

 COFCO INTERNATIONAL UK LTD

 Wholesale Terms of Purchase

 of Cereals, Pulses and Oilseeds

COFCO INTERNATIONAL operates a Corporate Social Responsibility Policy which sets out their Corporate Values. These values and principles guide the Company’s operations and business worldwide and help us to fulfil our purpose and achieve our vision. They reflect who we are, what we do and what we expect from ourselves and others. For further information, please visit our website: [www.uk.cofcointernational.com](http://www.uk.cofcointernational.com)

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Where the term: ‘COFCO, COFCO International UK; COFCO International UK Ltd; COFCO INTL, We’, ‘Buyer’, ‘Buyers’, is used herein, it shall on every occasion refer to COFCO International UK LTD

1. **Contract Terms**

For the purchase of grains and pulses the terms and conditions of the AIC Grain/Pulses Wholesale Contract No. 2 applicable on the date of transaction shall apply insofar as they are not inconsistent with Buyer’s Terms. In the event of any inconsistency Buyer’s Terms shall be binding and shall take contractual precedence. Buyer specifically excludes the following clauses contained in the AIC No 2 Contract:- Clause 19b, Delivery & Weights, Sales on a delivered basis; clause 24, Notices; clause 25, Demurrage.

For the purchase of oilseed rape and linseed the terms of the FOSFA 26A and FOSFA 9A contracts respectively, applicable at the date of transaction shall apply insofar as they are not inconsistent with Buyer’s Terms.

Buyer specifically excludes the following clauses contained in the FOSFA 26A contract: clause 6(b) Delivery & Weights, Sales on a delivered basis i, ii, iii; Clause 7, Demurrage; Clauses 11 & 12, and any equivalent clauses if and as introduced.

Notwithstanding AIC or FOSFA terms, Buyer applies and relies on the terms of the ultimate end receiver at the time of delivery.

Irrespective of the domicile or place of the Head Office or of any other office of the Seller, English Law will apply to all transactions, and any dispute being referred for resolution by arbitration will be subject to the Arbitration Act 1996 and the applicable rules of the arbitral institute to whom a dispute has been or may be submitted for determination.

2. **Delivered Contracts**

a) Whenever it is possible Buyer will advise the likely destination point and delivery reference in advance of the contract period, but they reserve their absolute right to call the goods to any delivery point/s within the contract range and will specify the actual delivery point/s and full intake reference number/s when giving fixings. Suppliers are expected to be available for delivery of contract goods at weekends and on Bank Holidays when called on to do so, unless specifically excluded at the time of transaction.

 b) Extensions – AIC Contract 2/21 clause 26, Extension of Delivery Period, is NOT applicable and is replaced by, “Buyer has the option to claim an extension into the next month”. The Seller is to grant an extension of delivery up to and including the 15th day of the following month at an increase to the contract price of £0.50 per tonne. Should the Seller fail to deliver within the extension period any settlement for default shall be based on a default price ascertained on the first business date following the 15th day of the extension period. The original contract price shall apply for the determination of damages. Any dispute arising from Clause 2b) shall be determined by arbitration under the relevant rules e.g. AIC, FOSFA.

3. **Delivery Period**

All deliveries shall be made in bulk, on the date specified, and at Buyer’s Call during the contractual period. Whilst every effort will be made to provide Sellers with a minimum of two clear business days notice for delivery of the contract goods, this is not a condition such that it entitles Seller to place Buyer in default, but Buyer will, in all instances, give as much notice as is reasonably possible.

4. **Harvest `As available` Terms**

It is the responsibility of the Seller to advise the Buyer that the total contractual quantity of any goods sold on ‘As available’ terms is available for collection, and where appropriate, to advise the variety and quality of the goods. Upon declaration of availability by the Seller the Buyer will endeavour to arrange collection or delivery as promptly as they are able at their call within the remainder of the contract period, provided always such notice of availability is given at least 10 business days prior to the end of the contract period. Where such advice is given with less than 10 consecutive days’ notice, this shall entitle Buyer to invoke an extension of the contract period into the next month.

5. **Vehicle Waiting Time**

Buyer will not accept any liability for claims arising from delays to transport occasioned by any cause, but does undertake to make every effort to minimise waiting time for vehicles delivering goods to their orders. No demurrage charges arising from delays incurred by road transport will be accepted by Buyer.

6. **Ergot**

All goods must be entirely free of Ergot irrespective of how small an inclusion may be. No tolerance will be applied.

7. **Allowances and Rejections**

Buyer is generally able to accept deliveries outside the contractual specifications with a price allowance, at their absolute discretion. Buyer’s decision is final and absolute. Buyer reserves the right to alter the contracted maximum moisture or other specifications if industry / EU or other regulations change between the date of contract and the contractual period of delivery of the goods. Where the Buyer and Seller agree at the time of transaction that a specified variety is to be supplied against a contract this agreement becomes a condition of the contract and forms part of the description of the goods. Such agreement will be relied on by the Buyer. Rejections may be required to be replaced at the absolutediscretion of the Buyer.

Clause 23. b. of the AIC No. 2/21 contract is deleted: whilst every attempt will be made to confirm claims within 2 business days following the arrival of the goods at their ultimate destination, claims will be confirmed by the Buyer as soon as is practicable after delivery

8. **Misdescription**

The Buyer reserves the right to reject goods where the variety is found to be incorrect or misdescribed on delivery or, where the goods on first inspection are accepted and subsequently enter the food chain. The Buyer further reserves the right to claim recovery of any damages claimed against the Buyer, howsoever they arise, Seller’s attention is drawn to AIC No. 2/21 contract, clause 11, Quality. In addition to the specific items, goods with a temperature in excess of 20°C may be subject to a cooling allowance or rejection. Any goods found to be above the outside ambient temperature may be subject to rejection.

9. **Deliveries made to ports or stores**

Any loads which are subject to quality claims may be unloaded at Buyer’s absolute discretion. Any price allowances required on such a load will be notified to the Seller. In case of a dispute where sealed samples are required by the Seller, Buyer must be informed of this requirement prior to delivery with subsequent confirmation in writing. Samples for retest will be retained for only 10 days after the initial tests after which they may be disposed of.

In case of a quality dispute, a retained sample will be sent to an independent laboratory for analysis for independent analysis. A request for independent testing must be confirmed in writing to the Buyer to be received within seven consecutive days of delivery. In cases where Seller’s request re-sampling and/or re-testing at time of delivery and/or independent analysis at or subsequent to the time of delivery, Buyer reserves the right to levy the following fees, subject to the original findings being upheld:

1) £1 per tonne if Sellers request re-testing; or

2) £2 per tonne if Sellers request re-sampling and re-testing; and

3) Costs of re-analysis plus a fee of £50 + VAT per sample to cover administration and courier fees if independent analysis is requested subsequent to the delivery vehicle being discharged.

10. **Weighing Charges**

A weighing charge of £9.00 + VAT per load will be applied to all loads accepted.

11. **Quantity Tolerance, Grain & Pulses**

Where the word ‘about’ is used in reference to the contract quantity, the tolerance shall be 5% or 15 tonnes (whichever is the smaller quantity) above or below the contract quantity at contract price at Buyer’s option. Where the quantity delivered does not fall within the quantity tolerance any damages arising will be calculated against the mean contract quantity at the contract price.

12. **Quantity Tolerance, Oilseeds**

Buyer has the option at their absolute discretion of accepting 2.0% more or less, or five tonnes more or less than the contract quantity, whichever is the greater quantity. Where the quantity delivered does not fall within the quantity tolerance damages will be calculated against the mean contract quantity at the contract price.

13. **Benzo-Alpha Pyrene (BAP)**

In the event that after discharge of the goods at their ultimate delivery point, such goods are ascertained to contain an inclusion of Benzo-Alpha Pyrene (BAP) higher than 2ppb, the Buyer reserves the right to claim from their contractual counter party a compensatory allowance representing damages caused to the receiver of the affected goods by the inclusion of BAP.

14. **Sustainability**

Any Seller delivering goods on a sustainable contract must be certified to do so under Red Tractor or equivalent recognised Sustainably accredited scheme and must send to Buyers a copy of the certificate and expiry date if requested. The Seller is expected to be fully aware of and comply with the requirements of the EU Renewable Energy Directive 2009/28/EC. Grains destined for the bio-fuels industry and all oilseeds must meet these requirements. Seller shall at the request of the Buyer provide certification, based on auditable records, to confirm that the sustainability requirements of EU Directives and UK Legislation are complied with at the time of delivery. The terms of the end receiver will apply when any request is made for the addition of any NUTS2 data to be made available. Sellers must be RED compliant as per the terms of the end receiver and must be able to supply, on first request, a copy of the appropriate RED certificate and full traceability of the goods.

15. **Invoicing**

Buyer will not process any invoice from the Seller which does not carry all of the following information: Delivery date; intake reference; weighbridge ticket number, the net quantity; the point of delivery.

16. **Product Liability Insurance**

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

17. **Crop Year/ Origin**

Any contracts entered into shall be only for goods harvested in the current crop year unless specifically agreed otherwise at the time of transaction. Any old crop goods which are delivered against any contract will be considered a breach of contract and may give rise to rejection or to a claim for damages. Rejections may be required to be replaced with goods of the same contractual specification and quantity, supported by a sample of the replacement goods being provided by the Seller before further delivery orders are issued by the Buyer. Such replacement will be at the absolute discretion of the Buyer.

18. **Origination**

Goods are warranted to have been grown in the UK unless specifically agreed otherwise at the time of transaction.

19. **Bio stimulants**

No grain sold to COFCO International UK LTD may be derived from crops which have been treated with any bio stimulant materials manufactured from animal co-products, at whatsoever stage of the development of the crops involved. Any application of bio stimulant materials MUST be declared on the Grain Passport accompanying every delivery. Goods declared to have been treated with a bio stimulant will not be accepted and will be required to be replaced by contractually conforming goods, at the absolute discretion of the Buyer.

20. **Analysis of Oilseed Rape for Latent Defects not readily ascertainable by inspection on delivery**

The first, and contractually definitive, analysis of Oilseed Rape under the terms of FOSFA 26A contract (clause 11) will be undertaken by the end receiver of the goods, or by a FOSFA analyst or by the Buyer’s TASCC accredited laboratory whose analyses shall be contractually binding. The goods will be analysed to determine levels of (but not limited to) Erucic Acid, Glycosylates, Free fatty Acid and Benzo-Alpha Pyrene (BAP). Defects in the form of excess contents of any one of the above levels may result in the rejection of a load containing such excesses or, if the goods have been discharged, a retrospective claim for damages may be made by the Buyer within 120 days from the date of delivery, whether or not the Seller shall have been paid for the goods during that period at the contractual price. Where the Seller challenges the analysis of any one constituent found by analysis in Rapeseed a portion of the sample of goods taken at the point of delivery may be sent to an agreed independent analyst whose analysis shall be final and binding. If the second analysis supports the result/s of the first analyses the Seller shall be liable to pay all charges incurred for the second analysis.

21. **Contracts**

Sellers requiring a copy of the applicable AIC or FOSFA contract terms may source these from Buyer’s website www.uk.cofcointernational.com. Sellers will be assumed to be cognisant of these terms unless they specifically say they are not prior to entering into a transaction with Buyers.

22. **General Data Protection Regulation (GDPR)**

Each Party shall comply, and shall ensure that its staff and contractors similarly comply at all times with all applicable laws relating to the processing of personal data including, but not limited to the Data Protection Act 1998, the Privacy and Electronic Communications (EC Directive) Regulations 2003, the General Data Protection Regulation (EU) 2016/679 and any laws implementing, replacing or supplementing the same.