

TRADING AGREEMENT

THIS AGREEMENT is made the..... day of..... 20..... between

Central Egg Agency Limited ("The Agency") the registered office of which is situated at Brookhouse Farm, Peterbrook Road, Majors Green, Shirley, Solihull, West Midlands, of

The one part and.....

("the trader") of.....

The registered office of which is situated at.....

..... Of the other part.

IT IS HEREBY AGREED as follows;

1. In this Agreement unless the context requires otherwise:

- a. "a member" includes the Trader and means a shareholder in the Agency who has an agreement with the Agency on terms which are the same as those on this Agreement;
- b. "Trading Rules" means the rules made by the Agency governing trade between the members through the Agency as notified by the Agency from time to time to every member;
- c. any word indicating gender includes the other genders.

2. The Trader shall buy and/ or sell eggs through the Agency, which shall assist the Trader to buy and/ or sell eggs, in accordance with the terms hereinafter expressed.

3. In all dealings in eggs affected by the Trader through the Agency, both parties hereto shall observe and act in accordance with the Trading Rules.

4. The Agency is hereby authorised to act on behalf of and as agent for the Trader in all transactions effected by him through the Agency but the Trader recognises that in each transaction the Agency will be acting also on behalf of and as agent for the other party thereto and the Agency shall act impartially as between the parties to each transaction.

5. In respect of every week during which the Trader sells eggs through the Agency the Trader shall pay a levy to the Agency calculated as such rate per case or in accordance with such scale of rates as the Agency shall decide from time to time and notify to every member. The appropriate levy shall be paid on all eggs sold hereunder during each week notwithstanding that all or any of the eggs are rejected by the buyer or buyers or that any dispute arises between the Trader and any buyer over any matter connected with a sale of eggs effected during that week.

6. The Agency is hereby authorised to receive on behalf of the Trader all payments from buyers in respect of the prices of eggs sold by the Trader hereunder. The Agency shall place all such payments

in a common fund made up from payments received on behalf of members generally which shall be used to discharge the obligations of the Agency hereunder and under corresponding agreements with other members, to cover its administrative expenditure and overheads and to make such provisions as the Agency considers prudent for its future financial commitments and requirements.

7. If so required by the Agency the Trader shall raise a letter of credit with his bank in respect of his obligations hereunder.
8. If he has not already done so the Trader shall subscribe forthwith for one share in the Agency and shall retain a shareholding in the Agency during the term of this Agreement.
9. If the Trader from any cause fails to comply or ceases to be in compliance with Clause 8 then this Agreement shall terminate forthwith.

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(Continued)

10. Subject to the other provisions for termination contained herein, this

Agreement shall continue from the date hereof for a period of one year and thereafter unless and until terminated by either party giving to the other not less than twelve months notice in writing to that effect.

11. Either party may terminate this Agreement by written notice after the occurrence

of any of the following events, namely:

- a. an execution or distress is levied against any property of the other party and is not discharged or paid off within twenty-one days thereafter;
- b. an encumbrance takes possession or a receiver is appointed of the whole or any part of the property or undertaking of the other party;
- c. the other party being a sole trader, is adjudged bankrupt or makes any composition or scheme of arrangement with his creditors;
- d. the other party, being a corporate, enters into liquidation by the making of an order or passing of a resolution of winding up or the signing of an instrument of dissolution; and if the said other party is a partnership then such right to terminate shall arise on the occurrence of any such event with respect to any partner.

12. Without prejudice to the rights of either party to treat this Agreement as discharged on the commission by the other party of a sufficiently serious breach, if either party commits a breach of this Agreement the other party may give notice in writing to the party in default requiring that the breach be remedied or warning against the commission of a similar breach in the future, whichever is appropriate, and if the party in default fails to remedy the breach within a reasonable period or commits any further breach of a similar nature, as the case may be, the other Party may terminate this Agreement forthwith by notice in writing to that effect.

13. Neither party shall be liable to the other for any loss caused by delay in performing or failure to perform any obligation hereunder (other than the payment of money) if such delay or failure is due to any unavoidable occurrence beyond the reasonable control of the party in default.

14. This Agreement shall not be assignable by either party without the written consent of the other party.

15. Any dispute hereunder shall be referred to arbitration in accordance with the Rules of the Agency.

16. Accepting this agreement it should be noted that you agree to the agency passing on any information on trades of lion eggs to the BEIC this does not include prices.

IN WITNESS whereof the parties hereto have set their hands the day and year before written:

.....

the Trader

.....

for and on behalf of the Agency.

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Trading rules and procedures have been established to protect the interest of both buyers and sellers. They only have value if they are followed and enforced. Both buyers and sellers will be required to abide by these trading rules and specifications, and decisions based on them.

Suggestions for changes will always be given careful consideration.

We urge all our members to follow procedures for assembling, shipping and receiving eggs, and to continue to act in good faith if a problem arises. Management will do everything possible to get the parties together and bring about a fair settlement of the problem. Where settlement is unsatisfactory, the member may appeal to the Board of Directors.

Trading Rules

1. In these rules, unless the context requires otherwise:
 - a. "the Agency" means Central Egg Agency Ltd.,
 - b. "bid" means an indication given to the Agency by a member of a wish to buy eggs of a description, at a price and for delivery at a certain time specified therein;
 - c. "member" means a shareholder in the Agency who has undertaken to trade in eggs through the Agency in accordance with these Rules;
 - d. "offer" means an indication to the Agency by a member of a wish to sell eggs of a description, at a price and for a delivery at a time specified therein;
 - e. "The Schedule" means the daily schedule of daily trading activities applicable to these Rules with such amendments thereto as may be made by the Agency and notified to every member *from* time to time
 - f. the singular includes the plural and the converse applies;
 - g. any word indicating gender includes the other genders.
2. The office of the Agency shall be open for communications with members as specified in the Schedule every day except Saturdays, Sundays and Bank Holidays in England.

3. When a trade has been agreed and the members making it have been notified accordingly then both members shall be bound by the contract of sale thus made which shall be subject to the following terms as to delivery and payment:

- a. The seller shall deliver the eggs sold to the premises of the buyer on a specific day and time after completion of contract day, unless alternative agreement is made with the buyer and the agency has been notified of the change.
- b. On delivery of each consignment the buyer shall check an adequate sample of the eggs and if he is satisfied as to description, quality and quantity then shall he sign the delivery note/invoice.

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- c. If on checking a sample from a consignment the buyer is dissatisfied as to description, quality or quantity then he shall notify the seller and the Agency immediately and in event of the buyer and the seller failing to agree on the matter it shall be referred as soon as possible to the agency who will use its best endeavours to help both parties reach an agreement if this fails the agency will appoint an independent arbitrator whose decision shall be final and binding on both parties
- d. If it is decided that a consignment is faulty to a significant degree as to description, quality or quantity then unless the seller and the buyer agree otherwise the seller shall remove the consignment from the buyer's premises within thirty-six hours after agreement on the decision or notification thereof to the seller, as the case may be.
- e. In the event of the seller failing to deliver a consignment within at the agreed time or within twenty-four hours thereafter the seller shall pay to the Agency by way of liquidated damages for the buyer a sum calculated at the rate of fifty pence per case and on receipt thereof the Agency shall pay to the buyer that sum with such deduction as the Agency considers to cover its costs in dealing with the matter.
- f. If the seller fails to deliver a consignment within 72 hours after the agreed time then unless the seller and the buyer agree otherwise the seller shall to be taken to have failed to perform the contract and shall pay to the Agency by way of liquidated damages for the buyer a sum calculated at the rate of one pound per case and on receipt thereof the Agency shall pay to the buyer that sum with the deduction of the appropriate case levy due to the Agency on that sale and such further deduction as the Agency considers necessary to cover its costs in dealing with the matter.
- g. If the buyer improperly refuses delivery of a consignment then unless the buyer and the seller agree otherwise the buyer shall pay to the Agency by way of liquidated damages for the seller a sum calculated at the rate of one pound per case and on receipt thereof the Agency shall pay to the seller that sum with the deduction of the appropriate case levy due to the Agency on that sale and such further deduction as the Agency considers necessary to cover its costs in dealing with the matter.
- h. After delivery of eggs has been completed- in accordance with the contract the seller shall invoice the Agency for the price due there under (allowing for any adjustment agreed with the buyer) and the Agency shall pay the seller the sum so due within twenty eight days after the receipt of invoice.
- i. Within twenty eight days after signing the delivery note/invoice the buyer shall pay to the Agency the sum there under and if the buyer fails to pay that sum within those twenty eight days he shall pay the Agency by way of liquidated damages an additional sum calculated at the rate of 6 pence per case for each trading day after the expiry of the seven day period until payment is made in full.

Buyer's Check List

On the day the trade is agreed the agency will forward to you a confirmation containing all the details appertaining to the trade on receipt it is your responsibility to check if you find any discrepancy you must notify the agency within 24 hrs.

1. Identify individual consignments.
2. Sample Test.
3. If you are satisfied as to the quality / quantity then sign delivery /invoice note completing your contract to buy.
4. If you are not satisfied with quality or quantity, then notify the agency /seller.
5. Whatever happens ensure that both the Agency and the seller are kept fully informed at all Times.
6. The delivery vehicle should be released and delivery note signed only after satisfying yourself
 - a. That the consignment is up to necessary standard
 - or
 - b. Following consultation with the seller and noting your mutual agreement on the invoice/ delivery note.

7. Ensure you retain two top copies of delivery / invoice.

8. Payment must be forwarded to the Agency with the signed delivery /invoice within the
twenty eight days

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Seller's Checklist

On the day the trade is agreed the agency will forward to you a confirmation containing all the details appertaining to the trade on receipt it is your responsibility to check if you find any discrepancy you must notify the agency within 24 hrs

1. Ensure that all eggs offered will satisfy the quality standards laid down.

2. Check that:

That on the appointed day you will be able to fulfil your commitment to sell, thereby avoiding penalties.

3. Instruct your driver / delivery agent to notify you immediately if it appears that your delivery schedule may not be met. It is then your responsibility to inform the Agency /Buyer of a possible late delivery.

4. Your driver / delivery agent should be furnished with an Agency delivery /invoice ticket in triplicate. When signed, one copy to be retained by the Seller, two top copies to be retained by the buyer, one of which should be forwarded to the Agency with his cheque. The Buyer should note in detail any adjustments that have been agreed with the seller on all copies. this information must be forwarded to the agency immediately

5. Where problems arise try at all times to reach an amicable arrangement with the Buyer and so to avoid a dispute.

6. Invoice Central Egg Agency including signed delivery note.