

Dear Member

As you are aware all stock booked through CQLP Ltd incurs a fee to cover credit insurance. In the event of non payment for stock due to an abattoir or outlet default then a claim would be made.

We have been asked by the insurers to clarify our procedure in such an event, and decide who would be responsible, if necessary, for lodging any claim. The Directors of CQLP Ltd have outlined the procedure as follows:

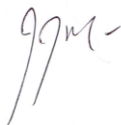
When payment is not received at the expected time the Producer would, as soon as possible, inform CQLP Ltd who would investigate and request that payment be made.

When all attempts had been made to obtain payment and been unsuccessful, CQLP Ltd would value the stock at the time of kill and fill in the claim form.

In order for CQLP Ltd to act on the Producer's behalf it is necessary to seek their permission. We would ask that you complete and sign the enclosed agreements and return one copy to the office in the prepaid envelope, retaining one for your records. Please do so even if, for any reason, you are not currently trading with us. As a member we need to hold your permission on file.

Bad debt insurance is an integral part of the way that CQLP Ltd operates. By booking your stock with the group it has a responsibility to safeguard the transaction. The Producer can be reassured that in uncertain trading conditions a large proportion (currently 90%) of the value of any stock booked through CQLP Ltd is secure. We ask for your co-operation in this matter but if you have any queries then please contact the office to discuss them further.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J Moon', with a horizontal line extending from the end of the signature.

J Moon
Chairman