

*Licenseret af*



**Dan Avl**

*Licensed by*



**Dan Bred**

*Lizenziert von*



**Dan Zucht**

# **Business Terms of Porc-Ex Breeding A/S**

**applicable to all trading with Porc-Ex Breeding A/S  
concerning breeding pigs, transport etc. unless  
otherwise agreed in writing prior to delivery or transport  
respectively**



**Porc • Ex**  
**B R E E D I N G**

**[www.porc-ex.dk](http://www.porc-ex.dk)**

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### **1. Business Terms of Porc-Ex Breeding A/S**

Porc-Ex Breeding A/S is a limited liability Porc-Ex Breeding A/S acting autonomously and registered under the CVR No.: DK 15960507.

These Business Terms shall apply to all trading with Porc-Ex Breeding A/S concerning breeding pigs, transport etc. unless otherwise agreed in writing prior to delivery or transport respectively.

Prior to concluding the agreement, Porc-Ex Breeding A/S's co-operation partners have acquainted themselves with these Business Terms and declare by their signature on the contract, the supply agreement, that they have read and accepted the Business Terms as part of the basis for the agreement.

Porc-Ex Breeding A/S shall be regarded as purchaser towards suppliers of pigs.

Porc-Ex Breeding A/S shall be regarded as seller towards the recipient/purchaser of pigs.

These Business Terms thus regulate the relations between Porc-Ex Breeding A/S and the supplier of pigs as well as between Porc-Ex Breeding A/S and the purchaser of pigs under all contracts concluded.

### **2. Types of agreement**

All agreements with Porc-Ex Breeding A/S on the delivery and transport of pigs are concluded on the basis of one of the types of agreement listed below:

- a) Written contract/supply agreement which is typically used where a new herd is to be established at the purchaser or where a lot of animals are to be supplied to the purchaser in one go, or where recurrent deliveries to a purchaser are involved.
- b) Written order confirmation which is often used in connection with free market trade.
- c) An oral agreement which may be used if delivery at short notice is required.

The above types of agreement between Porc-Ex Breeding A/S, the purchaser and seller are jointly referred to as trading agreement.

### **3. Obligations and rights on the part of the seller (the supplier of pigs, cf. clause 16.27) in respect of:**

#### **3.1 Origin of animals delivered and foreign, cloven-hoofed animals**

The seller warrants:

- that all pigs delivered by the seller to Porc-Ex Breeding A/S or via Porc-Ex Breeding A/S under a trading agreement are born and bred in Denmark;
- that the said animals have not been in contact with imported, cloven-hoofed animals.

The seller undertakes immediately:

- to notify Porc-Ex Breeding A/S if cloven-hoofed animals from abroad or animals that have been directly or indirectly in contact with foreign, cloven-hoofed animals are purchased for the seller's farm;
- to notify Porc-Ex Breeding A/S in the event of any suspicion on the part of the seller that such animals as specified above may have been purchased for the seller's herd.

**Weight of young sows, gilts and boars upon receipt at the seller (the supplier of pigs, cf. clause 16.27)**

Upon receipt from the seller, young sows, gilts and boars shall meet the following minimum weight requirements:

<b>Age/days</b>	<b>Weight/kg</b>
25	7
28	8
49	14
63	20
75	25
85	30
99	37
113	44
127	53
141	63
155	73
169	83
183	93
197	99
210	105

**3.2. Suspicion of possible new infection**

The seller undertakes immediately to notify Porc-Ex Breeding A/S if the seller in any way becomes suspicious of and/or receives information on a possible new infection in his herd, cf. also the rules of SPF-SuS thereon.

**3.3. Notification – authorisation – delivery notes**

The seller authorises Porc-Ex Breeding A/S to notify the Danish Veterinary and Food Administration on the movement of animals.

However, the seller himself shall be responsible for such notification taking place in compliance with current legislation at any time.

The seller shall apply only the delivery-note form of Porc-Ex Breeding A/S when selling to Porc-Ex Breeding A/S or when transport is performed by Porc-Ex Breeding A/S or by a third party hired by Porc-Ex Breeding A/S.

**3.4 Withdrawal period – product standard**

The seller warrants:

- that all pigs picked up by Porc-Ex Breeding A/S meet the requirements of current statutory law at any time, inclusive of withdrawal period;
- that the seller's herd has been approved under the product standard "Danish Product Standard" of Danish Pig Production and that the seller shall immediately notify Porc-Ex Breeding A/S in writing if the approval is withdrawn.

**3.5. Loading**

The loading of breeding stock is to take place Monday to Friday from 5 a.m. to 6 p.m. and Saturday from 5 a.m. to 3 p.m.

The seller shall see to it that the transport vehicle can drive to and from the place of loading without any hindrance.

Moreover, the driver shall be able to move around the vehicle freely and have easy access to the loading facilities.

A clean place is to be provided for the driver to change his clothes.

The seller shall have the pigs ready for loading at the agreed time.

The seller is obliged to make a person available for assistance in connection with loading.

If the above requirements are not met, Porc-Ex Breeding A/S is entitled to charge additional payment.

Moreover, the seller is to provide wood shavings and straw free of charge for bedding during transport.

If the seller has special transport requirements, Porc-Ex Breeding A/S shall be notified thereof when the transport is booked.

It is the seller's responsibility that the health rules of SPF-SuS can be complied with for the agreed type of vehicle.

In connection with direct transport, the seller is responsible for obtaining approval by the regional veterinary and food control centre of the loading facilities for the transport in question and is to defray the costs involved.

### **3.6. Cooperation between farms registered with the regional veterinary and food control centre**

Sellers, who have several sites, which means that the breeding stock is not picked up from the same livestock farm registration no. [the so-called "CHR" no.] as that at which the breeding stock was born, shall see to it that the cooperation between farms is registered with the regional veterinary and food control centre (not SPF-SuS) not later than 6 months prior to the commencement of quarantine. EE

### **3.7. Statement by the export owner**

The seller is liable for and shall defray the costs of always holding a valid export-owner statement, ready for handing over when supplying the breeding stock.

### **3.8. Export to non-EU countries**

In case of export to non-EU countries, the seller is obliged to meet the certificate requirements for quarantine facilities stipulated by the importing country in question.

Unless otherwise agreed in writing, Porc-Ex Breeding A/S defrays laboratory expenses and expenses for blood testing during the quarantine period where such expenses concern compliance with the certificate requirements of the importing country. If no agreement can be reached with the herd veterinary as to the price of the service involved, Porc-Ex Breeding A/S reserves the right to have such service performed by its own veterinary subject to compliance with the health rules applying to the herd in question.

### **3.9. Commingling of pigs**

The current legislation at any time, inclusive of EU law, concerning rules on the commingling of pigs during transport, shall be complied with at all times.

### **3.10. Signing of delivery note at loading**

The driver is to sign the delivery note or the freight bill at loading. The person signing on behalf of the seller shall be deemed to be authorised to do so.

### **3.11. Liability for animals delivered**

The seller warrants that the animals delivered meet the following requirements:

- Requirements specified in the Business Terms;
- The trading agreement concluded;
- The expected standard for the category of animals in question;
- The requirements of current law at any time on transport and fitness for transport.

### **3.12. Breeding stock requirements**

#### **Tagging**

All pigs traded are to be tagged with the livestock farm registration no. of the herd of origin on an approved ear tag prior to pick-up according to current legislation at any time.

Breeding stock from DanBred and multiplier herds is also to be tagged according to the so-called "regler for avl og opformering" [rules on breeding and multiplying] issued by Danish Pig Production.

#### **Ulcers**

At the time of delivery, pigs must not have any open ulcers from castration, tail docking, tail bites, ear necrosis, flank bites etc. If pigs with such ulcers are delivered, the settling price shall be DKK 0.00.

#### **Tail length**

Any docking of tails must have been undertaken in compliance with the current rules and regulations thereon at any time, and when registering pigs for sale, the seller is to provide information on the extent of pigs with docked tails in the consignment.

#### **Vaccination**

Vaccination must be undertaken prior to trading and in compliance with the vaccination programmes of Porc-Ex Breeding A/S which are as follows:

- a) Boars and young sows are to be vaccinated against Glässer's disease and erysipelas in an orderly manner (3 and 6 weeks prior to delivery).
- b) Gestating animals and young sows are to be vaccinated against parvovirus in an orderly manner (age: 26 and 29 weeks old). The times of vaccination are to be specified in the delivery note.
- c) Gestating animals are to be vaccinated against clostridia 3 and 6 weeks prior to farrowing.

**3.13. Weight of young sows, gilts and boars upon receipt at the purchaser (the recipient of pigs, cf. clause 16.11)**

Upon receipt at the purchaser, young sows, gilts and boars shall meet the following minimum weight requirements:

<b>Age/days</b>	<b>Weight/kg</b>
25	5
28	6
49	10
63	14
75	18
85	21
99	26
113	31
127	37
141	44
155	51
169	58
183	65
197	69
210	73

**3.14 Functional teats**

8 days after the first farrowing at the purchaser (recipient of pigs), females must have at least 13 functional teats. This does not apply to purebred Duroc females.

**3.15. Insemination**

If young L, Y and hybrid sows are not found to be gestating at the end of the 45<sup>th</sup> week of their life after insemination/attempt at insemination or missing heat, compensation shall be paid for the young sow(s) by the seller.

**3.16. Gilts**

Gilts that were younger than 38 weeks or older than 45 weeks when inseminated shall be traded only subject to written acceptance by Porc-Ex Breeding A/S.

For gilts or sows delivered later than 4 weeks after insemination, an average litter size of least 9.0 liveborn, fully developed piglets per gilt/sow is warranted at their first farrowing after delivery.

**3.17. Teats - boars**

Landrace and Yorkshire boars must have at least 7 well-placed teats at each side.

**3.18. Willingness to mate**

When boars are 36 weeks old, they must have demonstrated willingness and ability to mate, and their semen must be fertile.

The purchaser shall not let boars mate with females until the boars are at least 6 months old, and the purchaser shall apply purchased boars for on-farm A.I. only subject to prior agreement with the seller.

### **3.19. Liability during transport**

After the loading of pigs, the seller shall be liable for the pigs carried until unloading has been completed in the following situations:

- A conditional health status is imposed on the seller's herd after the loading of the animals.
- Public authorities inspect/put down animals carried with reference to conditions for which the seller is responsible.

### **3.20. Inspection at the purchaser**

The seller is entitled to inspect his consignment in the purchaser's herd in the event of a dispute concerning defects in the animals supplied.

Any inspection shall be conducted together with a representative from Porc-Ex Breeding A/S and with due respect of the current quarantine rules at any time.

If the agreed number of animals and category including the age is not fulfilled at the selection (not available), it is the obligation of the seller to defray the costs of the Porc-Ex Breeding A/S in connection with the time spent and the transport costs.

### **3.21. The databank of DanBred**

All animals sold by the seller as purebred or hybrid animals of any kind must be registered as approved breeding stock in the databank of DanBred. If non-approved breeding stock is supplied, the settlement price for such animals shall be DKK 0.00.

### **3.22. Red herd**

Within the last 6 weeks prior to the closing-down of a red herd, the seller shall supply no breeding stock from such red herd for transfer to quarantine facilities at the recipient.

If a herd is closed down at a notice shorter than 6 weeks, the seller shall be liable for the animals that have already been delivered to the recipient's quarantine facilities and shall pay compensation for the difference between the purchase sum and the resale price, unless the pigs can be released on standard terms according to the health rules.

### **3.23. Resale clause - DanBred breeding stock**

The seller is familiar with and accepts the so-called "aftale med Dansk Svineproduktion om omsætning af DanAvl avlsdyr" [agreement with Danish Pig Production on the trading of DanBred breeding stock]. A copy thereof has been handed over to the seller.

The seller may request that an injunction be issued without the provision of security, restraining the purchaser from reselling DanBred breeding stock.

## **4. Obligations and rights on the part of the purchaser (the recipient of pigs, cf. clause 16.11) in respect of:**

### **4.1. Examination**

The purchaser is obliged to undertake such examinations in his herd as may be required by SPF-SuS for the purpose of clarification of any infection as compared to the health status listed in the trading agreement for the pigs delivered.

#### **4.2. Agreements derogating from the Business Terms**

If the purchaser has agreed health requirements and/or conditions that differ from these Business Terms, such agreement must be specified in either the trading agreement or the transport agreement.

In this connection it must, for example, be specified whether and how it may affect termination, expiry and compensation in the event of a detected infection or suspicion of an infection.

#### **4.3. Period of unloading – access conditions**

The unloading of breeding stock with a journey of less than 8 hours is to take place Monday to Saturday from 5 a.m. to 10 p.m.

The unloading of breeding stock with a journey of more than 8 hours is to take place all around the clock 7 days a week.

The purchaser shall see to it that the transport vehicle can drive to and from the place of unloading without any kind of hindrance. A clean place must be provided for the driver to change his clothes.

The purchaser must be ready to take delivery of the pigs at the time specified by the driver.

The purchaser shall make a person available for assistance at unloading.

#### **4.4. Facilities for receipt**

When delivery of breeding stock for supplementing the purchaser's sow herd takes place, one of the following facilities for receipt must be available:

- a) Tidy and empty quarantine facility. There is to be no direct access from the quarantine facility to the housing facility.
- b) Vehicle for receipt which for SPF herds is to be approved by SPF-SuS and equipped with a sign approving such use. The vehicle must be cleaned and located at least 100 m away from the closest housing facility of the farm.
- c) Housing-facility section from which there is to be no direct access of any kind to the other housing facilities on the farm during the period of unloading, i.e. during the entire period of time when the driver is on the farm.

It is the purchaser's responsibility that the health rules of SPF-SuS can be complied with for the agreed type of vehicle.

#### **4.5. Cleaning of the transport vehicle**

The purchaser is obliged to take over remains of bedding material and manure from the transport vehicle in connection with unloading.

The purchaser shall provide a washing place for cleaning of the transport vehicle.

#### **4.6. Special transport requirements**

If the purchaser has specified any special transport requirements, Porc-Ex Breeding A/S shall be notified thereof when the transport is booked.

#### **4.7. Additional payment**

If the above conditions are not complied with, Porc-Ex Breeding A/S may demand additional payment.

#### **4.8. Receipt of animals**

The purchaser shall receive any animals that may not be of customary good standard. Subject to agreement with Porc-Ex Breeding A/S, the purchaser is entitled to have animals slaughtered if they are not of customary good standard, subject to paying the slaughter price to the supplier.

The purchaser is entitled to refuse to take delivery of animals, if the purchaser has reason to suspect that the animals do not have the health status specified in the delivery note when picked up from the seller.

#### **4.9. Passing of risk**

The risk of the accidental loss or decrease in the value of the animals passes to the purchaser when the animals have been unloaded at the place specified by the purchaser.

#### **4.10. Confirmation of receipt**

The purchaser is to confirm receipt on the delivery note/freight bill when the animals have been unloaded. Any person signing on behalf of the purchaser shall be deemed authorised to do so.

#### **4.11. DanBred breeding stock purchased and offspring thereof - resale**

Prior to the delivery of purebred breeding stock from DanBred (Danish Pig Production), the purchaser has had a resale clause handed out and has signed it, and he accepts such resale clause.

The terms of sale specified by Danish Pig Production pursuant to the so-called "aftale om avl" [agreement on breeding] shall generally apply in all cases where a pig breeder sells breeding stock, embryos or semen to pig producers throughout the world who do not sell breeding stock.

The resale of purchased animals is at present prohibited for a period of 2 years.

Moreover, the rules on resale specified by Danish Pig Production at any time shall apply. The purchaser undertakes to keep himself updated in respect of any change to such rules.

#### **4.12. Use of purchased DanBred breeding stock**

Purchased DanBred breeding stock shall be used by the purchaser in his own herd. The purchaser shall not resell or otherwise pass on the breeding stock purchased or the offspring thereof – inclusive of hybrid offspring - to any third party without the written consent of Danish Pig Production.

Such resale ban is at present valid for 2 years from the time when purebred DanBred breeding stock was last supplied to the purchaser's herd, inclusive of semen and embryos.

The purchaser is entitled to sell DanBred breeding stock purchased and offspring thereof directly for slaughtering.

The purchaser may use the offspring of DanBred breeding stock purchased as piglets for the production of finishers.

Moreover, the purchaser is entitled to sell offspring to a purchaser who has been approved as a breeding or multiplying herd by Danish Pig Production (DanBred herds).

If the purchaser concludes a multiplier agreement with Porc-Ex Breeding A/S on the terms applicable to multiplying at any time as determined by Danish Pig Production and Porc-Ex Breeding A/S, Porc-Ex Breeding A/S may consent to the resale of offspring subject to prior agreement.

#### **4.13. Notification – inspection – DanBred breeding stock**

The purchaser shall report all permitted sale of DanBred breeding stock to Danish Pig Production according to the current rules stipulated thereon by Danish Pig Production at any time.

Danish Pig Production is entitled to inspect the purchaser's herd and recordings of the sale of DanBred breeding stock.

Moreover, Danish Pig Production is entitled to inspect DanBred breeding stock sold before pedigree certificates are issued and to send the purchaser a health status certificate on the breeding stock sold.

#### **4.14. Restraining injunction against resale**

The seller, Porc-Ex Breeding A/S or Danish Pig Production is entitled to request that an injunction be issued without the provision of security, restraining the purchaser from reselling DanBred breeding stock in violation of the rules on resale stipulated in these Business Terms and the rules on resale determined by Danish Pig Production at any time.

### **5. Obligations and rights on the part of Porc-Ex Breeding A/S in respect of:**

#### **5.1. Notification**

Porc-Ex Breeding A/S notifies the register of movements, kept by the Danish Veterinary and Food Administration under the central register of livestock farms, of any movement from a Danish herd to a Danish recipient herd, inclusive of assembly centres and export assembly centres, where the recipient herd is not part of any registered co-operation with the supplier herd as defined by SuS.

In the event of direct export from a supplier herd to a foreign recipient herd, notification similar to the above shall be made.

In cases not covered by the above, notification shall be made according to agreement with the seller.

When breeding stock is picked up from the seller, the seller authorises Porc-Ex Breeding A/S to make the requisite notification so that such notification may be made not later than 7 days from the day of moving the pigs.

According to Danish law, the seller himself is responsible for such notification taking place.

#### **5.2. Trading of breeding stock**

Danish Pig Production and Porc-Ex Breeding A/S have concluded an agreement on the trading of both purebred breeding stock and hybrids from the DanBred breeding system, and Porc-Ex Breeding A/S is thus in a position to:

- resell DanBred hybrid breeding stock freely throughout the world without any resale clause;
- sell DanBred purebred breeding stock throughout the world subject to the purchaser having signed a purchaser's statement and subject to a ban on re-sale being imposed on the purchaser.

### **5.3. Transport**

Unless otherwise agreed in the trading agreement, pigs are to be called for and delivered in an open vehicle.

The health rules and transport rules of SPF-SuS shall apply if this has been agreed in the trading agreement in connection with the purchase, sale and transport to and from SPF herds in Denmark.

Porc-Ex has concluded a SPF transport agreement with SPF-SuS as approved SPF transport operator.

In connection with transport, Porc-Ex Breeding A/S undertakes to observe applicable law. The statutory space requirements per animal etc. constitute the basis for the transport declarations issued to Porc-Ex Breeding A/S and cannot be derogated from.

Until 5 days prior to the agreed date of delivery and subject to acceptance by the purchaser, the seller may submit notification of any deviation in terms of number, weight and age to Porc-Ex Breeding A/S.

If the deviation is accepted, Porc-Ex Breeding A/S reserves the right to change the agreed time of delivery.

Porc-Ex Breeding A/S is entitled to charge the seller for any costs resulting from deviations.

At loading, the driver is under a statutory obligation to reject animals until the statutory requirements are met.

In such case the seller shall compensate Porc-Ex Breeding A/S for the loss incurred compared to the consignment agreed.

An open vehicle is regarded as a non-approved transport operator's vehicle, cf. the transport rules of SPF-SuS.

The conditions in connection with loading and unloading are not inspected by Porc-Ex Breeding A/S prior to arrival, and it is thus the responsibility of the purchaser and the seller to see to it that the health rules of SPF-SuS for the agreed type of vehicle can be complied with.

### **5.4. Delivery notes**

The delivery note accompanying each consignment of pigs is to specify the health status of the animals, inclusive of a possible conditional health status.

Additional information on health status, inclusive of information on salmonella, is to be included if the salmonella level is above 5.

It is to be stated whether the pigs have been transported in an SPF vehicle or in an open vehicle or have been transported jointly with pigs from others suppliers.

In the delivery note under form of transport, "approved vehicle under SPF-SuS" or "open vehicle" is to be stated.

When the form of transport "open vehicle" is used, the pigs are delivered with an "unknown" health status.

Any information on the health status of the supplier herd and the recipient herd in both the delivery notes and in the sales agreement is provided subject to no guarantee.

Porc-Ex Breeding A/S shall be liable only for recording and passing on the seller's and purchaser's information on health status.

#### **5.5. Conditional health status**

Pigs are supplied from a supplier's herd with a conditional health status or derived conditional health status only subject to acceptance by the purchaser.

If a conditional health status is imposed on a supplier's herd owing to failure to obtain an A15-week statement and/or delayed blood tests for health-status purposes, this shall not affect already scheduled transports during the week in which the conditional health status is imposed, and the purchaser is not informed thereof.

#### **5.6. Restrictions on trading**

In connection with suspicion of special diseases, public authorities, Danish Meat Association, Danish Pig Production etc. may set up restrictions on trading.

#### **5.7. Liability during transport**

During transport, Porc-Ex Breeding A/S shall be liable for accidental loss of the animals and a decrease in the value of the animals.

Porc-Ex Breeding A/S shall thus be liable from the time when the doors of the transport vehicle are closed until unloading has been completed except in cases where any death or decrease in value is due to circumstances that existed prior to loading. This applies to both hidden and visible defects.

Unless otherwise agreed in writing, delivery shall take place according to ICC Incoterms 2010, DAP (Delivered at Place). The purchaser and the seller declare that they are familiar with these terms.

#### **5.8. Health status of red herds**

When a supply agreement has been concluded on the supply of pigs from a red herd, Porc-Ex Breeding A/S shall see to the issuing of a current health status declaration of the red herd in question.

The purchaser may request written, supplementary health-status information from Porc-Ex Breeding A/S which includes information on health conditions covered by the health status declaration.

## 5.9. Index single animals

The date for the selection/selectivity forms the basis of the index of single animals which is agreed upon in the current agreement – yet maximum 10 days before delivery. The calculations of the index are made by DanBred.

## **6. Information on health status at delivery**

- “SPF”:  
For pigs supplied with the health status ”SPF”, no indication of undesired infection in the seller’s herd were detected by the health inspection arranged by SPF-SuS in compliance with the health rules, and the status of the seller’s herd is specified in the delivery note for the consignment.
- “Conventional with PRRS declaration”:  
No indication of undesired PRRS infection was detected by the health inspection arranged by SPF-SuS, cf. the PRRS rules.
- <<0}
- “Unknown”  
For pigs delivered with the health status "unkown", the health status of the pigs is in every respect unknown.
- Salmonella index and levels 2 and 3:  
The declaration of the salmonella level in red herds takes place in compliance with the rules stipulated by the Danish Veterinary and Food Administration and by Danish Pig Production.  
Such declaration is based on monthly blood tests, and the results of the tests are stated in the form of a salmonella index.  
Information on the current index and the indices for the latest 6 months is provided by SPF-SuS as supplementary health status information.

## **7. Provisions on damages and compensation - penalty**

### **7.1. Exclusion of liability and limitation of liability for disease purchased and infection transmitted to the purchaser’s herd and for salmonella**

Porc-Ex Breeding A/S and the seller shall not be liable for any loss whatsoever on the part of the purchaser, be it direct loss or consequential loss of any kind, if an infection is detected in the breeding stock sold or if the breeding stock has an undetected infection, an infection at the incubation stage or has contracted an infection during transport, and if such disease spreads to the rest of the purchaser’s herd.

The purchaser himself bears the risk of consequential loss, loss of earnings and other direct or indirect loss in the event of a purchased disease or transmitted infection.

If the purchaser’s herd has been infected through purchased infection or transmitted infection as the result of grossly negligent conduct on the part of Porc-Ex Breeding A/S and/or the seller, Porc-Ex Breeding A/S and the seller shall be liable in damages up to a maximum of DKK 1m. Damages shall be paid by the party who has acted in a grossly negligent manner, i.e. either Porc-Ex Breeding A/S or the seller.

When calculating the amount of damages, key figures from the injured party's production reports/efficiency control reports calculated by an external advisor are to be applied.

If such reports are not available, the key figures of Danish Pig Production constituting part of the basis for calculating the estimated price as at the time of the loss shall be applied.

When calculating the loss in connection with elimination of a disease, figures from the so-called "DLBR produktionsplan", "SvineIT" of the national agricultural advisory centre Landscentret in Skejby, Denmark, are to be used in which the above production data are used.

However, the agreed price as at the time of delivery shall not exceed the SPF price according to the price list of the SPF Porc-Ex Breeding A/S for breeding stock of the same category and the same health status.

Porc-Ex Breeding A/S shall not be liable either for the occurrence of salmonella bacteria in the pigs delivered.

## **7.2. Other limitation of damages or compensation payable by Porc-Ex Breeding A/S and assignment of claims**

Liability can only be imposed on Porc-Ex Breeding A/S as purchaser to the same extent as Porc-Ex Breeding A/S will be able to hold the seller/supplier liable, unless Porc-Ex Breeding A/S has separately committed errors or omissions that are actionable under Danish law.

Porc-Ex Breeding A/S may assign its possible claim against the supplier of pigs to the purchaser of pigs where such claim is based on circumstances at the supplier of the pigs.

Similarly, Porc-Ex Breeding A/S may assign its possible claim against the purchaser of pigs to the supplier of pigs where such claim is based on circumstances at the purchaser of pigs.

Porc-Ex Breeding A/S shall never be liable for the supplier's ability to pay, neither for delivery, transport etc. nor for claims for damages or compensation.

Similarly, Porc-Ex Breeding A/S shall never be liable for the Purchaser's ability to pay, cf. clause 13.7.

If the seller raises a claim for damages or compensation against Porc-Ex Breeding A/S as purchaser, Porc-Ex Breeding A/S will raise a claim for full indemnity or partial contribution against the purchaser.

If the purchaser raises a claim for damages or compensation against Porc-Ex Breeding A/S as seller, Porc-Ex Breeding A/S will raise a claim for full indemnity or partial contribution against the seller.

Except in cases where Porc-Ex Breeding A/S is separately liable, Porc-Ex Breeding A/S only pays damages if and when Porc-Ex Breeding A/S is entitled to claim full indemnity or partial contribution from the seller or the purchaser, and when the party under an obligation to pay indemnity or contribution has effected payment.

Porc-Ex Breeding A/S reserves the right to omit paying damages or compensation to the party entitled to damages or compensation until a ruling has been obtained from a court of law.

If the party liable to pay damages or compensation is unable to fulfil his financial obligations under the Business Terms, Porc-Ex Breeding A/S's liability shall be limited to the amount that can be paid by the party liable to pay damages or compensation.

Porc-Ex Breeding A/S shall not be liable in cases where the seller and the purchaser have concluded an agreement on a complaint or have started settling a complaint without the knowledge of Porc-Ex Breeding A/S.

**7.3. Limitation of damages payable by Porc-Ex Breeding A/S, the seller and the purchaser for any errors and omissions (maximum damages)**

If Porc-Ex Breeding A/S, the seller or the purchaser suffers a loss as the result of errors or omissions which give rise to liability under Danish law, the party liable to pay damages shall pay damages in compliance with the general Danish law of damages.

When calculating the amount of damages, the key figures/calculation method described under clause 7.1 shall be applied.

The damages payable by the liable party cannot exceed DKK 1,000,000.00 at a maximum unless it is a case of gross negligence or intention.

It is pointed out that the maximum sum of DKK 1m shall not apply in the event of a penalty for sale or re-sale in violation of the trading agreement, cf. clause 7.8 of these Business Terms.

**7.4. Specific methods of calculating damages and compensation**

**7.4.1. Unauthorised alteration/termination of trading agreement**

In the event of an alteration/termination of a trading agreement where such alteration or termination is unauthorised under these Business Terms, the party in breach shall pay compensation or damages according to the table below.

If deviations are established (postponement etc.) compared to what has been agreed, the party in breach shall pay compensation or damages to the injured party according to the table below.

	<b>Damages in the event of postponement</b>	<b>Compensation in the event of deviation in numbers *)</b>			<b>Damages in the event of termination</b>	
Notification of alteration to Porc-Ex Breeding A/S prior to the week agreed for delivery of the batch	For each pig in the batch, the following is to be paid per week:	To be paid per deviating pig when the batch deviation amounts to:			To be paid per batch:	
		11-20 %	21-50 %	> 50 %	Purchaser	Seller
Calendar weeks 26 – 13 **)	0.5 %	0 %	3 %	5 %	2 %	5 %
Calendar weeks 12 – 9 **)	1 %	0 %	5 %	10 %	3 %	10 %
Calendar weeks 8 – 4	2 %	5 %	10 %	15 %	8 %	15 %
Calendar weeks 3 – 2	5 %	10 %	15 %	20 %	20 %	20 %
Subsequent/no notification	10 %	20 %	30 %	40 %	25 %	25 %

The percentages specified are calculated on the basis of the current price, cf. the official price list of the SPF Porc-Ex Breeding A/S for equivalent animals in the week agreed for delivery, cf. the trading agreement.

Deviation in numbers is to be understood as both too many and too few animals supplied in the individual batches. The weeks of birth are used as a basis corresponding to the minimum and maximum ages expressed as weeks for the batch.

If too many pigs have been delivered in a batch, compensation for such animals shall amount solely to 50% of the rates specified in the table.

If postponement of the delivery has been agreed, the agreed week of birth shall still be used as a basis for calculation.

Animals that after delivery are valued at slaughter value/weaner value as a result of defects established not later than 21 days after delivery are deemed not to have been supplied in compliance with the trading agreement.

\*\*\*) What is stated under notification of alteration to Porc-Ex Breeding A/S prior to the week agreed for delivery of the batch shall not apply to supply agreements in relation to recurrent deliveries and order confirmations for calendar weeks 26 – 13 and calendar weeks 12 – 9.

#### **7.4.2. Glässers' disease**

In the event of any outbreak of Glässers' disease within 24 hours after delivery, the seller shall pay compensation to the purchaser in the sum of the difference between the purchase price for the pig/pigs and slaughter value plus verified expenses for veterinary and for antibiotics.

This is subject to all animals in the consignment in question being vaccinated in an orderly manner or being covered by herd vaccination in compliance with the vaccination programme covering breeding-stock trading.

Moreover, it is also subject to a diagnosis and a treatment plan being initiated in due time, i.e. within 8 hours after the first symptoms. A veterinary certificate is to be enclosed to complaints, providing information on the time of the first symptoms as well as of the treatment plan.

#### **7.4.3. Erysipelas**

In the event of an outbreak of erysipelas in animals that have been supplied as gestating animals, the seller shall pay DKK 525.00 per infected gilt/sow in addition to ordinary compensation for shortage of piglets in litter.

For young sows vaccinated against erysipelas, the seller shall pay compensation of DKK 525.00 per infected animal + 60% of the estimated weaner price during the week of farrowing for a 7-kg weaner of the same health status for each piglet short of 9 piglets per litter.

As for boars, solely DKK 525.00 shall be paid per infected animal.

#### **7.4.4. Deaths**

In the event of deaths during transport, compensation shall be paid in the sum of the purchase price of the animal (the price paid by Porc-Ex Breeding A/S).

#### **7.4.5. Lack of approval**

If the seller supplies animals to a herd that has been approved by DanBred or has applied for approval as a DanBred breeding or multiplier herd, the seller is to refund the additional price (in excess of the SPF price) for animals that cannot be approved for breeding or multiplying respectively, if such lack of approval is due to defects that are deemed to have existed at delivery.

#### **7.4.6. Tail docking**

If Porc-Ex Breeding A/S defrays additional costs as the result of lack of notification by the seller that the tails of the pigs have been docked, the seller shall pay compensation to Porc-Ex Breeding A/S in the sum of the additional costs accrued.

In the event that the seller supplies pigs that have had more than half their tails docked or have had their tails docked in excess of what may be specified in the trading agreement, the seller is to compensate the purchaser for the following amounts:

- Any deduction in the settlement from the slaughterhouse;
- Any penalty imposed by the slaughterhouse;
- Any penalties imposed by public authorities or imposed by courts of law.

The purchaser is to set up any claims against Porc-Ex Breeding A/S which shall pay compensation only to the extent that the seller indemnifies Porc-Ex Breeding A/S.

#### **7.4.7. Open ulcers**

If the seller has supplied animals with open ulcers resulting from tail bites etc., the question of compensation shall be settled by the sales consultant of Porc-Ex Breeding A/S.

#### **7.4.8. Tagging**

If identification is impossible because of lack of ear tagging or inconsistent tagging, the seller is to pay compensation in the sum of DKK 350.00 per animal.

#### **7.4.9. Parvovirus, young sows, gilts and sows**

The right to claim compensation shall be subject to parvovirus vaccinations having been carried out in the seller's herd. Two vaccinations are to be carried out, the first time in the 26<sup>th</sup> week of the life of the animals. A certificate issued by the veterinary must be enclosed to the notice of complaint.

No compensation can be claimed for an outbreak of parvovirus in other pigs than the pigs purchased for the purchaser's herd.

In the event of an outbreak in the first litter of purchased, correctly vaccinated animals, compensation shall be paid for hybrid young sows in the sum of DKK 550.00 per infected animal + 60% of the estimated weaner price during the week of farrowing for a 7-kg weaner of the same health status for each piglet short of 9.0 piglets per litter.

As for purebred young sows, compensation shall be paid in the sum of DKK 550.00 per infected animal + 60% of the basic price for a 4-week-old hybrid young sow during the week of farrowing and of the same health status for each female piglet short of 4.0 female piglets per litter.

#### **7.4.10. Clostridia**

In the event of an outbreak of clostridia in gilts and sows, compensation shall be paid in the sum of DKK 550.00 per infected gilt/sow in addition to standard compensation for shortage of piglets.

Compensation for shortage of piglets shall be paid at the rate of 60% of the estimated weaner price of a 7-kg weaner of the same health status.

The payment of compensation/damages, however, is subject to both vaccinations having been performed in the seller's herd and to a veterinary certificate being enclosed to the complaint.

#### **7.4.11. Weight, young sows**

If the weight of young sows supplied is below the minimum weight, compensation shall be paid as follows:

Minimum weight up to 50 kg: purchase price ÷ weaner value.

The weaner value is the value of a weaner of the same weight at the date of delivery, calculated on the basis of estimated SPF + MYC price ÷ DKK 50.00.

Minimum weight of 50 kg and above: purchase price ÷ slaughter value.

Known/estimated slaughter value based on calculated slaughter weight at the date of delivery.

There is no requirement that the animals for which compensation has been paid must be slaughtered.

#### **7.4.12. Functional teats**

In the event of non-functional teats in purebred Landrace and Yorkshire animals, compensation shall be paid in the sum of the purchase price ÷ slaughter value at the date of purchase if the purchaser wants the animal slaughtered. If the animal is kept, compensation is to be paid at the rate of 15% of the value of the animal for 12 functional teats, at the rate of 25% of the value of the animal for 11 functional teats and at the rate of 35% of the value of the animal for 10 functional teats. In addition to this, the purchase price shall be adjusted to the relevant hybrid level.

If the animal is kept and has fewer than 10 functional teats, compensation shall be paid in the sum of the purchase sum less slaughter value for animals older than 16 weeks at delivery.

If the number of animals for which compensation is paid for shortage of sets of teats exceeds 10% of the total number of animals in one consignment from the same seller, extraordinary compensation is added for the number in excess of 10%.

Such extraordinary compensation shall be calculated as 30% of the calculated compensation for the animals for which compensation is payable.

If the threshold of 10% is exceeded under the same complaint/calculation of compensation, the oldest animal will be used as a basis for calculating the extraordinary compensation.

#### **7.4.13. Age at delivery**

Compensation in the sum of purchase price ÷ slaughter value is payable for young sows that – without prior agreement – are older than 8 months at delivery.

If gilts supplied are younger than 28 weeks or older than 45 weeks when inseminated and if this has not been accepted by the purchaser prior to delivery, compensation for the gilts in question is payable in the sum of the difference between the SPF price of the gilt and the SPF price of a 28-week-old young sow in the week of delivery.

#### **7.4.14. Defective legs**

If breeding stock with major defects in legs or hoofs is delivered and if breeding stock is younger than 18 weeks at delivery, compensation for such breeding stock shall be payable in the sum of the purchase price ÷ weaner price (estimated price).

Compensation for breeding stock older than 17 weeks at delivery shall be paid in the sum of purchase price ÷ slaughter value.

Compensation for breeding stock with major defects in legs or hoofs shall be paid in the sum of purchase price ÷ slaughter value.

#### **7.4.15. Congenital tremor**

Purchase price ÷ slaughter value at the date of delivery.

#### **7.4.16. Gestation**

Compensation for lack of gestation is paid as follows:

Purchase price ÷ slaughter value at the date of delivery.

If the young sow has been found not to be gestating by the end of the 45<sup>th</sup> week of its life, compensation is payable as follows:

In the event of complaint of defects in the number of animals in excess of 4% of a consignment, no compensation shall be payable for such animals unless laboratory tests have established abnormalities in their genitals. The procedure for such tests is to be agreed with Porc-Ex Breeding A/S.

As for gilts and sows, compensation is payable at the price paid ÷ the price of a young sow of 30 weeks at the time of delivery. In the event of the return to heat of gilts and sows any later than the 6<sup>th</sup> expected week of gestation, compensation is paid in the sum of purchase price ÷ slaughter value (sow at the time of delivery).

#### **7.4.17. Farrowing of gilts/sows**

In the event of farrowing outside the interval of expected date of farrowing  $\pm$  5 days, compensation in the sum of 30% of the price paid per gilt/sow shall be payable.

In the event of premature farrowing, additional compensation is paid in the form of 60% of the estimated weaner price in the week of farrowing for a 7-kg weaner of the same health status for each piglet short of a litter of 9 piglets. The litter is not included in the average batch size.

#### **7.4.18. Number of piglets**

Compensation for shortage of piglets compared to average batch size shall be paid at the rate of 60% of the estimated weaner price of a 7-kg weaner of the same health status.

In the event a justified Caesarean section, substantiated veterinary expenses are refunded, and the sow and piglets are included in the above batch average.

In the event of death in connection with farrowing, compensation is paid in the sum of 85% of the purchase price, and the number of piglets born is included in the above batch average. The total compensation sum, however, cannot exceed the purchase price.

#### **7.4.19. Weight of boars**

Compensation is paid in the same manner as for young sows in the event of defects in weight.

#### **7.4.20. Sets of teats**

Compensation for shortage of teats is paid in the sum of the difference between the purchase price and the estimated slaughter value on the date of receipt, although for a maximum of 100 kg slaughter weight.

If the boar was younger than 18 weeks at receipt, the slaughter value is fixed as the weaner value at the date of receipt. Porc-Ex Breeding A/S is entitled to demand documentation for slaughtering of the boar.

#### **7.4.21. Willingness to mate**

In the event of lack of willingness or ability to mate, compensation is paid in the sum of the difference between the purchase price and the estimated slaughter value at the date of receipt, although for a maximum of 100 kg slaughter weight. If the boar was younger than 18 weeks at receipt, the slaughter value is fixed as the weaner value at the date of receipt.

#### **7.4.22. Test of semen**

In the event of a complaint of sterility or reduced fertility, Porc-Ex Breeding A/S may demand a mating list for the entire herd and a semen sample from the boar for the purpose of documentation. The testing of the semen may be conducted by a veterinary or a Hatting-KS advisor.

Compensation for sterility or strongly reduced fertility shall be paid in the sum of the difference between purchase price and estimated slaughter value at the day of receipt, i.e. in the same manner as for lack of willingness to mate.

#### **7.4.23. Significantly defective legs or hoofs**

Compensation is paid for significantly defective legs and hoofs in the same manner as for lack of willingness to mate.

#### **7.4.24. Congenital tremor**

Compensation for congenital tremor or severe trembling in the boar is paid as specified above in clause 7.4.15.

If similar diseases are detected in the offspring of the boar, no compensation shall be paid.

#### **7.4.25. Deformities**

In the event of hereditary deformities in more than 10% of the piglets in the first 10 litters after the boar, compensation shall be paid for the boar in the same manner as for lack of willingness to mate. However, it is for the purchaser to prove that only the boar in question has been used for the inseminations in question.

### **7.5. Provisions on the party determining compensation for defects under clause 7.4 and on the liable party**

In the event of failure to meet the requirements for breeding stock, compensation shall be paid by Porc-Ex Breeding A/S on the basis stipulated in clause 7.4.

Compensation shall be paid by the party liable for the defect and/or loss, unless otherwise agreed or appearing from the Business Terms.

Defects in animals delivered shall always be paid for by the seller unless the defect is due to circumstances for which Porc-Ex Breeding A/S is separately liable.

The compensation shall be determined and charged to the supplier by Porc-Ex Breeding A/S and paid to the purchaser by Porc-Ex Breeding A/S.

Porc-Ex Breeding A/S may demand that a certificate be issued by a veterinary or a consultant in connection with a complaint. If Porc-Ex Breeding A/S requires such certificate, Porc-Ex Breeding A/S shall refund the expenses up to a maximum of DKK 5,000.00, inclusive of VAT.

Other costs in connection with a complaint shall be defrayed by the purchaser, but the purchaser is entitled to demand a refund from the seller if the purchaser is awarded damages or compensation.

Porc-Ex Breeding A/S may invoice costs of extraordinary time consumption to the seller or to the purchaser.

If the purchase price for breeding stock is refunded in full or in part as the result of defects, there is no requirement that the animal in question must be slaughtered.

#### **7.6. Restrictions on trading**

Restrictions on trading in connection with special diseases shall not entitle the parties to compensation.

#### **7.7. Inspection by public authorities**

If, upon inspection during transport and at the destination, public authorities find pigs that are not fit for transport and if such inspection results in costs/loss in the form of fines or endorsement of the licence to transport animals, the driver and/or Porc-Ex Breeding A/S shall have a right of recourse against the seller for such costs, taking into account the wrongful act.

#### **7.8. Penalty - DanBred breeding stock and offspring thereof**

If the purchaser resells DanBred breeding stock in violation of the provisions on resale stipulated in these Business Terms and the rules determined by Danish Pig Production at any time, the purchaser becomes liable to pay a penalty.

The penalty is determined as 200% of the purchaser's sales price for resold DanBred breeding stock.

However, the penalty shall be determined as at least 200% of the following grade prices:

- a) Hybrid boar if sold for natural insemination = DKK 5,000.00;
- b) Hybrid boar if sold for A.I./artificial insemination = DKK 15,000.00;
- c) Purebred boar if sold for natural insemination = DKK 5,000.00;
- d) Purebred boar if sold for A.I./artificial insemination = DKK 50,000.00;
- e) Purebred female = DKK 2,500.00.

The size of the penalty is adjusted according to the rules stipulated by Danish Pig Production thereon.

If the purchaser has resold semen or embryos without permission, the penalty shall be calculated on the basis of the grade price of a purebred boar sold for A.I./artificial insemination.

The penalty accrues to Danish Pig Production.

The purchaser's payment of a penalty shall not prevent Danish Pig Production from claiming compensation for the losses inflicted on Danish Pig Production through the purchaser's conduct in violation of the trading agreement.

## **8. Provisions on commencement**

### **8.1. Written trading agreement**

A supply agreement, contract and trading agreement takes effect immediately when the agreement has been signed by both the seller and the purchaser. The agreement shall be signed not later than 1 week after the drafting thereof.

If Porc-Ex Breeding A/S has not received a contract signed by both the seller and the purchaser 30 days after the drafting thereof at the latest, Porc-Ex Breeding A/S is entitled to cancel the agreement. Such cancellation takes place without the seller, the purchaser and Porc-Ex Breeding A/S incurring any liability in damages.

In the event of cancellation, Porc-Ex Breeding A/S shall notify the parties involved thereof.

### **8.2. Order confirmation**

An order confirmation takes effect 5 working days after the order confirmation was forwarded/after the date thereof.

If the seller or the purchaser complains of the contents of the order confirmation not later than 7 days from the forwarding/date of the order confirmation, Porc-Ex Breeding A/S is entitled to cancel the order confirmation without any party incurring liability in damages. In such case, Porc-Ex Breeding A/S shall notify the parties thereof.

### **8.3. Oral agreement**

An oral agreement takes effect when the agreement is made.

## **9. Amendments to and expiry of agreement**

### **9.1. Amendment and expiry in general**

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A trading agreement may be amended or terminated at any time subject to the parties agreeing thereon. Any agreed amendment or termination shall be made in writing.

#### **9.1.1. Customer/Supplier clause**

Upon termination of the trading agreement with any of Porc-Ex Breeding A/S' customers or suppliers, it is the seller and buyer prohibited for a period of 2 years after the last trading/delivery, directly or indirectly to enter into agreement of sales or supply with buyers, who have received animals, bred at Porc-Ex Breeding A/S' supplier.

Provided that this customer/supplier clause is not respected Porc-Ex Breeding A/S is entitled to compensation according to Danish law.

### **9.2. Amendment and termination is subject to written acceptance**

Porc-Ex Breeding A/S shall be notified in writing of any requested amendment or termination of the trading agreement.

If an amendment is to be approved by Porc-Ex Breeding A/S and by another party, from which the Porc-Ex Breeding A/S possibly obtains acceptance, Porc-Ex Breeding A/S shall confirm the amendment. The other party is obliged to inform Porc-Ex Breeding A/S of its position on the amendment not later than 5 days after receiving a written inquiry from Porc-Ex Breeding A/S.

The Porc-Ex Breeding A/S then confirms the amendment in a letter to the parties. The letter is subsequently deemed to constitute part of the agreement.

Any termination is to be confirmed by ordinary letter from Porc-Ex Breeding A/S to the terminated party and a copy thereof is to be sent to the terminating party.

If such termination entitles any of the parties to damages, the date on which Porc-Ex Breeding A/S receives the notice of termination shall constitute the basis of calculating the damages.

### **9.3. Right of termination/amendment according to the Business Terms**

A trading agreement may be amended and terminated by the parties at the following terms of notice:

- Not later than 16 calendar weeks prior to the agreed week of delivery under a supply agreement, trading agreement and non-recurrent delivery/start-up of herd;
- In connection with a supply agreement for recurrent deliveries, not later than 10 calendar weeks prior to the agreed week of delivery;
- In connection with order confirmation, 10 calendar weeks prior to the week of delivery if an order confirmation has been forwarded more than 6 weeks prior to the time of delivery.

Termination and/or amendment at the said terms of notice may take place without any consequences in terms of damages.

In the event of later or no notification of amendment at all, the other party (parties) is (are) entitled to damages, cf. clause 7.4.1.

### **9.4. Suspension of payments and bankruptcy**

In the event that the seller or the purchaser suspends his payments or goes into bankruptcy, agreements concluded can be amended or terminated without the party in question incurring liability in damages.

Porc-Ex Breeding A/S can free and without any economic consequences or right to compensation, terminate agreements and contracts as a result of;

- Non-prepayment or arrears of Porc-Ex Breeding A/S' buyer.
- No import license from the buyer.
- If Porc-Ex Breeding A/S' buyer is bankruptcy or under an administration order etc.
- Strikes and lockouts in the importing and/or exporting country.
- Veterinary restrictions of any kind which prevent transporting of pigs.
- Border closure no matter what reason.
- Civil unrest, war, natural disasters.
- Currency restrictions, measures by the authorities.
- Comprehensive shortage of raw materials.

The above list is not exhaustive.

### **9.5. Deviation in the number of pigs delivered by the seller**

If, prior to or at delivery, a deviating number of animals is established in the consignment, and if such deviation exceeds 50% of the number specified in the trading agreement, the injured party is entitled to terminate the trading agreement with immediate effect in addition to compensation which is to be calculated according clause 7.4.1.

Such termination shall not entitle any of the parties to further damages.

### **9.6. Conditional health status**

The purchaser or the seller is entitled to terminate an agreement without notice if a conditional health status is imposed on the grounds of suspicion of undesired infection in the seller's or the purchaser's herd.

In connection with consignments of breeding stock, for example in connection with the start-up of major herds and where several suppliers/sellers are involved for the same purchaser, the trading agreements concluded with the individual suppliers of part-deliveries may be terminated immediately without any consequence for any of the parties, if one of the suppliers of part-deliveries has been re-infected and has transmitted the infection in question to the purchaser, regardless of which type of agreement has been concluded.

The trading agreement can only remain in force subject to the purchaser's written acceptance to take delivery of the animals or to postpone the delivery until clarification has been obtained.

### **9.7. Salmonella**

When additional health status information is registered on a red supplier herd in the form of a salmonella index of 5.0 or above or in the form of registration at salmonella levels 2 or 3, the purchaser is entitled to immediately terminate the agreement in compliance with the guidelines in the above paragraph on conditional health status as a salmonella infection conveys the same rights as a conditional health status.

Prior to delivery, Porc-Ex Breeding A/S shall inform the seller's trading partners who are to state immediately whether or not they want to terminate the agreement.

### **9.8. Public inspection - diseases**

If a red supplier herd is ordered to have a public inspection, e.g. zoonosis inspection, Porc-Ex Breeding A/S is to inform the contracting parties/purchasers.

The purchaser in question may subsequently terminate the agreement without paying damages to the seller.

### **9.9. Suspicion of undesired infection**

If one or several consignments are postponed for more than 2 calendar weeks as the result of suspicion of undesired infection in the seller's or the purchaser's herd, the agreement concluded may be terminated with immediate effect without any party incurring liability in damages.

### **9.10. Detection of undesired infection**

The purchaser may freely choose whether he wants to affirm the agreement or terminate the agreement without notice if an undesired infection is detected in the seller's herd according to a SPF-SuS registration. Such conditions do not entitle the parties to damages.

In connection with breeding-stock consignments, for example in connection with the start-up of major herds and where several suppliers/sellers are involved for the same purchaser, the trading agreements concluded with the individual suppliers of part-deliveries may also be terminated without any consequence for the parties, if one of the suppliers of a part-delivery has been re-infected and has transmitted the infection in question to the purchaser, regardless of which type of agreement has been concluded.

#### **10. Lapse of agreements**

If possession is taken of a mortgaged herd, the trading agreement terminates immediately and without the other parties to the agreement being entitled to claim damages for breach of contract.

The same applies in the event of any fire or damage to buildings at one of the parties resulting in the party in question being unable to perform the contract.

#### **11. Termination without notice**

If one of the parties commits a material breach of the trading agreement, the agreement terminates without notice, and the party in breach shall be obliged to pay damages to the other party in compliance with the provisions thereon stipulated in these Business Terms.

Any gross violation of the trading agreement, the Business Terms or standard trade customs constitute material breach.

If, despite a written order from Porc-Ex Breeding A/S, the seller or the purchaser commits a new breach of an aspect of the agreement mentioned in the order, this also constitutes material breach.

The above list is not exhaustive for what may be deemed material breach.

#### **12. Assignment of trading agreement**

In connection with the sale of his farm or herd, the owner may assign rights and obligations under trading agreements concluded to the new owner subject to acceptance by the other parties.

Porc-Ex Breeding A/S then issues a new agreement to be signed by all parties.

The agreement is forwarded either in the form a copy of the agreement in force until now or in the form of an agreement in which the amendments agreed by the new parties have been incorporated.

If the other parties to the agreement do not accept an assignment or if the new owner does not want to become a party to the agreements in question, the seller of the farm/herd remains liable for performance of the entire agreement and for any claims arising out of previous consignments.

In the event of sale or transfer to another form of ownership such as, for example, an "I/S", "ApS" or "A/S" under Danish law, the above shall apply in the same manner.

#### **13. Payment**

##### **13.1. Prices, estimated prices and fees**

Pigs are purchased for Porc-Ex Breeding A/S at the agreed prices, estimated prices, fees and charges as at the time of conclusion of the trading agreement, unless otherwise agreed in writing prior to delivery.

Current prices and estimated prices, applying for 1 week at a time, may be obtained by contacting Porc-Ex Breeding A/S.

If price adjustments are to be made on the basis of the breeding index, this must be separately agreed in the trading agreement.

In such case, the breeding index ([www.danavl.dk](http://www.danavl.dk)) applicable as on Monday of the week for transport is to be used.

Unless otherwise agreed in writing, the market price of breeding stock is to be adjusted according to the actual age of the breeding stock at the time of delivery and according to the official estimated price published by Danish Pig Production for females and boars at 1:1.

The agreement constituting the basis for the price adjustment is the difference between the basic age specified in the trading agreement and the price/age adjustment applying to breeding stock of the same category at the date of delivery, cf. the preceding paragraph.

Unless otherwise agreed in writing, the market price of breeding stock is to be adjusted according to the official estimated prices of females and boars published by Danish Pig Production at 1:1 for the category of animals in question.

The price constituting the basis for the adjustment is the difference between the basic price specified in the trading agreement and the adjustment that may arise until the date of delivery of the breeding stock.

All kind of fees, which for the present are Porc-Ex Breeding A/S imposed, are:

- Production fee
- Breeding fees, which for the present consist of fees for Landrace, Duroc and Yorkshire races, parent control, DanBred multiplication and Dansk Svineavl.
- Gene fee
- Inspection fee
- DMU fee
- Structure fee (from 1<sup>st</sup> September 2011)

and are considered under the name "fees".

As standard the seller will be invoiced for fees of breeding, inspection, DMU and structure of the delivered pigs or breeding animals.

Porc-Ex Breeding A/S shall defray production and gene fees.

### **13.2. Alterations to prices and fees**

The price list of Porc-Ex Breeding A/S may be altered by Porc-Ex Breeding A/S at any time at a reasonable notice.

In the situations listed below, Porc-Ex Breeding A/S is entitled to alter agreements on trading fees and transport prices in current trading agreements and transport agreements without the prior acceptance of the owners involved:

- To the same extent and at the same notice as Porc-Ex Breeding A/S otherwise changes trading fees and transport prices;

- With immediate effect if necessitated by provisions stipulated by public authorities or by the Danish Meat Association (DMA) or Danish Pig Production;
- If the actual expenses for, for example, petrol, salaries and wages etc. change significantly.

### **13.3. Payment by the purchaser**

- a) Outside the EU: net cash. In advance 7 days prior to quarantine commencement. Less any deposit paid.
- b) Inside the EU: 5 days prior to receipt.
- c) Inside the EU: as an alternative to b): 10 days after receipt, provided that Porc-Ex Breeding A/S has notified the purchaser in writing that credit insurance has been obtained on transactions with the purchaser.

No other terms of payment shall be invoked or apply unless such terms have been agreed in writing with Porc-Ex Breeding A/S.

### **13.4. Payment by the Porc-Ex Breeding A/S**

Net cash 8 days after pick-up/delivery.

### **13.5. Method of payment**

All payments are requested to be made in the form of a bank transfer or via home banking. Porc-Ex Breeding A/S undertakes no liability for cheques which the issuer has not addressed/crossed and signed before handing it over to the driver or sending it to Porc-Ex Breeding A/S.

### **13.6. Interest rates**

- a) No interest shall be paid on prepayments.
- b) Other amounts owed to a party by Porc-Ex Breeding A/S carry interest at the rate of the Danish central bank's interest reference rate + 3% p.a.
- c) Interest is added on a monthly basis.
- d) In case of payment later than at delivery (credit purchase), interest is charged at the rate of the central bank's interest reference rate + 10% p.a.

### **13.7. Seller's guarantee of settlement**

Porc-Ex Breeding A/S guarantees the seller settlement for all pigs traded through Porc-Ex Breeding A/S. However, Porc-Ex Breeding A/S reserves the right to set off unpaid and overdue amounts prior to settlement.

Settled amounts will usually be available 5 – 10 working days after the date of delivery.

### **13.8. Retention of title**

In connection with all purchasing on credit, Porc-Ex Breeding A/S retains title in all pigs and services supplied until the purchaser has paid all claims related thereto, cf. "lov om køb på kredit" [the Danish Act on credit sale].

The purchaser is obliged to feed and attend to pigs supplied in compliance with the statutory requirements thereon. Moreover, the purchaser is obliged to insure pigs supplied subject to retention of title against fire, slaughtering (as the result of regulatory requirements) and other loss. The insurance sum is to be regarded as the claim of Porc-Ex Breeding A/S.

## **14. Rules governing complaints**

### **14.1. Complaint of defects – general provisions**

Generally the purchaser (the recipient of pigs, cf. clause 16.11) is to submit any notice of complaint of defects not later than 24 hours after unloading unless otherwise separately specified in the contract/supply agreement.

Unless otherwise agreed in the contract/supply agreement, the purchaser is therefore to submit his complaint of defects not later than 24 hours after unloading in order not to lose his right to invoke liability for defects.

The right to invoke liability for defects applies solely to visible defects that can be established at delivery. The other rules of law of damages mentioned in these Business Terms apply only if this has been agreed in the contract/supply agreement.

The seller (the supplier of pigs, cf. clause 16.27) is always under an obligation to pay damages and compensation under all rules and provisions appearing from these Business Terms, unless otherwise agreed in the contract/supply agreement.

Not later than 24 hours after receipt of any complaint of defects from the purchaser (the recipient of pigs), Porc-Ex Breeding A/S shall send on such notice of complaint to the seller (cf. clause 16.27, the supplier of pigs).

### **14.2. Notification deadlines to be observed by the purchaser (the recipient of pigs, cf. clause 16.11) in the event of complaints of defects in animals delivered**

#### **14.2.1. Health**

As soon as the defect is established; in connection with export, however, not later than 24 hours after unloading at the purchaser.

Glässer's disease, breeding stock: not later than 14 days after an outbreak.

Parvovirus, young sow: not later than 24 hours after an outbreak.

Parvovirus, gilt/sow: immediately upon an outbreak.

Erysipelas, breeding stock: immediately upon an outbreak.

Clostridia, gilt/sow: 24 hours after an outbreak.

#### **14.2.2. Specific defects in animals supplied**

Age, young sow, gilt: 24 hours after receipt.

Number of piglets at farrowing, gilt/sow: 8 days after farrowing.

Willingness/ability to mate, boar: when the boar is 9 months old at the latest.

Legs, hoofs, breeding stock: 24 hours after receipt.

Gestation, young sow: notice of complaint is to be given in the 48<sup>th</sup> week of its life at the latest.

Gestation, gilt: 20 days after detection of lack of gestation.

Death, breeding stock: 24 hours after receipt.

Date of farrowing, gilt/sow: 8 days after expected farrowing.

Tail bites/ulcers, breeding stock: immediately upon receipt. Not later than the day after receipt.

Incorrect length of tail, breeding stock: 24 hours after receipt.

Lack of approval for breeding, breeding stock: 24 hours after the animal has been rejected by a breeding consultant.

Lack of tagging, breeding stock: 24 hours after receipt.

Deformities in offspring, boar: 14 days after the 10<sup>th</sup> litter is born.

Sets of teats, boar: 24 hours after receipt.

Sets of teats, young sow/gilt/sow: 8 days after farrowing.

Congenital tremor, breeding stock: 24 hours after receipt.

Sterility, boar: when the boar is 12 months old.  
Weight, young sow: 24 hours after receipt.

As regards notification deadlines for complaint of health and specific defects in animals supplied, Porc-Ex Breeding A/S shall pass on the notice of complaint to the seller (the supplier of pigs, cf. clause 16.27) not later than 24 hours after receiving such complaint.

#### **14.3. Written complaint of defects**

Porc-Ex Breeding A/S strongly recommends that notification of complaints is made in writing, but oral notification of complaints and notification made over the phone are accepted, unless otherwise specifically stipulated elsewhere in the Business Terms or in the trading agreement. If complaints are made orally, any doubt as to evidence of whether the notice of complaint was given in due time shall be detrimental to the party complaining.

#### **14.4. Complaint of defects to Porc-Ex Breeding A/S**

Complaints shall be sent to Porc-Ex Breeding A/S or directly to the seller/purchaser with a copy to Porc-Ex Breeding A/S.

If the purchaser/seller has complained directly to the seller/purchaser and has not at the same time informed Porc-Ex Breeding A/S, he cannot at any later point in time set up a claim against Porc-Ex Breeding A/S concerning the issue in question.

#### **14.5. Settlements**

Both the seller and the purchaser are obliged to check that all invoices and payments received for pigs are in compliance with what has been agreed.

The seller and purchaser are obliged to submit notice of invoice errors to Porc-Ex Breeding A/S not later than 8 days after the date of invoice/date of settlement.

The parties to the trading agreement are obliged to immediately pay/settle differences in amounts that have been complained of and acknowledged.

In the event that notice of complaint is given after a period of 8 days, Porc-Ex Breeding A/S is not obliged to make any adjustment of the invoiced/settled amounts unless the party benefitting from the error is willing to pay/settle the difference.

### **15. Venue and governing law**

#### **15.1. Selling of DanBred breeding stock in violation of the trading agreement**

Any dispute concerning the purchaser's unauthorised resale etc. of DanBred breeding stock and damages in this respect and determination of penalties shall be settled by the Maritime and Commercial Court in Copenhagen.

#### **15.2. Other disputes**

Other disputes that may arise shall be settled according to current Danish law by the civil court of law in the court district in which Porc-Ex Breeding A/S has its registered office.

### **16. Dictionary**

#### **16.1. Conditional health status**

Conditional health status is to be understood as follows:

- There is a suspicion of the presence of an undesired infection in a herd covered by the "health rules" or the "PRRS rules" of SPF-SuS.
- Deviations from this set of rules have been established.
- A temporary restriction has been imposed on the sale.

The concept "conditional health status" covers both "primary conditional status" and "derived conditional status".

The primary conditional status concerns the herd in which the suspicion arose or on which the restriction has been imposed. A derived conditional status concerns the trading partners of the herd with primary conditional status.

Non-slaughter animals may be sold while under a conditional health status.

**16.2. Blue herd**

Herd covered by the SPF owner agreement and the SPF health rules and with SPF status at blue safety level.

**16.3. Driver**

A driver employed by Porc-Ex Breeding A/S or by a transport Porc-Ex Breeding A/S hired by Porc-Ex Breeding A/S, but not approved for transporting SPF pigs.

**16.4. Owner**

The owner of the herd.

**16.5. Business Terms**

The terms and conditions of Porc-Ex Breeding A/S on the purchase and sale of breeding stock and on transport.

**16.6. Green herd**

Herd covered by the SPF owner agreements and the SPF health rules and with SPF status at green safety level.

**16.7. Batch**

Part of a consignment stipulated in the trading agreement.

**16.8. Quarantine facility**

A housing area which is isolated from the herd itself and which is used for receiving replacement breeding stock in batches as part of the ordinary replacement of the sow herd.

**16.9. Quarantine note**

A special delivery note which the Porc-Ex Breeding A/S driver fills in and hands over together with animals to be housed in the quarantine facility.

**16.10. Conventional herd**

Pig herd whose health status is regarded as undeclared and unspecified and which is listed as "unknown" at SPF-SuS.

**16.11. Purchaser**

The recipient of pigs.

**16.12. Purchase price**

The invoiced price, exclusive of fees and VAT.

**16.13. Conventional herd with PRRS declaration**

Conventional herd for which only a PRRS declaration has been issued according agreement with SPF-SuS and in compliance with the PRRS rules.

**16.14. Consignment**

The quantity of pigs stipulated for delivery at the same time, usually specified as a calendar week in the trading agreement, may include several batches according to the trading agreement.

**16.15. Delivery**

Act by which the pick-up of breeding stock from a supplier to a recipient is commenced.

**16.16. Trading agreement**

A concept covering all forms of trading in DanBred breeding stock, inclusive of contract, trading agreement, supply agreement, oral agreement and order confirmation.

**16.17. The parties**

Porc-Ex Breeding A/S, the seller and the purchaser.

**16.18. Red herd**

DanBred breeding/multiplier herd covered by the SPF owner agreement and the SPF health rules and with SPF status at red safety level.

**16.19. Sales ban**

Danish Pig Production or public authorities have prohibited the sale of non-slaughter animals from the herd in question for a period of time.

**16.20. Joint transport**

The pigs supplied have been transported together with pigs from other supplier herds and are thus given the same health status as that of the lowest-ranking among the supplier herds involved.

**16.21. The Porc-Ex Breeding A/S**

Porc-Ex Breeding A/S.

**16.22. SPF herd**

Herd approved by SPF-SuS.

**16.23. SPF-SuS**

SPF-SuS is an abbreviation of the health management system "SPF-Sundhedsstyringen", the SPF-system of the Danish Bacon and Meat Council.

**16.24. Supplementary health status information**

The "supplementary health status information" registered by SPF-SuS:

- For SPF herds: cf. the health rules;
- For other herds: information on salmonella status, cf. public rules.

**16.25. The health rules**

The SPF health rules of SPF-SuS applicable to SPF herds.

**16.26. Health status**

The supplementary status information registered and declared by SPF-SuS:

- SPF, cf. the "SPF health rules";
- Conventional with PRRS declaration: cf. the "PRRS rules of SPF-SUS for conventional herds";
- Unknown: no agreement with SPF-SuS on declared health status.

**16.27. Seller**

The supplier of pigs.

**16.28. The transport rules**

The SPF transport rules of SPF-SuS applicable to SPF transport operators.

**16.29. Transport vehicle**

General term for SPF vehicle and open vehicle.

**16.30. Undesired infection**

Undesired infection means infection with one of SPF diseases in an SPF herd, cf. the health status terms of SPF-SuS, or with an oedema disease and infection with PRRS in a conventional herd with a PRRS declaration, PMWS or PDNS, as well as other more or less exotic diseases.

**16.31. Open vehicle**

Vehicle not protected from diseases which belongs to or is hired by Porc-Ex Breeding A/S; all pigs unloaded from an open vehicle are always given the health status "unknown", regardless of the status of supplier herd.