

Conditions of Sale – 08.05.2012

1. General Information

(a) Subject to what is set out below, these Conditions of Sale and Supply apply to all sales agreements for sale of meat and other goods by Southdown Foods Limited (hereinafter “the vendor”) to any purchaser.

(b) These conditions may only be waived, varied or added to in writing signed by the Vendor and apply to the exclusion of any conditions stipulated by the Purchaser and or any other representations, conditions, warranties or other terms whatsoever. Only Directors of the Company, signing on behalf of the Company, shall have authority to enter into such waivers, variations or additions on behalf of the Vendor.

2. Price and Cancellation

(a) All prices shall be as stated on the relevant sales invoice.

(b) If the Vendor is prevented from obtaining supplies needed to perform the agreement by force majeure, stoppage by Port Health or other equivalent authority, war, civil commotion, strikes, lock outs, other industrial action or other matter whatsoever beyond the Vendor’s control, then the Vendor shall not be liable for any loss or damage resulting therefrom nor for the payment of any compensation to the Purchaser and the Vendor may by notice in writing served upon the Purchaser forthwith determine the agreement (without prejudice to the Vendor’s right to recover all monies then outstanding in respect of deliveries already made) and after any such determination the Vendor shall not be liable to deliver any further goods to the Purchaser under the agreement.

(c) All prices are exclusive of Value Added Tax where applicable which will be charged at the rate current at the time of Invoice.

3. Terms of Payment

(a) Save as otherwise agreed on or stated on the face of the relevant invoice the Purchaser is not entitled to credit and payment is due immediately on receipt of invoice.

(b) The Vendor may at its discretion allow the Purchaser credit in respect of the goods or any part thereon and in that event:-

(i) payment of the net invoiced price is due 28 days after the date of each invoice.

(ii) the Vendor reserves the right to suspend further deliveries to the Purchaser until each and every overdue payment is received.

(iii) interest will be payable by the Purchaser on each and every overdue payment, such interest accruing on a daily basis being payable without deduction of tax or other charge at such rate as shall represent 5% per annum over and above the rate of interest per annum which at 11.00am on the due date of payment is the London inter Bank offer rate for three months funds.

(c) If the purchaser fails to pay the amount due on receipt of invoice or (being allowed credit) fails to pay the amount of the net invoiced price within the relevant credit period, then the Vendor may by notice in writing forthwith determine the agreement and thereafter the Vendor shall not be liable to deliver any further goods to the Purchaser under the agreement, but the Purchaser shall continue to be liable for interest as aforesaid until payment.

(d) The purchaser may only make payment to the Vendor or its duly authorised Banker.

4. Delivery and Carriage

(a) The Vendor shall deliver the goods to the Purchaser upon such date of delivery as may be agreed between the parties. The date of delivery may be postponed without any liability on the part of the Vendor if delivery is prevented or hindered by force majeure, stoppage by Port Health or other equivalent authority, war, civil commotion, strikes, lock outs or other industrial action, or any other matter whatsoever beyond the Vendor's control. If the Vendor is so prevented or hindered in delivering the goods to the Purchaser then the Vendor shall not be liable for any loss or damage resulting therefrom nor for any payment of any compensation to the Purchaser and the Vendor may by notice in writing served upon the Purchaser forthwith determine the agreement.

(b) At the Vendor's option delivery may be made by instalments and each such separate instalment shall be governed by these Conditions.

(c) Delivery of the quantity described is subject to a Quantity/Weight adjustment of up to 10% above and below that specified.

(d) Unless otherwise specified in writing the Purchaser shall be responsible for any warehouse, cold store or other storage costs incurred by the Vendor in respect of goods sold or agreed to be sold with effect from the fourteenth day after issue by the Vendor of a contract note or delivery order or invoice whichever is the earlier.

5. Reservation of Ownership of Goods

(a) Prior to the payment of all sums due by the purchaser to the Vendor in respect of any goods contracted to be sold by the Vendor the goods shall remain the Vendor's property and the Purchaser shall store the goods in such a way that they may be recognised as such. The purchaser may not use such goods save as provided in paragraph (b) of this clause.

Prior to the payment of all sums due by the Purchaser to the Vendor as aforesaid the Purchaser shall be entitled to use the goods only in the manner following:-

(i) The purchaser may:

A. Offer the goods for sale or

B. Incorporate the same in any process of manufacture either in a worked or unworked state.

(ii) Prior to the payment of all sums due by the Purchaser to the Vendor as aforesaid and prior to any resale of the goods or any use or incorporation of the goods in the production of new goods by the Purchaser the Purchaser shall hold the goods as bailee for the Vendor.

(iii) The Purchaser may not offer the goods as security for the performance of any obligation of the Purchaser to the third party. At any time prior to the Purchaser paying all sums due for the goods as aforesaid the Vendor may by notice in writing delivered to the Purchaser's last known residence or place of business determine the Purchaser's right to use the said goods in the manner detailed above or at all whereupon the Purchaser shall forthwith return the goods to the Vendor and/or the Vendor may enter the Purchaser's premises for the purpose of recovering the same and all expenses incurred by the Vendor in recovering the said goods shall be discharged by the Purchaser.

(c) In the case of a resale of the goods the Purchaser agrees to assign to the Vendor, at the conclusion of the contract of resale and effective up to the date of the time of payment of the debt owing by the Purchaser to the Vendor, any claims against the Purchaser's customers (which may have arisen or arise in the future from the resale) by way of security and undertakes to notify the Vendor at its request of the names of the third party debtors and the amounts of the debts owing by such persons to the Purchaser.

In the event of the Purchaser reselling goods to third parties prior to payment to the Vendor for the same the Purchaser shall hold all monies received from such resale or sales for and unto the use of the Vendor and Purchaser undertakes in the meantime to hold such monies in a separate account. Upon any such resale the Purchaser will inform the Vendor of the Vendor's interest in the goods and the aforesaid assignment.

(d) If the goods are used or incorporated in the production of new goods by the Purchaser in an unaltered state, prior to the payment therefore then the event of such new goods being sold the Vendor shall be deemed to own such portion of the new goods as is attributable to the Vendor's products incorporated therein and the Purchaser shall accordingly hold such portion of the monies which it receives on the resale of the new goods as is equal to the Vendor's interest therein for and to the use of the Vendor and undertakes to hold such monies in a separate account and at the request of the Vendor to produce details of such monies and account and to pay the amount of such monies to the Vendor upon request.

6. Risk

The risk of loss or damage to the goods sold hereunder shall pass to the Purchaser on receipt from the Vendor of the contract note or delivery note or CMR consignment note whichever shall be the earlier and thereafter it shall be the Purchaser's responsibility should he deem it necessary to effect insurance on the goods sold.

7. Weight Quality and Complaints

(a) The Purchaser shall check the description and quality of the goods immediately on delivery and shall notify any complaint to the Vendor immediately by telephone, fax or email and shall confirm the complaint in writing within 2 days of delivery. In all cases the CMR/Delivery Note must be endorsed.

In accordance with the usual trade practice the Purchaser shall check the weight of the goods immediately on receipt and shall notify any difference in weight to the vendor within 24 hours of such receipt and in any event prior to any processing or disposal of the goods. After making any complaint the Purchaser shall retain the goods in their delivered state and make them available to the Vendor for immediate inspection.

(b) The Purchaser shall store and handle the goods in accordance with all the statutory provisions and Local Authority requirements which relate to hygiene and storage and in accordance with proper trade practice.

(c) The Vendor shall inspect the goods as speedily as possible following receipt of the complaint as aforesaid and shall as speedily as possible notify the Purchaser whether the Vendor accepts or rejects the complaint.

(d) Compliance with paragraphs (a) and (b) of this Condition are conditions precedent to the consideration by the Vendor of any claim by the Purchaser in respect of the goods sold hereunder.

(e) If the Vendor accepts the complaint then the Vendor may at its option:-

(i) replace the faulty goods when available or

(ii) make an appropriate reduction in price

(f) If the Vendor rejects the complaint then the Purchaser shall forthwith pay the invoiced price and the complaint shall, if so required by the Purchaser, then be referred to arbitration as provided under Clause 8 hereof

8. Ex Store Contracts

Save that any coldstore charges incurred after the expiry of any rent free period accrue to the Buyer, the Seller contracts with the Buyer subject to the current ex-store terms of the international Meat Trade Association, which terms are hereby incorporated into this transaction between the Seller and the Buyer. Weights as recorded by Cold Stores on withdrawal or weigh over will be accepted as final.

9. Claims

(a) Notice of any claim shall be given in writing by the Purchaser to the Vendor within 14 days from the delivery of the goods or the date of delivery whichever shall be the later

(b) The Purchaser shall not be entitled in any claim under this agreement, whether for damages or otherwise, to any sum exceeding the aggregate of the invoiced price of the goods and any storage and transport and insurance charges relating thereto and in particular no claim may be maintained by the Purchaser for any indirect or subsequential loss or damage

(c) If any dispute shall arise between the Vendor and the Purchaser as to the construction of these Conditions or any agreement relating thereto or incorporating these Conditions or anything arising out of such agreement, including any question where the Vendor should have accepted a complaint by the Purchaser, then subject of Clause 7(f) hereof the dispute shall be referred to an Arbitrator agreed upon by the parties.

(d) In all cases the Purchaser must protect the Vendor's right of recovery when a third party is responsible for loss or damage.

10. Proper Law

These conditions shall be construed and shall take effect in all respects in accordance with the law of the country of incorporation of the Vendor.