

CONDITIONS OF SALE OF SEED

These conditions of sale apply to all sales of seed made by Graincore Limited ("the Company") to the Buyer. They may not be varied except in writing signed by the Company. In particular, under no circumstances will the Company sell seed on the Buyer's terms of purchase.

Clause 1. Availability Since seeds are growing organisms and their growth is subject to pests, disease and climatic conditions, all sales of United Kingdom grown seeds are subject to safe harvest and the Company reserves the right in the event of market shortages to apportion such supplies as become available among their customers at their sole discretion. Where seeds sold are imported, their sale is subject to supplies being made available to the Company by their normal supplier with whom the contract for their supply has been placed. In the event of failure of such supplies from abroad, and the seeds not being replaceable from other sources at a price no greater than that charged in the present contract, this sale agreement will be deemed to be cancelled without any liability to either party providing notice of such failure is given to the Buyer at the earliest opportunity.

Clause 2. Levies Where seed supplied is of foreign origin the Company reserves the right to alter prices without notice after the date of sale in the event of an imposition of or increase in any tariff or import levy applied to the goods.

Clause 3. Latent defect Seed is a biological living organism and its plant growth and performance are influenced by many factors beyond the control of the Company. For instance, disease of plants can be transmitted by the wind, by insects, by animals or by human agencies and may be seed borne or soil borne. The Company believes the seed hereby sold to be free from latent defect, but it is not a condition of sale nor does the Company warrant that any seed sold shall be free from such defect and will not be responsible in any way for the resultant crop.

Clause 4. Warranty The Company warrants that any seed sold which is the subject to these conditions of sale will (a) comply with the applicable UK Seeds Regulations currently in force as described in clause 5; and (b) be of the species and type ordered by the Buyer and confirmed by the Company. If the Company is in breach of either of these warranties, the Company will at their option replace the defective seeds free of charge to the Buyer or will refund all payments made by the Buyer in respect of the defective seeds and this shall be the Company's sole liability and the Buyer's sole remedy for such breach.

Clause 5. Limitation of liability Save for the provisions of clause 4, the Company excludes all liability arising out of or in connection with these conditions of sale (whether arising in contract, tort (including negligence) or otherwise) for: (a) any loss or damage arising from the use of any seed supplied; (b) any failure in the performance of or any latent defect in any seeds supplied including, without limitation, any failure (total or partial) of the resultant crop since such failure can depend on so many natural and other factors beyond the Company's control; (c) any loss of profit, loss of revenue, or loss of business; and (d) indirect or consequential losses or damage. The Company's total liability to the Buyer for any claim or series of connected claims arising out of or in connection with these conditions of sale shall be limited to the purchase price paid by the Buyer for the seed to which the claim relates. Nothing in these conditions of sale shall limit the Company's liability for death or personal injury caused by its negligence, for fraud or fraudulent misrepresentation, or for any other liability which cannot lawfully be limited. In accordance with the established custom of the seed trade, any express or implied condition, statement or warranty, statutory or otherwise, not stated in these conditions is also excluded to the extent permitted by law. The price of any seeds sold or offered for sale is based upon the foregoing limitations upon the Company's liability. The price of such seeds would be much greater if a more extensive liability were required to be undertaken. In purchasing the seed upon these conditions, the Buyer acknowledges that the limitations of the Company's liability are fair and reasonable. If any provision of these conditions of sale is found by any court or other authority of competent jurisdiction to

be illegal, invalid or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of these conditions of sale, but that shall not affect the legality, validity or enforceability of any other provision of these conditions of sale.

Clause 6. Plant Varieties and Seeds Act 1964 (with amendments) (and Plant Varieties Act 1997 with amendments) The price of any variety which is the subject of a grant of plant breeders' rights under the Plant Varieties and Seeds Act 1964, (as amended), and/or the Plant Varieties Act 1997, as amended, will be adjusted to include the cost of any royalty payable to the owner of the rights. If, in the case of a variety which is already the subject of plant breeders' rights, there is any change in the rate of royalty payable to the owner of the rights, the price will be adjusted accordingly. Where material is sold on an as grown basis on a private royalty arrangement, royalties will be collected by the British Society of Plant Breeders (BSPB) and the Buyer undertakes to pay such royalties as are due. For the express purpose of monitoring, verifying and enforcing plant breeders' rights, Graincore Ltd has the right to be provided with the name and address of the grower of the protected variety which is the subject of the sale. All information whether contained in the Company's publications, website or provided by staff relating to varieties, varietal characteristics or fitness for any purpose or relating in any way to the performance is given for general guidance only, as variation in growing environment and management practices can render such information inaccurate. Buyers are therefore advised that any such information given to them does not constitute an undertaking by the Company on the performance of any variety.

Clause 7. Farm Saved Seed The Buyer shall ensure that they comply fully with all legal obligations in relation to the BSPB Licences and in relation to Farm Saved Seed including obligations to provide all relevant information upon request by or on behalf of the holder of the relevant Plant Breeders Rights. These legal obligations are set out in various places including Council Regulation (EC) No.2100/94: Commission Regulation (EC) No. 1768/95: the UK Plant Varieties Act 1997 and the regulation and implementing rules granted under the Act, together with any subsequent amendments which relates to these various Acts. Where varieties are protected by Plant Breeders Rights and where produce from this seed is further sown as farm saved seed in accordance with the Regulations the grower is legally obliged to pay the equitable remuneration due for its use. Where the sale relates to a hybrid then no further seed production as farm saved seed or other can be taken from the seed supplied without the consent of the holder of rights of that variety.

Clause 8. Royalty Area Collection Scheme (RAC) Where the Company directly represents the holder of rights of a protected variety, then the Company reserves its rights to collect royalties through BSPB based on the traditional tonnage based system or through an area payment operated under the Company's Royalty Area Collection Scheme (RAC). Where a variety is sold under the Company's RAC the specific details of the terms and obligations will be provided at the point of sale and are deemed to be additional to these conditions of sale.

Clause 9. Genetically Modified Organisms Seeds on this contract are conventional varieties bred from parent components which have not been genetically modified. The methods used in the breeding, development and production of these varieties include procedures aimed at avoiding the adventitious presence of Genetically Modified Organisms ('GMO'). Seed production is carried out in accordance with national seed legislation, including stipulated isolation distances, out in open fields in natural conditions in which there is free circulation of pollen. It cannot be excluded that in seed multiplication areas the authorized growing of GM plants takes place. It is therefore not possible to prevent the adventitious presence of GMO and to guarantee that the seed lots comprising this delivery are free from any traces derived from GM plants. Seed has been sampled and tested for the adventitious presence of GMOs which are commonly known to be used in rapeseed breeding. None of these GMOs have been detected in these tests. However, the Company gives no guarantee that the seed is GMO free

and does not accept any liability arising from the adventitious presence of traces of GMO in conventional seeds.

Clause 10. Complaints No complaint under the terms of these conditions of sale can be considered unless clear written proof can be given that the seed grown and alleged to have performed unsatisfactorily was in fact the seed supplied and that it was sown on suitably prepared ground, treated carefully and correctly throughout and subject only to such conditions as were likely to produce a favourable crop. The burden of proof shall be on the Buyer to establish any defect in the seed supplied.

Clause 11. Special treatments Where at the Buyer's request any treatment whether chemical or otherwise is supplied to the seed, the Company shall carry out such treatment in the correct manner and/or in accordance with the instructions given by the manufacturer of the chemical in question and the Company accepts no responsibility whatsoever for the effectiveness of such treatment or any loss or damage direct or consequential which may result therefrom.

Clause 12. Force Majeure Neither Buyer or Company shall be responsible for delay in delivery of the goods or any part thereof occasioned by act of God, action by any government, strike, lockout, combination of workmen, breakdown of machinery, power failure, or fire, provided that the party invoking this clause dispatches written notice to the other party either within 7 consecutive days of his knowledge or before the date of delivery, whichever is the later. In case of resale such information shall be passed on without delay. If delivery is delayed by more than 30 consecutive days from the expected date of delivery, the party not invoking this clause shall have the option of cancelling the delayed portion of the contract, if not already in course of transit, by giving the other party written notice to that effect but shall not be entitled to any compensation. A further extension of delivery of 30 days may be mutually agreed if requested by the party invoking force majeure. If delivery under this clause be prevented during this extension, the contract or any unfulfilled part thereof shall be cancelled. Neither party shall have a claim against the other for delay or nonfulfilment under this clause, provided that the party invoking this clause shall have supplied to the other, if required, satisfactory evidence justifying the delay or non-fulfilment.

Clause 13. Property in goods and risk Until paid for in full, all goods supplied by the Company remain Company property. Risk passes to the Buyer on delivery of the goods. In particular, seed supplied shall remain the property of the Company where it is mixed with other seed of the same variety, or is dressed or cleaned by or on behalf of the Buyer.

Clause 14. Insolvency If the Buyer has a Receiver or Administrative Receiver appointed over any of its property or business undertaking, or proposes a composition or scheme of arrangement with its creditors, or enters into Liquidation or is adjudicated bankrupt then notwithstanding any previous arrangement with the Buyer for deferred payments the full or full remaining price for seed delivered to the Buyer shall become immediately due to it.

Clause 15. Arbitration Any dispute arising out of this contract shall be referred to arbitration as follows: a) Unless otherwise agreed, in every case where the Buyer is located in the United Kingdom the dispute shall be referred to arbitration in accordance with the arbitration rules of the Agricultural Industries Confederation, Confederation House, East of England Showground, Peterborough PE2 6XE, and all parties shall by making this contract be deemed to have knowledge of such rules and to have elected to be bound thereby. b) If the Buyer is located outside the UK, the dispute shall be referred to arbitration in London in accordance with the arbitration rules of International Seeds Federation and all parties shall by making this contract be deemed to have knowledge of such rules and to have elected to be bound thereby.

Clause 16. Time limits for arbitration Arbitration proceedings must be commenced as regards claims relating to quantity, quality or condition which should be apparent upon reasonable examination within 28 days from the date of delivery of the goods the Company. Technical claims relating to the quality or varietal purity of the seed must be commenced within 90 days from the date of delivery, subject to any special conditions relating to leave

being granted to institute court proceedings contained in the arbitration rules of the Agricultural Industries Confederation, or those agreed between them and the National Farmers Union, whichever is applicable. The making of an award following arbitration shall be a condition precedent to any right of action by either party, so that if arbitration proceedings regarding any claims are not instituted within the time limits prescribed all causes of action relating to that claim, whether by way of arbitration or in any court of law, are deemed time barred and waived. A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

Clause 17. Claims Claims based upon seed quantity, quality or condition which should be apparent upon reasonable examination shall be made known as soon as reasonably practicable on discovery by the Buyer to the Company by email, telephone or fax and written confirmation must be dispatched within 5 business days of delivery of the goods by the Company. If goods are damaged in transit and such damage should be apparent upon reasonable examination on delivery it is essential that the delivery sheets be signed "damaged in transit". No claim for such damage can be entertained unless made in writing within 3 days of delivery of goods, both to the carriers and the Company. In the case of non-delivery of any packages both the carriers and the Company must be notified within 14 days of dispatch, and the claim be made in writing within 28 days, from the time of dispatch.

Clause 18. Non-payment The Company reserves the right to withhold deliveries under this contract until all and any subsequent payments under this or any other contract with the Buyer have been received.

Clause 19. Acceptance of terms Placing an order to purchase constitutes an acceptance of these terms by the Buyer who, if not accepting these terms must notify the Company immediately