

UNITED AGRI PRODUCTS LIMITED

TERMS AND CONDITIONS OF CONTRACT

1. DEFINITIONS

In these Terms and Conditions the "Company" means any of the United Agri Products Limited Companies; "Goods" means any item of whatsoever nature which is to be sold by the Company; "Services" means any services to be rendered by the Company; the "Buyer" means the person firm or body corporate which buys or has agreed to buy any goods or services; "Invoice Price" means the total price stated as payable on the face of the invoice inclusive of Value Added Tax at the prevailing rate (if applicable) but not including any Credit Charge (as hereinafter defined) or interest if applicable.

2. GENERAL

These Terms and Conditions shall apply to and form part of every contract for the provision of goods and/or services entered into by the Company. No variation or abrogation of these Terms and Conditions shall be effective unless it is evidenced in writing and signed by a Director of the Company. No such person shall have any authority to alter amend or add to the contract otherwise than in accordance with these Terms and Conditions. In the event of any conflict between these Terms and Conditions and those contained in any order submitted by the Buyer these Terms and Conditions shall prevail.

3. TIME FOR DELIVERY OF GOODS OR FOR PERFORMANCE OF SERVICES

(a) All times or dates for delivery of goods or for commencement or completion of services are approximate only. Time for delivery of goods or for commencement or completion of services is not of the essence of the contract to which these Terms and Conditions apply and late delivery shall not be a ground for cancellation or refusal to take delivery.

(b) Unless otherwise stated in writing the Company shall be entitled to make partial deliveries of the goods and these Terms and Conditions shall apply to each partial delivery.

(c) The Company shall not be liable in any way for the consequences of any delay in delivery of goods or completion of services or performance of any other obligation under the contract.

(d) In particular but without prejudice to the generality of the foregoing the Company shall not be under any liability whatsoever for any delay caused directly or indirectly by any circumstances beyond its control or due to any act or force majeure and in such circumstances the Company shall be entitled to claim suspension of its obligations during the continuance of such cause.

(e) Where the Company concludes the contract of carriage and/or insures the goods in transit, the Company shall be deemed to be acting solely as the Buyer's agent and Sections 32(2) and (3) of the Sale of Goods Act 1979 shall not apply.

4. LIMITATIONS OF LIABILITY

Subject always to sub-paragraphs (a) and (b) of this clause 4, the Company's liability in contract, tort or otherwise with respect to any claim arising in respect of its acts or omissions under these Terms and Conditions shall be limited to the sum of £550,000.00.

(a) The Company does not exclude or restrict its liability for:

(i) death or personal injury to the extent it results from the negligence of the Company its employees agents or sub-contractors or

(ii) direct physical damage to tangible property of the Buyer to the extent that it results from the negligence of the Company, its employees, agents or sub-contractors provided that such liability for property damage shall not exceed the sum of £275,000.00 in respect of any one claim or series of connected claims arising from the same event.

(b) Subject to sub-paragraphs (a) and (b)(i) of this Clause 4 and subject also to Clause 5 below and to the extent that any applicable statutory provisions shall not make it unlawful so to do, the obligations undertaken by the company under these Terms and Conditions constitute the sole liability of the Company in respect of defect in goods or services supplied and according:

(i) subject as expressly provided in these Terms and Conditions, and except where goods are sold to a person dealing as a consumer (within the meaning of the Unfair Contract Terms Act 1977), the Company shall not be liable to the Buyer for any representations (unless fraudulent) and all warranties, conditions, or other terms implied by statute or common law are excluded to the fullest extent permitted by law.

(ii) any advice or recommendation given by the Company or its employees or agents to the Buyer or its employees or agents as to the storage, application or use of the Goods which is not confirmed in writing by the Company is followed or acted on entirely at the Buyer's own risk, and accordingly the Company shall not be liable for any such advice or recommendation which is not so confirmed.

(iii) in no circumstances shall the Company be liable for any direct, indirect or consequential loss or loss of profits or contracts suffered by the Buyer or any third party arising out of or in connection with the subject matter herein.

(iv) the exclusions set out above apply whether or not the purposes for which goods are purchased or services are supplied have been made known to the Company and the Buyer is responsible to ensure that goods purchased or services supplied meet the Buyer's requirements and are fit for the Buyer's purpose.

5. DELIVERY AND COMPLAINTS

(a) The Buyer shall within three days after delivery give written notice to the Company of any claims for loss or damage in transit relating to goods despatched by the Company.

(b) The Buyer shall within seven days after receipt give written notice to the Company of any discrepancies or complaints relating to the goods supplied or services rendered.

(c) Goods sent by the Company through the post are sent under the Post Office Standard Conditions of Delivery, which will bind the buyer.

(d) If the Buyer shall fail to give notice in accordance with sub-clauses (a) or (b) of this clause, the Buyer shall be deemed to have accepted the goods or services and shall be bound to pay for them accordingly.

(e) The Company may accept the return of goods delivered to the Buyer at the Company's discretion but in such circumstances the Company reserves the right to charge for the delivery, collection and handling of the goods returned.

6. PRICE

(a) Unless otherwise stated, prices quoted do not include Value Added Tax, which will be charged at the rate applicable on the invoices and will be recoverable as part of the Invoice Price by the Company.

(b) Unless otherwise stated, prices quoted do not include packaging and delivery, which will be charged for as an addition to the purchase price and will comprise a part of the Invoice Price.

(c) Where no price has been quoted, the price shall be the price ruling at the date of delivery, together with Value Added Tax and packaging and delivery charges at the rate or rates applicable.

(d) The Buyer shall not be entitled to withhold payment of any amount due under the contract to the Company because of any disputed claim of the Buyer in respect of allegedly faulty goods or any other alleged breach of contract, nor shall the Buyer be entitled to set-off against any amount payable under the contract or any other contract with the Company any monies which are not then presently payable by the Company or for which the Company disputes liability.

(e) The Company shall be entitled to bring an action for the price of the goods whether or not the property in the goods has passed.

(f) Quotations do not constitute an offer to sell and a contract shall only be made when the Company accepts an order from the Buyer on these Terms and Conditions.

7. PAYMENT

(a) Unless otherwise stated in writing by the Company, all payments shall be made by the Buyer net in cash on or before the fifteenth day of the month following the month in which the goods are delivered ("the Due Date").

(b) Payment shall be made to the Company at The Crossways, Alconbury Hill, Huntingdon, Cambridgeshire, PE28 4JH.

(c) The Company shall be entitled to make a credit charge of 10% of the Invoice Price ("the Credit Charge") which shall be imposed as follows:

(i) if the invoice is paid in full by the Due Date the Buyer shall be entitled to a full discount of the Credit Charge;

(ii) if the invoice is paid within 30 days of the Due Date the Buyer shall be entitled to a 75% discount of the Credit Charge;

(iii) if the invoice is paid within 60 days of the Due Date the Buyer shall be entitled to a 50% discount of the Credit Charge.

(d) In the event that the Company elects not to impose a Credit Charge, and the Buyer fails to pay the Invoice Price or any part thereof by the Due Date, the Company shall be entitled to interest on the amount of the Invoice Price which is due and not yet paid at the rate of 2% per month until the amount of the Invoice Price which is not yet paid is paid in full together with accrued interest. This shall be without prejudice to any other rights and remedies of the Company.

(e) By entering into a contract with the Company on these Terms and Conditions the Buyer acknowledges that the imposition of the Credit Charge or the charging of interest in accordance with this Clause 7 is fair and reasonable.

(f) Time for payment shall be of the essence of the contract.

(g) Cancellation of any order forming the subject matter of the contract for whatever cause can be made only with the Company's written consent and on payment of all costs incurred. No time or indulgence granted by the Company shall prejudice its rights or remedies.

8. RISK

The goods shall be at the Buyer's risk immediately upon delivery of the goods into the custody, care or control of the Buyer or its warehouseman, bailees or agents or to the carriers and the Buyer, thereafter shall be responsible for all claims, actions and losses arising out of or in any way associated with the goods.

9. PASSING OF PROPERTY

(a) The ownership of the goods shall remain with the Company which reserves the right to dispose of the goods until payment for the full amount of the Invoice Price and Credit Charge or interest (if any) has been received by the Company in accordance with this contract or until such time as the Buyer sells the goods to its customers by way of bona fide sale at full market value.

(b) Until such payment has been received in full the Buyer shall be under an obligation to redeliver the goods to the Company if the Company so requires and the Company shall be entitled at any time to enter upon any land or premises where the goods or any produce in or to which the goods have been fixed may be for the time being, to recover the goods, including detachment of the goods if so fixed. Such redelivery or retaking of possession shall be without prejudice to the obligation of the Buyer to buy the goods.

(c) As long as the property in the goods remains with the Company, the Buyer shall keep or store the goods in such a way that the goods can clearly be identified as the property of the Company. The Buyer shall keep the goods free from any charge lien or other encumbrance and shall keep the goods insured to their full replacement value without charge to the Company.

(d) If the Buyer sells any of the goods before the property in the goods has passed to the Buyer the Buyer shall hold the proceeds of such sale in a fiduciary capacity for the Company and shall account to the Company for such proceeds. The Buyer shall at the request of the Company assign to the Company its rights to receive the proceeds of such sale.

10. TRADEMARKS, ETC.

The Company gives no warranty or indemnity in respect of any action or alleged infringement of patents, trademarks, trade names, registered designs, design copyright or any other industrial property right relating to the goods.

11. INDEMNITIES AND UNDERTAKINGS

To the extent permissible under law the Buyer will indemnify the Company against all liability for damages, penalties, claims, fines, costs and expenses to which the Company may become liable in respect of any claim by any third party arising directly or indirectly from the Buyer's use of the goods or by any act or omission whatsoever by the Buyer or any person responsible to the Buyer.

12. BUYER'S BREACH AND INSOLVENCY

(a) The Company shall have the right to withhold delivery of the goods or any part thereof at any time when payment by the Buyer is due in accordance with these Terms and Conditions and has not yet been made. This shall be without prejudice to any other rights or remedies of the Company and accordingly shall not prejudice the right of the Company to payment in full for all goods and services the subject of this contract.

(b) If the Buyer shall be in breach of any of the Buyer's obligations under the contract or if any distress or execution shall be levied upon the Buyer or if the Buyer shall enter into any negotiations for arrangement or composition with the Buyer's creditors or commit any act of bankruptcy or if any petition in bankruptcy shall be presented against the Buyer, or, if the Buyer is a corporate body, any resolution is proposed or petition presented to wind-up the Buyer or if a receiver administrator or administrative receiver of the Buyer's assets or undertaking or any part thereof shall be appointed or if the Buyer shall be deemed to be unable to pay its debts within the meaning of S.123 of the Insolvency Act 1986 or any statutory modification thereof, the Company shall be entitled, without prejudice to any other rights or remedies which it may have, to determine forthwith the contract to which these Terms and Conditions apply and in any event the payment of the purchase price of goods delivered shall become immediately due despite any credit to it allowed by the Company to the Buyer and the Buyer shall cease to have any right to use, resell or otherwise dispose of the goods.

13. INSTRUCTIONS ETC.

The Buyer acknowledges that certain materials and chemicals may be hazardous in certain conditions or if handled without due care. The Buyer undertakes that only qualified and trained persons will handle any of the goods. The Buyer undertakes that the Buyer and the Buyer's employees or agents will comply with all such warnings and instructions as may be issued by the Company in relation to the goods.

14. All contracts to which these Terms and Conditions apply shall be governed by and construed in accordance with English Law.

15. Only the parties to a contract to which these Terms and Conditions apply may seek to enforce its terms under the Contracts (Rights of Third Parties) Act 1999.