

Frontier Farm Purchase Terms for Grain, Pulses & Oilseeds for 2021/22

Terms and Conditions between Frontier Agriculture Ltd (hereinafter called '**the Company**') and the Seller. Changes from previous terms are shown in italics to make them easily visible.

A '**Group Company**' shall include any subsidiary or holding company of the Company, each as defined at section 1159 of the Companies Act 2006.

Each purchase contract, whether concluded face-to-face, by telephone, the internet, or otherwise, will be confirmed by the issue of a Contract Confirmation by the Company. Each purchase contract is subject to the terms of the Contract Confirmation and to the Frontier Farm Purchase Terms for Grain, Pulses and Oilseeds valid at the time of movement. The following terms, including the arbitration clauses therein, also apply: -

Grain & Pulses: *AIC Grain / Pulses No.1/21 - effective from 1st Feb 2021 - copies available on request.*
Oilseed Rape: *FOSFA 26A (revised and effective from 1st April 2021) - copies available on request.*
Linseed: *FOSFA 9A (revised and effective from 1st April 2021) - copies available on request.*

In the event of contradictions the terms of the Contract Confirmation prevail over the Frontier Farm Purchase Terms for Grain, Pulses and Oilseeds, which in turn prevail over the AIC/FOSFA contract terms.

Grain/Cereals, Pulses and Oilseeds are hereinafter referred to collectively as '**goods**'.

Contract Confirmations issued by the Company (*whether by post or email*) should be checked promptly and any queries raised without delay. Failure to advise alleged errors will render the Seller liable to the confirmed details.

Contracts concluded online through 'MyCropMarketing'

All contracts entered into through Frontier's digital tool '**MyCropMarketing**' shall be with Frontier Agriculture Ltd (the Company) as the buyer. The Company shall use reasonable endeavours to ensure that all prices displayed on MyCropMarketing are accurate. However, the price of the offer shall not be binding until validated by the Company prior to confirming the Contract.

In the event of a discrepancy due to technical problems or clerical error, the Company shall contact the Seller to state the correct price. When informed of a discrepancy, the Seller shall either (a) confirm acceptance of the correct price, (b) request an amendment to the correct price (which may or may not be accepted by the Company in its absolute discretion) or (c) reject the correct price and cancel the Contract with no liability to either Party. A failure to notify the Company of either (a), (b) or (c) above shall be deemed an acceptance of the correct price.

Contract statements: The Company will periodically issue Contract statements to each farm account, summarising outstanding contracts for Grain, Pulses & Oilseeds. The Company advises Sellers to check each statement and ensure that it includes all outstanding contracts and that they have a copy of each contract confirmation.

Payment: This is by BACS raised 28 days from the date of delivery by self-bill invoice, unless agreed otherwise.

Claims notification: For Cereals and Pulses, clause 22b of the AIC 1/21 contract is excluded and replaced by the following: Claims will be notified by the Company by fax, email, or other electronic means, or by letter, in each case sent within 2 business days of the arrival of the goods at their ultimate destination in the United Kingdom.

For Oilseed Rape the terms of the FOSFA 26A apply and for Linseed the terms of the FOSFA 9A.

For loads delivered in Scotland or to Frontier Agriculture, Lowick, moisture claims or drying charges and weight loss, will continue to be notified on the self-bill invoice document. Moisture results where available will also be shown on the Weight Advice document.

Independent Tests: Any request for a retest or independent analysis must be received in writing by Frontier within 7 days from the delivery date or from notification of the test result if later. The Seller shall be liable to Frontier for any costs incurred including administration costs. These costs will be reimbursed to the Seller in the event that the analysis proves the load to be within contractual specification.

Contract Specifications: The Company reserves the right to change the contracted maximum moisture and other specifications if *industry/UK/ EU* regulations change between the date of contract and the date of delivery of the goods.

Quality allowances for deliveries into Frontier Agriculture Ltd Stores: The Company reserves the right to charge allowances and/or drying charges and/or cleaning charges for any load exceeding the following standards:
 Malting Barley – over 14.5% moisture or 1% admixture
 Other Cereals – over 15% moisture or 2% admixture
 Pulses – over 15% moisture or 1% admixture
 Oilseeds – over 9% moisture or 3% admixture
 Conditioning charges may also apply for ‘undried/unconditioned’ contracts that do not require drying and for other contracts, particularly if the temperature exceeds 25°C in July/Aug, 22°C in Sept and 20°C thereafter. Details of drying and cleaning charges are available on request.

Farm Sampling: To protect the safety of our employees and increase the accuracy of farm samples, the Company has ceased the practice of sampling grain on third party premises and will operate a collection only service. The Seller is responsible for supplying fully representative samples as soon as possible after harvest and ensuring conditioning has taken place if they wish Frontier to complete standard analysis on them, and for notifying the Company that samples are ready for collection. The farmer sampling instruction sheet is available on our website at www.frontierag.co.uk/grain-marketing/storage-solutions/grain-sampling-instructions. To obtain a self-sample pack, please contact your Frontier farm trader.

The Seller must submit samples or sample results of the goods to be supplied against each contract to the Company on request, these samples are to fully represent the tonnage to be supplied. The Company reserves the right to extend the contract movement period or to cancel the contract with any costs incurred for the Sellers account, if samples are not supplied when requested.

Weighbridge charges: The Company’s standard weighbridge charge is £8.00 per load, payable by the Seller.

Quantity/tolerance: The quantity tolerance shall be as specified in the relevant AIC or FOSFA contract but shall be **at the Company’s option**. Where the quantity delivered on a contract is in excess of the maximum quantity permitted by the tolerance, the Company reserves the right to pay the spot market price for tonnage above the mean contract quantity.

Contract tonnages and capacity load charges: The Company’s standard vehicle size is 29T and the Company would prefer to have ex farm contracts made up in multiples of this quantity. The Company will, however, purchase other quantities, but reserves the right to make a price adjustment to reflect any higher haulage charges. The Company reserves the right to deduct a capacity load charge on any part loads, or any additional haulage costs for smaller vehicles or for split loading when a part load is loaded with another parcel to reduce capacity load charges. For split loads, the Company reserves the option to base the payable quantity on the vehicle weigh loader reading at each collection point. Where a difference exists between the sum of the weigh loader readings and the final delivered weight, the difference, positive or negative, will be applied to each part of the split load pro rata.

Contra-payments: The Company and its Group Companies reserve the right to set off any and all amounts due and owing by the Company and/or its Group Companies to the Seller against any and all amounts payable by the Seller to the Company and/or its Group Companies, and vice versa.

Buyer’s call / as available:

Buyer’s call - All collections/deliveries shall be made in bulk at ‘Buyer’s call’ unless otherwise agreed. While the Company will do their utmost to be flexible in the collection/delivery of goods, they may be restricted by limitations imposed by Consumers or shipping programmes. Therefore, if goods are not available when called for, it may not always be possible to move them in the contract period and the Company reserves the right to claim a free extension in such cases.

As available - Where ‘as available’ movement has been agreed, the Seller should notify the Company of availability of the contracted goods promptly once they are harvested and ready for movement. The Company will then move the goods as soon as possible within the contract period (subject to assessment of quality and the availability of fixings and haulage). If notification of availability is less than 10 full working days prior to the end of the contract period, the Company may at their option extend the Contract Movement period. If more urgent movement is required, this should be agreed on a contract-by-contract basis when the contract is agreed.

Delivered Purchases:

- **Delivery vehicles:** Where the Seller is delivering their own produce, their vehicle(s) must as a minimum be covered by their valid crop assurance scheme and comply with current legal operational requirements. All trailers must be fitted with a dust chute, sheet and be labelled with a unique trailer ID number together with the Assurance membership number of the trailer owner. Trailers should have an easy-sheeting system, unless it is possible to sheet and unsheet from ground level; climbing onto the trailer is strictly forbidden. Any commercial or agricultural trailer arriving at site without the sheet covering the trailer will be rejected. The Company reserves the right to refuse any vehicles that they consider are inappropriate to carry combinable crops that are destined for the food or feed industries, e.g., dirty or leaking vehicles.
- **Use of third-party transport:** The Seller may only employ a haulier if they are TASCC approved, and the Company must be notified prior to delivery of the haulier's name.
- **Previous loads/trailer cleaning:** Drivers are expected to produce a Combinable Crops Passport detailing the trailer's three previous loads and cleaning method. Trailers must not have carried any material listed on the 'AIC Haulage Exclusion list', for goods listed on the 'AIC Haulage Contaminant Sensitive list' the appropriate cleaning must have been carried out. Some food destinations are sensitive to materials causing allergic reactions and the end receiver's terms must be adhered to. It is important to inspect the trailer and loading bucket prior to use to ensure no contamination.
Copies of the Haulage Exclusion and Contaminant Sensitive lists are available from the AIC website <https://www.aictradeassurance.org.uk/tascc/documents/appendices/>
- **Destination site rules:** These must be complied with, please ensure your drivers are aware of and familiar with the end destination site rules prior to arriving on site. For deliveries direct to other Customers' destinations, the Seller will need to conform to the end receiver's terms; this may include the requirement that the goods are carried on vehicles that comply with the TASCC. Some destinations require that drivers have been inducted for site rules before they can deliver. Should a driver breach these rules, they may be banned from site indefinitely. At all destinations, site Health and Safety rules must be fully complied with; any breach may result in rejection of a delivery and/or banning of the delivery vehicle and driver.
- **Personal protective equipment (PPE):** All drivers should have their own PPE on arrival. PPE requirements vary according to individual site rules. This may include a combination of high visibility clothing, safety headwear, safety footwear, safety glasses, safety gloves and the covering of limbs. Stores of the Company require high visibility clothing, safety headwear and safety footwear **as a minimum**.
- **Audio, video, image recording:** Any manual recording equipment for audio, video or still images must not be used on sites of the Company or Customers of the Company without prior permission of the site owner. For vehicles fitted with continually recording on-board safety cameras, images must not be shared on social media or otherwise without the permission of the Company or Customer of the Company.
- **Converting purchases to ex farm:** The Company reserves the option to convert delivered purchases to ex farm at an appropriate haulage discount if bookings to the contract destination are not available.

Overweight lorries: All hauliers are legally obliged to comply with their legal payload limits and our hauliers are instructed not to overload their vehicles; this applies equally to vehicles used for delivered purchases. Most vehicles have an on-board weigh loader which will give a guide to loading where a weighbridge is not readily available. Please be aware that knowingly allowing overloaded vehicles to leave your premises could be considered to be aiding and abetting the illegal operation of a vehicle and should be avoided. Overloaded vehicles may incur delay and/or additional charges or rejection at the end destination.

Cereals for malting or distilling: Only agrochemicals endorsed by the British Beer and Pub Association may be used on either the growing crop or the resultant grain. This requirement also applies to **wheat for distilling**. Contact Frontier QA dept for the up-to-date list.

Malting barley:

Moisture: Maximum 14.5% is the standard specification for malting barley unless agreed otherwise. For any load delivered above the contractual moisture, the Company shall have the option to reject the load but will whenever possible accept the load and claim an allowance to be agreed. The Maltsters Association of Great Britain scale of moisture allowances may not apply.

If the Seller is delivering **malting barley after 31st October** which may be above 14.5% moisture, they should notify the Company of this at least 2 weeks prior to the delivery month so the Company can advise them further (see also mycotoxin clauses). Any additional costs resulting from failure to notify the Company that deliveries may be above 14.5% moisture will be deducted from the Seller.

Germination: The domestic market requires a minimum germinative capacity of 98%, although there may be some export opportunities down to minimum 95%. Malting barley should be stored in a way to maintain germination.

Oats: Sellers of oats are reminded of the need to manage the use of growth regulators to avoid breaching the maximum residue level for Chlormequat.

Milling wheat: Where wheat is sold for flour milling or other human consumption uses, admixture includes: small grains passing through a 2.0mm slotted aperture sieve; non-wheat material remaining over a 3.5mm slotted aperture sieve; any other miscellaneous impurities, including other cereals, broken, mouldy, diseased, discoloured or insect damaged grains.

Oilseed rape: Loads delivered direct to Crush will usually be rejected if they exceed 10% moisture and/or 4% admix. If such a load is accepted, the Company reserves the right to pass on any resulting moisture and/or admixture charge retrospectively.

Oil analysis: This will continue to be reported basis 9% moisture for loads delivered to store, tested to British Standard BS EN ISO 10565.

Glucosinolate: The default specification for glucosinolate in double-zero oilseed rape is maximum 18µmol, unless agreed otherwise.

Free Fatty Acid (FFA): The Company reserves the right to make retrospective claims for up to 90 days following delivery on any loads found to be testing above the contract specification for FFA (which is maximum 2% of oil in seed - unless otherwise agreed), or to withhold partial payment pending FFA results.

Erucic Acid: The Company reserves the right to reject or to make retrospective claims for up to 90 days following delivery on any double-zero OSR loads found to be testing above the contract specification for Erucic Acid (which is maximum 2% of the oil in seed - unless otherwise agreed), or to withhold partial payment pending Erucic Acid results. The Company reserves the right to request pre-delivery samples prior to further movements in the event of high Erucic Acid levels being tested on deliveries from a Seller.

Polycyclic Aromatic Hydrocarbons (PAHs): All oilseed rape deliveries must comply with current UK/EU regulations with regard to the maximum permitted level of PAHs including BAP (Benz a pyrene). The Company reserves the right to make retrospective claims for up to 90 days following delivery on any loads found to be testing above the legal limit for PAH. If diesel vapours or fumes are blown into oilseed rape, the subsequent residue of BAP cannot be removed during the refining process. This represents a food safety contaminant, and the oil is then not suitable for use in the food industry. The Company strongly advises Sellers to either avoid using a direct flame diesel drying system for drying crops or to ensure the drier is maintained and operated correctly to eliminate any potential problem. This requirement also applies to oil-powered space heaters when used as a heat source with ambient temperature fan driers. A further possible source of PAH contamination is from clay pigeons – it is advised these should not be shot over a crop after yellow bud stage.

Ownership and risk: Ownership and risk shall remain with the Seller until the goods are delivered to the Company.

High erucic acid oilseed rape (HEAR): The Company strongly advises Sellers to take steps to avoid any cross contamination between HEAR and double-low oilseed rape. The end markets for these crops are different and **neither is able to tolerate any cross contamination**. Testing for cross-contamination takes place after delivery and processing, meaning if a problem is identified, it is likely that a considerable tonnage may have been affected, with significant costs to be passed back to the Seller of the contaminated oilseed rape.

Linseed: FOSFA 9A clause 4 (allowances, premiums, and rejections) is excluded. Linseed is purchased on maximum 9% moisture, maximum 2% admixture and minimum 38% oil unless otherwise agreed.

Mycotoxins: *UK and EU legislation* for mycotoxins *applicable to the commodity and grade contracted* must be complied with. The Company requires that the Seller is aware of and complies with the legislation setting maximum levels of Fusarium and storage mycotoxins, and that the Seller has undertaken such risk analysis and testing as is required at the time of delivery (this may vary depending on the goods, the region in which the goods have been grown and the season; furthermore, the requirements may alter during the season). The Seller is advised to make themselves aware of the latest requirements in advance of any out loading to allow sufficient time to comply with any necessary testing. The Company reserves the right to see any such risk analysis and test results.

Cereals: The Company requires that **ALL cereals, including feed grain**, are below the *UK and EU* limits for mycotoxins set for unprocessed cereals, unless it is agreed by the Company that for a specific contract these limits do not apply. For certain end uses lower limits apply and these will be specified if applicable.

Manchester Gold Wheat Club: All wheat deliveries must comply with the *UK and EU* limits for mycotoxins set for unprocessed cereals.

Cereal, Pulses & Oilseeds Pools: The Company aims to add maximum value to all tonnage committed to its marketing pools; this requires that all end destinations are considered, including food and biofuel destinations. All loads destined for food destinations must comply with the *UK and EU* mycotoxin legislation. The Company requires that the Seller notifies it in writing if it **does not** want the Company to attempt to add value to its pool tonnage by delivering it to food destinations or if the Seller has parcels that are known to be above the *UK or EU* limits for unprocessed cereals and therefore only suitable for delivery to feed destinations.

Storage mycotoxins - deliveries after 31st October: For deliveries after 31st October of each year -

- i. Some destinations (in particular, some maltings) will reject deliveries above 14.5% moisture,
- ii. Some destinations will accept loads at higher moisture but will require a test certificate to confirm the parcel is below the maximum limit for Ochratoxin A,
- iii. Others will accept loads above 14.5% moisture but will assume that the Seller, by presenting the load at that moisture, is warranting the load as being within the *UK and EU* limits. The destination may test the load either prior to tipping or retrospectively and any resulting claims will be passed back to the Seller.

Biostimulants manufactured from animal by-products: Some biostimulants include hydrolysed proteins that have been derived from animal tissue or blood; the use of these bio stimulants is **not acceptable** on any cereal crop destined for the food supply chain. The Seller must advise the Company in writing if any cereal crop where the goods are sold to the Company has been treated with any biostimulant derived from animal tissue or blood. The Company reserves the right to renegotiate any contract if such treatment is declared or proven and to claim any consequential costs and damages. Biostimulants derived from plant-based products are acceptable.

Renewable Energy Directive/sustainability: Any goods purchased as sustainable or for delivery to a biofuel destination must be compliant with the *recast Renewable Energy Directive (RED) 2018/2001* in all respects. The Seller of the goods must be certified as RED compliant under an EU approved voluntary scheme (such as assurance schemes Red Tractor or SQC).

If the Seller is recorded as RED compliant by their assurance scheme, the Company will assume all purchases of grain, pulses and oilseeds are sustainable. The Seller must notify the Company in writing if any purchases are not fully compliant under the terms of the RED; this will include if the goods are being supplied from a central store that does not have certification for RED.

All double-zero oilseed rape must be compliant with the *recast Renewable Energy Directive in all respects*, unless otherwise agreed.

Combinable Crops Passports (version 02/21): *The CCP has been updated, the new version 02/21 should be used for all loads from 1st July 2021. It includes amended wording at Section 8.*

Each load must be accompanied by an appropriately completed and signed Combinable Crops Passport (CCP), with the appropriate Crop Assurance identification printed on it or member sticker attached. The CCP must include all relevant requirements at the time of collection/delivery. The collection address and postcode are required as part of the chain of custody requirement.

CCPs require **all post-harvest treatments** - not just those of pesticides - to be declared; this reflects the demands from end users that post-harvest treatments with diatomaceous earth (DEs) are included.

Fusarium mycotoxin risk assessment and test results must comply with the requirements of the industry at the time of collection/delivery.

Information on variety(s), year of harvest and store or bin number should be completed on all parcels for food sector end uses, e.g., flour millers, maltsters, breakfast cereal manufacturers.

GM statement: Only CCPs which include the GM statement are acceptable for oilseed rape deliveries.

Renewable Energy Directive - Section 8 of the CCP should be completed (both signature and printed name) in all instances where the goods are sustainable. The Company requires that this section is completed for **all** loads where the Seller is recorded as RED compliant by its assurance scheme (Red Tractor, SQC). Loads arriving at end destinations may be rejected or delayed if this section is not completed and the Company reserves the right to pass any additional costs back to the Seller if this section of the CCP has not been completed correctly.

Sewage sludge: The Company is not aware of any relaxation in the restrictions for the uses of cereals grown on land previously treated with any form of sewage sludge (biosolids). Treated land must not be used for the production of cereals for malting or distilling, or oats for milling. Where cereals for these end uses is found, subsequent to delivery, to have come from land treated with biosolids, the risk and all consequences - direct and

indirect - will remain with the Seller. **The Company requires that the Seller declares prior to sale and confirms in writing if the contracted cereals have been grown on land treated with sewage sludge.**

Genetically modified organisms: The Seller must advise the Company in writing if it grows **any** genetically modified (GM) crops. The Seller should take adequate precautions to avoid any contact with or contamination by genetically modified organisms. The Seller must advise the Company in writing if any **goods** sold to the Company may have been contaminated or have been grown on land previously used for GM cropping. The Company reserves the right to renegotiate any contract if GM contamination is declared or proven and to claim any consequential costs and damages.

Post-harvest pesticide and agronomic restrictions: Our updated sheet listing acceptable Insecticides, Biocides and Pesticides Approved for treating Stores and Stored Commodities is available on our website (www.frontierag.co.uk/terms). Some Consumers do not accept deliveries of combinable crops that have been treated with diatomaceous earth (e.g., Silico-Sec). The Company requires that the Seller declare all goods treated with any diatomaceous earth prior to sale. The Company reserves the right to adjust the contract price if additional costs or reduced value is the consequence of such treatment, and the Company was not notified prior to sale. A number of Consumers will only accept goods after an infestation problem if the goods have subsequently been treated professionally with a gaseous fumigant and have then been dressed to remove insect debris. Any goods treated by a fumigation contractor must have a certificate to show that the goods have been subsequently ventilated to remove any gaseous residue. In addition to the treatment being declared on the CCP, a copy of this certificate must accompany each load delivered. There is now a 7-day holding period after fumigation clearance prior to processing.

Assurance: The Seller should advise the Company if their assurance status changes. The Seller is responsible for: ensuring that all possible collection locations are included as 'additional holdings' on its assurance membership; that all these collection addresses are displayed on the farm assurance websites; that the assurance details confirmed on the Combinable Crops Passport are valid for the loaded goods and movement date. Failure to do this could result in delays or rejections, with additional costs which will be deducted from the Seller.

Allergens: Any possible contamination of the contracted material by allergens not normally associated with the goods under contract (such as soya, nuts, lupins, and mustard) must be declared prior to delivery. A decision regarding acceptability will then be made by the Company. Inspection of all vehicles prior to loading is important to avoid any subsequent contamination.

Store management/infestation: The Company strongly advises Sellers to regularly check goods in store, particularly for moisture, temperature, infestation and rodent or bird intrusion. Prompt cooling and drying of goods after harvest will help maintain condition and minimise the risk of storage mycotoxins developing in the goods. Good store hygiene to avoid infestation is also much cheaper than fumigation following a problem. Infested loads are extremely expensive to deal with and will include the added cost of steam cleaning the vehicle to comply with TASCC assurance requirements. Consider using the AHDB Safe Storage Time Calculator for Cereals.

Bituminous fillers: Bituminous floors and bituminous fillers between concrete floor slabs should not be used for the storage of oilseeds; a food grade sealant should be used instead.

Chlorpropham: Chlorpropham is not permitted for use on cereals, oilseeds, or pulses. Do not store any combinable crops in stores that may have previously stored goods treated with chlorpropham as there can be a cross-contamination even several years after use because the chemical permeates into the fabric of the store. Chlorpropham is a sprout suppressant that was used on stored potatoes. If in any doubt, Sellers should complete a CIPC risk assessment and act upon the results.

Product liability: The Company strongly advises Sellers to have adequate product liability insurance and advise minimum cover for £5 million.

Farm safety: Please remember, farm safety is a shared responsibility to which all must contribute, and the Company will do their best to ensure the sample collectors and hauliers are properly briefed in safety matters. It is important any areas of risk are highlighted to visitors and to the Company. Please make the Company aware of any areas of risk or access restrictions to your site, e.g., overhead power lines.

Modern Slavery Act 2015: The Modern Slavery Act 2015 (hereinafter referred to as ‘the Act’) requires companies above a certain size to take steps to eradicate modern slavery, servitude, forced or compulsory labour and human trafficking in their supply chains. The Act applies to Frontier Agriculture and all its divisions and subsidiaries. Agriculture has been identified as a high-risk industry for modern slavery and we take very seriously our duty to ensure our business and supply chains are free of it.

Frontier Agriculture has made a series of commitments in support of the Modern Slavery Act 2015:

- Frontier is committed to ethical principles and requires all employees to comply with employment legislation and supply chain management legislation in the countries in which we operate.
- Frontier is committed to ensuring that there is no modern slavery or human trafficking in any part of its business or its supply chain.
- Frontier is committed to ensuring transparency in its own business and in its approach to tackling modern slavery throughout its supply chains.

As a supplier to any part of the Frontier Agriculture group of companies, your compliance with the Modern Slavery Act 2015 is a requirement of the on-going trading relationship. Frontier reserves the right to terminate the relationship with any supplier if issues of non-compliance are discovered and/or not resolved in a timely manner. For more information on the Modern Slavery Act 2015, please visit: www.gov.uk/government/collections/modern-slavery-bill

General Data Protection Regulation: Frontier complies with the General Data Protection Regulation in the way it collects, stores, and processes personal data.

Updates to Terms and Conditions: The Company reserves the right to update these Terms & Conditions from time to time. The current Terms and Conditions will be displayed on the Company’s website at <http://www.frontierag.co.uk/terms> and any updated Conditions will be displayed with a notice that they have been updated. The Seller agrees to be bound these Conditions and any updates to these Conditions by continuing to place orders with the Company.