

## CATTLE PURCHASE TERMS & CONDITIONS

**Kepak Group Unlimited Company, Clonee, Co Meath, Kepak Athleague Unlimited Company, Kepak Clonee Unlimited Company, Kepak Cork Unlimited Company and Kepak Kilbeggan Unlimited Company (the 'Purchaser') to include their Group subsidiary and affiliated companies.**

LIVESTOCK ARE ACCEPTED FOR SLAUGHTER IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET OUT BELOW.

These terms and conditions (as may be updated by the Purchaser from time to time) apply to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. In construing these terms and conditions, the following words and expressions shall have the meanings set out below unless the context suggests otherwise:

**ABB Levy:** A levy, currently €1.90 per animal, charged to the Purchaser by Bord Bia under the An Bord Bia Act 1994.

**Agent:** Shall be authorised by the Supplier to arrange for the transport of cattle to the Purchaser's lairage.

**Authorised Veterinary Inspector:** Veterinary inspector authorised and appointed by the Department of Agriculture, Food and the Marine (DAFM) to be responsible for diagnosis, treatment or research of diseases, identification of injuries to Livestock, the completion of ante-mortem Livestock checks and the inspection of slaughtered carcasses, by-product and offal.

**BDE Levy:** A bovine disease eradication levy, currently €1.27 per animal, charged to the Purchaser by the DAFM.

**Calculated Cold Weight:** The weight of a slaughtered animal (calculated as hot weight less 2%) as dressed in accordance with DAFM carcass dressing standards.

**Deductions:** Some or all (as the case may be) of the ABB Levy, BDE Levy, Haulage Fee, Hide Contamination Deduction, IFA Levy, PMC Deduction, Vet's Fee and any other deductions itemised or detailed in specific breed programmes and farmer/producer groups to which the Supplier is a party.

**Good Animal Husbandry:** Animal husbandry is the management and care of farm livestock by all people handling livestock prior to slaughter.

**Grading:** The Purchaser's procedure for determining the grade of each animal carcass in accordance with the DAFM Beef Classification Scheme.

**Haulage Deduction Facility:** A facility for Suppliers to, at their option, instruct the Purchaser to deduct the amount of a Livestock haulage fee agreed between the Supplier and the haulier (a **Haulage Fee**) from the Purchaser's payment for the Livestock and pay this amount to the haulier.

**Hide Contamination Deduction:** A deduction, currently €4 per animal (including VAT), made by the Purchaser to the purchase price payable to the Supplier in any case where any animal of the Supplier is deemed to be Category C under the Official Clean Livestock Policy, thus requiring the Purchaser to take remedial action.

**IFA Levy:** A voluntary contribution to the Irish Farmers' Association (IFA), which a Supplier may instruct the Purchaser to deduct and pay to the IFA on behalf of the Supplier.

**Livestock:** The cattle supplied for slaughter.

**National Animal Identification and Movements System:** The Animal Identification and Movement System (AIMS), which is used to trace animal movements for cattle, sheep, pigs and goats.

**National Standard Dressing Specification:** Standardised method of presenting carcasses after bleeding, skinning and evisceration.

**Official Clean Livestock Policy:** The DAFM Clean Livestock Policy (CLP) outlines categories of livestock cleanliness and guidelines for Suppliers, which can be viewed at <https://teagasc.ie/wp-content/uploads/media/website/publications/2016/Teagasc-Clean-Livestock-Policy-Beef.pdf>.

**Point of Sale:** When the carcass is graded in the Purchaser's abattoir, legal ownership of the Livestock shall pass to the Purchaser.

**Post-Mortem Contingency Deduction (the PMC Deduction):** A deduction from the purchase price currently €5.00 per animal (including VAT) by the Purchaser at the point of slaughter as a contribution to the full or partial loss of value in the event of condemnation of a carcass following slaughter or part thereof including any animal offal and / or by-product by any Authorised Veterinary Inspector.

**PMC Deduction Opt-Out Declaration Form:** The form which the Supplier or their Agent must complete and sign to opt out of the PMC Deduction in advance of the ante-mortem inspection.

**Supplier:** Owner of the animal presented for slaughter to the Purchaser.

**VAT Act:** Value-Added Tax Consolidation Act 2010 (VATCA 2010).

**Vet's Fee:** A fee, currently €5 per animal, charged by the DAFM.

1. All animals presented by the Supplier will only be accepted for slaughter at the sole discretion of the Purchaser.
2. No animal will be accepted for slaughter by the Purchaser until it has been passed as fit for its intended use by the Authorised Veterinary Inspector in the lairage.
3. The Purchaser shall under no circumstances whatsoever be liable to the Supplier whether in tort/contract or otherwise for any loss, to include financial loss arising under or in connection with the purchase of Livestock, to include any carcass that is fully or partially condemned following slaughter including any by-products and offal, where the Supplier has opted out of the PMC Deduction.
4. Livestock presented for slaughter may be rejected by the Authorised Veterinary Inspector at his/her sole discretion. In such circumstances the Purchaser and the Supplier shall comply with the directions of the Authorised Veterinary Inspector.
5. The Purchaser shall observe Good Animal Husbandry in respect of all animals presented to the lairage for slaughter.

6. Unless the Supplier has opted out, a PMC Deduction will be applied in respect of each animal presented for slaughter. All animals presented for slaughter shall be subject to the Purchaser's PMC Policy (see below). Kepak's PMC Opt-Out Declaration Form is available at each site security office and lairage office for completion by the Supplier.
7. The Supplier must complete and sign a declaration confirming Regulatory Food Chain Information (available at each lairage) in respect of all animals presented for slaughter.
8. Where an animal has been presented and accepted by the Purchaser at the lairage under a false declaration it will not be covered by the PMC policy and no deduction will be made from the final remittance.
9. The PMC Deduction will not be available in respect of any casualty Livestock and/or Livestock in poor condition presented for slaughter.
10. Adherence to the Official Clean Livestock Policy is essential to ensure the safety of the final product. The Supplier is responsible for presenting Livestock in accordance with the Official Clean Livestock Policy. The Supplier consents to a Hide Contamination Deduction from the purchase price if necessary to ensure the Livestock meet these requirements.
11. VAT will be paid in accordance with section 68(1) of the VAT Act. Suppliers will be required to provide a properly completed declaration as required under the VAT regulations. Suppliers are obliged to notify the Purchaser if they are not flat rate farmers as defined in Section 2(1) of the Act and any Supplier who is VAT registered is obliged to supply their VAT registration number.
12. The operation of a Haulage Deduction Facility is for the convenience of Suppliers. The Purchaser accepts no responsibility for the determination of the amounts involved or for any disputes between the Supplier and the haulier.
13. Payment for the Livestock will be based on the Calculated Cold Weight of the carcass (dressed in accordance with the National Standard Dressing Specification), the carcass Grading and the pricing agreed between the Purchaser and the Supplier. All Deductions will be clearly shown on the final remittance issued to the Supplier.
14. Payment will be made by the Purchaser to the Supplier for any animal(s) slaughtered within 15 days of the date of slaughter.
15. The Purchaser will not be responsible for any errors in the implementation of the AIMS.
16. These terms and conditions shall be governed and construed in accordance with the laws of Ireland and the parties agree to submit to the exclusive jurisdiction of the Irish Courts in respect of any dispute.

#### **Post-Mortem Contingency (PMC) Policy**

1. Animals are purchased by Kepak on the basis that all meat and by-products are fit for their intended use, mainly human consumption.
2. Kepak applies a PMC Deduction (currently €5 including VAT) in respect of each animal deemed fit for presentation for ante-mortem inspection at the lairage. The purpose of this deduction is a contribution towards any unforeseen losses arising from veterinary condemnations or detentions during slaughtering and/or deboning.
3. Where a Supplier wishes to opt out of the PMC Deduction, he/she or their Agent must complete and sign the PMC Deduction Opt-Out Declaration Form, a copy of which is available at the security office and the lairage office, in advance of the ante-mortem inspection. As per current policy, where animals are deemed not eligible for the PMC Deduction by Kepak staff at the lairage, Kepak must contact the Supplier in advance of the ante-mortem inspection to inform the Supplier of this and to agree revised payment terms.
4. The Supplier cannot complete the PMC Deduction Opt-Out Declaration Form once the ante-mortem inspection of their animals has commenced.
5. Where a Supplier chooses to complete the PMC Deduction Opt-Out Declaration Form, payment for animals may be made 15 days from the date of slaughter subject to relevant DAFM meat inspections being passed. If there are meat condemnation losses arising post-mortem on inspection, the value of these losses will be deducted from the payment, supported as appropriate, by a DAFM veterinary inspector condemnation certificate.
6. Typically, when samples are taken from animals by DAFM officials, it takes between 7-15 days for the results to be provided to Kepak.
7. If a Supplier does not sign the PMC Deduction Opt-Out Declaration Form, the PMC Deduction will be applied and payment for animals slaughtered will issue as normal, even if losses have been identified during the processing stages.
8. Complete records of any signed PMC Deduction Opt-Out Declaration Forms will be retained by Kepak Group.