

FEEDSTOCK SUPPLY AGREEMENT TERMS AND CONDITIONS

BETWEEN:

(1) **Cefetra Limited**, a company incorporated in Scotland with company number SC138730 whose registered office is at The Lightyear Building, Marchburn Drive, Glasgow Airport Business Park, Paisley, Scotland, PA3 2SJ (Cefetra) (Buyer); and

(2) **The Grower** (Grower) (Seller) who is a company incorporated in England and Wales

Cefetra and the Grower are each a Party and together the Parties.

1. Scope of Supply

- 1.1 The parties have agreed for the Buyer to buy and the Seller to sell Feedstock, which means poultry manure and litter which remains after the end of each flock at the Grower's Facility, which meets all of the requirements as listed in Schedule 2 Feedstock Specification and Feedstock Quality;
- 1.2 The Grower shall make available for collection by Cefetra (or its nominated haulier) the agreed amount of Feedstock produced at the Grower's Facility sold on a bulk - Ex-Farm basis.
- 1.3 The Grower warrants and undertakes on a continuing basis that it has full legal and beneficial ownership of the Feedstock and the unrestricted right to sell it to Cefetra.

2. Feedstock Specification and Quality

- 2.1 All Feedstock supplied under this Agreement shall comply at all times with Schedule 1 (Feedstock Specification and Feedstock Quality).
- 2.2 The Feedstock shall be fit for purpose for use as feedstock in an anaerobic digestion facility and shall not cause operational, biological, environmental or regulatory harm to any downstream facility.

3. Change Notification (Critical Operating Parameters)

- 3.1 The Grower shall notify Cefetra in writing at least 28 days in advance of any material change to the following Critical Operating Parameters:
 - (a) poultry feed composition;
 - (b) bedding material;

(c) medication, antibiotics or vaccinations;
(d) cleaning agents, disinfectants or chemicals;
(e) growing procedures, stocking density or shed operation; or
(f) end-of-flock procedures,
(each a Critical Operating Parameter).

3.2 If the Grower fails to notify Cefetra of any changes to the Critical Operating Parameters as required under clause 3.1, this shall be deemed a breach of contract. Such a breach shall entitle Cefetra to take appropriate remedies, including but not limited to:

- (a) suspension of Feedstock collection until compliance is achieved;
- (b) rejection of non-compliant Feedstock;
- (c) indemnification for any losses incurred as a result of the failure to notify, including but not limited to contamination or failure to meet quality standards;
- (d) termination of the Agreement if the breach continues or is repeated.

3.3 Upon notification of any changes under clause 3.1, the Parties shall cooperate to assess the impact on Feedstock quality and the Grower's compliance with the Feedstock Specification. The Grower shall take immediate corrective action to ensure that Feedstock supplied continues to meet the requirements of this Agreement.

4. Collection and Logistics

4.1 Cefetra shall arrange collection of the Feedstock in accordance with Schedule 2 (Collection Procedures). Collection will be at the Seller's option within the agreed movement period and may be made in one or more consignments unless otherwise expressly agreed. Payment shall be made against declared delivered weights, confirmation of which shall be made available by the Buyer in the event of a dispute.

4.2 The Grower shall ensure safe access, loading facilities and compliance with all applicable laws at the Grower's Facility.

4.3 Cefetra shall have no obligation to collect Feedstock that it is entitled to reject under this Agreement.

5. Title and Risk

5.1 Title and risk in the Feedstock shall pass to Cefetra when the Feedstock has been loaded onto Cefetra's (or its haulier's) vehicle at the Grower's Facility.

6. Testing and Right to Reject

6.1 Cefetra may undertake visual inspection, dry matter testing, composition testing, gas yield testing or any other reasonable tests to assess compliance with the Feedstock Specification.

6.2 Cefetra may reject any Feedstock which, acting reasonably and in good faith, does not comply with this Agreement.

6.3 Rejection procedures and remedies shall apply in accordance with Schedule 3 (Testing, Procedures and Remedies for Rejected Feedstock).

7. Consequences of Non-Compliant Feedstock

7.1 Where Feedstock is rejected, the Grower shall be liable for:

- (a) replacement feedstock costs incurred by Cefetra; and
- (b) all reasonable transport, handling and disposal costs.

7.2 If non-compliant Feedstock has been delivered into a downstream anaerobic digestion facility, the Grower shall indemnify Cefetra against all losses arising directly or indirectly from such non-compliance.

9. Insurance and Indemnities

9.1 The parties shall maintain public liability insurance of not less than £5,000,000.

9.2 The Grower shall indemnify Cefetra against all losses arising from:

- (a) breach of this Agreement;
- (b) non-compliant or contaminated Feedstock; or
- (c) breach of applicable laws.

10. Force Majeure:

- 10.1 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 5 business days of the occurrence, or not later than 5 business days after the beginning of the movement period, whichever is the later.
- 10.2 In the case of resales such information shall be passed on without delay. 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 of default of that party's subcontractors in the performance of their obligations.
- 10.3 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.
- 10.4 In the event of an outbreak of avian influenza (bird flu) that impacts the Grower's operations or the ability to collect or process Feedstock, the affected Party shall immediately notify Cefetra in writing of the nature and likely duration of the Force Majeure event.
- 10.5 Should avian influenza result in any of the following events, it shall be considered a Force Majeure event under this Agreement:
 - The death or culling of poultry at the Grower's Facility as a result of avian influenza;
 - The imposition of restrictions or quarantine by governmental or regulatory authorities that prevent the Grower from continuing poultry operations or supplying Feedstock;

- A government-mandated shutdown or suspension of the Grower's Facility operations or collection of Feedstock due to avian influenza concerns.

10.6 The affected Party shall take all reasonable steps to mitigate the impact of avian influenza, including but not limited to:

- Complying with all governmental orders or guidance relating to the outbreak;
- Taking all necessary biosecurity measures to prevent the spread of the disease.
- Informing Cefetra of any outbreak that occurs within a 20-mile radius of the Growers site and completing and supplying to Cefetra the required BREF / CPH document within 3 days.

10.7 If avian influenza is deemed a Force Majeure event, the affected Party shall be relieved from its obligations to the extent performance is prevented or delayed by the event. The Party experiencing the Force Majeure event shall not be liable for any failure to perform or delay in performance of its obligations during the period of such event.

10.8 The affected party shall notify the other parties when the avian influenza-related restrictions are lifted, and normal operations may resume. After such notice, the obligations between the parties shall resume as per the terms of the Agreement.

10. Suspension, Termination and Default

10.1 Cefetra may suspend collections or terminate this Agreement immediately where:

- (a) the Grower supplies non-compliant Feedstock on three occasions within any 180-day period; or
- (b) the Grower commits a material breach.

10.2 Termination shall be without prejudice to accrued rights.

10.3 In the event of default of fulfilment of this Agreement by either party, the other at their discretion shall, after giving notice by letter or e-mail, have the right to sell or purchase against the defaulter and the defaulter shall make good the loss, if any, on such purchase or sale on demand.

10.4 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 or implied under this Agreement shall entitle the Buyer/Seller to recover any damages in respect of loss of profit upon any sub-contracts made by themselves or others.

- 10.5 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 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

11. Governing Law

- 11.1 English law shall govern this Agreement and the courts of England and Wales shall have exclusive jurisdiction.

12. Arbitration

- 12.1 Any dispute arising out of this Agreement shall be referred to arbitration, with either Agricultural Industries Confederation Limited, (AIC) or any other Arbitration procedure as agreed between the parties.

Schedule 1 – Feedstock Specification and Feedstock Quality

- 1.1 The Grower shall ensure that all of Feedstock supplied shall be in accordance with this Agreement and shall meet the requirements of the Feedstock Specification as set out in this Schedule 1;
- 1.2 The Grower shall supply and the Buyers shall collect all of the Feedstock in accordance with the Collection Procedures.
- 1.3 The Grower shall provide all information to Cefetra as reasonably required by them to comply with their regulatory or statutory reporting obligations (including under the Green Gas Support Scheme). The Grower shall provide such information as soon as reasonably practicable but at any rate no later than ten (10) Business Days from the date of receipt of the request.

Feedstock type

Manure from broilers comprising manure, bedding material and feathers arising from normal broiler production.

Foreign Materials

No foreign material and debris, including but not limited to:

- (a) Category 1 or 2 animal by-products
- (b) Contaminated soils and other materials
- (c) Petrol, diesel and synthetic oils
- (d) Hazardous or waste electrical or electronic equipment
- (e) Clinical waste
- (f) Other animal faeces
- (g) Residual black-bin waste
- (h) Stones, concrete, rubble or other building materials
- (i) Metals, plastics, textiles, cardboard or glass
- (j) Bulk or baled bedding or bulk feathers not arising from normal broiler production
- (k) Grit and sand greater than 7.0 mm
- (l) Grit and sand ≤ 1% per tonne of fresh matter

Dry matter

Minimum 25% dry matter

Liquid content

No added liquid

Antibiotics

Use consistent with integrator protocols and must be disclosed to Cefetra

Operating procedures

Produced in accordance with integrator protocols and Good Industry Practice Agreement and in accordance with required disclosure to the Buyer.

Biomethane potential and microbiological inhibition

Composition shall not materially differ from pre-contract samples and shall not induce microbiological inhibition.

Schedule 2 – Collection Procedures

- 1.1 Grower to confirm muck-out schedules within 24 hours of receipt.
- 1.2 Where the Grower within the twenty-four (24) hour period raises reasonable concerns regarding the muck out schedule in writing, the Parties shall use reasonable endeavours to address any such concerns raised and, where the muck out schedule is amended, the Buyer shall re-issue a revised muck out schedule to the Grower as soon as reasonably practicable thereafter agree a collection date.
- 1.3 Grower to provide safe access, loading and welfare facilities.
- 1.4 The Grower shall maintain all licenses and permits relevant to the collection of Feedstock at the Grower's Facility, including any activities to be undertaken by the Buyer's drivers and vehicles (and shall provide copies of such licenses to the Buyer as are requested by the Buyer from time to time);
- 1.5 Each delivery or consignment shall meet all contract terms.
- 1.6 Cefetra to provide compliant vehicles and all documentation
- 1.7 In the event of an outbreak of avian flu virus within a 20 mile radius of the Growers site, the Grower must inform Cefetra as soon as reasonably practicable and provide the document BREF-CPH.

Schedule 3 – Testing, Procedures and Remedies for Rejected Feedstock

- 1.1 The Buyer may undertake any or all of the following tests (at the Buyer's discretion) to determine whether each Load of Feedstock complies in all respects with the Feedstock Specification:
 - (a) Visual inspection - In the event that any visual inspection by the Buyer, or their representative reveals that the Feedstock fails to meet the Feedstock Specification, in the reasonable opinion of the Buyer or their representative, then the Buyer will record such failure, and the Feedstock may be rejected. The reason(s) for such rejection will be provided to the Grower by the Buyer.
 - (b) Dry matter testing - Before, during and/or after the loading and unloading of each Load, the Buyer or their representative, may at its discretion, carry out a test of the Feedstock to determine its Dry Matter Content. In the event that any testing of the Dry Matter Content undertaken by the Buyer or their representative reveals that the Feedstock fails to meet the requirements in the Feedstock Specification relating to the Dry Matter Content, then the Buyer will record the failure, and the Feedstock may be rejected.
 - (c) Composition and gas yield testing - At the Buyers' discretion, representative Feedstock samples may be tested to confirm that the Feedstock complies with all requirements set out in the Feedstock Specification. In the event that the Feedstock tested fails to comply with the Feedstock Specification, then the Parties will discuss in good faith to understand the reason for non-compliance. If the Buyer has previously rejected Feedstock for noncompliance, then the Buyer shall not be obliged to continue to accept Loads until such time as the Grower satisfies the Buyer (in its reasonable satisfaction) that future supplies will comply with the Feedstock Specification.
 - (f) Any other test the Buyer feels is necessary.
- 1.2 Any testing carried out by the Buyer shall be in accordance with commonly accepted industry standards and shall be carried out in a manner which is consistent across the wider industry.

- 1.3 Following a rejected Load, the Grower agrees in all cases to work in good faith to bring future supplies of Feedstock into compliance with this Agreement including the Feedstock Specification.
- 1.4 If the Grower is liable to a Buyer for any amounts in respect of rejected feedstock tonnages, then the Buyer shall have the right to deduct from future payments the corresponding amount.