## STANDARD TERMS & CONDITIONS OF PURCHASE - MALTING BARLEY (SOUTHERN OPERATIONS)

1. For the purposes of these standard terms and conditions the following definitions apply:

**AIC Contract**: means the approved AIC No. 1 contract for Home Grown Grain and Pulses which is effective at the start of the relevant Crop Year

**CFT**: Cool Farm Tool is a carbon footprint calculator used to quantify on-farm greenhouse gas emissions and soil carbon sequestration. It is free for farmers to use. Results must be shared with Simpsons Malt by using the share code "Simpsonsmalt". Please see guidance for how to complete and share the CFT assessment with Simpsons Malt.

Company: means Simpsons Malt Limited

Conditions: means these standard terms and conditions as defined by clauses 1 to 20

Confidential Data: means data relating to the business of either Party; either Party's trade secrets (including operating procedures, policies, and practices) and the existence of any Supplementary Terms and their contents. Data shall not be confidential if it is readily and lawfully obtainable by third parties from sources other than the Parties or where a Party has expressly granted waiver to the right of confidentiality in respect of that matter or item

Contract: means the Supplementary Terms together with these Conditions and the AIC Contract

Crop Year: means the period from 1 July to 30 June within which the Goods are harvested

**Field Record Sheet**: means a record per field in which the Goods have been grown, in a format acceptable to the Company, detailing data relevant to cultivation and drilling activity together with fertiliser and crop protection inputs applied together with relevant activity and application dates

**FSA**: refers to SAI Platforms Farm Sustainability Assessment. A global, industry-wide assessment used to assess the sustainable practices used on farm. This is in the form of a self-assessment questionnaire followed by a verification audit for a sample of farms which must be independently verified. Please see separate FSA guidance sheet for more information.

Goods: means malting barley or any other cereal set out any of the Supplementary Terms

Grower: means the Party named as the Grower or seller as set out in any of the Supplementary Terms

Quantity: means the tonnage of Goods to be sold by the Grower as set out in any of the Supplementary Terms

**Supplementary Terms**: means any Supply Agreement or any purchase contract confirmation ("PCC") issued by the Company to the Grower that references these Conditions

**Supply Chain Data**: means data provided by the Grower in a Field Record Sheet or any other data, however supplied, that relates to the drilling, cultivation, growing, harvesting, provenance, traceability, sustainability (including environmental matters) and auditability of the Goods

- 2. The Conditions apply to the sale of Goods from the Grower to the Company. Reference to a "Party" is, unless the context otherwise requires, a reference to a party to the Supplementary Terms and "Parties" will be construed accordingly. In the event of any inconsistencies between the Conditions, the Supplementary Terms (comprising a Supply Agreement and/or PCC) or the AIC Contract then the order of precedence shall be as follows: (i) the PCC; (ii) the Supply Agreement; (iii) the Conditions; and (iv) the AIC Contract
- 3. Before 31 May (or any other date agreed by the Company) preceding the Crop Year the Grower shall provide data relating to the name and location of the fields in which the Goods are grown together with any other data that the Company reasonably requests and is relevant to the provenance, traceability, and sustainability of the Goods. This data shall be provided through the Company's online data sharing platform, or any other method agreed by the Company. Unless otherwise agreed by the Company then failure to provide this information will result in the Goods being rejected and clause 8 shall apply.
- 4. The Company reserves the right to inspect and sample the Goods at any stage up to and including their harvesting having given the Grower reasonable notice. Upon harvesting the Grower must submit a pre-collection Goods sample as notice that the Goods are available for collection. The Company will provide the Grower with a Sample Advice and provided the sample is confirmed as meeting the Contract specification the Company will organise collection of the Goods within 28 days of the Sample Advice date. The Grower will make the Goods available for collection at the Company's cost and the Grower will be responsible for loading the collection vehicles with approximately 29 tonnes of Goods per vehicle. Final date for collections, by reference to the relevant Crop Year, will be 31st August winter malting barley varieties and 30th September for spring malting barley varieties unless a deferred collection period has been agreed. Where the Grower fails to submit a pre-collection Goods sample the Company reserves the option to deem the Goods as rejected and clause 8 shall apply
- 5. The Goods will be accepted by the Company once each load is weighed, tested, inspected, and confirmed as meeting the Contract specification. The weights, tests and inspections determined by the Company are binding on the Grower. The Company will provide the Grower with a Weight Advice Note detailing the load sample results, the weight of the Goods collected and the date of collection. The Grower or their agent shall have the right to be present at the sampling location when samples are taken. The Company will retain load samples for 28 days from the date of collection, any disputes must be entered by the Grower within these 28 days.
- 6. The Company reserves the right to reject any load where the Contract specification is not met. The Contract specification will not be met where the Goods:
  - 6.1. have been treated with or contaminated by unapproved chemicals (see clause 15); or
  - 6.2. contain evidence of mould, ergot, heating, abnormal smell, or injurious grain pests (either dead or alive, whole or in part); or
  - 6.3. are skinned, such skinning being Goods containing over 4.0% by number of grains whose germs and pericarp have been partially stripped of husk; or
  - 6.4. have a germinative capacity of less than 98%; or
  - 6.5. have a moisture content in excess of 18%; or
  - 6.6. have a screenings content by weight in excess of 15.0% passing through a 2.5 mm slotted aperture sieve; or
  - 6.7. have an admixture content of dirt, other cereals, broken corns, green/immature corns, and foreign substances in excess of 2.0% by weight; or of any one of the aforementioned in excess of 2.0% by weight; or

1

6.8. have a specific weight of less than 63.0 kg/hl; or

## STANDARD TERMS & CONDITIONS OF PURCHASE - MALTING BARLEY (SOUTHERN OPERATIONS)

- 6.9. have a varietal purity of less than 98% of the variety as set out in the Supplementary Terms; or
- 6.10. are, in any other respect and in the opinion of the Company are not fit for purpose; or
- 6.11. are in excess of the Quantity when taking account of the tolerance defined at clause 9; or
- 6.12. are not accompanied by a properly completed Combinable Crop Grain Passport signed by the Grower; or
- 6.13. fail to meet any other quality parameter set out in any Supplementary Terms
- 7. In the event of a load being rejected, any Goods still to be collected are to be thoroughly resampled by the Grower and those samples must be submitted as soon as possible to the Company for assessment of quality and condition. No further collections will be made until the Company has agreed to accept the balance. The Company reserves the right to reject all Goods awaiting collection if it considers any pre-collection sample (s) are unsuitable for malting.
- 8. In the event that Goods are rejected the Company, acting reasonably, reserves the option to:
  - 8.1. accept the Goods and apply an appropriate price deduction; or
  - 8.2. accept the Goods into the nearest available store and to market on behalf of the Grower the rejected Goods as lower grade cereal, subject to revised purchase terms and conditions; or
  - 8.3. reject any collected Goods and return them to the Grower; and
  - 8.4. issue a sales invoice to the Grower (or where relevant deduct from the purchase price) for any additional haulage, drying or reconditioning costs incurred when exercising an option under clause 8. The Company's general terms and condition of sale (<a href="http://simpsonsmaltcontracts.co.uk">http://simpsonsmaltcontracts.co.uk</a>) shall apply to any sales invoice issued in accordance with this clause 8; and
  - 8.5. determine whether any Quantity not collected by the Company (whether due to rejection or for any other reason) is to be replaced (either by the Company or the Grower) but always at the Grower's cost and where relevant the Company will issue a sales invoice for the cost of replacement.
- 9. Weighing charges will be set by the Company and deducted from the purchase price of the Goods. The current charge is £0.29 per tonne (excluding value added tax)
- 10. The minimum Quantity is 29 tonnes, and any greater amount must be denominated in multiples of 29 tonnes. Unless the Company agrees otherwise the total collected weight shall be within 5% or 15 tonnes (whichever is the lesser amount) of the Quantity.
- 11. The purchase price paid to the Grower shall be the base price less any deductions set out in the Conditions and any of the Supplementary Terms.
- 12. The following standard deductions will be deducted from the base price for all barley received between harvest and 31st October.

  12.1 Moisture content: deductions are in accordance with those published by the Maltsters Association of Great Britain (<a href="https://www.ukmalt.com/uk-malting-industry/barley-requirements/moisture-content-of-barley-bought-by-maltsters/">https://www.ukmalt.com/uk-malting-industry/barley-requirements/moisture-content-of-barley-bought-by-maltsters/</a>).

  For collections/deliveries in excess of 17% up to the 31st of October the following applies:

Moisture content (%)	17.1-18.0	
Moisture deduction (% of purchase price)		*The Company, acting reasonably, reserves the right to increase its drying deduction provided the Grower has received prior written
Drying deduction (£ per tonne)	2 004	notice from the Company

- 12.1 Collections/deliveries post October 31<sup>st</sup> must have a moisture content of 14.5% or below. Any goods which have a moisture content above, will be subject to an OTA test, or rejected.
- 12.2 The Company reserves the right to make a deduction where it accepts Goods with a nitrogen content (on a dry matter basis) in excess of the limits or bandings set out in any of the Supplementary Terms. This deduction will be at the sole discretion of the Company.
- 12.3 The Company reserves the right to make a deduction where it accepts Goods in excess of the limits or bandings set out based on intake analysis through 2.5mm/2.25mm sieve, whichever is greater, the following applies;

12.4 Screenings Content through a 2.5 mm slotted aperture sieve by weight:

Screenings through 2.5mm (%)	Up to 15.0	15.1 - 16.0	16.1 - 17.0	17.1 - 18.0	18.1 - 19.0	19.1 – 20.0
Deduction (£/ tonne)	0	1	2	3	4	5

12.5 Or through a 2.25mm slotted aperture sieve by weight:

Screenings through									
2.25mm(%)	Up to 4	4.1-5	5.1-6	6.1-7	7.1-8	8.1-9	9.1-10		
Deduction (£ per									
tonne)	0	1	2	3	4	5	6		

2

Version 23.1S

## STANDARD TERMS & CONDITIONS OF PURCHASE - MALTING BARLEY (SOUTHERN OPERATIONS)

- 13 The Company will issue to the Grower a self-billed purchase invoice for accepted Goods. This invoice will include a levy deduction for the Grower's liability under the Agriculture and Horticulture Development Board Order and the Company will be liable for paying this levy.
- 14 Goods accepted by the Company shall be paid as follows:
  - 14.1 On or around 28 days from movement date
  - 14.2 Unless otherwise agreed with the Company the Grower must accurately complete a Field Record Sheet and a Cool Farm Tool (CFT) assessment and return this, by reference to the relevant Crop Year, to the Company by 31 July (winter malting barley varieties) or 31 August (spring malting barley varieties). Failure to provide the Field Record Sheet and CFT assessment or completing it to the satisfaction of the Company will result in payment being delayed until this requirement is fulfilled
- 15 The Grower warrants that:
  - 15.1 subject to subclause 14.3, only agrochemicals accepted by the British Beer and Pub Association have been applied to the Goods or in any store where the Goods are stored and with regards post- harvest chemical treatments this is accurately declared on the Combinable Crop Grain Passport (a list of approved agrochemicals is available at <a href="https://www.ukmalt.com/technical/8-food-and-feed-safety/pesticides-agrochemicals/">https://www.ukmalt.com/technical/8-food-and-feed-safety/pesticides-agrochemicals/</a> or on request from the Company); and
  - 15.2 subject to subclause 14.3, the Goods comply with the provisions of (or any subsequent amendments thereof) the Food and Environment Protection Act 1985; the Plant Protection Products Regulations 2011 and the Pesticides (Maximum Residue Levels) Regulations 2008 (for England, Wales, Scotland or Northern Ireland as appropriate); and
  - 15.3 where the Goods variety is Maris Otter or Golden Promise the Goods have not been treated with Glyphosate; and
  - 15.4 they are registered with the Red Tractor Assurance or Scottish Quality Cereals schemes and will provide the Company with their scheme registration number when requested; and
  - 15.5 that the Goods have not been grown on land treated with Bio-solids where Bio-solids, produced to certification standards or otherwise, include, but are not limited to; municipal sewage sludge, all composts, sludge from industrial treatment plants, anaerobic digestate; and
  - 15.6 unless otherwise agreed by the Company the Goods have been grown from certified seed supplied by the Company. Certified seed excludes all farm saved seed regardless of its provenance; and
  - 15.7 it complies with the Modern Slavery Act 2015
- Where the Grower breaches clause 15, the Company may terminate the Contract and the Grower shall be liable for any cost, direct and indirect, incurred by the Company because of such breach or breaches. This liability shall survive the term of the Contract between the Company and the Grower for an indefinite period. The Grower has no liability under subclauses 15.5 or 15.6 where the Company has provided express written authority to waive the requirement of the relevant subclause. Such written authority is only valid for one Crop Year.
- 17 Unless otherwise agreed by the Company, the Grower will allow the Company's nominated representative(s) to undertake a verification audit to ensure the Grower's ongoing compliance with the SAI Platform's FSA programme to the Gold performance level
- 18 Each party agrees that it shall keep secret and confidential at all times during the Contract, and for six years after its expiry, all Confidential Data. Neither Party shall use, copy, or disclose to any third party any such Confidential Data unless for the proper purposes of the Contract or having obtained the disclosing Party's prior written consent.
- The Company's Privacy Policy (<a href="www.simpsonsmalt.co.uk/privacy-policy">www.simpsonsmalt.co.uk/privacy-policy</a>) sets out what happens with any personal data it gathers under the Contract. This policy also sets out how the Company keeps secure personal data, and the same security measures also apply to Confidential Data.
- 20 The Grower consents to the Company disclosing Supply Chain Data with its customers and third parties where disclosure to such third parties is necessary to ensure Grower compliance with the Contract. This consent shall survive the Contract for six years after its expiry. Disclosure of Supply Chain Data by a Party to any other party shall not affect the ownership of such data or the disclosing Party's rights to it.

3

Version 23.1S