

BHJ CANADA MEAT PRODUCTS INC.: GENERAL CONDITIONS OF PURCHASE

1. APPLICATION

The General Purchase Conditions below are applicable to all contracts entered into or all orders placed by BHJ Canada Meat Products Inc. (hereinafter called "**BHJ**") with suppliers, unless otherwise expressly agreed.

2. CONCLUSION OF A BINDING AGREEMENT

An order shall only be binding upon BHJ if it is in writing and has been confirmed by BHJ in writing. By confirming or executing orders, the supplier accepts BHJ's General Conditions of Purchase. Any conditions of the supplier, e.g. the supplier's sales terms that do not comply with BHJ's General Conditions of Purchase, shall not be binding, even though such conditions have not been explicitly rejected by BHJ. BHJ's taking delivery of goods shall not be interpreted as BHJ's implied acceptance of any deviating terms of delivery.

3. TIME AND PLACE OF DELIVERY AND TRANSPORT

The place of delivery is the delivery address stated in the purchase confirmation. The time of delivery specified by BHJ is fixed and shall be strictly observed. BHJ does not accept early delivery and may reject such delivery. The supplier must immediately inform BHJ of any anticipated delay. Any delay of delivery entitles BHJ to cancel the order and BHJ is exempt from paying any consideration. In addition, BHJ is entitled to claim damages for its direct and indirect losses suffered following the delay including compensation paid to BHJ's customers due to the delay. If BHJ fixes a new time of delivery, this is deemed the agreed delivery date and implies that any deviation from such time of delivery shall be deemed a material breach. The parties' agreement on transport, costs of transport and passing of the risk appears from the Incoterms 2020 condition stated in the purchase confirmation.

4. DEVIATION IN QUANTITIES

Deviations in quantities of up to +/- 5% shall be deemed acceptable. Deviations of more than +/- 5% shall be deemed unacceptable and shall entitle BHJ to cancel the order and/or claim damages.

Even if the quantity delivered is less than -5% of the agreed quantity, BHJ is always entitled to compensation for any extra transport expenses imposed on BHJ because of the shortfall of quantity.

5. QUALITY REQUIREMENTS

The goods supplied shall be of satisfactory quality and fit for the purpose according to the purchase confirmation. The supplier shall be responsible for supplying goods that meet the quality, veterinary and other requirements and standards of both the country of origin, the country of production and the country of destination. In the event of disagreement among such requirements and standards, the strictest requirements and standards shall apply. The supplier must ensure that the goods supplied are not in any way restricted from being sold in the country of destination. The supplier shall be responsible for ensuring that the necessary official certificates, e.g. veterinary certificates, are issued for the goods, also in the event of transiting of the goods.

6. WARRANTY

The supplier warrants that the goods supplied (i) will be of general good merchantable quality, (ii) will be free from defects and errors, (iii) comply with applicable industry norms and standards including applicable health and safety regulations, and (iv) strictly meet the requirements specified by BHJ. If the goods deviate from the before-mentioned, BHJ is entitled at its discretion to cancel the order or demand replacement delivery immediately without any expenses on the part of BHJ. In addition, BHJ is entitled to claim damages for any direct or indirect losses caused by the defect, including, but not limited to, reimbursement for product recall, cf. section 7. BHJ accepts no limitation of the supplier's liability in the event of delivery of defective goods. The supplier acknowledges that it is not practically possible for BHJ to inspect the goods upon delivery. Accordingly, a complaint from BHJ shall be deemed timely if made within reasonable time after BHJ became aware of the defect.

7. PRODUCT RECALL

In the event BHJ or one of its customers performs a recall of the goods, or of products containing the goods and the recall is required due to a defect in or non-compliance of the goods, the supplier shall reimburse BHJ's direct and indirect losses, costs, including, but not limited to, notification costs, return costs, cost of field recall, freight, and rework incurred in effecting any product recall.

8. PRODUCT LIABILITY

The supplier warrants, without any limitation in terms of time, that the goods do not suffer from any defects that may cause damage or injuries. The supplier shall indemnify and hold BHJ harmless against any product liability claims from its customers, distributors or other third party arising from any such goods delivered by the supplier as well as any legal cost of such action. BHJ will permit the supplier to assume or participate in the defence of such liability claim at the supplier's expense. The supplier must co-operate with BHJ in such defence when requested to do so.

9. DISPATCH

If the supplier does not comply with the shipping instructions issued by BHJ, the supplier shall be liable for any additional transport costs and other losses or damages arising as a result hereof.

10. CANCELLATION

The purchase confirmation from BHJ is issued subject to no circumstances arising in the country of destination and/or origin prior to passing of the risk to BHJ - regardless of the nature of such circumstances, for example veterinary, legal, economic or political circumstances - that partly or totally prevent the import of the goods into the country, or the export from the country of origin. If BHJ due to such circumstances is unable to import or export the goods as intended, BHJ has the right to renegotiate and/or cancel the order.

11. EXPORT REFUNDS

If BHJ or others are entitled to export refunds in relation to the goods supplied as stated in BHJ's purchase confirmation or otherwise, the supplier will be responsible for ensuring that BHJ receives,

well in advance of any deadlines in applicable legislation, all required documentation in relation to the export of the goods to the country of destination (including without limitation all documents related to the customs clearing within 1 month of the goods crossing the border of the country of destination) to enable payment of the export refunds. The supplier warrants that all conditions related to the import to the country of destination and subsequent use and further circulation of the goods under applicable legislation for entitlement to export refunds are adhered to. The supplier will at its own cost assist BHJ in relation to any investigations or request for further documentation from applicable authorities related to the goods. The supplier will indemnify and hold BHJ harmless from any damages, claims, sanctions (including penalties or re-imbursements), costs or expense (including reasonable fees for attorneys and other professionals to settle any claim in or out of court) arising out of the supplier's failure to fulfil its obligations in relation to the goods.

12. VENUE AND APPLICABLE LAW

The venue for any dispute between BHJ and the supplier arising out of the purchase of goods subject to these General Conditions of Purchase shall be the courts of the province of Ontario, Canada, sitting in Toronto, and any appellate court thereof.

The laws of the province of Ontario, and the federal laws of Canada applicable therein, shall apply to any dispute between BHJ and the supplier with the exception of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the International Sale of Goods Contracts Convention Act incorporating the United Nations Convention on Contracts for the International Sale of Goods into Canadian law.

If the goods delivered by the supplier are resold by BHJ, the supplier accepts that a dispute between BHJ and the supplier is settled before the same venue where a dispute between BHJ and BHJ's customer is settled.