

LANCASHIRE FOODS LTD  
CONDITIONS OF SALE

Each contract for the sale of Products and/or the supply of Services by Lancashire Foods Ltd. at any time is made on the following conditions unless we issue a set of contract documents in which case those contract documents will apply instead. Delivery men and Lancashire Foods representatives have no authority to agree to any amendments to these conditions. These conditions take the place of any of your terms or conditions. They will prevail over any INCOTERMS or similar terms on the basis of which any contract for the sale of Products and/or the supply of Services is concluded.

1. DEFINITIONS

- (a) Delivery is defined in condition 4(a) below
- (b) GB means England, Scotland, Wales and Isle of Man
- (c) Products means the beverages or other products sold, supplied or distributed by us including the bottle, can or other non-returnable packaging in which they are supplied and any Container in or with which they are supplied.
- (d) Purchase Price means the price of the Products and/or Services as quoted by us to you (or, if condition 2(a) below applies the price of the Products and/or Services current at the time of Delivery) plus any VAT or other taxes payable.
- (e) Services means the acts, services and results of services provided by us to, for or on behalf of you together with any services (including the provision of ancillary items or parts required to effect such services) we provide to, for or on behalf of you in relation to the Products.
- (f) We, us, our and Lancashire Foods means Lancashire Foods Ltd.
- (g) You and Your means the individual firm or company placing an order to buy Products or otherwise dealing with us in respect of any Products and/or to whom we supply Services.
- (h) Words in the singular include the plural and vice versa and masculine includes the feminine and vice versa. The headings to these conditions are for information only and do not affect their interpretation.

2. PRICES

- (a) We reserve the right to change the Purchase Price at any time before the date of Delivery to take account of any change in the cost to us of supplying the Products or the Services to you. We will try to give you reasonable notice of any change in the Purchase Price.
- (b) All prices quoted are exclusive of VAT (which will be charged at the rate current at the date of Delivery) and are also exclusive of any other taxes and duties, all of which you must pay as part of and at the same time as the Purchase Price.
- (c) We will charge and you must pay on demand VAT in relation to the Products unless the Products are to be exported from GB to territories outside the European Economic Area and you give to us, evidence which is satisfactory to HM Customs and Excise to establish that the supply of the Products is zero rated for VAT purposes. We will elect to charge VAT on Products exported to Member States of the European Economic Area irrespective of the option to zero-rate for VAT, and you must pay that VAT on demand. You must at all times provide to us on demand any information we may reasonably require to enable us to comply with our obligations under VAT legislation in respect of the sale of the Products.
- (d) If you want to query or dispute any invoice or Purchase Price, you must tell us within 7 days of Delivery that you wish to do so. We cannot deal with any query or dispute which you tell us about after that period or issue you with any credit note after that 7 day period.

3. ORDERS

- (a) We do not operate a sale or return policy. If you order Products and they are delivered you must pay for them.
- (b) Each contract for the sale of Products is made subject to our having sufficient supplies of the Products available to us. Every order must be for at least the current minimum order quantity or the minimum order quantity agreed by us with you.

4. DELIVERY

- (a) Delivery of the Products and/or the Services will occur when:
  - The Products are supplied to your premises (or the premises of your specified agent) at an address on the mainland of England, Scotland or Wales: or
  - You collect the Products from us by prior arrangement
- (b) Although we cannot guarantee any Delivery date specified (which is intended as a best estimate only), we will use our reasonable endeavours to meet it. We will not be liable to you for any loss or damage resulting from a delay provided that if Delivery does not take place within 10 working days of our estimated Delivery date, you may reject the Products on the grounds of late delivery.
- (c) All products meet the legislative requirement for Best Before date marking. Please note that it is your responsibility to ensure that your stocks of Products are properly rotated and sold.
- (d) We may deliver Products by instalment and if we do, you agree that each instalment will be the subject of a separate contract. You will receive an invoice for each delivery. If we fail to comply with any provision of these conditions in respect of any contract or instalment, you are not entitled to any remedies in relation to any other contract or instalment.
- (e) You should check all Products at the time of Delivery and sign the proof of delivery document (POD) accordingly.

5. RISK

- (a) Risk in the Products passes to you on Delivery.
- (b) Where Delivery is to take place according to condition 4(a) above, we will transport the Products to your premises at our own risk.

6. PAYMENT

- (a) If we do not offer you credit terms, you must pay us the Purchase Price on or before Delivery. In all other sales, you agree to pay us the full Purchase Price without any deduction either
  - by direct debit by the agreed credit terms
  - By cheque/cash by the agreed credit terms.
- (b) If you do not pay us by the due date(s) for payment then all money owed to us by you will become immediately payable and we reserve the right:
  - To defer or cancel further deliveries of Products to you
  - To charge you interest on any money owed to us and remaining unpaid after the date payment was due. Interest will be calculated at 3% above current base rate and will be calculated on a daily basis and compounded monthly.
  - To charge you a reasonable administration charge together with all our expense (legal or otherwise) in recovering outstanding sums from you; and
  - To require that future payments to us are made as stated in 6(a).
- (c) We reserve the right to deduct any money you may owe us from time to time (including any legal costs and interest) from any money which we may owe you.
- (d) We reserve the right to carry out credit checks on you.
- (e) We have a fixed charge of £35.00 plus VAT for any cheques which are represented, returned or otherwise.

7. RETENTION OF TITLE

- (a) You are entitled to purchase products from other suppliers but, if we try to recover Products under condition 7(b), we will be entitled to assume that we are your sole supplier of the Products unless you tell us otherwise in writing. If you do tell us, you must specify:
  - The product concerned
  - The date of purchase of the product
  - The quantity purchased; and
- (b) We will retain ownership of the Products until we have received from you full payment of the Purchase Price even if the Products have been delivered to you and are held at your risk. Whilst we retain ownership of the Products, you agree to hold the Products in a solely fiduciary capacity and as a bailee for us. You agree to make every effort to keep the Products still owned by us in good order and condition, properly stored, protected and insured, free from any legal process and separate from all other goods and clearly marked so as to be readily identifiable as being our property. You agree that we / are entitled to enter your premises to check that the Products are correctly stored and marked.
- (c) You are licensed to sell the Products even if we retain ownership of them. You agree that if you sell Products owned by us to a third party you do so as our agent and you undertake to:
  - Hold the proceeds of sale as our trustee and agent;
  - Keep the proceeds separately from other money of yours; and
  - Provide us with the proceeds on demand.You shall become entitled to the proceeds of sale of Products once we have received full payment of the Purchase Price for those Products.
- (d) If a winding up order is made against you, or you go into voluntary liquidation, or a receiver is appointed over any of your assets, or you make any arrangement or composition with your creditors then:
  - We will be entitled to treat the contract between you and us as repudiated
  - Your right to sell the Products will automatically cease; and
  - We will be entitled to enter your premises to remove any Products owned by us

8. INSOLVENCY

- (a) This clause applies if:
  - You create any voluntary arrangement with your creditors or become subject to an administration order or (if you are an individual or firm) you become bankrupt or (if you are a company) a winding up order is made against you or you go into liquidation (unless the liquidation is for the purposes of amalgamation or reconstruction) or;
  - An encumbrancer takes possession, or a receiver is appointed over any of your property or assets; or
  - You cease, or threaten to cease, to carry on business; or
  - We reasonably believe that any of the events mentioned above is about to occur and we tell you accordingly.
- (b) If this clause applies then we will be entitled to cancel any contract or suspend any further deliveries of Products under any contract made with you without incurring any liability to you. If the Products have been delivered but not paid for, then the Purchase Price will become immediately due and payable and if it is not paid when demanded, we will be entitled to enter your premises during normal business hours to remove the Products. These rights are in addition to any other right or remedy we may have. You must tell us as soon as possible after you discover that anything within 8(a) has occurred or is likely to occur

9. SEVERENCE

If any part of these conditions is not valid or we cannot enforce it, this will not affect any other part of these conditions.

10. JURISDICTION

English law applies to these conditions and any-agreement between us and you and they will be deemed to have been entered into at 1 Mercer Street, Preston, PR1 4LZ. You agree to any dispute between us being dealt with by the English courts.

11. WAIVER

If we do not enforce any right in these conditions we will not be prevented from enforcing that right at a later date and we will not be deemed to have waived any rights.

12. JOINT AND SEVERAL LIABILITY

Where you are two or more persons, you will each be jointly and severally liable for the performance of the obligations set out in these conditions.

13. AMENDMENT

We reserve the right to amend these conditions by giving you seven days' written notice.

14. CONFIDENTIALITY

All secret or confidential information and advice which we supply to you is for your use alone and you agree not to disclose it to any other person (unless it is already public knowledge or you are required by law to discuss it) without our prior written consent.