



AIC CONTRACT NOTE FOR FEED MATERIALS
Issued by a Member of the Agricultural Industries Confederation Limited

Date:

Buyer's Ref:Seller's Ref:

The Seller:
.....

The Buyer:
.....

have this day entered into a contract on the following terms and conditions:

- 1. **Description of Goods:**
.....
.....
- 2. **Quantity:** About* tonnes OR between and tonnes*. Where the word 'about' is used in reference to quantity the Seller shall have the option of delivering 5% or 15 tonnes (whichever is the lesser quantity) more or less than the contract quantity at the contract price. This variation of 5% or 15 tonnes is hereinafter referred to as 'the tolerance'. Any quantity delivered in excess of the upper tolerance shall be deemed a breach of contract and entitle the Buyer to reject the excess if they so wish. If they do not so reject, the price of any quantity in excess of the contract quantity shall be settled by mutual agreement or otherwise by arbitration. If the Seller delivers less than the minimum quantity permitted by the tolerance they shall be deemed to be in default and shall compensate the other party in accordance with the Default clause herein and calculation of damages shall be against the contract quantity. Where deliveries of individual consignments reach a tonnage within the tolerance of the contract quantity, the contract shall be deemed to have been completed.

Gross weight bags*/Net weight bags included*/On chargeable pallets*
In Bulk* - Tipped*/Blown*
- 3. **Contract Price:**..... per tonne ex-store/ex-works/delivered to*(location).
- 4. **Movement Period:**
- 5. **Contract Quality:**
- 6. **Payment Terms:**
- 7. **Special Terms:**
.....
.....

8.* These goods are not intended for sale nor sold as being suitable for Straight Feedingstuffs but are only suitable as raw materials for further processing and mixture with other materials as to which no warranty is given or to be implied as to the percentage of these goods to be used in any such operation which are at the Buyer's sole risk.

THIS CONTRACT IS SUBJECT TO THE TERMS AND CONDITIONS ON THE FOLLOWING PAGES SO FAR AS THEY ARE CONSISTENT WITH THE TERMS SET OUT ABOVE.

Signature on behalf of Buyer*/Seller*

*Delete words which do not apply.

9. **Weights:** Payment shall be made against ex-store/silo/works weights, which shall be final.
10. **Ownership, Rent and Risk:**
- a. Ownership shall pass when the goods are paid for by the Buyer
 - b. Risk shall pass to the Buyer on either collection or delivery of the goods
 - c. Goods sold, ex-mill, factory, warehouse or quay, not collected:
 - i. Risk shall pass to the Buyer 14 days after the first day of the movement period, or, 14 days after the date of the Delivery Order or the Seller's written notice that the goods are available for delivery, whichever is the later.
 - ii. The Seller shall provide insurance cover at their own expense and pay rent for 14 days from the first day of the movement period, or, 14 days from the date of the Delivery Order or written notice that the goods are available for delivery, whichever is the later. Thereafter rent and insurance shall be for the account of the Buyer.
11. **Claims:**
- a. Claims based on defects of quantity, quality or condition which shall be apparent upon reasonable inspection must be advised as soon as possible and confirmed by fax, e-mail or other electronic means or by letter sent by first class post, within two business days following the arrival of the goods at their ultimate destination in the United Kingdom or when risk passes in accordance with clause 10(c). In the event of this contract being one of a series of contracts, all claims shall be passed on without delay after receipt and if so passed on shall be deemed to be proper claims from Buyer to Seller as required by the provision of this clause whether within the two business days period or not.
 - b. All claims other than those in (a) above must be notified so as to be received by the Seller within 90 consecutive days from the last day of the movement period with the same proviso as to series of contracts as in (a) above.
 - c. The Statutory Statement shall contain the actual amounts and other particulars required by the Agriculture Act 1970, as at any time amended, and this shall be the only warranty given under this contract. Claims for breach of contract in respect of this warranty shall be admitted and settled only in accordance with the appropriate provisions of Part IV of the Agriculture Act 1970 and various regulations made under the Act. Except as specified above and subject to any United Kingdom and/or EU Statutes and/or Regulations which impose specific conditions and/or warranties and provide that these cannot be excluded by the parties to a contract, all warranties and/or conditions whether express or implied by law, statute or custom of trade are hereby excluded. The goods are not warranted free from defect rendering same unmerchantable which would not be apparent upon reasonable examination, any statute or rule of law to the contrary notwithstanding.
12. **Consignment:** Each delivery or consignment shall meet all contract terms.
13. **Demurrage:** In the case of unreasonable delay in the arrival, loading or discharge of vehicles collecting or delivering the goods howsoever caused (including delays resulting from the non-provision of essential documentation) the Seller or the Buyer, whoever is responsible, shall be liable for the additional haulage costs that result from that delay.
14. **Statutory Charges:** The price of the goods is subject to alteration by reason of the imposition of or alteration by the European Union or by the United Kingdom Government in the rates and/or manner of collection of any tax, duty, levy or any other statutory charge upon goods of this description, whether at the time of or if the change is retrospective at any time after the date of this contract provided that the change is applicable to the date of delivery.
15. **Force Majeure:** Neither the Buyer nor the Seller shall be responsible for delay in delivery of goods or any part thereof occasioned by any Act of God, action by any government, strike (including dock and/or shipping strikes within the United Kingdom), lock-out, combination of workmen, breakdown of machinery, power failure or fire, provided that the party invoking this clause despatches written notice to the other party within five business days of the occurrence, or not later than five business days after the beginning of the movement period, whichever is the later. For the avoidance of doubt, neither party shall have the right to rely on, as Force Majeure, any strike which is limited to the employees of that party or its subcontractors, or any delay or default of that party's subcontractors in the performance of their obligations. In the case of resales such information shall be passed on without delay. Unless otherwise mutually agreed, the party invoking Force Majeure is entitled to an extension (the first extension) of not more than 30 consecutive days from the end of the movement period. If delivery under this clause is still prevented at the end of the first extension period, the party not invoking the clause shall have the option of cancelling the contract or any unfulfilled part thereof or mutually agreeing to one further extension period (the second extension) of not more than 30 days. If at the conclusion of the second extension period delivery is still prevented, the contract or any unfulfilled part thereof shall be cancelled. Neither party shall have a claim against the other for delays or non-fulfilment under this clause provided that the party invoking this clause shall have supplied, if so requested by the other, satisfactory evidence justifying the delay or non-fulfilment.

- 16. Default:** In the event of default of fulfilment of contract by either party, the other at his discretion shall, after giving written notice, have the right to sell or purchase, as the case may be, against the defaulter and the defaulter shall make good the loss, if any, on such purchase or sale on demand. If any party liable to pay be dissatisfied with the price of such sale or purchase or if the above right is not exercised and damages cannot be mutually agreed, any damages payable by the party in default shall be settled by arbitration. In the event of default by either party entitling the other party to damages, such damages shall be based upon the actual or estimated value of the goods on the date of default, to be mutually agreed or settled by arbitration, but nothing contained in or implied under this contract shall entitle the Buyer/Seller to recover any damages in respect of loss of profit upon any sub-contracts made by themselves or others. In the event of default, damages if any shall be computed upon the contract quantity. The date of default shall be the first business day following the expiry of the movement period. When an extension of collection/delivery has been either claimed under the Force Majeure clause or agreed otherwise, the date of default shall be the first business day following the expiry of the extension period.
- 17. Arbitration:** Any dispute (other than a claim for an unpaid debt and as provided under (c) below) arising out of this contract shall be referred to arbitration as follows:
- a. Unless otherwise agreed, the dispute shall be referred to arbitration in accordance with the arbitration rules of the Agricultural Industries Confederation Limited, (obtainable from the registered office of the Association and/or <https://www.agindustries.org.uk/legal/arbitration/>), and all parties shall by making this contract be deemed to have knowledge of such rules and to have elected to be bound thereby. In the event of any dispute in a string of which this contract forms part, the parties to this contract must provide such information as may be required by the arbitrators.
 - b. Where a dispute as to quality arises regarding goods which are the subject of two or more contracts identical in terms except as to date and price, then any arbitration may with the consent of all parties concerned be held as between the first Seller and the last Buyer in the series of transactions as if they were the only contracting parties and any award then made shall, subject to the rights of appeal as provided in the relevant rules, be binding on all intermediate parties in the series of transactions and may be enforced by any such intermediate party against his intermediate contracting party as if a separate award had been made under each separate contract. All such intermediate contracts shall be made available to the arbitrators.
 - c. If a dispute involves legal or technical problems of great complexity which are beyond the knowledge and competence of Arbitrators to resolve or if a dispute of necessity involves a third party who is not subject to arbitration, either party before the time for commencing arbitration proceedings has lapsed can, in writing, request the other to consent to the arbitration proceedings being waived and for the dispute to be referred to ordinary litigation in the Courts. Should such consent be unreasonably withheld or no answer received within 28 days the party making the request shall be at liberty to commence court proceedings leaving it to the other party if the other party so wishes to apply for a stay of proceedings invoking the arbitration clause. The Court will then decide whether the arbitration or the court proceedings should continue. Time for commencing arbitration proceedings shall not run (or if started not continue to run) from the date of such request until the Court has given a final ruling (this including any appeals) as to the proper venue for the dispute to be heard, providing Court proceedings are commenced within 28 days of the receipt of any refusal or 56 days from the date of the request if no answer to it is received.
- 18. Time Limits For Claiming Arbitration:** Arbitration shall be claimed within the following time limits: (i) in relation to any aspect of the consignment quantity, quality or condition of the goods that is discoverable by the exercise of reasonable diligence upon delivery of the goods, arbitration shall be claimed within 28 days after the date of the arrival of the goods at their ultimate destination in the United Kingdom or when risk passes in accordance with clause 10(c) and (ii) in relation to all other claims including, without limitation, claims for quantity, quality or condition not discoverable by the exercise of reasonable diligence upon delivery of the goods, arbitration shall be claimed within 90 consecutive days after the last day of the movement period. Where the contract giving rise to the arbitration is one of a series of contracts a reasonable extension of time to commence arbitration proceedings will be allowed to those in the 'string'. In the case of disagreement as to what constitutes 'a reasonable extension' this will be referred to the arbitrators as a preliminary issue. Subject to paragraph 17(c): (i) the making of an award shall be a condition precedent to any Court action excepting that which is expressly referred to in Clause 44(3) of the Arbitration Act 1006 (or any amendment thereof) by either party or any person claiming under either of them and (ii) in the event that arbitration is not claimed within the time limits prescribed above, all courses of action relating to the claim whether by way of arbitration or in any Courts of law shall be deemed waived and shall be barred absolutely unless the Arbitration Tribunal shall in its absolute discretion determine otherwise.
- 19. Non-Payment:** The Seller reserves the right to withhold deliveries under this contract until all and any outstanding payments under this or any other contract with him by the Buyer have been received and reserves a lien upon - and the right to sell or otherwise dispose of - all goods the subject of this contract whether appropriated to it or not in respect of any such payments.

- 20. Insolvency:** If either party to this Contract (“the Affected Party”):
has a Receiver, Administrative Receiver or Administrator appointed in respect of any of its property or business undertakings;
or announces that it has ceased, or intends to cease to trade (except where such announcement is due to a forthcoming retirement whilst honouring all existing contracts);
or suspends or is about to suspend, payment of its debts or fails to pay, or is unable to pay or admits or states its inability to pay its debts as they fall due;
or disposes of or threatens to dispose of all or a material part of its assets whether by one or a series of transactions (other than for the sole purpose of and followed by reconstruction or amalgamation made known to and approved by the other party);
or convenes, calls or holds a meeting of its creditors or makes or proposes any arrangement or composition with its creditors;
or states an intention to make or give notice of a voluntary arrangement under Part 1 of the Insolvency Act 1986;
or has a resolution or petition (other than for the sole purpose of and followed by reconstruction or amalgamation of one party of which notice has been given to the other party who has approved it) passed for the winding up or voluntary winding up or liquidation;
or is dissolved, or applies for an Interim Order under Part VIII of the Insolvency Act 1986; or a Bankruptcy Petition or a Statutory Demand in bankruptcy is presented or served;
or suffers to the levy or enforcement of any execution, distress, sequestration, detention or other process on any of its property or premises;
or if a party being a partnership, any of the above events occurs with respect to the partnership or to any partner therein (hereafter called “Act of Insolvency”)
then, notwithstanding any previous arrangement between the parties for deferred payments, the full or full remaining price for any goods delivered shall become immediately due and payable by the party committing an Act of Insolvency.

The party not committing an Act of Insolvency (“the Innocent Party”) shall have the right, upon giving written notice to the other party, without prejudice to any other rights and remedies available to the Innocent party, to cancel and/or suspend and/or to refuse to make or accept any further deliveries and to close out and settle the Contract as detailed below.

The Affected Party shall serve written notice of the relevant Act of Insolvency by fax, e-mail or other electronic means or by letter sent by means of a recorded delivery to the Innocent Party. Where proof is available that such notice was served within two business days of the occurrence of the Act of Insolvency, the Innocent Party shall have the right to close out the Contract which shall be settled at the market price on the first business day following the occurrence of the Act of Insolvency.

In all other circumstances, the Innocent Party, upon learning of the occurrence of the Act of Insolvency shall that the right to close out and settle the Contract at either:

- (a) the market price on the first business day following the Innocent Party becoming aware of the Act of Insolvency, or
- (b) at the market price on the first business day following the occurrence of the Act of Insolvency.

21. Salmonella:

- a. The Seller must observe the Defra published Code of Practice for the control of Salmonella during the Production, Storage and Transport of Compound Feeds, Premixtures, Feed Materials and Feed Additives, or any amendment thereof.
- b. The goods shall be available for delivery as required during the delivery period irrespective of salmonella sampling/monitoring/testing.
- c. In the event that a Statutory Order is issued preventing movement of the contractual goods prior to the expiry of the movement period, the Force Majeure clause will apply.

In the event that payment has been made for all or part of the goods and the goods are then subject to the provision of the Order preventing the movement of the contractual goods during the delivery period, then any monies paid for the goods shall be returned to the Buyer for that part of the contract so cancelled. Any monies due under this clause shall be repaid within seven consecutive days of notification that the contract or any portion of the contract has been cancelled.

The Buyer shall have no claim against the Seller for delay or non-fulfilment under this clause provided that the Seller shall have supplied to the Buyer, if required, satisfactory evidence justifying the delay.

In case of resales all notices shall be passed on without delay by the Sellers to their respective Buyers.

- 22. Business Day/Non-Business Days:** A Business Day is the period between 0900 hours and 1600 hours inclusive on any day other than a Non-Business Day. Saturdays, Sundays and officially recognised national holidays applicable throughout the United Kingdom and any days which the Agricultural Industries Confederation may declare as non-business days for specific purposes shall be deemed Non-Business Days for the purpose of passing of notices and claims.

- 23. Contracts (Rights of Third Parties) Act 1999:** Pursuant to S.1(1)(a) of the Contracts (Rights of Third Parties) Act 1999, the parties intend that no term of the contract may be enforced by a third party.
- 24. Domicile:** This contract shall be deemed to have been made in England, and the construction, validity and performance thereof shall be governed in all aspects by English Law.

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ADDENDUM

The following ADVICE clause may be used, if desired, as an optional addition to the AIC Contract Note for Feed Materials (Feed No 3/19). If used, an appropriate cross-reference should be made under 'Special Terms'.

ADVICE: Unless otherwise agreed between the parties advice by the Seller to the Buyer shall not form part of the contract. The Seller accepts no responsibility for any advice given to the Buyer by his employees, servants or agents and accepts no liability for any injury, loss and/or damage resulting directly and/or indirectly from any such advice. Without prejudice to the above if goods the subject of this contract are manufactured by a Third Party and are delivered with the manufacturer's recommendations for the use of the goods in question and the advice so given differs from other advice received by the Buyer from whatsoever source the Buyer must either follow the manufacturer's instructions or, if in any doubt, apply to the manufacturer for further advice. Failure to do so may lose for the Buyer any protection from warranties given by the manufacturer to all recipients of the said goods and the Seller accepts no liability whatsoever for any injury, damage and/or loss suffered by the Buyer who has failed to follow the manufacturer's recommendations.