

Conditions of Supply

SEA DRAGON LIMITED (SEA DRAGON) seeks to develop long-term trading relationships with suppliers who maintain the standards set out below. This will enable effectiveness of Quality Systems, guarantee that legal requirements are met and ensure consistency and quality of product supplied to customers.

1. VENDOR ASSESSMENT

Each supplier is assessed and approved based on our supplier approval procedure prior to confirmation of supply. If a visit is required, assessment will include the following areas:

- a) The suitability of if the premises to produce the product to be supplied.
- b) Factory hygienic standards and staff facilities.
- c) Personnel hygiene and training provided.
- d) Condition of the plant and machinery.
- e) Pest and rodent control.
- f) Control of raw materials,
- g) Process and temperature control.
- h) Quality Control Systems and product quality.
- i) Management structure.
- j) The handling of customer complaints

SAMPLES

In the case of a new supplier of product, samples of production must be provided to SEA DRAGON before commencement of supply. If approved by SEA DRAGON, all subsequent product must meet the standard of the samples submitted.

2. TERMS OF PURCHASE AND ORDER

- a) Prices - all prices for product will be negotiated with a SEA DRAGON buyer. Written confirmation of prices must be sent by the Supplier before SEA DRAGON will accept an order.
- b) Order - order for product may be made verbally but confirmation (on a written Purchase Order wherever possible) will follow either by fax, email or post within 24 hours. In all instances, a Purchase order Number will be given and should be identified on all subsequent correspondence.

3. CONFIDENTIALITY

All dealings between SEA DRAGON and the Supplier are confidential. Information concerning such dealings or the product supplied may not be disclosed to third parties by either party, other than as required by law, unless by mutual agreement.

The specification or recipe of the product to be supplied will be the exclusive property of SEA DRAGON and will be kept confidential by the Supplier at all times.

4. PRODUCT SPECIFICATION AND LABELLING

- a) The product specification will be developed and agreed between both the Supplier and SEA DRAGON. Supply cannot commence until a specification has been agreed and signed by both parties. Once this is complete, no changes can be made unless both parties mutually agree and the Supplier has obtained written confirmation from SEA DRAGON.
- b) SEA DRAGON reserves the right to reject any consignment failing to meet the product specification in any respect, particularly with regard to temperature, correct labelling, damage, contamination or likely to give rise to any safety risk.
- c) All product and packaging labelling must conform to all UK and EU legislation applicable in the UK, in particular the Food Labelling Regulations 1994 (as amended) and the Fish Labelling (England) Regulations 2013. Product must also

meet the Quick frozen Foodstuff Regulations 2007. Outer cartons should where possible comply with the BFFF "Into the Light" guidelines.

5. RESIDUAL SHELF-LIFE

Products produced for SEA DRAGON must be labelled with production codes, supplier codes, Factory approval numbers and best before end codes as per specific product agreement with SEA DRAGON. Residual shelf life on delivery should be at least 75% of the total shelf life from production date.

6. WARRANTY STATEMENT

The supplier warrants that the product supplied pursuant to an order shall at the time of supply, be of merchantable quality, fit for purpose for which it is offered for sale to the public, produced in a competent manner of sound materials and to be of the nature, substance and quality described in the order and to conform in every respect with the requirements of the relevant Acts (particularly the Food Safety Act 1990 and the Consumer Protection Act 1987), Regulations, Orders or Codes of Practice relating to the manufacture, marketing and sale to the public of such products.

Product supplied to SEA DRAGON must not have been treated in any way which contravenes European or UK Food Regulations, or subjected to any form of irradiation treatment.

7. DISTRIBUTION AND DELIVERY

- a) Delivery will be to SEA DRAGON's own cold storage facility, or to a third party nominated by SEA DRAGON.
- b) All deliveries must be undertaken at temperatures of -18°C or lower. Product found to have been transported at, or arrive at, temperatures higher than -15°C, will be rejected.
- c) All deliveries must be carried by suitable transport meeting the strictest hygiene standards, i.e. these must be fully enclosed dedicated for the transport of frozen food stuffs only, clean, free from debris on the walls or floor and have no evidence of infestation.
- d) The Supplier will be responsible for making all delivery and booking arrangements with the relevant cold storage.
- e) All Delivery Notes must carry the appropriate SEA DRAGON Purchase Order number.
- f) Proof of Delivery i.e., signed Delivery Notes, must be forwarded to SEA DRAGON if requested. Failure to do so may affect payment for the goods.
- g) Property of the product will pass to SEA DRAGON at the time of accepted delivery.

8. MANAGEMENT

The Supplier must have in place a clearly defined Crisis Management Procedure and provide details of out-of-hours contacts before supply commences.

9. QUALITY

- a) The Supplier agrees to maintain quality assurance systems in accordance with the BRC Global Standard for Food Safety or equivalent. The current certificate and full report will be made available upon request by SEA DRAGON. If such accreditation is not implemented, the supplier must be approved according to SEA DRAGON requirements. The supplier will be assessed to ensure their facility meets the standards set out in the SEA DRAGON Technical Code of Practice.
- b) The Supplier's factory (with the exception of a supplier outside of the European Community) must be registered with the local Environmental Health Office under the Food Hygiene Regulations, or equivalent. In countries outside of the EC, the factory must be listed on the relevant country's approval list in force.
- c) The Supplier must allow SEA DRAGON representatives access to their premises at all reasonable hours, provided this is by prior arrangement, to inspect or test products, carry out hygiene checks or conduct factory audits.
- d) The Supplier is expected to be able to demonstrate knowledge and use of quality control and management techniques. A HACCP plan must be implemented, adhered to and well maintained. Accreditation to BRC Global Standard for Food Safety or equivalent is strongly recommended.

10. CUSTOMER COMPLAINTS

- a) SEA DRAGON will handle all customer complaints and will be the only point of contact with the customer.
- b) Full information regarding a complaint will be forwarded by SEA DRAGON to the Supplier for an explanation and to enable the Supplier to remedy any default in their production process to prevent a recurrence.
- c) The Supplier will be liable for and will indemnify SEA DRAGON against all costs incurred regarding customer complaints, including prosecution, product recall, administration charges, reimbursement costs and compensation arising from the Supplier's failure to meet their responsibility in respect of both product and service.
- d) The Supplier must be adequately covered by Product Liability Insurance.

11. IN THE EVENT OF A CLAIM/PRODUCT RECALL

- a) If product is rejected because of any defect or non-conformity against specification the Supplier will be liable and indemnify SEA DRAGON for any costs incurred in administration or return of such product. The Supplier will be contacted and will have option to:
 - i) have the product returned at their own expense
 - ii) send a representative to examine, sort and collect non-conforming product.
 - iii) request SEA DRAGON to quote for ii) above and, if accepted by the Supplier, be invoiced for this cost.
 - iv) the supplier is responsible for informing SEA DRAGON immediately if quality problems are discovered after despatch.
- b) Should the product have to be withdrawn or recalled from sale due to failure on the part of the supplier, the supplier shall be liable and indemnify SEA DRAGON in respect of all costs incurred, including administration charges, costs or withdrawal/recall, return to supplier or disposal, loss of profit or other consequential losses.

12. GENERAL REQUIREMENTS

- a) The Supplier must provide summaries of analytical and microbiological results relative to each consignments supplied on SEA DRAGON's request, provided reasonable notice is given.
- b) Staples, wires, loose tags, ties of metal seals are prohibited in the use of any packaging material supplied to SEA DRAGON.
- c) Palletised product must be stacked on blue or white UK standard 4-way pallets measuring 1000mm x 1200mm unless otherwise agreed. Product loaded on 3 legged or broken pallets is not acceptable. The maximum pallet height is 1.8m (5ft 9in) and cartons must not overhang the pallet. All products supplied on pallets must be secured with pallet wrap.
- d) The processing of product for supply to SEA DRAGON must only take place in premises as stated in Section 9 b) of these terms. Processing should not be contracted to any plant or third party without notification and approval from SEA DRAGON.