



KARRO FOOD LTD TERMS AND CONDITIONS OF PIG PURCHASE (valid from 15 December 2021)

1 DEFINITIONS

1.1 In these terms and conditions (the/these "Conditions") and in the Contract the following words and expressions shall have the following meanings:

Animals means the pigs to be supplied in accordance with the Commercial Terms;

Brexit means the UK ceasing to be a member state of the European Union;

Brexit Impact Event means any of the following events if directly caused by Brexit:

- a) **Change in Law:** a change in the Law or a new requirement to comply with any existing Law or existing Law ceasing to apply to a party. For these purposes, Law means any legal provision a party must comply with including any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, enforceable EU right within the meaning of section 2 of the European Communities Act 1972, bye-law, regulation, order, mandatory guidance or code of practice, judgment of a court of law, or requirement of any regulatory body, whether in the UK or elsewhere;
- b) **Trade tariff or taxation:** in any jurisdiction, the imposition of, or a change to, a duty, tax or levy imposed on, or related rebates applicable to, imports or exports of the Animals across borders, and/or to the sale of Animals that have crossed a border;
- c) **Licence or consent:** in any jurisdiction, the loss of, a change to or the imposition of a new requirement for any licence or consent required by the Buyer to purchase, transport or own the Animals;
- d) **Changes in Accreditation:** any change which results either in an accreditation or quality assurance scheme (e.g. Red Tractor, BCP, Bord Bia, NPQAS) for the Animals changing, or that results in the Animals no longer being accredited by a relevant accreditation or quality assurance scheme, or otherwise ceasing to be within the relevant Technical Specification;
- e) **Currency Fluctuation:** where the price for the Animals has been agreed in Euro, a change of more than 5% to the rate of exchange of sterling against the Euro, since 1 March 2019. The rate of exchange for these purposes shall be the daily spot exchange rate published by the Bank of England;
- f) **Pig Price Index Fluctuation:** a change of more than 5% to the SPP or Tribune Price against the comparable SPP or Tribune Price (as applicable, or of any replacement index) since 1 March 2019;
- g) **Shortages:** shortages of ingredients, components, materials or labour;
- h) **Other change:** an unforeseeable change (at the date of the relevant Contract) to the business or economic environment in which the Buyer operates (including but not limited to increases in the cost of production of Animals purchased on such a basis that are in excess of 5% since 1 March 2019) which is not caused by a to g above.

Business Day means a day (other than a Saturday or Sunday) that is not designated by law as a public holiday in the country of the Delivery Address;

Buyer means Karro Food Limited a company registered in Scotland (Co. No. SC220000) whose principal office for legal correspondence is c/o Karro Food Group, Norton Industrial Estate, Hugden Way, Malton, YO17 9HG, or other relevant company within the Karro Group where expressly specified in writing;

Certification Scheme(s) means the formal accreditations specified in the Commercial Terms.

Commencement Date means the date, as set out in the Commercial Terms, in which this Contract will come into effect;

Commercial Terms means the information appended to the front of the Contract entitled 'Karro Foods Limited – Commercial Terms' or which has been otherwise agreed and recorded between the parties (including but not limited to by email) and which shall incorporate these Conditions;

Contract means the legally binding contract for the purchase by the Buyer of the Animals from the Supplier formed under Condition 2;

Delivery Address means the address to which the Animals shall be delivered which is specified in the Commercial Terms;

Force Majeure Event means an event or circumstances beyond the reasonable control of the affected party which by its nature, could not have been foreseen by it or, if it could have been foreseen, was unavoidable or could not have been avoided or mitigated by a reasonable and prudent business including riot, war, fire, act of God, flood or earthquake, power failure, shortage of labour or supplies, interruption or disruption to the plant or machinery, supply chain issues, acts of terrorism, insurrection, acts of government;

Good Farming Practice means the exercise by the Supplier of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a prudent farmer engaged in the rearing of the Animals using the best available techniques and procedures so as to ensure that the Animals are reared to a high welfare standard (including full compliance with the terms of the Certification Scheme(s) and the requirements of the DEFRA, Environment Agency and the Food Standards Agency), and in conformity with all statutory requirements and all applicable regulations relating to the environment, welfare, rearing, transport, sale and subsequent retail of the Animals;

Insolvency Event means in relation to a party: (i) if an order is made or a resolution is passed for the winding up of the other party or circumstances arise which entitle a Court of competent jurisdiction to make a winding-up order of the other party; or an order is made for the appointment of an administrator to manage the affairs, business and property of the other party or documents are filed with a court of competent jurisdiction for the appointment of an administrator of the other party or notice of intention to appoint an administrator is given by the other party or its directors or by a qualifying floating charge holder (within Northern Ireland as defined in paragraph 15 of Schedule B1 to the Insolvency (NI) Order 1989 and within the rest of the UK as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986); (ii) a receiver is appointed over any of the other party's assets or undertaking or if circumstances arise which entitle a court of competent jurisdiction or a creditor to appoint a receiver or manager of the other party or if any other person takes possession of or sells the other party's assets; (iii) the other party makes any arrangement or composition with its creditors or makes an application to a court of competent jurisdiction for the protection of its creditors in any way; (iv) the other party is, or is reasonably considered to be unable to pay its debts when they fall due (within Northern Ireland as defined in Section 103 of the Insolvency (NI) Order 1989 and within the rest of the UK within Sec 123 of the Insolvency Act 1986); (v) any distraint is levied against the other party or its property by any third party provided always that such event is material in nature and not remedied or corrected within a reasonable period of time; or (vi) if such party ceases, or threatens to cease, to carry on business; or if such party suffers or is subject to any analogous actions or circumstances in any jurisdiction.

Karro Group: means any company that is a parent or a subsidiary of Karro Food Limited;

Pandemic: means the spread of any virus or disease affecting humans (including but not limited to Covid-19 or any variety of Covid or SARS) or affecting Animals which results in governmental restrictions on the movement of persons or Animals or upon trade in any way (whether or not formally declared by any relevant governmental body as a pandemic (including but not limited to any part of the UK Government and/or the World Health Organisation));

Pandemic Impact Event means any of the following events if directly caused by Pandemic:

- a) **Change in Law:** a change in the Law or a new requirement to comply with any existing Law or existing Law ceasing to apply to a party. For these purposes, Law means any legal provision a party must comply with including any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, enforceable EU right within the meaning of section 2 of the European Communities Act 1972, bye-law, regulation, order, mandatory guidance or code of practice, judgment of a court of law, or requirement of any regulatory body, whether in the UK or elsewhere;
- b) **Licence or consent:** in any jurisdiction, the loss of, a change to or the imposition of a new requirement for any licence or consent required by the Buyer to purchase, transport or own the Animals;
- c) **Border Closures and Import / Export Restrictions:** any restriction on the movement of Animals and/or movement of people in and out of the United Kingdom to and from third countries;
- d) **Restrictions on Movement:** any restriction on the free movement of Animals and/or people within a geographical territory, including but not limited to, quarantine, self-isolation or compulsory isolation;
- e) **Changes in Accreditation:** any change which results either in an accreditation or quality assurance scheme (e.g. Red Tractor, BCP, Bord Bia, NPQAS) for the Animals changing, or that results in the Animals no longer being accredited by a relevant accreditation or quality assurance scheme, or otherwise ceasing to be within the relevant Technical Specification;
- f) **Currency Fluctuation:** where the price for the Animals has been agreed in Euro, a change of more than 5% to the rate of exchange of sterling against the Euro, since 1 March 2019. The rate of exchange for these purposes shall be the daily spot exchange rate published by the Bank of England;
- g) **Pig Price Index Fluctuation:** a change of more than 5% to the SPP or Tribune Price against the comparable SPP or Tribune Price (as applicable, or of any replacement index) since 1 March 2019;
- h) **Shortages:** shortages of ingredients, components, materials or labour;
- i) **Other change:** an unforeseeable change (at the date of the relevant Contract) to the business or economic environment in which the Buyer operates (including but not limited to increases in the cost of production of Animals purchased on such a basis that are in excess of 5% since 1 March 2019) which is not caused by a to h above.

Payment Terms has the meaning set out in the Commercial Terms or in the absence of any specific payment provisions in the Commercial Terms then the Buyer will make payment by BACS within 18 Business Days after receipt of the Animals.



Price means price for the Animals as more particularly described in the Commercial Terms;

Quantity means such quantities of Animals to be supplied by the Supplier as more particularly detailed in the Commercial Terms;

Quarter means each period of 3 months ending on 31 March, 30 June, 30 September and 31 December;

Supplier means the company, firm or person that supplies the Animals under the Contract, whose name and address appears in the Commercial Terms.

SPP means the standard pig price as declared on a weekly basis by the Agriculture and Horticulture Development Board ("AHDB")

Technical Specification means the Buyer's requirements and standards for the Animals (including any retailer requirements and standards notified to the Supplier) including quality, description, weight and size of the Animals, husbandry and rearing standards, approved feedstock, vaccination and general welfare, appended to this Contract in the Annex, or as updated by the Supplier from time to time.

Term means the duration of this Contract as more particularly detailed in the Commercial Terms;

Tribune means the weekly tribune pig prices as published in the weekly tribune trade newsletter published by Lewis Media of Suite A Aaron House, Office Village, River Way, Uckfield, East Sussex, TN22 1SL; and

VAT means value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement or additional tax.

1.2 In these terms and conditions (the/these "**Conditions**") and in the Contract:

1.2.1 words expressed in the singular shall include the plural and vice versa;

1.2.2 words referring to a particular gender include every gender;

1.2.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership, joint venture, government, state or agency of state;

1.2.4 references to Conditions, Schedules and Annexes are to the Conditions, Schedules and Annexes of these terms and conditions and references to paragraphs are to paragraphs of the relevant Annex or Schedule.

1.2.5 the words and phrases **other, including and in particular** or any similar expression shall not limit the generality of any preceding words or be construed as being limited to the same class as any preceding words where a wider construction is possible;

1.2.6 references to any statute or statutory provision shall include: (i) any subordinate legislation made under it; (ii) any provision which it has modified or re-enacted (whether with or without modification); and (iii) any provision which subsequently supersedes it or re-enacts it (whether with or without modification) whether made before or after the date of your appointment;

1.2.7 this Contract shall be binding on, and enure to the benefit of, the parties to this Contract and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns;

1.2.8 any defined terms that are not in this Contract shall have the meaning given to them in the Commercial Terms;

1.2.9 any obligation in the Contract on a person not to do something includes an obligation not to agree, allow, permit or acquiesce in that thing being done;

1.2.10 headings to Conditions are inserted for convenience only and shall not affect the interpretation or construction of the Conditions; and

1.2.11 if there is a conflict between the provisions of the documents which together form the Contract, the order of priority shall be: (i) the Commercial Terms; (ii) the Conditions; (iii) Technical Specification; and (iv) any other document referred to therein. To the extent that these Conditions supplement and/or expand upon the Commercial Terms, they shall not be held to be in conflict with them.

2 CONTRACT FORMATION AND BASIS OF PURCHASE

2.1 The Contract shall commence on the Commencement Date and shall, unless otherwise terminated in accordance with Condition 5.2, continue for the Term when it shall terminate automatically without notice.

2.2 The Contract shall, as the context requires, be formed by either; (a) any signed written agreement between the Buyer and the Supplier which incorporates these Conditions by reference or within a schedule to such written agreement, or (b) subject to Condition 2.3, any written exchange between the parties (including by email) which incorporates the Commercial Terms, these Conditions and any agreed Technical Specification and which the Supplier has either accepted expressly (either verbally or in writing), or impliedly through taking any steps towards fulfilling the order for the supply or delivery of the Animals.

2.3 These Conditions comprise the only terms and conditions on which the Buyer shall do business with the Supplier and shall apply exclusively to the Contract to exclusion of any other terms and conditions, unless expressly agreed by a duly authorised representative of the Buyer in writing. No terms and conditions endorsed upon, linked to, delivered with or contained in the Supplier's quotation, estimate, customer credit check / set up pack, acknowledgement or acceptance of order, invoice, or any other document or email or otherwise given to the Buyer shall form part of the Contract or be binding upon the Buyer, even if no specific objection has been raised and/or if the Animals have been delivered to the Buyer. To the extent that these Conditions supplement and expand upon the terms of any Contract (for example, including but not limited to, in relation to Brexit Impact Events and Pandemic Impact Events) they shall be binding upon the parties in relation to purchases of Animals made after 15 December 2021, and shall not be held to conflict with such Contract.

3 QUALITY AND DESCRIPTION

3.1 It is a condition of any Contract that the Animals and any products derived from the Animals shall:

3.1.1 be supplied in accordance with Good Farming Practice;

3.1.2 be supplied in full conformity with the Technical Specification, and fit for transit, be clinically disease free, healthy and well finished pigs.

3.1.3 be supplied in full conformity with the provisions of the Commercial Terms.

3.1.4 be transported to the Delivery Address in a safe and human manner;

3.1.5 be certified as "fit for human consumption" by a Veterinary Surgeon qualified as a meat inspector and of saleable quality; and

3.1.6 the farm/unit from where they are supplied is accurately identified and marked in strict accordance with statutory and other legal requirements including the Department for Environment, Food and Rural Affairs herd mark.

3.2 All representations, statements or warranties made or given by the Supplier, its employees and agents (whether orally in writing) regarding the quality and fitness of the Animals shall be deemed to be an express condition of the Contract.

4 DELIVERY

4.1 The Supplier shall deliver the Animals to the Buyer at the Delivery Address at the Supplier's expense not earlier than the date and time specified in the delivery confirmation. Where a period of exclusive of supply has been agreed in the Commercial Terms, the Buyer's Animals shall be supplied by the Buyer to the Supplier upon an exclusive basis for the specified period. To the extent any such exclusivity is held to be invalid or unlawful under any applicable law, the Supplier shall supply such Quantities of Animals on a non-exclusive basis. Where any minimum Quantity of supply of Animals has been specified over any period in the Commercial Terms, the Supplier shall supply and the Buyer shall purchase such specified Quantities of Animals (subject to a tolerance of up to -5%) during the relevant periods. Where any maximum Quantity of supply of Animals has been specified over any period in the Commercial Terms, the Buyer shall not be obliged to purchase more Animals than the stated maximum Quantity.

4.2 The Supplier shall be fully responsible for the cost of loading, transportation and delivery of the Animals to the Delivery Address.

4.3 A delivery note (licence) quoting the type and number of the Animals must accompany each delivery of the Animals.

4.4 Any signature given by any employee or agent of the Buyer purporting to be a receipt for the Animals referred to in a delivery note shall be that person's best estimate only of the type or quantity of the Animals delivered. The Supplier acknowledges that the Buyer will not have an opportunity to inspect the Animals upon delivery and therefore the Buyer reserves all of its rights in the event that subsequent investigation reveals that the Animals delivered were not as stated in the delivery note. Physical delivery of the Animals to the Delivery Address and acknowledgement or receipt thereof by the Buyer shall not be deemed to be an acceptance of a variation in the Purchase Order or the Contract.

4.5 In making delivery the Supplier shall comply fully (and shall procure that its carriers comply fully) with any delivery requirements/procedures at the Delivery Address which have been brought to the Supplier's or its carrier's attention.

4.6 Whenever a time of and/or date for delivery of the Animals is stated, the time of and/or date for delivery of Animals shall be of the essence of the Contract. If the Supplier fails to deliver the Animals by the time and/or date specified, the Company may without prejudice to its other rights reject the Animals and cancel the Contract in accordance with Condition 6.2. Where the Animals are to be delivered by instalments, the Contract shall be treated as a single contract and not severable. Failure to deliver one instalment of the Animals by the time and/or date specified, shall allow the Buyer, without prejudice to its other rights, to reject the Animals and cancel the Contract in accordance with Condition 6.2.

5 TERM AND TERMINATION

5.1 The Contract shall commence on the Commencement Date and, subject to remainder of this Condition 5 below, shall continue for the Term.

5.2 Either party may terminate the Contract immediately on written notice if:



- 5.2.1 the other party commits a material breach of contract (including a breach by the Supplier of any of the provisions of Condition 4) and (if such breach is remediable) fails to remedy that breach within a period of ten (10) Business Days of being notified in writing to do so; or
- 5.2.2 the other party is subject to an Insolvency Event.
- 5.3 If the Commercial Terms give a party a right to terminate for convenience, they shall be entitled to terminate the Contract by serving the relevant notice on the other party with the specified notice period.
- 5.4 Any provision of the Contract that expressly or by implication is intended to come into or continue in force on or after termination shall remain in full force and effect.
- 6 SELF HELP REMEDIES**
- 6.1 Nothing in this Contract is intended or shall restrict or exclude either party's liability for death or personal injury resulting from its negligence, or any liability for fraud, fraudulent misrepresentation or any other liability which cannot be excluded by law.
- 6.2 Without prejudice to any other right or remedy which the Buyer may have, if any of the Animals are not supplied in accordance with (or the Supplier fails to comply with) any of the terms of the Contract or the provision of these Conditions, (including but not limited to any failure by the Supplier to deliver the Animals by any time and/or date specified), the Buyer shall without prejudice to its other rights be entitled to avail itself of any one or more of the following remedies at its discretion without any liability or obligation to the Supplier, whether or not any of the Animals have been accepted by the Buyer:
- 6.2.1 to cancel any Contract (in whole or in part);
- 6.2.2 to refuse to accept any further deliveries of the Animals;
- 6.2.3 to reject the Animals or any delivery (in whole or in part) and request that the Supplier picks up the Animals at its own risk and cost;
- 6.2.4 to permit the Supplier to replace the Animals so that they conform to the Contract and to delay payment until the requirements of the contract have been fulfilled;
- 6.2.5 to receive a pro-rata refund of any sums paid to the Supplier; and/or
- 6.2.6 to receive compensation for any under supply of Animals.
- 6.3 The Supplier shall indemnify and keep indemnified the Buyer on demand and hold the Buyer harmless against:
- 6.3.1 all actions, proceedings, claims and demands brought by or against the Buyer arising out of or in connection with this Contract;
- 6.3.2 all liabilities, losses or damages (including damages payable by the Buyer to its customers and/or damages in lieu of fines or penalties) suffered or incurred by the Buyer arising out of or in connection with this Contract;
- 6.3.3 all costs, expenses and outgoings (including legal and other professional fees) suffered or incurred by the Buyer as a result of:
- (a) any negligence and/or breach of its obligations (including without limitation any breach of Condition 3 and the Technical Specification) under this Contract by the Supplier; and
- (b) any loss incurred by the Buyer as a result of any regulatory investigation into the Animals or fines or penalties imposed on the Buyer pursuant to law or otherwise by a regulatory authority where such fine is attributable to the Supplier's negligence, breach of statutory duty or breach of this Contract.
- 6.4 Either party shall be entitled to request a meeting once a year throughout the Term to discuss any major market changes and the impact of such changes upon this Contract, including but not limited to requesting changes to the pricing, any period of exclusivity, and any minimum Quantities. In the event that the Buyer requests any reasonable adjustment to the Contract to accommodate any such major market changes, to which the Supplier does not agree, the Buyer shall be entitled at its discretion to terminate the Contract on no less than one month's written notice.
- 7 PRICE AND PAYMENT**
- 7.1 The Price shall be as specified in the Commercial Terms and, unless otherwise stated, shall be inclusive of insurance charges and any other charges for delivery (including carriage in accordance with Condition 4.2) other than VAT which shall be payable by the Company subject to receipt of a valid VAT invoice.
- 7.2 No increase in the Price may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without the prior written consent of the Buyer.
- 7.3 In consideration of the prompt and satisfactory delivery of the Animals in accordance with the terms of the Contract, the Buyer shall pay the Supplier the Price in accordance with the Payment Terms. For the avoidance of doubt, time for payment shall not be of the essence (nor made of the essence by notice).
- 7.4 Each party shall pay interest on any undisputed sum due under this Contract from the due date until payment of the overdue sum at a rate of 4% per year above the Bank of England's base rate from time to time, but at 4% a year for any period when that base rate is below 0%.
- 7.5 Payment shall not operate to waive or prejudice any of the Buyer's rights under the Contract or otherwise nor shall it be deemed to signify acceptance of any Animals subsequently rejected.
- 7.6 All payments shall be made in Pounds Sterling unless otherwise specified.
- 7.7 The Buyer may set-off against any money due to the Supplier on any account any sum owed by the Supplier to the Buyer and the amount or probable amount (whether precisely quantifiable or not) of any claim asserted by the Buyer against the Supplier.
- 8 TITLE AND RISK**
- 8.1 Risk in the Animals shall pass to the Buyer once the Animals have been delivered to the Delivery Address, safely unloaded from the transport, placed securely in the Buyer's lairage, deemed fit for human consumption, classified and weighed.
- 8.2 Without prejudice to the passing of risk and the buyer's right of rejection under Condition 6.2.3, title to the Animals shall pass to the Buyer once the Animals have been slaughtered and certified as "fit for human consumption" by a Veterinary Surgeon qualified as a meat inspector.
- 8.3 The risk in the Animals rejected by the Buyer under Condition 6.2.3 shall upon rejection pass back to the Supplier.
- 9 FORCE MAJEURE**
- 9.1 Subject to Condition 9.4 if either the Company or the Supplier is prevented from fulfilling the Contract in accordance with its terms by reason of Force Majeure Event then, subject to Condition 9.4, neither party shall have any liability to the other in respect of the delay or failure to perform the Contract whilst such Force Majeure Event is in effect.
- 9.2 If either party is or is likely to be affected by a Force Majeure Event, it will promptly notify the other party in writing, advising of the circumstances causing the delay or the failure to perform, and shall again notify the other party in writing when the circumstances have ceased to cause the delay or the failure to perform.
- 9.3 If the Force Majeure Event continues for more than twenty (20) Business Days, either party may terminate or cancel all or any part of the Contract, by giving written notice to the other party.
- 9.4 The Supplier shall not be entitled to rely upon any Force Majeure Event or to exercise the provisions of this Condition 9:
- (a) unless the Supplier can reasonably demonstrate to the reasonable satisfaction of the Buyer that the relevant cause or delay or failure was not occasioned by the fault or negligence of the Supplier, and that it could not have been remedied or mitigated at the reasonable expense of the Supplier and that the Supplier has taken reasonable steps to mitigate its effect upon the supply of the Animals; or
- (b) where the relevant cause or delay or failure arises directly or indirectly from Brexit or a Pandemic
- 10 INSURANCE**
- 10.1 The Supplier shall at all times be adequately insured (but without limiting its obligations and responsibilities under these Conditions or in respect of any Contract), with a reputable insurer, against all liabilities for which it is able to insure under the Contract, including without prejudice to the foregoing:
- 10.1.1 public liability insurance for a minimum amount of cover of two (2) million pounds sterling on an each and every claims basis;
- 10.1.2 products liability insurance for a minimum amount of cover of two (2) million pounds sterling on an each and every claims basis; and
- 10.1.3 employers' liability insurance for a minimum amount of cover of two (2) million pounds sterling on an each and every claim basis.
- 10.2 The Supplier shall maintain such insurance whilst any Contract is in force and for a period of twelve (12) months after the Contract and shall do nothing to vitiate such insurance and shall upon reasonable request produce the insurance policy and the current premium receipt upon the Buyer's request.
- 11 AUDIT / OPEN BOOK**
- 11.1 The Supplier shall keep detailed, true, complete and accurate records relating to all aspects of the rearing of the Animals and their supply to the Buyer. Subject to the provisions of Condition 11.2, the Supplier shall on reasonable prior written notice during normal business hours on any Business Day give the Buyer and its professional advisers and representatives such access to the Supplier's premises and records as may be reasonably required by the Buyer to audit the Supplier's compliance with the provisions of this Contract, including but not limited to all requested evidence of all costs components and expenses that may form part of any pricing formula under the Commercial Terms, and access to all sites and records necessary to demonstrate compliance with the Certification Schemes.



11.2 Notwithstanding the provisions of Condition 11.1, and without prejudice to its other rights and remedies under the Contract, where the Buyer reasonably suspects that the Supplier is in material breach of this Contract (and, for the avoidance of doubt, a breach of Condition 2.3 or of the Technical Specification shall automatically be a material breach for the purposes of this Condition 11), the Buyer shall have the right to access the Supplier's premises and records on an unlimited number of occasions and at any time, without notice to the Supplier, in order to audit the Supplier's compliance with the provisions of this Contract. The Supplier hereby agrees to fully co-operate with the Buyer in the event of the Buyer exercising its rights under this Condition 11.2 in accordance with its terms.

12 IMPACT OF BREXIT

12.1 The Supplier warrants to the Buyer that it has acted in accordance with good industry practice in relation to preparing for the potential impacts of Brexit, including but not limited to holding sufficient stocks of Animals; fixing feed and transport costs; and where applicable hedging currency, in order to honour all Contracts for Animals with the Buyer where the Animals are to be delivered after Brexit, so as to ensure that all such Animals will be delivered to the Buyer on time and at the price originally agreed.

12.2 If a Brexit Impact Event occurs, the Buyer may initiate a negotiation by sending a written notice to the Supplier (**Brexit Notice**) giving reasonable details of the relevant Brexit Impact Event and of its negative impact on the Buyer. On delivery of a Brexit Notice:

12.2.1 the parties shall meet with 10 days of the Brexit Notice and as reasonably necessary thereafter to discuss, acting reasonably, amendments to the Contract that may be required to put the Buyer in the position it would have been if not for the Brexit Impact Event that has had a negative impact on the Buyer;

12.2.2 each party shall comply with all reasonable requests made by the other party for additional information and documents relating to the Brexit Impact Event relied on, and its negative impact on the Buyer, always provided that information so disclosed shall be a party's confidential information and any amendments agreed by parties to the Contract shall be recorded in writing and signed by both parties.

12.3 If the parties fail to agree a variation in accordance with Condition 12.2. within 30 days of the date of the Brexit Notice the Buyer may (without affecting any other right or remedy available to it) terminate the Contract without charge or penalty by giving the Supplier no less than 4 weeks' notice.

12.4 A Brexit Impact Event shall not permit the Supplier to terminate or alter the Contract, nor invalidate any of its terms or discharge or excuse performance under it by the Supplier. For the avoidance of doubt, in no circumstances shall any consequences of Brexit give rise to a Force Majeure Event under Condition 9 which would excuse the Supplier from performance. If there is an inconsistency between the provisions of this Condition 12 and any other provision of these Conditions, the provisions of this Condition 12 shall prevail.

13 IMPACT OF PANDEMIC

13.1 The Supplier warrants to the Buyer that it has acted in accordance with good industry practice in relation to preparing for the potential impacts of a Pandemic so as to ensure that all Animals will be delivered to the Buyer on time and at the price originally agreed.

13.2 If a Pandemic Impact Event occurs, the Buyer may initiate a negotiation by sending a written notice to the Supplier (**Pandemic Notice**) giving reasonable details of the relevant Pandemic Impact Event and of its negative impact on the Buyer. On delivery of a Pandemic Notice:

13.2.1 the parties shall meet with 10 days of the Pandemic Notice and as reasonably necessary thereafter to discuss, acting reasonably, amendments to the Contract that may be required to put the Buyer in the position it would have been if not for the Pandemic Impact Event that has had a negative impact on the Buyer;

13.2.2 each party shall comply with all reasonable requests made by the other party for additional information and documents relating to the Pandemic Impact Event relied on, and its negative impact on the Buyer, always provided that information so disclosed shall be a party's confidential information and any amendments agreed by parties to the Contract shall be recorded in writing and signed by both parties.

13.3 If the parties fail to agree a variation in accordance with Condition 13.2 within 30 days of the date of the Pandemic Notice the Buyer may (without affecting any other right or remedy available to it) terminate the Contract without charge or penalty by giving the Supplier no less than 4 weeks' notice.

13.4 A Pandemic Impact Event shall not permit the Supplier to terminate or alter the Contract, nor invalidate any of its terms or discharge or excuse performance under it by the Supplier. For the avoidance of doubt, in no circumstances shall any consequences of Pandemic give rise to a Force Majeure Event under Condition 9 which would excuse the Supplier from performance. If there is an inconsistency between the provisions of this Condition 13 and any other provision of these Conditions, the provisions of this Condition 13 shall prevail.

PLEASE NOTE EACH OF THE FOLLOWING IMPORTANT PROVISIONS OF CONDITION 14

14. LIMITATION OF LIABILITY

14.1 Neither party excludes or limits liability to the other party for death or personal injury caused by negligence or for fraud or fraudulent misrepresentation nor where liability cannot be excluded or limited as a matter of law (e.g. breach of any obligations implied by Section 12 of the Sale of Goods Act 1979 (as amended) or Section 2 of the Supply of Goods and Services Act 1982.

14.2 Subject to Condition 14.1 above, the Buyer's total aggregate liability in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise, arising in connection with the performance or contemplated performance of the Contract and/or any dispute arising therefrom in any calendar year ("**Year**") shall:

14.2.1 where the dispute relates to Animals, be limited to a maximum of the total price payable for the Animals actually delivered by the Supplier to the Buyer in accordance with the Contract during that Year, or

14.2.2 be limited to a maximum sum of £100,000 in all other circumstances.

14.3 Subject to Condition 14.1 and 14.2, the Buyer shall not be liable to the Supplier for any:

14.3.1 loss of profits, (whether direct or indirect); and/or

14.3.2 loss of business; and/or

14.3.3 loss of business opportunity; and/or

14.3.4 depletion of goodwill; and/or

14.3.5 loss or corruption of data, or the costs and consequences of any data restoration; and/or

14.3.6 costs of loans, borrowing and/or of temporary financing; and/or

14.3.7 additional staffing costs; and/or

14.3.8 costs, expenses or other claims for any type of special, direct or consequential loss or compensation (including loss or damage suffered as a result of an action brought by a third party); and/or

14.3.9 legal costs incurred by the Supplier which exceed the sum of £10,000 (exclusive of VAT) in relation to any dispute arising out of, or in connection with, the Contract and/or its subject matter (including but not limited to the costs of legal advice; legal representation; technical experts; expert witnesses; mediation costs; arbitration costs; ICC, CEDR and/or other ADR costs; litigation costs; adjudication costs; and/or court fees,

in each case, whatsoever and howsoever caused which arises out of or in connection with these Conditions and/or the Contract, even if such loss was reasonably foreseeable or the Buyer had been advised of the possibility of the Supplier incurring the same.

15 GENERAL

15.1 If any wording in any provision of the Contract and/or these Conditions shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such wording shall be deemed removed from the relevant provision, and the invalidity or unenforceability of such wording shall not affect the remainder of that provision, nor the remainder of the relevant Contract and/or of these Conditions, and the remaining wording of such provision and all other provisions not affected by such invalidity or unenforceability shall remain in full force and effect.

15.2 No variation of these Conditions (or to any Contract made pursuant to these Conditions) shall be binding upon the parties unless the same shall be in writing duly signed by an authorised representative of the Buyer and the Supplier on its behalf and such variation shall be particular to the circumstances mentioned by such writing and shall not be regarded as a general variation.

15.3 The failure of either party to insist upon strict performance of any provision of these Conditions (or to any Contract made pursuant to these Conditions), or the failure of either party to exercise any right or remedy to which it is entitled hereunder, shall not constitute a waiver thereof and shall not cause a diminution of the obligations established by these Conditions (or to any Contract made pursuant to these Conditions).

15.4 Subject to the specific limitation set out in these Conditions, no remedy conferred by any provision of these Conditions is intended to be exclusive of any other remedy except as expressly provided for in these Conditions and each and every remedy shall be cumulative and shall be in addition to every other remedy given thereunder under existing law or in equity by statute or otherwise.

15.5 Subject to Condition 3.2, each party acknowledges that, in entering into the Contract, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in the Contract and that the Contract constitutes the whole



contract between the parties and supersede all previous contracts between the parties relating to its subject matter. Each of the parties irrevocably and unconditionally waives any right or remedy it may have to claim damages and/or rescind this contract by reason of any misrepresentation (other than fraudulent misrepresentation) not contained in this contract.

15.6 The Supplier shall not, without the prior written consent of the Buyer, transfer, assign or sub-let the Contract to any person whatsoever in whole or in part.

15.7 The Buyer shall be entitled to assign, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any or all of its rights and obligations under this Contract without the prior written consent of the Supplier, but shall notify the Supplier of any such dealing as soon as reasonably practicable..

15.8 Where under any of the Contract notice is required to be given by either party to the other such condition shall be satisfied by a written notice signed by an officer of the relevant party and transmitted either by post or facsimile to the registered office in the case of the Buyer and to the address stated in the Commercial Terms case of the Supplier. Any notice required to be given under the Contract, shall be in the English language, in writing and shall be delivered personally, or sent by pre-paid first class post or recorded delivery or by commercial courier, to each party required to receive the notice at its registered address as set out in the commercial terms.

15.9 Except as expressly provided, nothing in this Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party the agent of the other, nor authorise a party to make or enter into any commitments for or on behalf of the other party. A person who is not a party to the Contract shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999.

15.10 Each party shall be responsible for the payment of its own costs (and not those of the other party) in connection with the negotiation, preparation and execution of the Contract.

15.11 If any dispute arises in connection with this Contract, the parties may agree to enter into mediation in good faith to attempt to settle such a dispute, and if so, will do so in accordance with the Centre for Effective Dispute Resolution (CEDR) model mediation procedure. Unless otherwise agreed between the parties within 14 days of notice of the dispute, the mediator will be nominated by CEDR.

15.12 The Contract and any and all matters arising under or in connection with the Contract (whether in contract, tort, or otherwise) shall, where the Delivery Address is in Northern Ireland, be governed by and construed in accordance with the laws of Northern Ireland and the parties irrevocably agree in such circumstances that the courts of Northern Ireland shall have exclusive jurisdiction to settle any dispute arising under or in connection with it, and where the Delivery Address is outside of Northern Ireland, it shall be governed by and construed in accordance with the laws of England, and the parties irrevocably agree in such circumstances that the courts of England shall have exclusive jurisdiction to settle any dispute arising under or in connection with it.

ANNEX – TECHNICAL SPECIFICATION

Certification Schemes

All pigs must comply with the Certification Schemes that are specified in the Commercial Terms, as described in more detail below:

- Where “British Quality Assured”, “BQA”, “British Meat Producers Association”, or “BMPA” is specified, all pigs supplied must comply with the most recent requirements of Module 1 “Pig Welfare and Slaughter” of the British Meat Producers Association “BMPA Pork Scheme” from time to time, in order to enable the meat to be British Quality Assured. These may change from time to time, and are published on the British Meat Producers Association website at <http://britishmeatindustry.org/our-work/bmpa-pork-scheme/scheme-modules/>.
- Where “Red Tractor” is specified, all pigs supplied must comply with all of the requirements set out in the most recent Red Tractor Scheme “Red Tractor Assurance For Farms – Pigs Standards Scheme” from time to time. These may change from time to time, and are published on the Red Tractor Scheme website - the version current in June 2020 is available at: https://assurance.redtractor.org.uk/contentfiles/Farmers-6801.pdf?_=636504999253492650
- Where “Quality Meat Scotland”, “QMS”, or “QM Scotland” is specified, all pigs supplied must comply with the most recent requirements of Quality Meat Scotland’s “Pig Assurance Scheme” Standards. These may change from time to time, and are published on the Quality Meat Scotland website at <https://www.qmscotland.co.uk/pig-standards> and the version current in June 2020 is available at: https://www.qmscotland.co.uk/sites/default/files/2017_qms_pigs_assurance_scheme_standards.pdf
- Where “RSPCA”, “FF” or “Freedom Foods” is specified, all pigs supplied must comply with all of the requirements set out in the most recent RSPCA / Freedom Foods “RSPCA Standards for Pigs” from time to time. These may change from time to time, and are published on the RSPCA/Freedom Foods website at: <https://www.berspcaassured.org.uk/rspca-welfare-standards/>
The version current in June 2020 is available at: <https://www.berspcaassured.org.uk/media/1171/rspca-standards-for-pigs-2016.pdf>
- Where “Tesco” or “Integra” is specified, all pigs supplied must comply with all of the requirements, detailed in the most recent Tesco Livestock Requirements and other Welfare Standards relating to pigs from time to time. These may change from time to time, are available upon request and are described at: <https://www.tescopl.com/little-helps-plan/reports-policies-and-disclosure/animal-welfare-policy/more-information-on-our-uk-animal-welfare/>
All farms supplying Tesco Welfare compliant pigs are to facilitate the annual Tesco supply chain Integra Inspection by Integra Food Secure Limited.
- Where any other Certification Scheme has been specified in the Commercial Terms, all pigs must comply with the most recent requirements of such Certification Scheme.
- If pigs supplied are breed specific, this must be fully supported by appropriate documentation, which is available and auditable on request.
- All documentation relating to compliance with any of the Certification Schemes or above listed standards detailed within the scope of this Contract, is to be available on the request of Karro, and copies available at the relevant site within 3 hours of Karro’s request.