery testing. Buyers will inform sellers of this allowance within 90 consecutive days from last day of contract delivery period. Admixture claims will be notified within 30 consecutive days of intake after the intake sample has been analysed fully as per FOSFA requirements. Other receivers of Oilseed Rape will have their own terms stating how they will deal with such issues and at what cost. Growers should make sure they are aware of these before transacting goods as end receivers' terms will be passed direct to the grower.

All Oilseed Rape deliveries made in the UK must comply with the current EU regulation with regard to the maximum permitted level of BAP (Benz(a)pyrene). If loads are found to exceed these levels, then buyers reserve the right to make retrospective claims up to a maximum of 90 days following delivery of goods.

Deliveries of any commodity found to contain evidence of 'clay pigeons' will be rejected due to potential cross contamination. Don't shoot clays over standing crops.

Harvest 'as available' term

It is the seller's responsibility to advise Openfield when the total quantity of the goods and full details as per contract terms (not limited to variety and tonnage), are available for collection. Upon declaration, Openfield will endeavour to arrange collection / delivery as promptly as possible, at buyers call, during the remainder of the contract period, provided notice of availability is given at least 10 clear working days prior to the end of the contract period. If notice of availability is not given within 10 days of the end of the contract period, Openfield reserves the right to claim an extension to the contract period of 15 days in which to collect/deliver the goods.

Deliveries to Store

We reserve the right to charge allowances or drying and cleaning charges on any load(s) delivered to stores that exceed the following levels:

| | | |
|----------|--------------|------------------------|
| Grain | 15% moisture | 2% admixture by weight |
| Pulses | 14% moisture | 2% admixture by weight |
| Rapeseed | 9% moisture | 2% admixture by weight |
| Linseed | 9% moisture | 2% admixture by weight |

We reserve the right to charge for cooling and/or aerating goods that are delivered to stores which on delivery are at or in excess of the following temperatures:

| | |
|------------------------------|------|
| 1 July to 31 August: | 25°C |
| 1 September to 30 September: | 22°C |
| 1 October to 30 June: | 20°C |

All goods delivered to stores for whatsoever purpose may be subject to a calculated weight loss adjustment and may be paid for on the adjusted weight.

Details of charges / costs / claims are available on request from our head office.

If conditioning of any goods is not reasonably practicable, we reserve the right to reject the load.

Notification of claims allowances and rejections

Where the end receiver of the goods instigates their right to reject goods, we will try to contact suppliers by telephone prior to applying charges, allowances and claims in respect of finding an alternative destination

for the goods or to agree that the rejected load is returned to the supplier, but should this not be possible we reserve the right to use our best judgement.

Where the goods are accepted, but do not meet contractual specification, then claims of £5.00/t or less and contractual fall-back claims, will be notified only by fax or letter or E-mail, or other electronic means. Claims and allowances on Rapeseed and Linseed will not be advised if they fall within the tolerances stipulated in the applicable FOSFA contract.

Any request for a retest or independent analysis must be received in writing within five business days from the date of delivery unless determined by the end receiver's terms.

Openfield reserves the right to recover a charge of £100 plus VAT per analysis per sample from any supplier requesting an independent analysis. This charge will be reimbursed to the supplier in the event that the analysis proves the load to be within the contractual specification.

Farm Assurance

Unless we are advised to the contrary at the time of transaction all purchases of grain and oilseeds will be deemed to be Farm Assured. To avoid delays and/or rejections on delivery we MUST be notified of any assurance status changes.

If such notification occurs after the transaction date, there will be an amendment to the contract whereby the original assured status no longer applies to the transaction and Openfield reserves the right to amend the contract price of the goods to take into account additional charges which may be necessarily incurred.

Weighbridge Charges

A fixed weighbridge charge of £8.25 per load (plus VAT) will be deducted irrespective of load size.

Growers Own Haulage

Delivery to Store: Vehicles must be fitted with an easy-sheet system unless it is possible to sheet and un-sheet from ground level. Vehicle drivers must comply with local site Health & Safety rules at all times. Vehicles must comply with the 'AIC Haulage Exclusion list', 'AIC Haulage Contaminant Sensitive list' and Materials causing allergic reactions' as per EU legislation (Directive 2007/68/EC), relevant to the commodity and end receiver's terms (AIC haulage exclusion and contaminant sensitive list obtainable from AIC or from Red Tractor Crops & Sugar Beet Standard). Farm transport must comply to the 'Own Transport for Off Farm Delivery' of the Red Tractor Crops & Sugar Beet Standards or similar scheme requirements. Any questions over cleanliness could result in rejected loads and a full audit of assurance records.

Delivery to End User Destinations: Vehicles must comply with the AIC Code of Practice for Road Haulage (of Combinable Crops, Animal Feed Materials, Compound Feeding Stuffs and As Grown Seeds) or equivalent recognised scheme. All deliveries and vehicle drivers must comply with the end receiver's terms and local site Health & Safety rules. For purchases destined for human consumption, goods on the 'AIC Haulage Contaminant Sensitive list' and Materials causing allergic reactions' as per EU legislation (Directive 2007/68/EC) are in all cases to be automatically incorporated to the AIC haulage exclusion list.

Sustainability

All growers must complete and sign section 8 (Renewable Energy Directive) on the Combined Crops Passport and any other clauses as per current end receivers' terms at time of delivery not limited to full postcode, post-harvest treatment, GM Statement and DON risk assessment.

Any Seller delivering goods on a sustainable contract must be certified to do so under Red Tractor or equivalent recognised schemes and must send to Buyers a copy of the certificate and expiry date if requested. Sellers are required to aid Openfield in providing full traceability of goods, in a timely manner as and when requested to do so.

Information requested by ISCC / equivalent recognised scheme or end receivers at the time of delivery, to be provided no later than 30 days after delivery date of each load or as per requirements stipulated by end receivers at time of delivery whichever is the shortest.

Mycotoxin Legislation

Current EU/UK legal limits for mycotoxins, arising from all manner including fusarium infecting the growing crop prior to harvest and/or arising from poor storage conditions, will apply to all goods. The limits and guidelines on reducing the risks through husbandry and storage practices are available from the AHDB.

(<http://cereals.ahdb.org.uk/mycotoxins.aspx>)

All goods marketed through Openfield Agriculture which are destined for human consumption must be accompanied with a mycotoxin test result. Tests are available through Openfield regional laboratories at a cost of £35 (plus vat) for each Don test and £40 (plus vat) for a OTA or ZON test. Grain passports to be completed as necessary.

GMO

Openfield MUST be advised by the seller in writing of any goods containing genetically modified material. Such goods must not be allowed to contaminate non-GM crops. Should contamination or contact occur (or be believed to have occurred) Openfield must be advised in writing immediately. Some consumers refuse crops that have been grown on fields which have previously grown any type of GM crop. If you have any concerns / need more clarity, please phone compliance@openfield.co.uk

Sludge/ Bio solids

Due to some end users specifically excluding crops grown in fields treated with sludge / bio solids or similar, crops grown on land that at any time has been treated with such products, must be declared before or at the time of transaction. All costs and consequences caused directly or indirectly, by failing to notify Openfield about such soil treatments, will fall directly to the grower.

Opium Poppies (*Papaver somniferum*)

Due to the increased area planted to Opium Poppies and the issues they can cause to end receivers, all growers must declare if they have grown, or are growing, such crops at the time of trading with Openfield.

NOPS – Naturally Occurring Prohibited Substances

This is a voluntary Code of Practice developed by the British Equestrian Trade Association (BETA) to reduce the risk of such contaminants being in animal feed and therefore, reducing the risk of disqualification by Racing Bodies through using feed bearing the BETA NOPS logo. The list of end consumers who adhere to NOPS is ever increasing and can be found on the BETA website. <http://www.beta-uk.org/pages/feed-safety> as can the list of NOPS. If as a grower you feel you have an issue with meeting these requirements, we ask that you notify Openfield in writing, so we can manage where your commodities get delivered to.

RDF – Refuse Derived Fuel

Openfield don't encourage farmers to store such products on their premises especially if in close proximity to stored commodities. If you do store such products, we ask you to notify Openfield in writing and send a

copy of your relevant environmental permits. Storing such products could be detrimental to the value of your commodities.

Desiccant dusts / Diatomaceous earth

A large number of consumers have banned the use of this substance and as such, although it is not illegal to use these products Openfield would request that growers don't, as it could limit the destination that your goods can be sent to and cause extra costs. As with all post-harvest pesticides, it must be declared on the combinable Crops Passport (Section 4). If you do use Diatomaceous Earth or similar, you need to tell us in writing, prior to collection. Failure to notify us and / or failure to declare such use on the passport, could result in a rejection at intake with all associated costs – as well as any related latent defect costs that can be associated with such product.

End Consumers Requirements

Farmers are reminded of the contractual requirement to meet all terms and conditions as well as legislative requirements with regard to food and feed safety at the point of delivery. Scientific and technology advances in farming techniques and crop inputs ultimately need to adhere to end receiver's contractual requirements regarding, religious, ethical or safety issues. This includes but is not limited to, bio stimulants made from animal by products, Bio solids / Sewage Sludge or similar, GM crops, allergens, Kosher / Halal requirements, vegetarian / vegan status, opium poppies, onions/garlic production and glyphosate. If you are using or considering using products or planting crops, it is important that you understand the full marketing implication of doing so. It is the growers responsibility to inform Openfield at the time of trading if you have exposed your crops / harvested commodity, to products that may affect its status and suitability for use by any end consumer, as it may ultimately affect the price we can pay for the goods and the destination they can be sent to. **All cost and consequences caused directly or indirectly, by failing to notify Openfield about treatments which are then discovered by end buyers, will fall directly to the grower.** If you have any questions, please e mail: compliance@openfield.co.uk

Payment

Unless otherwise agreed, payment for goods will be made basis 28 days from the mean movement date of a parcel.

Contra Payments

Openfield shall be entitled, at any time and without notice to the seller, to set off any liability or monies due from the seller to Openfield howsoever arising, against any monies payable by Openfield or any subsidiary or any holding company (as such expressions are defined in section 736 Companies Act 1985) of Openfield from time to time, to the seller under any contract between Openfield or any such subsidiary or any such holding company and the seller.

Sample Collection and 'Insight' Enquiry Services

Openfield will again operate its sample collection and analysis service. Growers are recommended to draw their own representative samples after a complete crop has been harvested as per the AHDB guidelines and to advise Openfield when those samples are available. Openfield will collect and analyse these in their regional laboratories. Results will be available via our 'Insight' service. 'Insight' is Openfield's online enquiry system providing customers with information relating to their Grain, Seed and Fertilizer contracts). To register with 'Insight' access our website www.openfield.co.uk

By taking samples or determining analysis we accept no liability for analytical results and results are given on an advisory basis only. Contractual determination of the quality and condition of the goods will be made at the point of delivery.

General

General Data Protection Regulation (GDPR):-

Openfield Agriculture Ltd is committed to protecting and respecting your privacy and we comply with the General Data Protection Regulation (GDPR) (EU)2016/679 in the way we collect, store and process your personal data. Our Privacy Policy can be found on our website www.openfield.co.uk

No Bribery or Corruption will be tolerated: -

Openfield do not tolerate bribery or corruption and the follow the requirements of the UK Bribery Act 2010 in all our business dealings, with the expectation that our suppliers will do likewise.

Corporate Social Responsibility Policy (CSR): -

Openfield seeks to be a good corporate citizen in everything we do. Our Corporate Social Responsibility (CSR) policy brings together in one framework the principles we adopt to ensure that our organisation enhances society and the environment. To support this, Openfield are members of Supplier Ethical Data Exchange (SEDEX) and we follow the principles of the Ethical Trading Initiative (ETI) Base-code <https://www.ethicaltrade.org/eti-base-code>. As such we need assurance from our suppliers, contractors, and other business partners that they too follow similar procedures to ensure ethical operations throughout the supply chain. Our CSR Policy and the ETI Base-code is available on our website www.openfield.co.uk

Modern Slavery Act 2015: -

Openfield is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Corporate Social Responsibility Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. We expect the same high standards from all our suppliers, contractors, and other business partners.