

# SPF-Selskabet's Terms of Business 2011

## Weaners

Purchase, sale, transport, etc. in Denmark and for export



From 3 January 2011





## Background and scope

### SPF-Selskabet

SPF-Danmark P/S, VAT reg. no. DK-3174 4520, operates under the registered secondary name SPF-Selskabet P/S, hereinafter called SPF-Selskabet. SPF-Selskabet's CHR no. is 062053.

### SPF-Selskabet's Terms of Business

SPF-Selskabet's Terms of Business specify the terms on which all commercial activities are performed by SPF-Selskabet, including the purchase, sale and transport of pigs.

The Terms of Business are available as two booklets:

- SPF-Selskabet's Terms of Business, breeding stock (purchase, sale, transport and export)  
- available in various language versions
- SPF-Selskabet's Terms of Business, weaners (purchase, sale, transport and export)  
- available in various language versions

The booklets contain all the terms applicable to the various contract types used by SPF-Selskabet. The booklets therefore contain some terms which are only used in one contract type but not in another. Such contract-specific terms are indicated and the most important terms may also be appended to the contract itself as an attachment.

Where possible, SPF-Selskabet will send the most appropriate version of the Terms of Business to the Buyer and Seller respectively.

**However, according to Danish purchasing laws, the Seller/Buyer shall himself ensure that he is aware of the Terms of Business before entering into a Business Agreement or before completing a sale or purchase. Acceptance of the Terms of Business is confirmed by the signature of the Seller/Buyer on the Business Agreement.**

### Reasonable conditions for all parties

SPF-Selskabet's Terms of Business are designed to ensure reasonable conditions for all parties engaged in commercial dealings with SPF-Selskabet.

From a biological point of view, no natural, precise limits concerning pigs and their health exist. But as such "limits" are necessary in business dealings, SPF-Selskabet has defined limits in certain areas in the Terms of Business.

The Terms of Business define the rights and obligations of the parties concerned and the consequences should any of the parties not live up to them.

### Liability waiver in case of purchased infection

SPF-Selskabet shall be exonerated from any liability for compensation should it transpire that the weaners sold are infected with a disease that spreads to the rest of the Buyer's herd. The Buyer thus bears the full risk of loss of earnings and other indirect losses resulting from the purchased infection.

### Changes in relation to previous issues of the Terms of Business

Clause 8.6.1 have been significantly changed in relation to SPF-Selskabet's Terms of Business, weaners 2010 (dated 3 January 2010).

Subsequent changes to these Terms of Business will be communicated direct to the parties involved and/or advertised in the trade press depending on the character and scope of the changes.

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<b>Clause</b> + Contract type	<b>Terms</b>
<b>1. General</b>	
<b>1.1 Contract types and fields of application</b>	
1.1.1	All business transactions involving weaners, transport, etc. entered into by SPF-Selskabet shall be subject to the provisions contained in these Terms of Business unless otherwise agreed prior to delivery or transport.
1.1.2	<p>All business transactions shall be affirmed in a Contract, i.e. a Business Agreement or a Transport Agreement. These Terms of Business concern all contract types, cf. clauses 1.1.3, 3.1 and 4.2, but all clauses do not necessarily apply to all contract types.</p> <p>Clauses which have only limited validity for certain contract types are indicated by the contract type being stated in the clause number column. The clauses in question are:</p> <p>Contract types A and B:           2.4.1, 8.4.1, 8.4.2 and 8.4.3  Contract type C:                 8.1 c), 8.4.4</p>
1.1.3	<p>Several contract types exist depending on the structure of the business transaction concerned:</p> <p><b>A. Three-Party Agreement:</b> Supplier - SPF-Selskabet - Recipient.  SPF-Selskabet is the Buyer in relation to the Supplier of the pigs and the Seller in relation to the Recipient of the pigs. Supplier and Recipient are thus Seller and Buyer respectively in relation to SPF-Selskabet. SPF-Selskabet also undertakes transportation, either direct or via an assembly centre.</p> <p><b>B. Three-Party Agreement:</b> Supplier - SPF-Selskabet - Intermediary.  Similar to A, but SPF-Selskabet's Buyer is an Intermediary who himself enters into a contract with the Recipient. SPF-Selskabet has no obligations towards the Recipient, nor does the Recipient have any rights concerning SPF-Selskabet.</p> <p><b>C. Two-Party Agreement:</b>  C.1 Supplier as Seller and SPF-Selskabet as Buyer  C.2 SPF-Selskabet as Seller and Recipient as Buyer  C.3 SPF-Selskabet as Seller and Intermediary as Buyer</p> <p><b>D. Transport Agreement</b>  Agreement regarding SPF-Selskabet's transport services in which SPF-Selskabet is not a party in the purchase/sale of the pigs concerned.</p>
<b>1.2 Designations and definitions</b>	
	<p>The designations most commonly used in these Terms of Business are defined as follows:</p> <p><b>Regarding health:</b></p> <p>Health status: The permanent health status recorded and declared by SPF-SuS:</p> <ul style="list-style-type: none"> <li>• "SPF": cf. "SPF Health Rules"</li> <li>• "PRRS declaration": cf. SPF-SuS's "PRRS rules for conventional herds"</li> <li>• "Unknown": No agreement with SPF-SuS on health status declaration</li> </ul> <p>Supplementary health information: The "Supplementary health information" recorded by SPF-SuS:</p> <ul style="list-style-type: none"> <li>• for SPF herds: cf. Health Rules</li> <li>• for other herds: information on salmonella status, cf. statutory regulations</li> </ul>

Conditional health status:	<p>Designation which is provisionally given together with health status if:</p> <ul style="list-style-type: none"> <li>undesirable infection is suspected in a herd covered by SPF-SuS's "Health Rules" or "PRRS Rules"</li> <li>deviation from or violation of SPF Health Rules is ascertained</li> <li>temporary restrictions on sale are imposed</li> </ul> <p>The designation "Conditional health status" covers both "primary conditional health status" and "secondary conditional health status". Primary conditional health status concerns the herd in which the suspicion arose or for which restrictions have been imposed, while secondary conditional health status concerns herds which have business relations with the herd with primary conditional health status. Weaners may be sold from herds with conditional health status with the Buyer's acceptance.</p>
Undesirable infection:	Infection with an SPF disease in an SPF herd, cf. SPF-SuS's health status designations, or with oedema, and infection with PRRS in a conventional herd with PRRS declaration.
Purchased (undesirable) infection:	An infection transferred from the Seller's herd to the Buyer's/Recipient's herd together with delivered pigs. Applies to both SPF diseases and other diseases.
SPF diseases:	The seven specific diseases declared in the SPF system.
Health rules:	SPF-SuS's "SPF Health Rules for SPF herds".
SPF herd:	Pig herd approved by SPF-SuS.
Red herd:	DanBred nucleus/multiplier herd covered by SPF Owner Agreement and SPF Health Rules with red safety level SPF status.
Blue herd:	Herd covered by SPF Owner Agreement and SPF Health Rules with blue safety level SPF status.
Green herd:	Herd covered by SPF Owner Agreement and SPF Health Rules with green safety level SPF status.
Herd with PRRS declaration:	Pig herd which is only declared for PRRS in accordance with SPF-SuS agreement and PRRS Rules. Is not declared for SPF diseases.
<b>Regarding transport:</b>	
Driver:	Driver employed by SPF-Selskabet or by a transport firm hired by SPF-Selskabet but who is not approved for the transport of SPF pigs. "Driver" may also be used as a generic term for Driver or SPF driver.
SPF Driver:	Driver employed by SPF-Selskabet and approved by SPF-SuS for the transport of SPF pigs.
Form of transport:	Specifies whether the pigs are transported by SPF vehicle, open vehicle or combined load.
Transport Rules:	SPF-SuS's SPF Transport Rules for SPF Carriers
Transport vehicle:	Generic term for SPF vehicle or open vehicle
Open vehicle:	Vehicle which is not protected against infection, which is owned - or hired - by SPF-Selskabet and which is used to deliver pigs with health status: "Unknown", irrespective of the health status of the Supplier's herd.
SPF vehicle:	Transport vehicle owned by SPF-Selskabet and approved in accordance with SPF Transport Rules and used to deliver pigs with the health status of the Supplier's herd.
Combined load:	The pigs delivered to the Recipient herd are transported together with pigs from other Supplier herds and therefore have the health status of the Supplier herd with the lowest health status of the herds involved, cf. form of transport however.
Assembly centre:	A place at which pigs from various herds are assembled prior to being transported abroad, cf. EU Veterinary Guidelines.
<b>Regarding business transactions:</b>	
Seller:	The legal person who sells the pigs to SPF-Selskabet and receives payment for the pigs supplied.

Supplier:	The owner of the herd from which the pigs are supplied.
Buyer:	The legal person who purchases the pigs from SPF-Selskabet and is invoiced for the pigs supplied, etc.
Recipient:	The owner of the recipient herd, i.e. the herd to which the purchased pigs are delivered and unloaded.
Recipient herd:	The herd/farm to which the pigs are delivered and unloaded.
Intermediary:	A commercial enterprise which purchases pigs and services from SPF-Selskabet with a view to resale in accordance with its own terms of business and its own separate contracts.
The Parties:	Seller + Buyer + SPF-Selskabet
Contract:	Generic term for the signed business document which specifies the content of the given business transaction.
Delivery:	The action whereby the pigs are conveyed/transported from Supplier to Recipient.
Consignment:	The quantity of pigs which, according to the Business Agreement, are to be delivered at the same time (usually specified as a week number). A consignment may consist of several batches, cf. Business Agreement.
Batch:	Part of a consignment as specified in the Business Agreement.
Sales ban:	Pig Research Centre or the public authorities have temporarily prohibited the sale of live pigs from a herd.
Purchase price:	The invoiced price, excl. SRK premiums and VAT, but incl. other taxes, royalties, charges, etc.
Owner:	The owner of the herd in general.
Terms of Business:	SPF-Selskabet's Terms of Business for the purchase, sale and transport of weaners.
<b>Regarding organisations/institutions/firms:</b>	
DanBred:	DanBred ( <a href="http://www.danavl.dk">www.danavl.dk</a> ) is the name of the Danish pig farmers' breeding system managed by Pig Research Centre (formerly Danish Pig Production).
PRC:	Pig Research Centre (formerly Danish Pig Production) ( <a href="http://www.dansksvineproduktion.dk">www.dansksvineproduktion.dk</a> ), a part of the Danish Agriculture & Food Council. A professional organisation for Danish pig farmers.
FVST:	Danish Veterinary and Food Administration ( <a href="http://www.fvst.dk">www.fvst.dk</a> ), part of the Ministry of Food, Agriculture and Fisheries with responsibility for veterinary control.
L & F	Danish Agriculture & Food Council ( <a href="http://www.lf.dk">www.lf.dk</a> ), a professional organisation for the entire Danish agriculture and food sectors.
SPF or Selskabet:	SPF-Selskabet
SPF-SuS:	SPF Health Status Department of the Danish Agriculture & Food Council, which manages the Danish SPF system ( <a href="http://www.spfsus.dk">www.spfsus.dk</a> ).

## 2. Liability and liability limitations

### 2.1 General liability and liability limitations

2.1.1	Clause 2 describes the areas of liability of the respective parties. In addition, clauses 7 and 8 contain provisions regarding complaints and compensation arrangements.
2.1.2	When pigs are bought and sold through SPF-Selskabet, the Seller and SPF-Selskabet shall only be liable for the deficiencies and consequential effects for the Buyer described in the Terms of Business. The Terms of Business thus also determine the Buyer's rights regarding deficiencies and consequential effects.

### 2.2 SPF-Selskabet's and Seller's liability for health status on delivery

2.2.1	<b>Health status: "SPF"</b> On delivery of pigs from herds with health status "SPF", cf. the Contract, no symptoms of undesirable infection have been found in the Seller's herd at the health inspection arranged by SPF-SuS (cf.
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	<p>Health Rules). The health status of the Seller's herd is stated on the delivery note accompanying the consignment.</p> <p>On being unloaded at the Recipient, the pigs have the health status determined by "Form of transport", cf. clause 2.2.5.</p> <p>The Seller and SPF-Selskabet shall not be liable for purchased undesirable infection unless the Seller or SPF-Selskabet acted with fault or neglect in relation to the Health Rules, the Transport Rules or these Terms of Business.</p> <p>In that event:</p> <ul style="list-style-type: none"> <li>a) The Seller shall only be liable if he has acted with gross negligence</li> <li>b) SPF-Selskabet shall be liable pursuant to clause 2.4.2</li> </ul> <p>The Seller and SPF-Selskabet shall not be liable for purchased infection of other diseases unless the Seller's herd was experiencing an acute outbreak of the disease at the time of loading or alternative agreement on the matter is stipulated in the Business Agreement.</p>
2.2.2	<p><b>Health status: "PRRS declaration"</b></p> <p>On delivery of pigs from herds with health status "PRRS declaration", cf. the contract, no symptoms of undesirable infection have been found in the Seller's herd at the health inspection arranged by SPF-SuS (cf. PRRS Rules).</p> <p>On being unloaded at the Recipient, the pigs have the health status determined by "Form of transport", cf. clause 2.2.5.</p> <p>The Seller and SPF-Selskabet shall not be liable for purchased undesirable PRRS infection unless the Seller or SPF-Selskabet acted with fault or neglect in relation to the Health Rules, the Transport Rules or these Terms of Business.</p> <p>In that event:</p> <ul style="list-style-type: none"> <li>a) The Seller shall only be liable if he has acted with gross negligence</li> <li>b) SPF-Selskabet shall be liable pursuant to clause 2.4.2</li> </ul> <p>The Seller and SPF-Selskabet shall not be liable for purchased infection of diseases other than PRRS as the health status of the herd shall be considered to be "Unknown" for other diseases, cf. clause 2.2.3.</p>
2.2.3	<p><b>Health status: "Unknown"</b></p> <p>On delivery of pigs from herds with health status "Unknown", cf. the Contract, SPF-Selskabet shall accept no liability whatsoever for the health status of the pigs.</p> <p>The Seller shall however be obliged to notify SPF-Selskabet – at the earliest possible time and prior to loading:</p> <ul style="list-style-type: none"> <li>a) if suspicion arises of infection with a disease not previously encountered in the herd</li> <li>b) if a clinical outbreak of a production disease occurs, e.g. PRRS, swine dysentery, atrophic rhinitis, pneumonia, etc.</li> </ul> <p>In the event of a) or b), pigs may only be sold from the herd if the Buyer has agreed in advance to receive the pigs, cf. clauses 3.5 and 3.6 however on the consequences for the Business Agreement. Any information on the health status of the Supplier herd or the Recipient herd given in the Business Agreement or on the delivery note is for information purposes only, i.e. SPF-Selskabet shall not be liable for the documentation on which the information is based.</p> <p>SPF-Selskabet shall only be liable for recording the information provided by the Seller and Buyer on the health status of their respective herds and for making such information available to any other parties involved in the transaction.</p>
2.2.4	<p>The Seller and SPF-Selskabet shall only be liable for salmonella infection and symptoms of salmonella infection (incl. antibodies in the blood) to the extent specified by the Danish veterinary authorities, PRC and SPF-SuS, cf. clause 3.10.</p>
2.2.5	<p><b>"Form of transport"</b></p> <p>When SPF-Selskabet delivers/unloads pigs at the Recipient's, the pigs have the health status and designation stated on the delivery note under "Form of transport".</p> <p>If pigs are delivered under form of transport "SPF", cf. tick on delivery note, the pigs are delivered with</p>

	<p>health status: Same as Supplier herd.</p> <p>If pigs are delivered under form of transport "Open vehicle", cf. tick on delivery note, the pigs are delivered with health status: Unknown, cf. clause 2.2.3 - and SPF-Selskabet shall accept no liability whatsoever for:</p> <p>a) the health status of the pigs, with the exception of the provisions of clause 2.2.3, and b) the health-related sequence of transports, with the exception however of:</p> <ol style="list-style-type: none"> <li>1. transport sequences involving departures and arrivals at herds with health status: Conventional with PRRS declaration, where the sequence shall be as stipulated in the SPF Transport Rules</li> <li>2. transport sequences that are made compulsory by the authorities, Danish Agriculture &amp; Food Council or Pig Research Centre</li> </ol> <p>In relation to SPF Transport Rules, an open vehicle shall be considered to be a non-approved carrier's vehicle.</p>
2.2.6	<p>If, at the request of the Buyer, health-related requirements or conditions have been agreed which deviate from those described in the Terms of Business, said requirements or conditions shall be stipulated in the Contract, including details on whether and how they affect notice of termination, termination and compensation in the event of suspected or ascertained infection.</p>
2.2.7	<p>SPF-Selskabet shall only deliver pigs from a herd with primary conditional health status or secondary conditional health status on obtaining prior acceptance from the Buyer.</p>
2.2.8	<p>If the Seller's herd is classified as having conditional health status because of lacking "15-week declaration" and/or delayed annual status blood samples, this shall have no consequences for transports which are already planned for the week in which the conditional health status is imposed and the Buyer need not be informed of the fact.</p>
2.2.9	<p>If specific diseases are suspected or ascertained (e.g. Aujeszky's disease, swine fever, foot-and-mouth disease, transmissible gastroenteritis (TGE), salmonella or new diseases), the Danish veterinary authorities and/or the Danish Agriculture &amp; Food Council or Pig Research Centre shall be entitled to impose restrictions on sale/purchase. Irrespective of whether such restrictions are in the form of bans, requests or recommendations, the Seller and Buyer who have entered into a Contract on the delivery of pigs via SPF-Selskabet shall not be entitled to claim compensation from each other or from SPF-Selskabet for non-fulfilment of the agreement unless otherwise specified in the Terms of Business for the disease concerned.</p>
<h3>2.3 Risk transfer on delivery</h3>	
2.3.1	<p>Liability (risk) for the pigs during the entire delivery process shall be distributed as follows:</p> <p>a) The Seller shall be liable for ensuring that the pigs supplied meet the requirements of:</p> <ul style="list-style-type: none"> <li>• the Terms of Business</li> <li>• the Business Agreement</li> <li>• currently applicable Danish standards for the category of pigs concerned</li> <li>• legislation concerning the fitness of pigs for transport, cf. clauses 4.11, 4.12 and 4.13</li> </ul> <p>After pigs have been loaded onto one of SPF-Selskabet's vehicles, the Seller shall continue to bear the liability and risk for loaded pigs which have not yet been unloaded at the site stipulated by the Buyer (the destination site) if:</p> <ol style="list-style-type: none"> <li>1. Conditional health status is conferred on the Seller's herd after loading.</li> <li>2. Public authorities perform inspection/destruction of the pigs in response to conditions/actions which have been or may have been undertaken by the Seller. In this event, the Seller shall compensate SPF-Selskabet for all documented losses so incurred, incl. the losses of the Buyer, cf. item c) below.</li> </ol>

	<p>3. Public authorities discover pigs that are unfit for transport in inspections during transport to – and at – the destination site. Should such inspections result in costs/losses in the form of fines, endorsement points with respect to the right to transport livestock, or legal costs for the Driver and/or SPF-Selskabet, the Driver and/or SPF-Selskabet shall have the right of recourse against the Seller for such expenses. Said right of recourse shall be limited to cases in which it is deemed reasonable in due consideration of the burden of blame and the circumstances in general. See also clause 4.</p> <p>b) SPF-Selskabet shall bear the risk for the accidental demise (death) or loss in value of the pigs during transport, i.e. from the time at which loading is completed and the doors of the transport box closed, cf. clause 2.3.1 a) however, unless said death or loss in value is caused by conditions that were present (latently or visibly) prior to loading.</p> <p>c) The Buyer shall assume liability for the accidental demise (death) or loss in value of the pigs once they have been unloaded at the site stipulated by the Buyer. In the cases described in item a) 2. above, the Buyer shall not be entitled to demand compensation for losses arising from deficiencies in the number of pigs in the consignment unless it is determined during the inspection that the Seller has acted illegally.</p>
2.3.2	The Seller and Buyer shall acknowledge collection and delivery by signing the delivery note after loading at the Seller's and unloading at the Buyer's respectively. The person who signs the delivery note for the Seller and Buyer respectively shall be unconditionally considered by SPF-Selskabet to be authorised by the Seller and Buyer respectively to sign on their behalf. The SPF Driver or Driver shall likewise sign the delivery note before giving a copy of the note to the Seller and Recipient respectively.
<b>2.4 SPF-Selskabet's specific liability for compensation</b>	
2.4.1 <b>A and B</b>	In contract types A and B, SPF-Selskabet shall only be liable for compensation as Seller to the same extent that SPF-Selskabet can hold the Seller liable, cf. clause 2.4.2 however.
2.4.2	Should a Buyer or Seller suffer loss as a result of SPF-Selskabet's fault or neglect, Selskabet shall be liable to pay compensation pursuant to the general regulations for compensation stipulated in Danish law, subject to the amendments and additions mentioned in clauses 2.4.3 - 2.4.7.
2.4.3	<p>Definitions</p> <p>a) A primary injured party is defined as a Buyer or Seller who, via his contract with SPF-Selskabet, suffers loss as a result of SPF-Selskabet's fault or neglect in connection with its fulfilment of the contract.</p> <p>b) A secondary injured party is defined as an owner of a herd who, via contractual relations with a primary injured party, also suffers loss as a result of SPF-Selskabet's fault or neglect.</p>
2.4.4	<p>Compensation amounts and limitations</p> <p>c) A primary injured party shall be entitled to receive a maximum of DKK 1 million in compensation, excl. the claims of any secondary injured parties.</p> <p>d) A secondary injured party shall be entitled to receive a maximum of DKK 1 million in compensation, as claims made against him by a third party cannot be implicated and included.</p> <p>e) A primary injured party and associated secondary injured parties shall be entitled to receive a maximum of DKK 3 million in compensation altogether. If the total losses of all injured parties exceed DKK 3 million, the compensation shall be divided amongst the injured parties in relation to the size of their individual losses, on the proviso that any individual injured party can receive a maximum of DKK 1 million.</p> <p>f) Should the total claim from all injured parties among SPF-Selskabet's customers for losses incurred as a result of the same fault or neglect exceed DKK 5 million, said maximum amount shall be divided amongst the injured parties in relation to the size of their individual losses, on the proviso that any individual injured party can receive a maximum of DKK 1 million.</p>

	The stated maximum amounts shall apply unless the fault or neglect was committed with intent.
2.4.5	A primary injured party shall indemnify SPF-Selskabet in the event that SPF-Selskabet is held liable to a third party for any damage and any loss for which SPF-Selskabet, in accordance with the terms specified above, has no liability towards a primary or secondary injured party.
2.4.6	The provisions of clause 8.3 shall be used to determine the extent of the loss.
2.4.7	Claims for compensation shall be lodged within three months of the time at which the Buyer/Seller became aware that, or should have become aware that, liability-inducing fault or neglect has occurred.
<b>2.5 Seller's specific liability, seller declarations</b>	
2.5.1	<p><b>- regarding imported, hoof-bearing animals</b></p> <p>a) All the pigs provided by a Seller for SPF-Selskabet – or via an SPF-Selskabet Business Agreement – shall be born and reared in Denmark and shall not have been in contact with imported hoof-bearing animals at any time in their lives.</p> <p>b) The Seller shall immediately inform SPF-Selskabet if foreign hoof-bearing animals or other such animals which have been in contact with foreign hoof-bearing animals are purchased for the farm or farms owned by the Seller.</p> <p>c) The Seller shall immediately inform SPF-Selskabet if he suspects that foreign hoof-bearing animals or other such animals which have been in contact with foreign hoof-bearing animals are purchased for the farm or farms owned by the Seller.</p> <p>d) By "hoof-bearing animals" is meant pigs, cattle, sheep, goats, deer, etc.</p> <p>e) The provision of pigs for SPF-Selskabet in violation of clause 2.5.1 a)-d) above may result in compensation claims from SPF-Selskabet.</p>
2.5.2	<p><b>- regarding the use of medicines</b></p> <p>The Seller shall guarantee that all the pigs he provides for SPF-Selskabet meet the requirements contained in Danish Veterinary and Food Administration executive order no. 481 of 29 May 2007 (and subsequent amendments) on "Livestock owners' use of medicines for livestock and food companies' internal procedures for monitoring residual concentrations".</p> <p>In particular, the Seller shall guarantee compliance with section 13 of said executive order on the provision of animals which are not subject to post-treatment retention times.</p> <p>Should SPF-Selskabet or the Buyer suffer loss as a result of non-compliance with the executive order by the Seller, the Seller shall compensate SPF-Selskabet or the Buyer for all direct and indirect losses incurred by such infringement, incl. the costs involved in sampling. See also clause 2.3.1 a).</p>
2.5.3	<p><b>- regarding DANISH Product Standard</b></p> <p>a) The Seller shall guarantee that his herd is approved to Pig Research Centre's "DANISH Product Standard". The Seller shall immediately inform SPF-Selskabet in writing if such approval is withdrawn.</p> <p>b) Pigs from non-approved herds shall only be sold to herds (incl. foreign herds) which have given prior acceptance to receive such pigs.</p> <p>c) Information on the DANISH status of the supplier herd can be found at <a href="http://www.spfsus.dk">www.spfsus.dk</a>.</p> <p>d) SPF-Selskabet shall accept no liability for errors in the specification of DANISH status or in the sale of pigs from non-approved herds.</p>

## 2.6 Seller's specific liability for reporting the transfer of pigs

- 2.6.1 Every transport of pigs performed by SPF-Selskabet from a Danish herd to a Danish recipient herd (incl. (export) assembly centres) which is not in SuS joint operation with the supplier herd shall be reported by SPF-Selskabet to the Danish Veterinary and Food Administration's transfer register in CHR in accordance with current legislation. A similar report shall be submitted whenever SPF-Selskabet exports pigs direct from the supplier herd to a foreign recipient herd. In all other cases, said reporting shall be performed on express agreement with the Seller.
- Reporting shall be performed within 7 days of the transfer date. By the removal of the pigs, the Seller authorises SPF-Selskabet to perform said reporting on his behalf. However, according to Danish Veterinary and Food Administration executive order no. 1066 of 10 November 2005 (and subsequent amendments) on "the ear-marking, registration and transfer of cattle, pigs, etc.", the Seller is himself responsible for ensuring that said reporting is performed.

## 2.7 Buyer's and Seller's liability in agreements on branded production

- 2.7.1 If weaners are bought with a view to branded production, this shall be stated in the Business Agreement together with any special conditions that deviate from the Terms of Business. Otherwise, SPF-Selskabet accepts no liability whatsoever for faults in relation to the rules for the branded production concerned.

## 2.8 Buyer's specific liability on receipt of pigs

- 2.8.1 The Buyer and/or Recipient shall be obliged to receive pigs destined for his herd irrespective of whether the animals are not of usual good standard on delivery/unloading. If necessary, the Buyer shall be entitled – on agreement with SPF-Selskabet – to have the animals slaughtered at the expense of SPF-Selskabet or the Seller.
- The Buyer and/or Recipient shall however be entitled to refuse acceptance of the animals if there is justified reason to suspect that the animals on delivery do not comply with the health status stated in the Contract.
- 2.8.2 The Buyer shall – at his own expense – be obliged to perform any of the inspections of his herd required by SPF-SuS to determine whether the herd is infected with any undesirable diseases in relation to the health status stipulated in the Business Agreement for the pigs supplied, incl. any special requirements and conditions, cf. clause 2.2.6.

## 3. Business Agreements / Contracts

### 3.1 General

- 3.1.1 The purchase and sale of pigs mediated by SPF-Selskabet shall always be performed on the basis of one of the following agreement types, which are collectively called Business Agreements, cf. clause 1.1:
- Pig Circle Contracts, which are used for ongoing consignments of weaners
  - Order Confirmations, which are used for pooled ("day-to-day") sales
  - Verbal Agreements, which are used when weaners are purchased/sold at short notice

## 3.2 Commencement

3.2.1

### Two-Party and Three-Party Agreements

- a) Pig Circle Contracts shall come into force when the parties involved have received a copy of the agreement signed by all the parties. Each of the parties shall however be entitled, without incurring any liability, to object to the contents of the agreement within 5 days of receiving the copy. The objection shall be sent to the other parties in writing, thus automatically cancelling the agreement.

Pigs without ear tags shall not be moved within Denmark until SPF-Selskabet has received the stamp and signature of the Danish Veterinary and Food administration's Regional Food Inspectorate on the "Business Agreement concerning non-tagged livestock", cf. current executive order regarding the marking of livestock. SPF-Selskabet shall file this copy of the Business Agreement for at least one year after its expiry date.

- b) Order Confirmations concerning weaners shall come into force at 12.00 noon two working days after being sent by SPF-Selskabet by email or fax if neither the Seller nor the Buyer has raised objections with SPF-Selskabet beforehand. Said objections shall be sent to SPF-Selskabet by email or fax.

In the case of timely objections being raised by one of the parties, SPF-Selskabet shall be entitled to cancel both types of Order Confirmation – without incurring any liability for compensation – up to and including three working days of the date on which it was drawn up.

- c) Verbal Agreements shall come into force as soon as they are entered into.

## 3.3 Changes or termination, general

3.3.1

A Business Agreement can be changed or terminated at any time without consequence for the Parties if they provide written acceptance thereof.

3.3.2

In the event of fundamental breach, a valid Business Agreement shall be terminated immediately and the party in breach shall be liable to cover any losses incurred by the other party as a result of non-fulfilment of the agreement, cf. clause 8.5.1.

By fundamental breach is meant that one party to the agreement, despite a written warning from the other party, breaches the contract again in the same way.  
Gross infringement of the Business Agreement, Terms of Business or standard business practice is also considered to be a fundamental breach of contract.

In three-party agreements, SPF-Selskabet shall determine whether the agreement has been fundamentally breached, regardless of contract type.

3.3.3

Should a Seller wish to give notice of termination of his SPF Owner Agreement with SPF-SuS, said agreement shall not be terminated until all the Seller's Business Agreements have been fulfilled.

3.3.4

SPF-Selskabet shall be notified of any changes to a Business Agreement. Said changes shall not take effect until they have been confirmed by SPF-Selskabet. Such confirmation usually takes three working days from receipt of notification. Confirmation shall be sent in a letter to the party who has provided notification of the desired change and, in the case of three-party agreements, a copy shall be sent to the third party. Said letter and copy shall subsequently and without written consent be considered as an attachment to the original agreement.

Termination shall be confirmed in a letter sent to the party receiving notice of termination, a copy of which shall be sent to the party giving notice of termination.

With respect to the calculation of compensation, cf. clause 8.5.1, the day on which SPF-Selskabet receives notification of the change or termination shall apply.

### 3.4 Changes or termination, with or without notice

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| 3.4.1 | <ul style="list-style-type: none"><li>a) A three-party agreement may be terminated by one of the Parties if written notification is given to SPF-Selskabet within the period of notice specified in the Pig Circle Contract – calculated from the time at which SPF-Selskabet receives notification. The period of notice shall, in accordance with authority requirements, be at least one month if an Ear Tagging Agreement has been entered into alongside the Pig Circle Contract. SPF-Selskabet shall inform the other party of said termination with 3 working days of receipt of notification.</li><li>b) A two-party agreement may be terminated if written notification is given to the other Party with a copy to SPF-Selskabet within the period of notice specified in the Pig Circle Contract – calculated from the time at which the Party wishing to terminate the agreement has sent notification hereof (postmark or fax receipt).</li><li>c) SPF-Selskabet shall inform the Regional Food Control Authority whenever a "Business Agreement on Purchase/Sale of Non-Tagged Pigs" is terminated. The Parties to the agreement shall, in accordance with authority requirements, file the "Business Agreement on Purchase/Sale of Non-Tagged Pigs" for at least one year after its expiry.</li><li>d) All periods of notice shall be specified in months, in such a way, however, that the agreement always expires at the end of a week.</li></ul> |
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3.4.2	If notification of change/termination is given later than this – or not at all – the other party shall be entitled to compensation in accordance with clauses 3.5 and 8.5.1.
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### 3.5 Non-fulfilment

3.5.1	Pig Circle Contracts
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	<p>a) Non-fulfilment of a Pig Circle Contract as a result of the conditions specified in clauses 2.2.9 and 3.9 shall result in automatic termination of the agreement when delivery has been delayed for 14 days (two week numbers).</p> <p>b) The Seller shall give the Buyer written notification (via SPF-Selskabet in the case of three-party agreements) if shortfalls in the number of weaners available from the Seller are expected to reduce the size of the consignment dispatched to the Buyer. Said notification shall be given at the latest:</p> <ul style="list-style-type: none"> <li>- for 30-kg pigs: 6 week-numbers before the agreed delivery week</li> <li>- for 7-kg pigs: 3 week-numbers before the agreed delivery week</li> </ul> <p>The Buyer shall be obliged to limit his losses by accepting delivery of weaners from at most one alternative supplier herd with the same health status as the Seller's herd, incl. any specific requirements and conditions, cf. clause 2.2.6.</p> <p>Said obligation to accept pigs from an alternative herd shall only apply for the week in which deficiencies were ascertained. In the event of subsequent deficiencies in numbers, the obligation shall only apply if pigs are available from the same alternative supplier herd.</p> <p>Should the Buyer refuse to accept pigs from another herd, his right to compensation for the deficiency shall be waived.</p> <p>Should the Seller fail to provide notification of reduced consignment size in accordance with the 6 and 3 week periods of notice specified above, the Buyer's obligation to purchase pigs from an alternative herd shall be waived.</p> <p>c) The Buyer shall give the Seller written notification (via SPF-Selskabet in the case of three-party agreements) if the Buyer is prevented from receiving weaners in accordance with a Pig Circle Contract because of lacking space. Said notification shall be given at the latest:</p> <ul style="list-style-type: none"> <li>- for 30-kg pigs 6 week-numbers before the agreed delivery week</li> <li>- for 7-kg pigs: 3 week-numbers before the agreed delivery week</li> </ul> <p>The Seller shall then be entitled to sell the pigs elsewhere (via SPF-Selskabet in the case of three-party agreements) and shall also be entitled to claim compensation from the Buyer for any loss in price.</p> <p>The Seller shall be obliged to actively help to limit said loss in price.</p>
3.5.2	Order confirmations and verbal agreements
	<p>Should the Seller be unable to fulfil an order confirmation or verbal agreement, he must inform SPF-Selskabet immediately. SPF-Selskabet shall then notify the Buyer immediately.</p> <p>In such cases, the Buyer shall be obliged to help to limit his losses by accepting delivery of pigs from alternative supplier herds with the same health status as the Seller's herd, incl. any other agreed requirements and conditions. Otherwise, the Buyer's entitlement to compensation for non-fulfilment of the agreement (as calculated in accordance with clause 8.5.1) shall be waived.</p>
3.5.3	Should the Buyer be unable to fulfil the agreement, he must inform SPF-Selskabet immediately. The Seller shall then be entitled to sell the pigs elsewhere and shall be entitled to claim compensation for any loss in price, cf. clause 8.5.1 b).
<b>3.6 Consequences of conditional health status</b>	
3.6.1	<p>Notice of conditional health status in the Seller's herd as a result of suspicion of undesirable infection shall have the following consequences for Business Agreements:</p> <p>a) Pig Circle Contracts The agreement and consignments shall continue unchanged. The Buyer shall, however, be entitled to refuse acceptance of consignments during the period in which conditional health status applies on the condition that he pays compensation in accordance with clause 8.5.1.</p> <p>b) Order confirmations The agreement shall be terminated with immediate effect, without incurring liability for compensation for any of the parties</p>

	<p>c) Verbal Agreements: The agreement shall be terminated with immediate effect, without incurring liability for compensation for any of the parties</p>
<p><b>3.7 Consequences of undesirable infection</b></p>	
3.7.1	<p>Should undesirable infection be ascertained – in relation to SPF-SuS registration – in the Seller's herd or the Buyer's herd with:</p> <ul style="list-style-type: none"> <li>• an SPF disease, cf. SPF Health Rules: clauses 3.7.2 and 3.7.3 shall apply</li> <li>• salmonella: clause 3.10 shall apply</li> <li>• oedema: clause 3.11 shall apply</li> </ul>
3.7.2	<p>All Business Agreements (with the exception of Pig Circle Contracts, cf. clause 3.7.3) The Business Agreement shall be terminated with effect from and including the day after which SPF-SuS sent notification of the change in health status to the Owner.</p>
3.7.3	<p>Pig Circle Contracts The agreement shall continue unchanged, cf. clause 3.7.4 however.</p> <p>The Buyer shall be entitled to give notice of termination of Business Agreements with other Sellers if their herds' health status is higher than the Buyer's herd's new health status (as defined in SPF Health Rules). Said termination shall take effect with 4 week-numbers' notice regardless of the notice stipulated in the agreement.</p>
3.7.4	<p>Should infection be ascertained in the Seller's herd, the Buyer shall be entitled to terminate the Pig Circle Contract with immediate effect if</p> <p>a) The Buyer, after receiving notification of changed health status in the Seller's herd, is capable of demonstrating that his herd is not infected with the disease concerned. The Buyer's herd shall previously have been registered with SPF-SuS as being free of the disease in question; or</p> <p>b) The Buyer decides to cull his herd because it is ascertained that infection with the same disease that caused the changed health status of the Seller's herd has spread to the Buyer's herd. Prior to the consignment concerned, the Buyer's herd shall have been registered with SPF-SuS as being free of the disease in question.</p> <ol style="list-style-type: none"> <li>1. The Buyer shall notify SPF-Selskabet of his decision to cull his herd within 4 week-numbers of the week-number in which SPF-SuS gave notification of the changed health status of the Seller's herd.</li> <li>2. In this event, any other Pig Circle Contracts or Export Pig Circle Contracts to which the Buyer is a party can be terminated with one month's notice, irrespective of the period of notice stipulated in the agreements.</li> </ol> <p>SPF-Selskabet shall give the Seller written notification of the Buyer's decision to cull his herd or of notice hereof within 3 working days of receiving said notice from the Buyer.</p> <p>The Buyer shall continue to receive pigs in accordance with the Pig Circle Contract until herd culling (total or medical) is initiated or for a minimum of four weeks after notification of herd culling has been given, cf. the aforementioned.</p> <p>Should the Buyer purchase pigs before culling has been completed (veterinary certificate), he shall be liable towards the Seller for non-received pigs throughout the entire period of notice specified in the agreement, cf. clause 8.5.1. In this event, notice of termination is deemed to have been given together with notification of herd culling.</p>
3.7.5	<p>Should the undesirable infection be ascertained in the Buyer's herd alone, the Buyer shall be entitled to cull his herd in order to achieve the same health status as the Seller's herd. In this event, the Pig Circle Agreement and/or Export Pig Circle Agreement shall continue unchanged.</p> <p>SPF-Selskabet shall be notified of the start and completion dates for herd culling with the periods of notice stipulated in clause 3.7.4. During the culling period, the Seller shall be entitled to claim compensation from the Buyer for any loss in price incurred in selling the pigs to an alternative recipient.</p>

### 3.8 Transfer

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| 3.8.1 | <p>In the event of a property or herd being sold, the Owner shall be entitled to transfer the rights and obligations contained in a Business Agreement to the new Owner if the other parties to the agreement accept said transfer.</p> <p>SPF-Selskabet shall then send a new agreement to all parties for signing.</p> <p>Should the other parties not give their acceptance or should the new Owner not wish to become a party to the agreements concerned, the seller of the property/herd shall retain liability for the fulfilment of the agreement and for the debts incurred as a result of previous consignments.</p> |
| 3.8.2 | <p>Should the property be sold or converted to another form of ownership (e.g. I/S, Aps or A/S) the provisions of clause 3.8.1 shall also apply.</p>   |
| 3.8.3 | <p>Should a creditor take possession of the herd, the Business Agreement shall be terminated with immediate effect without any of the other parties to the agreement being entitled to compensation for breach of contract.</p>  |

### 3.9 Consequences of fire or building damage

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| 3.9.1 | <p>In the event of fire or building damage at the premises of one of the parties to a Business Agreement, the other parties to the agreement shall not be entitled to compensation for non-fulfilment of the agreement.</p> |
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### 3.10 Consequences of salmonella declaration for Pig Circle Contracts

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| 3.10.1 | <p>Should the Seller or Buyer</p> <ul style="list-style-type: none"><li>a) ascertain an increase in the number of positive salmonella meat-juice tests in slaughterhouse consignments</li><li>or</li><li>b) be ordered to survey the herd for salmonella by taking samples</li></ul> <p>he shall notify the other parties in order that agreement can be reached on the implementation of precautionary measures. Both Seller and Buyer shall be obliged to implement standard recommended precautions for the reduction of salmonella occurrence.<br/>The Pig Circle Agreement shall continue unchanged.</p>  |
| 3.10.2 | <p>Should the Seller or Buyer receive notification from the slaughterhouse or veterinary authorities / laboratories that:</p> <ul style="list-style-type: none"><li>a) the herd (CHR no.) has been classified at "Salmonella level 2" or "Salmonella level 3"</li><li>b) salmonella has been ascertained in a higher number of manure samples than previously</li><li>c) the herd has been placed under zoonosis supervision / public supervision for salmonella</li></ul> <p>the Owner shall inform the other parties to the agreement immediately.</p> <p>The Seller and Buyer shall then be obliged to seek advice on combating the salmonella occurrence, incl. the preparation, implementation and realisation of an action plan. A copy of the written action plan shall be sent to the other parties within 8 days of its preparation.</p> <p>The Pig Circle Contract shall continue unchanged, but may be terminated, cf. clause 3.10.3. Should the herd be placed under public supervision, the agreement may be terminated immediately if the veterinary authorities ban all sales and purchases concerning the herd. Said termination shall not entitle the other parties to the agreement to compensation.</p> |
| 3.10.3 | <p>Should a salmonella declaration be imposed on the Buyer's or Seller's herd, cf. clause 3.10.2 a) and b), the Pig Circle Contract may be terminated within 7 days of said imposition with 13 weeks' notice, both deadlines to be calculated from the date on which notification of the salmonella declaration was given irrespective of whether a longer period of notice is stipulated in the Pig Circle Contract.</p>  |

	<p>Should the period of notice agreed in the Pig Circle Contract be shorter than 13 weeks, it shall also apply when termination is warranted by a salmonella declaration.</p> <p>Should the herd within 9 week-numbers of the week in which notice of termination is given</p> <ol style="list-style-type: none"> <li>be placed on level 1 or</li> <li>be able to document the same number of positive manure samples as before the salmonella declaration was given</li> </ol> <p>termination shall be cancelled automatically and the Pig Circle Agreement shall continue unchanged.</p>
3.10.4	<p>Should the agreement not be terminated, cf. clause 3.10.3, and the Seller or Buyer considers that the other party has not completed or cannot complete the prepared action plan, incl. taking the required samples for surveying purposes, within the deadline imposed by the veterinary authorities, he shall be entitled to terminate the agreement with 8 weeks' notice in the 13th week-number after the date on which notification of the salmonella declaration was given.</p> <p>Should the agreement continue without said termination, the Seller shall be obliged to reimburse the Buyer with 60% of the Buyer's documented losses in the form of deductions in slaughterhouse payments, calculated from the 13th week-number after notification of the salmonella declaration was given, cf. clause 3.10.2.</p> <p>The Buyer shall send a monthly statement and invoice to the Seller, who shall be required to pay within 8 days of receiving the invoice.</p> <p>SPF-Selskabet shall accept no liability for statements or payments in this connection.</p> <p>The reimbursement scheme shall continue until the Seller's herd is on salmonella level 1 and no occurrence of salmonella types can be demonstrated in the herd.</p>
3.10.5	<p>The Seller and the Buyer shall defray their own expenses incurred regarding manure sampling, veterinary services and action plans.</p>
<h3>3.11 Consequences of undesirable infection with oedema</h3>	
3.11.1	<p>Should undesirable infection with oedema be ascertained in a herd from which weaners are sold or a herd for which weaners are bought, cf. SPF rules concerning oedema, the following shall apply for valid Business Agreements regarding weaners:</p> <ol style="list-style-type: none"> <li>Pig Circle Contracts: continue unchanged irrespective of whether infection is ascertained in the Seller's herd or in the Buyer's herd. Perceptibly non-thriving or weakened weaners may only be supplied by the Seller on prior agreement with the Buyer.</li> <li>All other agreements are terminated immediately when SPF-SuS reports the occurrence of undesirable infection with oedema.</li> </ol>
<h2>4. Transport</h2>	
<h3>4.1 Rules and legislation</h3>	
4.1.1	<p>SPF-Selskabet transports are performed in compliance with:</p> <ol style="list-style-type: none"> <li>SPF-SuS approval of SPF-Selskabet as an SPF Carrier</li> <li>SPF Transport Rules (from SPF-SuS), incl. the stated exceptions for transport in open vehicles, clause 2.2.5</li> <li>SPF-Selskabet's Terms of Business, in particular the present section on transport</li> <li>Current legislation concerning the transport of livestock, including: <ul style="list-style-type: none"> <li>Council Regulation (EC) no. 1/2005 of 22 December 2004 on the protection of animals during transport and related operations</li> <li>Danish Ministry of Justice executive order no. 1729 of 21 December 2006 (and subsequent amendments) on the protection of animals during transport</li> <li>Statute no. 530 of 6 June 2007 (and subsequent amendments) on amendments to the Animal Protection Act (endorsement point scheme for animal transports)</li> <li>Danish Ministry of Justice executive order no. 706 of 21 June 2007 (and subsequent amendments) on violation of section 29 b (1) of the Animal Protection Act</li> </ul> </li> </ol>

	e) As an export carrier, SPF-Selskabet has endorsed the Danish Agricultural Council's code of practice for the road transport of pigs, and its transports therefore comply with the rules of said code.
<b>4.2 Transport Agreements</b>	
4.2.1	All consignments pursuant to a Business Agreement, cf. clause 3, are transported by SPF-Selskabet in compliance with clause 4.1. Special transport conditions shall be stipulated in the Business Agreement. If SPF-Selskabet is not a party to the Business Agreement, SPF-Selskabet may perform the transport in compliance with a Transport Agreement.
<b>4.3 Access conditions</b>	
4.3.1	Access and exit roads at the loading and unloading facilities shall consist of firm, stable, well-drained, even surfaces in all kinds of weather. The transport vehicle shall be capable of manoeuvring unhindered by trees, buildings (incl. overhanging roofs) or any other obstructions. Loading and unloading facilities shall be equipped with guttering. There shall be room for the Driver to move unhindered around the vehicle in connection with loading and unloading, including hatches or gates that ensure the Driver easy access to the loading and unloading facilities.
<b>4.4 Loading and unloading</b>	
4.4.1	Loading and unloading facilities at sites with SPF herds shall be approved, cf. SPF Health Rules. At sites with non-SPF herds, the facilities provided by the Owner shall be used. The facilities shall be cleaned by the Owner prior to use. The loading/unloading facilities shall contain a concrete platform measuring at least 1 x 1 m, which the driver can use for changing clothes. The platform shall have been cleaned prior to the arrival of the SPF-Selskabet vehicle and shall be cleaned after each visit. The driver's entrance to the loading/unloading area shall be kept tidy and clear.
4.4.2	The loading/unloading facilities shall contain a concrete platform measuring at least 1 x 1 m, which the driver can use for changing clothes.
4.4.3	The Owner shall provide at least one person to help with loading or unloading.
4.4.4	The pigs shall be in suitable condition for transport, cf. clause 4.13, clean and ready for loading at the Seller's at the collection time agreed with SPF-Selskabet or notified by the Driver. Similarly, the Buyer shall be ready to take possession of the pigs at the time notified by the Driver.
<b>4.5 Bedding and manure</b>	
4.5.1	The Seller shall - from the herd site - together with the pigs provide wood shavings in quantities sufficient for bedding purposes (the Driver shall determine what is sufficient). No bedding types other than wood shavings are acceptable.
4.5.2	The Buyer shall - at the herd site - accept delivery of bedding and manure from the transport vehicle in connection with unloading. A cleaning area (with firm base) and water supply shall be provided in order that the transport vehicle can be washed after unloading. The water supply shall be capable of supplying at least 30 litres/minute.
<b>4.6 Export</b>	
4.6.1	When weaners are sold for export, the Seller shall be responsible for ensuring that the weaners are correctly marked prior to collection and that a valid "Export owner declaration" signed by the herd's veterinarian is given to the driver on collection.

## 4.7 Special requirements of Seller or Buyer

- 4.7.1 If the Seller/Buyer has special requirements regarding the transport, including requirements in connection with special production, SPF-Selskabet shall be given prior notification of such requirements at the latest when the transport is ordered. If no such notification is given, SPF-Selskabet shall not be held liable for the non-fulfilment of the special requirements.

## 4.8 Surcharge for transport, etc.

- 4.8.1 If one or more of the requirements described in clause 4 are not met, SPF-Selskabet shall be entitled to claim a surcharge from the Owner concerned. SPF-Selskabet reserves the right in all cases to demand additional payment for exceptionally prolonged loading and unloading operations.

## 4.9 Discrepancies in pig number, weight or age for transport

- 4.9.1 SPF-Selskabet's transport planning is based on statutory requirements on the space provided per animal and the total weight per load. Such requirements cannot be waived.
- The Seller can however - with the Buyer's acceptance - notify SPF-Selskabet of discrepancies in number, weight or age up until five days before the agreed delivery date. In such cases, SPF-Selskabet reserves the right to change the agreed delivery time on the agreed delivery day and to charge the Seller for any additional transport costs.
- In the event of late or lacking notification of discrepancies, the Driver shall during loading be entitled to refuse to accept animals to ensure that statutory requirements are met. The Seller shall also be obliged to compensate SPF-Selskabet for any loss in transport earnings in relation to the agreed consignment.

## 4.10 Consequences of conditional health status and changed health status

- 4.10.1 Transport Agreements between Seller, Buyer and SPF-Selskabet shall only be valid in relation to the health status of the herds concerned as stated in the Agreement.
- If the health status of one of the herds concerned is made conditional or changed (after undesirable infection), the Transport Agreement shall be suspended if the Agreement is affected by the conditional health status or changed status respectively.
- In the event of changed status in one of the herds concerned, the Transport Agreement shall - if necessary - be adapted to the change.
- If the parties cannot reach agreement on such adaptation, the Transport Agreement shall be automatically cancelled 14 days after notification of the status change has been given.

## 4.11 Responsibility for the pigs' fitness for transport

- 4.11.1 Pigs shall on collection be fit for transport, cf. current statutory requirements, cf. clauses 4.12 and 4.13. The Owner shall confirm such fitness by signing the delivery note.
- 4.11.2 The Driver shall however, despite the Owner's confirmation, retain the unconditional right to refuse to accept pigs which he deems unfit for transport.
- 4.11.3 Should an inspection performed by the authorities reveal that there are/have been pigs on the vehicle which were unfit for transport on collection, clause 2.3.1 a) 3 shall apply.

## 4.12 Requirements on fitness for transport

- 4.12.1 Criteria for fitness for transport are specified in Annex I, Chapter I of the Transport Regulation (Council Regulation (EC) no. 1/2005):
- a) No animal shall be transported unless it is fit for the intended journey, and all animals shall be transported in conditions guaranteed not to cause them injury or unnecessary suffering.

	<p>b) Animals that are injured or that present physiological weaknesses or pathological processes shall not be considered fit for transport and in particular if:</p> <ol style="list-style-type: none"> <li>1. they are unable to move independently without pain or to walk unassisted;</li> <li>2. they present a severe open wound, or prolapse;</li> <li>3. they are pregnant females for whom 90 % or more of the expected gestation period has already passed, or females who have given birth in the previous week;</li> <li>4. they are new-born mammals in which the navel has not completely healed;</li> <li>5. they are pigs of less than three weeks of age, unless they are transported less than 100 km.</li> </ol> <p>In addition, pigs shall weigh more than 10 kg if the journey from the place of departure to the place of destination exceeds 8 hours.</p> <p>In addition to the above, SPF-Selskabet takes precaution to prevent animals with the following weaknesses/injuries from being handed over for transport:</p> <ol style="list-style-type: none"> <li>6. large umbilical hernia, i.e. the hernia shall be smaller than the following sizes/diameters: <ol style="list-style-type: none"> <li>a. 100-kg pigs: 15 cm</li> <li>b. 30-kg pigs: tennis ball</li> <li>c. 7-kg pigs: table tennis ball</li> </ol> </li> <li>7. scrotal hernia / undescended testicles</li> <li>8. serious open wounds (e.g. sucking lesions) or serious abscesses</li> <li>9. tail bites which are incompletely healed</li> <li>10. lameness</li> <li>11. prolapsed rectum</li> <li>12. aural haematoma</li> <li>13. injury</li> <li>14. mated gilts and pregnant sows after more than 102 days of gestation</li> <li>15. mated gilts and pregnant sows if the journey takes more than 8 hours</li> </ol> <p>If there is any doubt about a pig's fitness for transport, the Driver is authorised by SPF-Selskabet to decide whether he will refuse acceptance, cf. clause 4.11.2.</p>
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#### 4.13 Segregation of pigs during collection and transport

4.13.1	<p>In accordance with Council Regulation (EC) no. 1/2005, the following categories of pigs shall be segregated during collection and transport:</p> <ul style="list-style-type: none"> <li>• Breeding boars (boars which have been used for mating purposes) shall always be collected/transported separately from other pigs.</li> <li>• Sows shall not be collected/transported together with young boars (boars which have not been used for mating).</li> <li>• Gilts more than 6 months of age shall not be collected/transported together with young boars more than 6 months of age.</li> <li>• Young boars more than 6 months of age shall only be collected/transported together if they have been reared together or have been kept in the same pen for at least 2 weeks immediately prior to collection.</li> <li>• Pigs of significantly varying size or age shall not be collected/transported together unless they have been reared together or are used to one another.</li> </ul>
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### 5. Prices and terms of payment

#### 5.1 Prices, quotations, charges and royalties

5.1.1	<p>a) Pigs shall be bought and sold via SPF-Selskabet at the prices, quotations, charges and royalties applicable at the time of delivery. In the case of export, the additional costs of road tolls, veterinary inspections, assembly centre charges, ear tags and the pig royalty fund shall be charged unless otherwise expressly agreed prior to delivery.</p> <p>b) SPF-Selskabet shall be entitled to change its prices, etc. at any time – on the provision of reasonable notice.</p>
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	<p>c) Current prices and quotations, applicable for a week at a time, shall be:</p> <ul style="list-style-type: none"> <li>- Published in the trade press</li> <li>- Published on www.spfportalen.dk</li> <li>- Made available on request to SPF-Selskabet</li> </ul>
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## 5.2 Changes to business charges and transport prices

5.2.1	<p>SPF-Selskabet shall be entitled to change provisions concerning business charges and transport prices in existing Business Agreements and Transport Agreements – without the prior acceptance of the Owners concerned – in the following situations:</p> <ul style="list-style-type: none"> <li>a) To the same extent and with the same notice as SPF-Selskabet otherwise changes its business charges, cf. clause 5.1b).</li> <li>b) With immediate effect when necessitated by changes in the regulations of public authorities or the Danish Agriculture and Food Council.</li> </ul>
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## 5.3 Terms of payment

5.3.1	<p>All purchases shall be paid for in one of the following ways:</p> <ul style="list-style-type: none"> <li>a) Cash on receipt, cf. clause 5.6. In such cases, SPF-Selskabet reserves the right – where it is deemed necessary – to demand surety for payment prior to delivery.</li> <li>b) Breeding stock sellers with continual sale and sellers in Pig Circle Contracts / Export Pig Circle Contracts via SPF-Selskabet shall be eligible for interest and charge free credit up until the next payment date. Said period shall however not exceed 28 days from the invoice date.</li> <li>c) When new herds are purchased, SPF-Selskabet shall demand payment via PBS or surety for payment of the purchase price prior to delivery.</li> </ul>
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## 5.4 Retention of title

5.4.1	<p><b>- on sale to Danish buyers</b></p> <ul style="list-style-type: none"> <li>a) For all credit purchases, SPF-Selskabet shall retain title to all the pigs and services delivered until the Buyer has paid all debts thereby incurred, cf. "Danish regulations on credit purchasing".</li> <li>b) In such cases, the Buyer shall be obliged to feed and care for the pigs supplied in a responsible manner and to insure them against fire, slaughter (at the behest of the authorities) or demise in any other way. The insurance sum shall be treated as SPF-Selskabet's claim.</li> </ul>
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## 5.5 Interest accrument and interest payment

5.5.1	<ul style="list-style-type: none"> <li>a) Payments in advance shall accrue interest at the National Bank of Denmark's reference rate plus one percentage point per annum from max. 7 days before the start of the delivery week.</li> <li>b) Other amounts owed to customers by SPF-Selskabet shall accrue interest at the National Bank of Denmark's reference rate plus one percentage point per annum.</li> <li>c) Credit purchases (i.e. payment after delivery has taken place) shall accrue interest at the National Bank of Denmark's reference rate plus seven percentage points per annum.</li> <li>d) Interest shall accrue monthly.</li> </ul>
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## 5.6 Payment to SPF-Selskabet

5.6.1	<ul style="list-style-type: none"> <li>a) All payments shall preferably be made via PBS or home banking, but giro payments and bank transfers shall also be accepted. Payment by cheque shall only be accepted on prior agreement with SPF-Selskabet.</li> <li>b) Payment via home banking shall only be accepted on prior written agreement and after the Buyer has registered with e-faktura and SPF-Portalen. Until such time, SPF-Selskabet shall retain title to the pigs delivered.</li> <li>b) Where export is concerned, the Buyer shall on receiving the invoice immediately transfer the invoiced amount to the bank and account specified by SPF-Selskabet.</li> </ul>
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## 5.7 Payment to the Seller

5.7.1	<ul style="list-style-type: none"> <li>a) SPF-Selskabet shall guarantee the Seller payment for all pigs sold via SPF-Selskabet. However, SPF-Selskabet reserves the right to deduct any outstanding or due claims on the</li> </ul>
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	<p>Seller before payment.</p> <p>b) Payment shall usually be at the Seller's disposal 7-10 days after the delivery date.</p>
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## 5.8 Errors in invoices and payments

5.8.1	<p>The Seller and the Buyer shall be obliged to check that received invoices and payments for pigs comply with the Business Agreements on which they are based. Any discrepancies discovered shall be brought to the attention of SPF-Selskabet within 30 days of the invoice or payment date at the latest. The Seller, Buyer or SPF-Selskabet shall be obliged to pay/settle the difference immediately. If complaints are raised at a later date, SPF-Selskabet shall not be obliged to adjust the invoiced/paid amounts unless the party gaining from the error agrees to pay/settle the difference.</p> <p>In the case of cash on delivery payment by cheque, specific errors in the calculation of purchase price made by the Driver on delivery shall be adjusted on the subsequent invoice. The Buyer shall be obliged to pay the difference within 7 days of the invoice date.</p>
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## 6. Weaner standard and quality

### 6.1 Marking

6.1.1	<p>All pigs that are bought/sold shall prior to collection be ear-marked with the herd of origin's CHR number on an approved ear tag, cf. Danish Veterinary and Food Administration executive order no. 1066 of 10 November 2005 (and subsequent amendments).</p>
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### 6.2 Tail length

6.2.1	<p>When registering pigs for sale, the Seller shall provide information on the incidence of tail docked pigs in the consignment. If present, tail docking shall have been performed in accordance with Danish Ministry of Justice executive order no. 324 of 6 May 2003 (and subsequent amendments).</p>
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### 6.3 Open wounds

6.3.1	<p>At the time of delivery, pigs shall have no open wounds resulting from castration, tail docking, tail biting, ear sucking, flank sucking, etc.</p>
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### 6.4 Hernia

6.4.1	<p>Weaners with umbilical or scrotal hernias (undescended testicles) shall not be accepted for sale.</p>
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### 6.5 Weight requirements

6.5.1	<ol style="list-style-type: none"> <li>1. With sales to Danish recipients, cf. the order confirmation, or with direct export without transshipment at an assembly centre, weaners shall weigh on loading: <ol style="list-style-type: none"> <li>a. For 30-kg pigs: No pigs in the consignment shall weigh less than 25 kg (minimum weight) and no pigs shall weigh more than 35 kg (maximum weight). The average weight of all pigs in the consignment shall be within the interval 28-32 kg.</li> <li>b. For 7-kg pigs: No pigs in the consignment shall weigh less than 7 kg (minimum weight) and no pigs shall weigh more than 12 kg (maximum weight). The average weight of all pigs in the consignment shall be within the interval 7-9 kg.</li> </ol> </li> <li>2. With sales for export, cf. the order confirmation, the pigs shall, on transshipment at the assembly centre, meet the weight requirements stipulated in 1. a and b above.</li> </ol>
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	<p>The pigs shall be weighed by means of the lorry's weighing system during loading. The resulting total weight of the consignment shall then form the basis of the amount paid to the Seller and invoiced to the Buyer.</p> <p>Should the lorry not be equipped with a weighing system, weighing shall be performed at the nearest weighbridge with sales to Danish recipients or at the assembly site's weighbridge with sales for export.</p> <p>Where pig circles are concerned, deviations from said weight requirements shall be stated in the Pig Circle Contract. Where "day-to-day" sales are concerned, deviations shall be accepted by the Buyer prior to loading.</p>
6.5.2	<p>Special requirements on 7-kg pigs</p> <ul style="list-style-type: none"> <li>• The pigs must be maximum 6 weeks (42 days) of age and, according to statutory regulations, minimum 21 days of age.</li> <li>• The pigs shall be loaded direct from the farrowing pen/farrowing unit. *)</li> <li>• Loading shall occur within 4 hours of weaning. *)</li> <li>• The pigs must not be led through other housing sections containing pigs on their way to loading. *)</li> <li>• The pigs shall have been offered pre-mixed feed for at least a week prior to collection.</li> <li>• Castration wounds shall have healed prior to loading.</li> </ul> <p>*) Should the Seller wish to supply weaned pigs together with non-weaned pigs, this shall be stated when the pigs are registered for sale, incl. the number of weaned pigs.</p> <p>The Seller shall also mark the pigs clearly so that the Buyer is able to distinguish the two kinds of pigs on delivery. The type of marking shall be explained to the driver on loading and shall be described on the delivery note.</p>

## 7. Complaints about deficiencies

### 7.1 Complaint form and address

7.1.1	It is recommended that complains be lodged in writing but verbal/telephone complaints shall also be accepted unless otherwise expressly stipulated elsewhere in the Terms of Business. It is also possible to lodge complaints via SPF-Portalen.
7.1.2	Complaints shall be lodged either with SPF-Selskabet or with the Seller/Buyer. Should the Buyer/Seller lodge a complaint directly with the Seller/Buyer but not simultaneously inform SPF-Selskabet hereof, he shall not be entitled to seek recompense from SPF-Selskabet at a later date in the case concerned. Where export is concerned, complaints shall be lodged with SPF-Selskabet in all cases.
7.1.3	SPF-Selskabet shall accept no liability whatsoever in cases where the Seller and Buyer have agreed compensation or begun negotiations on compensation without the participation of SPF-Selskabet or without its knowledge.

### 7.2 Complaint deadlines

7.2.1	All complaints shall be lodged with SPF-Selskabet immediately and without undue delay unless otherwise stipulated in clauses 7.2.2 to 7.2.5. Should said complaint deadlines be exceeded or should the complainant fail to lodge a complaint despite the fact that he has discovered or should have discovered the deficiency, the right to compensation shall be lost.
7.2.2	Fault or neglect: Three months at the latest after the injured party became aware of, or should have become aware of, the liability-inducing fault or neglect.
7.2.3	Incomplete fulfilment of Business Agreements: <ul style="list-style-type: none"> <li>- General: 8 days after the deficiency is ascertained</li> <li>- Deficient number: 8 days after delivery</li> <li>- Delayed delivery: 8 days after the agreed delivery week</li> </ul>

7.2.4	Deficiencies/errors in invoices/payments:	30 days at the latest after the invoice/payment date
7.2.5	Deficiencies in the delivered pigs / consignment:	
	Aural haematoma	On delivery, to the Driver*
	Flank sucking	On delivery, to the Driver*
	Fresh tail bites/wounds	On delivery, to the Driver*
	Tail length	On delivery, to the Driver*
	Umbilical hernia	On delivery, to the Driver*
	Boars, cryptorchid boars, hermaphrodites	On delivery, to the Driver**
	Undescended testicles / scrotal hernia	On delivery, to the Driver*
	Swayback	On delivery, to the Driver*
	Castration tumours	On delivery, to the Driver*
	Wounds, open	On delivery, to the Driver*
	Weight	On delivery, to the Driver*
	Ear sucking	On delivery, to the Driver*
	No. of weaners (miscounts)	On delivery, to the Driver*
	* In the case of export, however, within 24 hours of unloading at the Buyer's at the latest.	
	** In the case of export, however, within 3 weeks of pig slaughter at the latest.	

## 8. Compensation basis and amounts

### 8.1 General terms of compensation

8.1.1	a)	Compensation shall only be granted to the Buyer if usual professional standards for pig husbandry have been met.
	b)	The amount of compensation shall be determined by SPF-Selskabet on the basis of its Terms of Business.
<b>C</b>	c)	The compensation shall be paid by the person (Buyer/Seller) held responsible for the defect or injury unless otherwise stipulated in the Terms of Business. Compensation for defects in the animals supplied shall always be paid by the Seller unless SPF-Selskabet is responsible for the defect/injury or otherwise agreed in contract type C1. Compensation amounts shall be collected and paid over by SPF-Selskabet.
	d)	Veterinary or consultant certificates shall not be compulsory in compensation cases but may be required by SPF-Selskabet. Costs incurred in obtaining said certificates shall only be refunded if certification is required by SPF-Selskabet.
	e)	All other costs incurred in connection with complaints and compensation shall be paid by the Buyer. Said costs shall however be refunded by the Seller if the Buyer is awarded compensation, cf. Terms of Business.
	f)	SPF-Selskabet shall be entitled to invoice the Seller or Buyer for its own case administration costs if the case requires exceptional time and effort.

### 8.2 Valuation and inspection of delivered pigs

8.2.1	SPF-Selskabet's sales consultants and drivers shall be entitled to refuse or value pigs which do not meet the requirements of the Terms of Business, the accepted Business Agreement or generally accepted Danish standards.
8.2.2	In compensation claims where pig defects occur in a large proportion of the consignment, the Seller shall be entitled to personally inspect the pigs supplied in the Buyer's/Recipient's herd within 8 days of the Buyer's complaint being lodged with SPF-Selskabet or within any stipulated complaint deadlines which are shorter. Said inspection shall be performed under the observance of a min. 12 hour and max. 24 hour personal quarantine period irrespective of the health status of the two herds. Said inspection shall always be performed in the presence of the Buyer and a sales consultant from SPF-Selskabet.

### 8.3 Calculated values and limits on compensation amount

8.3.1	The calculated values used to determine compensation amounts shall be defined as follows:
	a) "Weaner value": The value of a weaner of the same weight on the date of delivery calculated as the "Estimated SPF+Myc price" minus DKK 50. This price is published on <a href="http://www.spfportalen.dk">www.spfportalen.dk</a> .

	<p>b) "Slaughter value": Known, estimated or calculated slaughter weight multiplied by [Danish Crown's average purchase price/kg + remaining payment amount for last financial year] on the date of delivery.</p>
8.3.2	<p><b>Compensation limits</b> In cases where the Seller or the Buyer suffer losses as a result of SPF-Selskabet's fault or neglect or through non-fulfilment of a Business Agreement, SPF-Selskabet's liability shall be limited to an amount calculated on the basis of the following:</p> <ul style="list-style-type: none"> <li>a) The agreed price on the date of delivery, but max. the "Estimated weaner price" for weaners of the same weight and health status.</li> <li>b) The expected Danish contribution margin per weaner/finisher as estimated by Pig Research Centre for the week in which the fault occurred. A 10% increment for SPF added value shall be added when the pigs are delivered from an SPF herd.</li> </ul>
8.3.3	<p><b>Key figures in compensation for fault and neglect</b> Key figures from the injured party's P-reports/E-inspection reports drawn up by external consultancy firms shall be used to calculate the amount of compensation. If said reports are unavailable, the key figures used by Pig Research Centre to calculate the estimated weaner price at the time at which the fault or neglect occurred shall be used instead. In the case of herd culling, loss shall be calculated on the basis of the "DLBR Production Plan" of the Danish Agricultural Advisory Centre, SvinelIT, where the aforementioned production data are used.</p> <p>In all calculations, the compensation limits stipulated in clause 8.3.2 shall apply.</p>
<p><b>8.4 Compensation payment</b></p>	
8.4.1 <b>A+B</b>	<p><b>Compensation payment awaits arbitration</b> If a party who is liable for compensation will not fulfil his obligations in relation to the Terms of Business, SPF-Selskabet shall be entitled to refrain from paying out compensation to the party who is eligible for compensation until an award has been made by the DS Arbitration Tribunal, SPF-Danmark version.</p>
8.4.2 <b>A+B</b>	<p><b>Lacking ability to pay compensation</b> If a party who is liable for compensation informs SPF-Selskabet in writing that he is unable to meet his financial obligations in accordance with the Terms of Agreement, SPF-Selskabet shall be liable towards the third party to the agreement to an extent limited to the amount that can be paid by the party who is liable for compensation or by his estate.</p> <p>SPF-Selskabet shall in this connection be responsible for collecting the debt, although without petitioning for forced sale or bankruptcy against the debtor.</p> <p>Alternatively, the party who is eligible for compensation shall on demand be entitled to assume all rights to collect the debt himself from the party liable for compensation.</p>
8.4.3 <b>A+B</b>	<p><b>SPF-Selskabet's right of recourse</b> Should a Buyer in contract types A or B raise a claim for compensation against SPF-Selskabet as the seller, SPF-Selskabet shall be entitled to seek recourse against the Seller.</p> <p>Should a Seller in contract types A or B raise a claim for compensation against SPF-Selskabet as the buyer, SPF-Selskabet shall be entitled to seek recourse against the Buyer.</p> <p>In all cases but those mentioned in clause 2.4.2, SPF-Selskabet shall only pay compensation if and when SPF-Selskabet is granted recourse against the Seller or Buyer and the party liable for recourse has paid, cf. also clauses 8.4.1 and 8.4.2.</p>
8.4.4 <b>C</b>	<p>In two-party agreements (contract type C), SPF-Selskabet shall be entitled to reserve the right to seek recourse against the Seller or Buyer if SPF-Selskabet suspects that the Seller or Buyer has acted with gross negligence.</p>

## 8.5 Compensation for non-fulfilment of Business Agreements

- 8.5.1
- a) Deficiencies in the number of pigs in relation to the Business Agreement shall be compensated for by the Seller, unless caused by the conditions mentioned in clause 2.2.9.  
Compensation shall be calculated as:
1. The contribution margin lost as a result of lacking consignments/numbers, based on the expected Danish contribution margin per finisher for the week in which the breach occurred as estimated by Pig Research Centre. A 10% increment for SPF added value shall be added if the Seller's herd has SPF health status. Said contribution margin per pig shall be converted into a contribution margin per pen place per day until the pen place has been taken by another pig, based on the following number of production days from the penning of weaners to slaughter:
    - 90 days in the case of "30-kg pigs"
    - 139 days in the case of "7-kg pigs"
- and
2. Any additional price in relation to the price stated in the Business Agreement paid by the Buyer for replacement weaners. Should the replacement price be lower than the price stated in the Business Agreement, the Seller shall not be entitled to claim the difference.
- b) Lacking ability to receive pigs in relation to the Business Agreement shall be compensated for by the Buyer, unless caused by the conditions mentioned in clause 2.2.9.  
Compensation shall be calculated as:  
The Buyer shall pay the difference between the agreed price per pig and any lower price per pig the Seller obtains in selling the pigs to an alternative recipient.

## 8.6 Compensation for pig defects

- 8.6.1
- Weight**
- a) **For "30-kg pigs"**, on delivery at the Buyer's
1. The Seller shall provide compensation as follows for weaners that weigh less than stipulated in the Business Agreement or required by clause 6.5
    - a. When supplying a Danish Buyer:  
Weaners which weigh 2.0 kg or more below the minimum weight shall be priced at value, but max. 50% of the estimated weaner price for pigs of such minimum weight.  
The weight of such pigs shall be subtracted from the total weight of the consignment before the price of the remaining pigs is calculated.
    - b. When supplying pigs for export:  
Weaners which weigh 4.0 kg or more below the minimum weight shall be priced at 50% of the agreed price. Deviations of between 2.0 and 4.0 kg shall give a proportionate reduction in price.  
The weight of such pigs shall be subtracted from the total weight of the consignment before the price of the remaining pigs is calculated.
  2. Weaners which weigh more than 2.0 kg above the maximum weight stipulated in the Business Agreement or in clause 6.5, shall be priced at the agreed maximum weight.  
The actual weight of such pigs shall be subtracted from the total weight of the consignment before the weight and price of the remaining pigs are calculated.
  3. Should the average weight of the pigs in the consignment be more than 3.0 kg above the maximum average weight agreed upon or stipulated in clause 6.5, the price of the consignment shall be calculated on the basis of the agreed maximum average weight plus 3.0 kg.
  4. Should the average weight of the pigs in the consignment be more than 2.0 kg below the minimum average weight agreed upon or stipulated in clause 6.5, the price of the consignment shall be calculated on the basis of the actual average weight minus 2.0 kg.

	<p>b) <b>For "7-kg pigs",</b> on delivery at the Buyer's</p> <ol style="list-style-type: none"> <li>1. Pigs which weigh 0.5 – 1.5 kg (both inclusive) below the minimum average weight agreed upon or stipulated in the Business Agreement shall be priced at 50% of the agreed price.</li> <li>2. Pigs which weigh more than 1.5 kg below the minimum weight stipulated in the Business Agreement shall be priced at kr. 0 (nil).</li> <li>3. Pigs which weigh more than 1.0 kg above the maximum weight stipulated in the Business Agreement shall be priced at the agreed maximum weight.</li> <li>4. Should the average weight of the pigs in the consignment be more than 1.0 kg above the maximum average weight agreed upon or stipulated in clause 6.5, the price of the consignment shall be calculated on the basis of the agreed maximum average weight.</li> <li>5. Should the average weight of the pigs in the consignment be more than 0.5 kg below the minimum average weight agreed upon or stipulated in clause 6.5, the price of the consignment shall be calculated on the basis of the actual average weight minus 1.0 kg</li> </ol> <p>c) Compensation shall be conditional on a weighing device being available at the Buyer's and on SPF-Selskabet being able to weigh the pigs for control purposes on the day after delivery.</p>
8.6.2	<b>Tail length</b>
	<p>a) In the event of lacking notification by the Seller that the pigs' tails have been docked, the Seller shall be invoiced for any additional expenses incurred by SPF-Selskabet in connection with the consignment.</p> <p>b) Should a Buyer suffer loss due to the delivery of pigs whose tails have been docked by more than half or whose tails have been docked without express agreement in the Business Agreement, said loss shall be compensated if the Seller can be identified. Only the following types of loss shall be compensated:</p> <ol style="list-style-type: none"> <li>1. Reduction in slaughter value</li> <li>2. Fines imposed by the slaughterhouse</li> <li>3. Fines imposed by public authorities as a result of purchased pigs which have been illegally docked by the Seller</li> </ol> <p>Claims for compensation shall be lodged with SPF-Selskabet and compensation shall only be granted to the extent that the Seller concerned reimburses SPF-Selskabet.</p>
8.6.3	<p><b>Open wounds</b></p> <p>Pigs with open wounds caused by tail docking, tail biting, ear sucking, flank sucking, aural haematoma, serious abscesses or similar defects shall be valued at DKK 0 (zero) as they are unfit for transport according to clause 4.12, regardless of whether the driver has accepted the pigs concerned for transport.</p>
8.6.4	<p><b>Umbilical hernia / scrotal hernia (undescended testicles)</b></p> <p>Pigs with umbilical or scrotal hernias shall be compensated by the Seller to the amount of the purchase price plus the DAKA fee.</p> <p>The DAKA fee shall be determined as DAKA's charge for 1 pig.</p> <p>In the case of 7-kg pigs, the DAKA fee shall only be incurred for every three pigs with umbilical or scrotal hernias.</p>
8.6.5	<p><b>Boars / cryptorchid boars / hermaphrodites</b></p> <p>Boars, cryptorchid boars, hermaphrodites and pigs with undescended testicles shall each be priced/invoiced at 80 kg times DKK 2.00 per kg, i.e. DKK 160 in total.</p>
8.6.6	<p><b>Minor visible defects</b></p> <p>In the event of minor visible defects which are not mentioned in clause 8.6, the driver shall be entitled to decide whether to deduct up to DKK 100 per defective pig. Subsequent losses caused by said defects shall not be compensated.</p>

8.6.7	<p><b>Coloured markings in skin or hair</b> Compensation shall not be provided for weaners in the delivery with coloured markings in skin or hair.</p>
8.6.8	<p><b>Death</b> Pigs which die in the period between being loaded onto an SPF-Selskabet vehicle and being unloaded at the Buyer's, shall be valued at 30% of the purchase price. In addition, the Seller shall pay the entire DAKA fee. The DAKA fee shall be determined and calculated according to clause 8.6.4.</p>
8.6.9	<p><b>Defects in 7-kg pigs</b> If, after delivery, it is discovered that one or more of the special requirements on 7-kg pigs stipulated in clause 6.5.2 was breached at the time of delivery, the price of all pigs in the consignment shall be subsequently adjusted. Said adjustment shall be based on the estimated value of the pigs at the time of delivery on the proviso that the final price is never less than 50% of the original price. Value shall be estimated by a sales consultant from SPF-Selskabet. Compensation shall not be provided for secondary losses incurred by the Buyer.</p>

## 9. Disputes

### 9.1 Legal settlement of disputes by arbitration

9.1.1	<p>Any disputes arising in connection with the Terms of Business and which cannot be resolved by negotiation between the parties shall be finally settled by the DS Arbitration Tribunal, SPF-Danmark version. It shall not be possible to take awards made by the tribunal to the civil courts.</p> <p>The DS Arbitration Tribunal, SPF-Danmark version shall consist of five arbitrators. Each of the parties to the dispute in question shall appoint one arbitrator to the tribunal while the other three shall be permanent members appointed by the Danish Association of Pig Consultants, the Danish Veterinary Association and the Maritime and Commercial Court in Copenhagen respectively. The tribunal shall be chaired by the arbitrator appointed by the Maritime and Commercial Court, who is a judge.</p> <p>The dispute shall be settled fairly and equitably using the "Rules for DS Arbitration Tribunal, SPF-Danmark version", and on the basis of current Danish law and language. The rules of the DS Arbitration Tribunal, SPF-Danmark version, are available on request from SPF-Selskabet.</p>
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### 9.2 Legal settlement of disputes in Danish courts of law

9.2.1	<p>In disputes concerning claims with a financial value exceeding DKK 1 million, the Owner shall, instead of arbitration, be entitled to bring a civil action before the Danish courts, where the matter shall be settled in accordance with the Danish Administration of Justice Act and on the basis of current Danish law and language without any particular consideration of equity.</p> <p>Third parties who are implicated in the action by the defendant (i.e. who are given third party notice) shall accept the plaintiff's choice of court and shall be obliged to appear before the court in the matter. The venue shall be DK-6600 Vejen.</p>
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### 9.3 Right to implicate third parties (right of third party notice)

9.3.1	<p>If a civil action has been brought before the Danish courts against SPF-Selskabet, cf. clause 10.2.2, SPF-Selskabet shall irrespective of the agreement on arbitration and irrespective of the size of the recourse claim be entitled to implicate (i.e. give third party notice to) the Owner during said legal action.</p> <p>If a civil action has been brought before the Danish courts against the Owner, the Owner shall irrespective of the agreement on arbitration and irrespective of the size of the recourse claim be entitled to implicate (i.e. give third party notice to) SPF-Selskabet during said legal action.</p>
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## 10. Forms and IT services

### 10.1 SPF-Selskabet's delivery notes and freight bills

10.1.1	<p>SPF-Selskabet's delivery notes shall only be used by the Seller for sales to SPF-Selskabet or transports performed by SPF-Selskabet.</p>
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10.1.2	<p>The following shall be stated on the delivery note accompanying every consignment of pigs:</p> <ul style="list-style-type: none"> <li>a) the supplier herd's CHR number and name</li> <li>b) the supplier herd's health status, supplementary health status and any conditional health status or salmonella information</li> <li>c) the recipient herd's CHR number, name and if necessary address</li> <li>d) the loading and unloading times (date and time)</li> <li>e) the loading and unloading form</li> <li>f) the form of transport (SPF vehicle and/or Open vehicle)</li> <li>g) assembly centre transshipment, if any</li> <li>h) the number of pigs and their category</li> <li>i) the total and average weight of the consignment</li> </ul> <p>The delivery note shall be signed by the Supplier (or his proxy), the Driver and the Buyer (or authorised Recipient). All parties shall be issued a copy of the delivery note after loading and unloading respectively.</p>
10.1.3	<p>Where export or transport to countries other than Denmark is concerned, all deliveries shall be accompanied by a CMR freight bill. Said freight bill shall be signed by the dispatcher (supplier or assembly centre), SPF-Selskabet and the Recipient. The freight bill shall state that the delivery is performed in accordance with Incoterms 2000, Delivery Duty Unpaid, which means that liability for the pigs is not transferred to the Buyer until the pigs have been unloaded at the Recipient's, cf. also clause 2.3.1.c). Insurance to the destination site shall be taken out and paid for by SPF-Selskabet. Haulage shall be paid by SPF-Selskabet while import duties shall be paid by the Buyer.</p>
<p><b>10.2 SPF-Portalen</b></p>	
10.2.1	<p>All SPF-Selskabet's customers shall be given access to the Internet-based communication system SPF-Portalen (spfportalen.dk).</p>
10.2.2	<p>The password gives access to information which is relevant to the business relations between the Seller, Buyer, Recipient and SPF-Selskabet. Key information on name, addresses, telephone numbers and herd health status (SPF-SuS) are available to anyone logging onto SPF-Portalen.</p>