

1. Section 1 - Details of PRODUCTS to be stored and type of Storage

- 1.1. Imported Confectioneries that come under “Consumer Affairs Authority” regulation for MRP marking at nominated warehouses. Products will come in fully packed and sealed cartons.
- 1.2. Parties agree that this is ad hoc storage without fixed volume commitments, and accordingly EMERGENT reserves the right to accept/decline CUSTOMER product based on space availability at its Warehouse. Storage space constraints will be informed to CUSTOMERS in advance.
- 1.3. The warehouse is a multiuser storage facility and the storage of product will be in common rooms with a variety of other product/s. It is acknowledged and confirmed that the CUSTOMER has inspected the storage room/s and have confirmed/agreed to the suitability of storage conditions provided for the CUSTOMER’S PRODUCTS, including along with other Products, notwithstanding anything to the contrary that may be stated or may appear in the outer package of the product and/or on the receiving instructions/ order sent by the CUSTOMER.
- 1.4. It is also deemed that no special storage conditions are required, unless specifically mentioned in these terms and conditions.
- 1.5. The CUSTOMER represents and warrants that the packaging of the PRODUCT is sufficient in all respects to protect the PRODUCT (contents). Further, the CUSTOMER confirms and agrees that EMERGENT will not be liable and/or responsible due to any contamination or spoilage of the PRODUCT due to the inherent vice of the PRODUCT itself.

2. Section II - Scope of Services

2.1. Receiving

- 2.1.1. CUSTOMER will arrange the PRODUCTS to be transported to EMERGENT - Welisara. PRODUCTS will be received in refrigerated conveyors, Chilled products at less than +6°C temperature, Ambient and CRT products at less than +25°C temperature and frozen products at less than -15°C temperature. If the PRODUCTS are brought to the warehouse warmer than the receiving temperature mentioned above and the PRODUCT gets spoilt, it is agreed that EMERGENT will not be responsible for same.
- 2.1.2. PRODUCT will be received in logistics packaging as per the clause 1.1. EMERGENT reserves the right to accept or reject the PRODUCTS which are not appropriately packaged. (The CUSTOMER undertakes to ensure that the PRODUCTS are packed in acceptable logistics packaging to facilitate easy identification of items, ease of handling stacking and palletizing.)
- 2.1.3. The SKU’s to be stored must be notified in advance.
- 2.1.4. EMERGENT will palletize PRODUCTS (if needed, with the usage of stretch wraps, nylon cords or nylon straps or any other material to secure and stabilize the pallets) upon receipt and ‘put away’ to storage locations. (It is understood that depending on warehouse space constraints the PRODUCTS could also be block-stacked).
- 2.1.5. Quantities received will be informed by a ‘Receiving Note’,

2.2. Storage Temperature

- 2.2.1. EMERGENT will store **Chilled products at +4°C, Frozen products at -18°C, CRT products at +25°C and Ambient products at +18°C** It is also understood that the temperature may vary by + or - 2 to 3 degrees Celsius)

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Customer’s Signature & Stamp

2.3. Price Marking as per MRP Declaration approved by CAA

- 2.3.1. Price marking will be done by EMERGENT in accordance with the MRP operational instructions provided by CAA.
- 2.3.2. Scope involves opening of cartons, taking out packs and inners, pasting stickers manually/ sticker guns, re-stored in packs and cartons and sealing of cartons.
- 2.3.3. Unit count will be done at the time of opening the seal carton and quantity will be recorded and any discrepancies will be notified to the customer.
- 2.3.4. EMERGENT will issue a job completion note addressed to DDC (CCED-Main office) upon completion of price marking. This needs to be collected from EMERGENT by the customer and delivered to DDC.
- 2.3.5. Pre-printed sticker rolls, price marking machines and other consumables to be provided by the customer prior to commence operation.

2.4. Dispatch

- 2.4.1. Dispatch of PRODUCTS will be in logistics packaging as per the clause 1.1.
- 2.4.2. Orders will be forwarded to EMERGENT via Fax / e-mail/ EDI.
- 2.4.3. Loading of PRODUCT into conveyance will be by EMERGENT while the acceptance of PRODUCT will be the responsibility of the Transporter/ CUSTOMER. The CUSTOMER represents that such Transporter is a duly authorized representative of the CUSTOMER and the dispatch / handing over of the Products to such Transporter is deemed to be delivery to the Customer and that it is accepted in good order and condition and will not be called in question.

3. Section III - Operational Requirement by EMERGENT

- 3.1. The CUSTOMER must provide adequate notice to EMERGENT prior to sending the vehicle/s OR prior to arrival of shipments, such instruction to receive PRODUCTS must accompany a packing list or a letter with product details and quantities.
- 3.2. EMERGENT will load the PRODUCT to the vehicle based on the dispatch advice received from the CUSTOMER. The CUSTOMER will instruct through Fax, E mail or EDI providing details of product and the quantities to be dispatched in advance and EMERGENT will pick the product and have same ready for dispatch.
- 3.3. Receipts/ Dispatch will be Monday to Saturday, (operations will be closed on Sundays and Mercantile Holidays).
- 3.4. Warehouse operating hours: Monday to Saturday 8am to 6pm. If the services of the Facility outside operational hours are required, three (03) days prior notice is needed and EMERGENT at their sole discretion and upon a payment for such service shall provide same.
- 3.5. PRODUCT receiving temperature if warmer than the receiving temperature mentioned above, an additional charge will be levied by EMERGENT for cool down. It will be at the sole discretion of EMERGENT to accept such warm PRODUCTS depending on the nature/ condition of the PRODUCT and its temperature and EMERGENT will not be responsible in respect thereof.

3.6. All CUSTOMER'S correspondence/documentation must be on Company letter head and or through an authorized email address and it is the customers responsibility to ensure such correspondence is done through uniform/ consistent and verified modes of communication.

4. Section IV - Value Added Services (VAS)

- 4.1. EMERGENT shall render services such as, repacking, Bundling, export palletizing, weighing, sorting of products, invoice printing, compiling and collecting documents etc. subject to availability of resources such as docks, labor and equipments.
- 4.2. CUSTOMER should inform the requirements in advance in full without ambiguity to ensure the FINALYS will have a correct idea on the scope and scale of operation needed.
- 4.3. Charges for such services should be agreed upon by the Parties based on the operational scope and scale, in advance.
- 4.4. Once the rates are agreed, CUSTOMER must provide a written work order to start such operations with the quantities based on the unit of measure for billing as agreed.
- 4.5. If the VAS requires the usage of consumables (cartons, stickers, tapes etc), such material should be provided in full prior to the commencement of such operation.
- 4.6. Clear guidance on the VAS operations must be provided by the customer, this could be by way of approved samples or inspections by CUSTOMER representatives to ensure that the correct scope is executed.
- 4.7. EMERGENT will inform the completion of VAS activities through a 'Service Provided Note', which will have information such as description of products, quantities date and time.

5. Section V - Cost Implications

5.1. The rates quoted are based on PRODUCT information and operational scope mentioned in this quotation. Further, the rates are structured on the basis of EMERGENT pallet configurations.

5.2. Pallet Configuration

Pallet Size (L x W x H)	1,200mm x 1,000mm x 1,000mm
Maximum Laden Weight	700kg

6. Section VI - Commercial considerations and notes to pricing

- 6.1. Prices quoted herein are valid for a period one year's operation.
- 6.2. Annual rate increase will be based on Colombo Consumer Price Index (CCPI) or 15% whichever is lower and Electricity tariff revisions will be at actual and proportionate to the space occupied by the CUSTOMER.
 Ex: - If electricity goes up by 15% and CUSTOMER has occupancy of 1% of the store (occupancy 1% of 14,056 Pallets = 141 pallet spaces). Increase in electricity of 15% is divided by 14,056 and multiplied by 141 pallets = % increase allocated to the customer.
- 6.3. Prices quoted exclude taxes and government charges/ levies.
- 6.4. The storage cost will vary based on the PRODUCT received and dispatched. It is agreed that the costs are worked on the volume of PRODUCT stored. The daily charge will be worked from stock held at the beginning of day (opening balance) and stocks that are received within/ during the day.

- 6.5. Handling Charges include all services connected with the unloading of products from transport vehicles, stacking and un-stacking at EMERGENT, and the reloading to vehicles in accordance with CUSTOMER sales invoices/ instructions and for the provision of associated administrative, MIS and record keeping services.
- 6.6. Terms of Payment: A weekly billing cycle will be in operation for charges and the CUSTOMER shall settle all invoices within 7 days of invoicing. Further, it is compulsory that all dues are settled prior to dispatching of final stocks out from the warehouse. If invoices are not settled within 7 days, the Parties agree that EMERGENT would be entitled to be paid the invoice value together with interest at 12% per annum thereon.
- 6.7. EMERGENT reserves the right to a general or particular lien (including any applicable statutory lien) over the PRODUCTS and any other goods stored at EMERGENT premises/Warehouse, and any documents relating to them, for outstanding payments relating to those PRODUCTS or to other goods which have been or are to be stored or handled on or handled on Customers behalf and also if in the opinion of EMERGENT, PRODUCTS may be about to deteriorate or decline in value less than the amount of EMERGENT lien thereon, or may constitute a hazard to other property or to the warehouse or persons, the PRODUCTS may be removed or disposed of by EMERGENT, and all charges related to said removal shall be paid by the CUSTOMER. The CUSTOMER hereby specifically agrees and confirms that EMERGENT has the right to exercise lien and for the disposal of the PRODUCTS in circumstances mentioned above.
- 6.8. EMERGENT reserves its right to move / shift the PRODUCTS from one storage facility/area to another within the Warehouse and/or to Reefer Containers either within the premises or without and/or depending on the exigencies of the circumstances to shift/move/transport the product to a different location(s)/cold room facility, if it is found that the said PRODUCTS are either dangerous goods or due to the PRODUCTS inherent vice it has become dangerous and/or contaminated and/or there is an emergency in the warehouse/facility and/or there is an event of breakdown in the facility and/or due to any other exigencies as events may present itself to EMERGENT.
- 6.9. However, prior to such transfer of location as more fully provided above, EMERGENT shall inform the customer and obtain its consent and which consent shall not be unreasonably withheld and if the transfer/the movement of the PRODUCT has been caused due to reasons not attributable to the Customer and/or the customer's product, EMERGENT shall not call upon the Customer to bear any additional expenses in connection therewith. However, if such transportation and/or the shifting and/or the movement of the product was as a result of the product itself in the opinion of EMERGENT, been found to be dangerous and/or had become dangerous and/or causes a threat to other PRODUCTS within the facility and was a result of the Customer not having informed EMERGENT of the nature of the PRODUCT and / or the Product has become so due to an inherent vice of the PRODUCT and/or make a full and frank disclosure about the nature or quality of the PRODUCT, and/or for other causes EMERGENT reserves the right to charge the CUSTOMER with any additional costs arising therefrom.
- 6.10. It is further agreed that after notification to the Customer, the Customer does not respond within a reasonable time to either grant its consent and/or has despite being called upon to do so has failed to remove the PRODUCT, it is agreed and understood between the parties that EMERGENT has the right to either remove the PRODUCT from the said facility and/or transport the same within the facility and/or without as provided above, and if required, due to the exigencies of the circumstances to move the said PRODUCT to another location and/or dispose of the said product and/or destroy the same, at the discretion of EMERGENT.

6.11. Termination of Storage: EMERGENT, upon written notice, may require the removal of the PRODUCTS, or any portion thereof, from the warehouse upon the payment of all charges attributable to said PRODUCTS within a stated period. If after the lapse of 30 days after such notification, if the said PRODUCTS are not so removed, EMERGENT has the right to dispose and / or sell the PRODUCTS and EMERGENT shall be entitled to recover all costs incurred thereby and also to exercise any other rights it has with respect to such PRODUCTS. Notwithstanding the above, either party shall have the right to terminate this agreement by giving the other one month's notice in writing and in the event of the CUSTOMER giving such notice, it shall be the CUSTOMER'S obligation to pay and settle all dues to EMERGENT as invoiced and to remove the goods at the expiry of the said one month, failing which the provisions in Clauses 6.8, 6.9 and 6.10 shall *mutatis mutandis* apply.

6.12. Insurance of PRODUCTS: EMERGENT shall indemnify and keep the CUSTOMER indemnified in respect of only the "cost price" of the said PRODUCTS lost or destroyed as a result of :

- 6.12.1. The PRODUCTS being unfit for consumption due to loss of temperature caused by refrigeration equipment failure.
- 6.12.2. Shortage attributable to theft and/ or misappropriation whilst PRODUCTS are in the custody of EMERGENT.
- 6.12.3. Loss or damage sustained to PRODUCTS during loading or unloading or being carried out at EMERGENT.

and shall not be liable or responsible for any other loss or damage or profit or consequential losses or any claim in respect thereof whatsoever and howsoever arising except as provided in Clauses 6.12.1. to 6.12.3.

6.13. It is agreed between the parties that EMERGENT would be liable to the Customer only in respect of the reimbursement of the cost price of the product to the customer (less the storage charges payable by the customer to EMERGENT) in connection with events specified in clause 6.12.1, 6.12.2, 6.12.3. It shall be the obligation of the Customer to cover all other possible losses and perils either by way of an all risks insurance cover/policy and/or otherwise in respect of any losses or damage that may be caused to the customer including but not limited to the destruction (either partially or fully) by fire or other similar perils. It is further understood and agreed between the parties that EMERGENT shall not be liable for any weight loss whatsoever or howsoever arising including due to the inherent vice of the product and/or due to refrigeration and the Products shall be received and acknowledged for storage purposes only in "Units" notwithstanding the Products also being weighed for purposes of record only. This would also apply during stock reconciliation and when the Products are handed back to the CUSTOMER and the CUSTOMER unconditionally agrees not to make any claim for any weight loss.

6.14. The CUSTOEMR confirms that through it's authorized representative that it has inspected the premises / warehouse and is satisfied with the storage environment, facilities and the services available, and are in agreement to; the rates quoted, the temperature, and the terms and conditions, for the commencement of Storage & Handling operations.

6.15. It is agreed between EMERGENT and the Customer that if the goods that are handed over to EMERGENT either by the customer or any Agent or Servant or person on behalf of the Customer and those goods are liable to seizure and or forfeiture and/or detention and/or are liable for destruction due to the contravention or alleged contravention by the Customer or the Manufacturer of the goods or the Customer's Principals, whether by himself or by his servant, agent or representative, of any law, regulation, rule, by-law, etc or the customer or its Principal or Manufacturer has violated or has allegedly violated any law, regulation, rule, by-

law, etc EMERGENT shall not be liable in any manner whatsoever or howsoever and that EMERGENT shall be bound by any order or direction issued by any Competent Authority or any Government or Semi-Government Agency or any Court of Law and the Customer undertakes to indemnify and make good any loss, damage or expense thereby incurred by EMERGENT including the reimbursement of all costs pertaining to any litigation, court action or prosecution. It is further understood by the parties that EMERGENT has not examined the contents of any goods package marks etc. and that if EMERGENT are required by any Officer acting under the provisions of any Law, Act or Ordinance to open any package or receptacle or are required to detain or keep in safe custody and/or not to release the goods/Products to the Customer and/or to hand over such goods to such Officer or are required to store the same in any separate location under seizure, detention or lien that EMERGENT shall not be liable towards the Customer or any other person whatsoever or howsoever. The Customer shall notwithstanding any of the events referred to above continue to be liable to pay the storage charges until the products leave the warehouse of EMERGENT.

7. FORCE MAJEURE

Notwithstanding anything hereinbefore contained, EMERGENT shall not be responsible for any failure to perform in whole or in part or delay in performing any services hereunder arising out of or consequent upon any of the following:

- a) Breakdown of, accident to, and/or failure of any crane, plant, machinery, equipment or other facilities whatsoever of EMERGENT;
- b) Strikes, riots, civil commotions, lockouts, stoppages and /or restraints of labour of whatsoever nature or kind, whether partial or general and whether or not involving the employees of EMERGENT;
- c) War, civil war, hostilities and/or acts of terrorists;
- d) Adverse or unusual conditions of sea and/or weather, earthquakes, flood and/or fire;
- e) Acts, orders, regulations and/or requirements of any governmental, municipal or other authorities whatsoever or any person or body purporting to act on their behalf;
- f) Any other cause which EMERGENT could not prevent or avoid by the exercise of reasonable diligence.

8. LAW AND JURISDICTION

8.1. This Agreement is governed by the laws of Sri Lanka.

8.2. Any dispute between the Parties as to matters arising under this Agreement which cannot be settled amicably within a reasonable time not exceeding 14 days after receipt by one Party of the other Party's request for amicable settlement maybe submitted by either Party to arbitration in accordance with the provisions of the Arbitration Act No 11 of 1995.