

SPF-Selskabet's Terms of Business 2011

Breeding stock

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

SPF-Selskabet has however established SPF-Risikokassen (SRK), a fund designed to provide limited compensation on individual application by Buyers/Suppliers.

The rules concerning SPF-Risikokassen are an integral part of these Terms of Business (clause 9) but with the limitations described in the SRK Rules.

Changes in relation to previous issues of the Terms of Business

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.

Contents

Background and scope	3
1. General	6
1.1 Contract types and fields of application	6
1.2 Designations and definitions	6
2. Liability and liability limitations	9
2.1 General liability and liability limitations	9
2.2 SPF-Selskabet's and Seller's liability for health status on delivery	9
2.3 Risk transfer on delivery	11
2.4 SPF-Selskabet's specific liability for compensation	11
2.5 Seller's specific liability, seller declarations	12
2.6 Seller's specific liability for reporting the transfer of pigs	13
2.7 Seller's specific liability on red herd termination	13
2.8 Buyer's specific liability on receipt of pigs	13
2.9 Restrictions in the Buyer's use of purchased DanBred pigs and their offspring	13
2.10 SPF-Selskabet's claims against the Buyer in case of violation of the Buyer's obligations regarding purebred breeding stock	15
3. Business Agreements / Contracts	15
3.1 Business Agreements, general	15
3.2 Business Agreement commencement	15
3.3 Changes to or termination of a Business Agreement	15
3.4 Changes to or termination of a Business Agreement, with or without notice	16
3.5 Consequences of conditional status for Business Agreements	16
3.6 Consequences of undesirable infection for Business Agreements	17
3.7 Transfer of Business Agreements	18
3.8 Consequences of fire, etc. for Business Agreements	18
3.9 Consequences of salmonella prevalence and zoonosis supervision for Business Agreements	18
4. Transport	19
4.1 Rules and legislation	19
4.2 Transport Agreements	20
4.3 Access conditions	20
4.4 Loading and unloading	20
4.5 Bedding and manure	20
4.6 Reception of supplementary breeding stock	20
4.7 Special requirements of Seller or Buyer	21
4.8 Surcharge for transport, etc.	21
4.9 Discrepancies in pig number, weight or age for transport	21
4.10 Consequences of conditional status for undesirable infection and changed health status	21
4.11 Responsibility for the pigs' fitness for transport	21
4.12 Requirements on fitness for transport	21
4.13 Segregation of pigs during transport	22
5.0 Prices and terms of payment	22
5.1 Prices, quotations, charges and royalties	22
5.2 Changes to business charges and transport prices	23
5.3 Terms of payment	23
5.4 Retention of title	23
5.5 Interest accrual and interest payment	23
5.6 Payment to SPF-Selskabet	23
5.7 Payment to the Seller	23
5.8 Errors in invoices and payments	24
6. Breeding stock standard and quality	24
6.1 Marking	24
6.2 Tail length	24
6.3 Open wounds	24
6.4 Vaccination of sales stock	24
6.5 Race specifications	24
6.6 Immature gilt and boar weight	25
6.7 Teats	25
6.8 Gestation	25
6.9 Boar virility, etc.	25

7. Complaints about deficiencies	25
7.1 Complaint form and address	25
7.2 Complaint deadlines.....	26
8. Compensation grounds and amounts	26
8.1 General terms of compensation	26
8.2 Valuation and inspection of delivered pigs.....	27
8.3 Calculated values and limits on compensation amount	27
8.4 Compensation payment	27
8.5 Compensation for non-fulfilment of Business Agreements.....	28
8.6 Compensation for disease (non-SPF diseases)	29
8.7 Weight	30
8.8 Teats	30
8.9 Legs and hooves	30
8.10 Age on delivery	30
8.11 Gestation and farrowing	31
8.12 Other external defects.....	31
8.13 Specific boar defects	32
9. Rules of SPF-Risikokassen (SRK).....	32
9.1 Purpose	32
9.2 Entitlement to compensation for loss	32
9.3 Financing, compensation limits and liability	32
9.4 Purchased - or suspected purchased - infection in newly established sow herds.....	33
9.5 Purchased infection or suspicion thereof in the supplementation of sow herds via quarantine facilities.....	35
9.6 Delivery Agreements, breeding stock for herd establishment or expansion.....	36
9.7 Conditional status on SPF vehicle	37
9.8 Applying for compensation from SRK.....	37
10. Disputes	37
10.1 Legal settlement of disputes by arbitration	37
10.2 Legal settlement of disputes in Danish courts of law	37
10.3 Right to implicate third parties (right of third party notice)	37
11. Forms and IT services	38
11.1 SPF-Selskabet's delivery notes	38
11.2 SPF-Portalen.....	38

Clause + Contract type	Terms
1. General	
1.1	Contract types and fields of application
1.1.1	All business transactions involving breeding stock, 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) and 8.4.4</p>
1.1.3	<p>Several contract types exist depending on the structure of the business transaction concerned:</p> <p>A. Three-Party Agreement: 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. Three-Party Agreement: 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>C. Two-Party Agreement: 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>D. Transport Agreement Agreement regarding SPF-Selskabet's transport services in which SPF-Selskabet is not a party in the purchase/sale of the pigs concerned.</p>
1.2	Designations and definitions
	<p>The designations most commonly used in these Terms of Business are defined as follows:</p> <p>Regarding health:</p> <p>Health status: The permanent health status recorded and declared by SPF-SuS:</p> <ul style="list-style-type: none"> • "SPF": cf. "SPF Health Rules" • "PRRS declaration": cf. SPF-SuS's "PRRS rules for conventional herds" • "Unknown": No agreement with SPF-SuS on health status declaration <p>Supplementary health information: The "Supplementary health information" recorded by SPF-SuS:</p> <ul style="list-style-type: none"> • for SPF herds: cf. Health Rules • for other herds: information on salmonella status, cf. statutory regulations

Conditional health status:	<p>Designation which is provisionally given together with health status if:</p> <ul style="list-style-type: none"> undesirable infection is suspected in a herd covered by SPF-SuS's "Health Rules" or "PRRS Rules" deviation from or violation of SPF Health Rules is ascertained temporary restrictions on sale are imposed <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. Breeding stock 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 breeding/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:	Herd which is only declared for PRRS in accordance with SPF-SuS agreement and PRRS Rules. Is not declared for SPF diseases.
Quarantine facilities:	Area/room in housing unit which is separated from the herd itself and which is used for the reception of batches of breeding stock as part of the usual replacement of sows.
Regarding transport:	
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.

Regarding business transactions:

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.
Buyer Declaration:	Declaration to PRC which the Buyer of purebred DanBred breeding stock must sign prior to delivery. The declaration contains restrictions on resale.
SPF Price:	Calculated basic price + health surcharge +/- week adjustment, where basic price is the base price of a 22-week-old hybrid gilt, Red SPF quotation 4.
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 breeding stock.
SRK:	SPF-Risikokassen, see clause 9.
Week no.:	The number of the week in the year. According to Danish practice, Monday is the first day of the week

Regarding pig production:

Weaner	Pig of 7-40 kg for sale.
Gilt	Young female pig (2-8 months) for breeding, not yet mated.
Mated gilt	Female pig between first mating and first farrowing.
Sow	Female pig after first farrowing.
Boar	Male pig for breeding or commercial purposes.
Finisher	Pig over 70 kg live weight for slaughter.

Regarding organisations/institutions/firms:

DanBred:	DanBred (www.danavl.dk) is the name of the Danish pig farmers' breeding system managed by PRC, Pig Research Centre (formerly Danish Pig Production).
PRC	Pig Research Centre (formerly Danish Pig Production) (www.dansksvineproduktion.dk). A part of the Danish Agriculture & Food Council. A professional organisation for Danish pig farmers.
FVST:	Danish Veterinary and Food Administration (www.fvst.dk), part of the Ministry of Food, Agriculture and Fisheries with responsibility for veterinary control.
L & F	Danish Agriculture & Food Council (www.lf.dk), 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 (www.spfsus.dk).

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	<p>Health status: "SPF"</p> <p>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. 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"> a) The Seller shall only be liable if he has acted with gross negligence b) SPF-Selskabet shall be liable pursuant to clause 2.4.2 <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>Health status: "PRRS declaration"</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 the "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"> a) The Seller shall only be liable if he has acted with gross negligence b) SPF-Selskabet shall be liable pursuant to clause 2.4.2 <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>Health status: "Unknown"</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"> a) if suspicion arises of infection with a disease not previously encountered in the herd b) if a clinical outbreak of a production disease occurs, e.g. PRRS, swine dysentery, atrophic rhinitis, pneumonia, etc.

	<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 3.9.</p>
2.2.5	<p>"Form of transport" 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 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"> 1. transport sequences involving departures and arrivals at herds with health status: "PRRS declaration", where the sequence shall be as stipulated in the SPF Transport Rules 2. transport sequences that are made compulsory by the authorities, Danish Agriculture & Food Council or Pig Research Centre. <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>Health declaration On entering into a Delivery Agreement for the delivery of pigs from a red herd, cf. clause 3, SPF-Selskabet shall send a current health declaration for the red herd concerned to the Buyer, or cause said declaration to be sent. The health declaration can be viewed and printed at www.spfsus.dk.</p> <p>In addition to a health declaration, any Buyer shall be entitled to request that SPF-Selskabet provide written "Supplementary health information" ("Sup-Health") in which information on health conditions not included in the health declaration is stated.</p>
2.2.7	<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>
2.2.8	<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>
2.2.9	<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>
2.2.10	<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 & Food Council or Pig Research Centre shall be entitled to impose restrictions on sale/purchase.</p> <p>Irrespective of whether such restrictions are in the form of bans, requests or recommendations, the</p>

	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.
2.3	Risk transfer on delivery
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"> • the Terms of Business • the Business Agreement • currently applicable Danish standards for the category of pigs concerned • legislation concerning the fitness of pigs for transport, cf. clauses 4.11, 4.12 and 4.13 <p>After breeding stock has 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"> 1. Conditional health status is conferred on the Seller's herd after loading. 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. 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>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.
2.4	SPF-Selskabet's specific liability for compensation
2.4.1 A and 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. clauses 2.4.2 - 2.4.7 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> <ul style="list-style-type: none"> a) 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. b) 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. c) 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. d) 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.</p>
2.4.5	<p>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.</p>
2.4.6	<p>The provisions of clause 8.3 shall be used to determine the extent of the loss.</p>
2.4.7	<p>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.</p>
2.5	Seller's specific liability, seller declarations
2.5.1	<p>- regarding imported, hoof-bearing animals</p> <ul style="list-style-type: none"> 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. 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. 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. d) By "hoof-bearing animals" is meant pigs, cattle, sheep, goats, deer, etc. e) The provision of pigs for SPF-Selskabet in violation of items a)-d) above may result in compensation claims from SPF-Selskabet.
2.5.2	<p>- regarding the use of medicines</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>- regarding DANISH Product Standard</p> <ul style="list-style-type: none"> 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. b) Pigs from non-approved herds shall only be sold to herds (incl. foreign herds) which have

	<p>given prior acceptance to receive such pigs.</p> <p>c) Information on the DANISH status of the supplier herd can be found at www.spfsus.dk.</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	<p>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.</p> <p>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.</p>
2.7	Seller's specific liability on red herd termination
2.7.1	<p>Breeding stock shall not be supplied from a red herd undergoing herd termination for delivery to quarantine facilities at the Recipient's within the last 6 weeks prior to termination of the herd. Should herd termination occur with less than 6 weeks' notice, the Seller shall retain liability for the pigs already delivered to the Recipient's quarantine facilities. The Buyer shall be entitled to claim compensation for the difference between the purchase price and resale price if the pigs cannot be released by the SPF health inspection on normal conditions, cf. Health Rules.</p>
2.8	Buyer's specific liability on receipt of pigs
2.8.1	<p>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.</p> <p>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.</p>
2.8.2	<p>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.</p>
2.9	Restrictions in the Buyer's use of purchased purebred DanBred breeding stock and their offspring
2.9.1	<p>Authority and use</p> <p>The restrictions described here are stipulated by Pig Research Centre (PRC) and shall be used in all instances where a pig breeder (here the Seller) sells and a Vendor (here SPF) resells purebred DanBred breeding stock, incl. semen, to commercial herds. A commercial herd is defined by PRC as a herd which does not sell breeding stock, is neither directly nor indirectly owned or managed by another breeding programme than DanBred and has not entered into an organised partnership on breeding. In addition, the pig breeder may only sell purebred DanBred breeding stock to a Vendor who is approved by PRC. SPF-Selskabet is approved by PRC. SPF-Selskabet and its customers must pay royalties to the DanBred breeding programme.</p>
2.9.2	<p>Before taking delivery, any Buyer of purebred DanBred breeding stock must sign PRC's "Buyer Declaration incl. terms of sale " on the use of the purchased pigs. The Buyer Declaration contains the provisions described in clauses 2.9.3-2.9.6.</p>

2.9.3 2.9.3.1	<p>Use of purchased purebred DanBred breeding stock</p> <p>The Buyer shall use the purchased purebred DanBred breeding stock on his own farm and shall not without the written consent of Pig Research Centre resell, house or in any other way transfer to any third party the use of the purchased purebred breeding stock or their offspring – including hybrid offspring – for a period of two years after the Buyer's herd last received purebred DanBred breeding stock, incl. semen, cf. clause 2.9.3.2 however.</p>
2.9.3.2	<p>The Buyer is however entitled to sell</p> <ul style="list-style-type: none"> a) the purchased purebred DanBred breeding stock or their offspring direct for slaughter, b) offspring as weaners for finisher production, c) offspring to a Buyer whose herd is approved by Pig Research Centre as a breeding or multiplier herd (i.e. DanBred herds).
2.9.3.3	<p>Pig Research Centre may on prior request provide acceptance of the resale of offspring. Such acceptance given by Pig Research Centre shall be on the condition that the Buyer concerned enters into an agreement with Pig Research Centre on the use of the purchased purebred DanBred breeding stock and payment of the royalties set by PRC for such title, either as a lump sum or as an annuity.</p>
2.9.4 2.9.4.1	<p>Inspection and certificates</p> <p>The Buyer shall report all lawful sales of DanBred breeding stock, cf. clause 2.9.3.3, to Pig Research Centre in accordance with the current rules of Pig Research Centre for said reporting.</p>
2.9.4.2	<p>Pig Research Centre shall be entitled to inspect the Buyer's herd and to check the Buyer's records of production data and sold breeding stock at any time within normal working hours.</p>
2.9.4.3	<p>Pig Research Centre shall be entitled to inspect the sold purebred DanBred breeding stock before the pedigree certificate is issued and to send a health certificate to the Buyer for the sold purebred DanBred breeding stock.</p>
2.9.5 2.9.5.1	<p>Penalties and bans</p> <p>Should a Buyer resell DanBred breeding stock in violation of clause 2.9.2, the Buyer shall become liable to pay a penalty amounting to 200% of the Buyer's selling price for the DanBred breeding stock resold – or as a minimum the penalty shall amount to 200% of the following scale prices:</p> <ul style="list-style-type: none"> a) Purebred females DKK 2,500 b) Purebred boars, if sold for natural mating DKK 5,000 c) Purebred Landrace and Yorkshire boars and hybrids thereof, if sold for artificial insemination (AI) DKK 50,000 d) Purebred Duroc boars and hybrids thereof, if sold for artificial insemination (AI) DKK 15,000 e) Hybrid females of purchased purebred DanBred breeding stock DKK 1,750 <p>Said penalties shall be paid to Pig Research Centre.</p>
2.9.5.2	<p>Payment of the penalty to Pig Research Centre by the Buyer shall not prevent Pig Research Centre from claiming compensation for any losses it incurs as a result of the Buyer's contract-breaching behaviour.</p>
2.9.5.3	<p>The Seller or Pig Research Centre shall be entitled to demand the imposition of a ban with no provision of security on the Buyers (re)sale of DanBred breeding stock in violation of clause 2.9.3.</p>
2.9.6 2.9.6.1	<p>Venue and applicable law</p> <p>Any dispute regarding the Buyer's obligations described in clause 2.9 and the Buyer Declaration, including disputes concerning violation of the ban on unauthorised resale and the imposition of penalties shall be settled in accordance with Danish law at the Copenhagen City Court irrespective of the provisions regarding settlement in the DS Arbitration Tribunal stipulated in clause 10.2.</p>

2.10	SPF-Selskabet's claims against the Buyer in the event of violation of the Buyer's obligations regarding purebred breeding stock
2.10.1	As, according to the "Reseller Agreement with PRC", SPF-Selskabet shall be held liable for its Buyers' lacking payment of penalties and compensation for any infringement of the terms of resale, SPF-Selskabet shall be entitled to give third party notice to the Buyer concerned in any legal proceedings concerning the Buyer's violation of the terms, cf. clause 2.9.6.
3	Business Agreements / Contracts
3.1	Business Agreements, 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 1.1.1: a) Delivery Agreements, which are used in the following cases: - establishment of a new herd - large supplementary consignments - ongoing consignments b) Order Confirmations, which are used for pooled ("day-to-day") sales c) Verbal Agreements, which are used when breeding stock is purchased/sold at short notice
3.2	Business Agreement commencement
3.2.1	Three-party agreements a) A Delivery Agreement shall come into force when both the Seller and the Buyer have signed the agreement – at the latest seven working days (or 15 days in the case of export) after the date on which it was drawn up. SPF-Selskabet shall however be entitled to cancel the agreement if SPF-Selskabet has not received written acceptance from both the Seller and the Buyer within 14 working days (or 21 days in the case of export) of the date on which the agreement was drawn up. Said cancellation shall not incur any liability for compensation for the Seller, Buyer or SPF-Selskabet. b) An Order Confirmation concerning breeding stock 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 the 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. Two-party agreements d) A Delivery Agreement shall come into force when both parties have signed the agreement – at the latest seven working days (or 15 days in the case of export) after the date on which it was drawn up. e) An Order Confirmation concerning breeding stock shall come into force at 12.00 noon two working days after being sent by SPF-Selskabet by email or fax unless the Buyer has raised objections with SPF-Selskabet beforehand. Said objections shall be sent to SPF-Selskabet by email or fax. f) Verbal Agreements shall come into force as soon as they are entered into.
3.3	Changes to or termination of a Business Agreement, 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

	<p>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.</p> <p>In three-party agreements, SPF-Selskabet shall determine whether the agreement has been fundamentally breached, regardless of contract type.</p>
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	<p>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.</p> <p>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.</p> <p>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.</p>
3.4	Changes to or termination of a Business Agreement, with or without notice
3.4.1	<p>A Business Agreement can – without any compensation-related consequences – be changed or terminated by one of the parties if the following notice is given:</p> <p>a) Delivery Agreements (one-off consignments): 26 week-numbers before the agreed delivery week at the latest.</p> <p>b) Delivery Agreements (ongoing consignments): 5 week-numbers before the agreed delivery week at the latest.</p> <p>c) Order Confirmations: 5 week-numbers before the agreed delivery week at the latest if the order confirmation has been drawn up more than 5 weeks before the delivery date.</p> <p>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 clause 8.5.1.</p>
3.4.2	Claims for compensation for change/termination resulting from the Seller's or Buyer's suspension of payments/bankruptcy shall be covered by SPF-Risikokassen at 50% of the rates specified in clause 8.5.1. Such payment shall constitute full and final settlement of the compensation issue. SPF-Selskabet shall however be entitled to seek reimbursement for any payments made by SPF-Risikokassen from the liable party or his estate.
3.4.3	Should discrepancies in the number of animals of more than 50% of the number stated in the Business Agreement be ascertained prior to or on delivery, the injured party shall – besides compensation (cf. clause 8.5.1) – be entitled to terminate the agreement with immediate effect. Said termination shall not entitle any of the parties to further compensation.
3.5	Consequences of conditional health status for Business Agreements
3.5.1	<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) Delivery Agreements (one-off consignments):</p> <ul style="list-style-type: none"> - i.e. deliveries for newly established herds or large supplementary consignments where all animals are to be installed in empty housing facilities, cf. clause 9.4.4, on a farm that is not in SuS joint operation with other herds for the first 8 week-numbers following the last consignment. <ul style="list-style-type: none"> 1. If the Buyer within the previous 42 days (conditional health status date minus 42 days, both days inclusive) has received:

	<p>a) more than 60% of all consignments specified in the Business Agreement, the agreement shall continue unchanged and the Buyer shall take receipt of the consignments at the agreed times. The Buyer shall however be entitled – without incurring any liability for compensation – to postpone the remaining consignments until he has had the animals inspected for possible infection, cf. SPF-SuS rules for details of secondary conditional health status for the specific diseases concerned. Should said inspection show that no infection exists in the delivered animals, the Buyer shall nevertheless be entitled – without incurring any liability for compensation – to terminate the agreement with immediate effect. The Buyer shall be entitled to compensation from SRK, cf. clauses 9.4.5 and 9.3.5. Said termination right shall however not apply if the conditional health status of the Seller's herd has been revoked beforehand.</p> <p>b) 60% or less of all consignments specified in the Delivery Agreement, the Buyer shall be entitled – without incurring any liability for compensation – to terminate the agreement with immediate effect. The Buyer shall be entitled to compensation from SRK, cf. clauses 9.4.5 and 9.3.5. Termination shall be notified on the weekday following the conditional health status date at the latest. Should the Buyer not yet have received pigs in accordance with the Delivery Agreement and should the conditional health status in the Seller's herd continue or be expected to continue, cf. SPF-SuS's rules, for longer than two week-numbers after the agreed first delivery week, the Buyer shall be entitled – without incurring any liability for compensation – to terminate the agreement with immediate effect. The Buyer shall be entitled to compensation from SRK, cf. clauses 9.6.1 and 9.3.5.</p>
	<p>b) Delivery Agreements (ongoing consignments): The agreement shall continue unchanged, but the Buyer shall be entitled – without incurring liability for compensation – to cancel any agreed consignments during the period in which the Seller's herd has conditional health status. Once the conditional health status has been revoked, consignments shall continue in accordance with the Delivery Agreement discounting the cancelled consignments.</p> <p>c) Order Confirmations (breeding stock): As for Delivery Agreements (ongoing consignments), cf. clause 3.5.1 b).</p> <p>d) Verbal Agreements: The agreement shall be terminated with immediate effect – without incurring liability for compensation for any of the parties.</p>
3.5.2	Should one or more consignments be postponed for more than two week-numbers because of suspected undesirable infection in the Seller's or Buyer's herds, compensation shall be paid in accordance with the rules of SPF-Risikokassen.
3.6	Consequences of undesirable infection for Business Agreements
3.6.1	Should undesirable infection be ascertained – in relation to SPF-SuS registration – in the Seller's or Buyer's herd, the following shall apply for: <p>a) Delivery Agreements concerning consignments for newly established sow herds, cf. clause 9.4.4. <ul style="list-style-type: none"> ▪ The agreement shall continue unchanged, cf. clause 3.6.2, or ▪ The Buyer shall be entitled to terminate the agreement, cf. clauses 3.6.3 and 3.6.4. </p> <p>b) Delivery Agreements concerning ongoing consignments, Order Confirmations and Verbal Agreements: clause 3.6.5 shall apply</p>
3.6.2	Should the agreement continue, 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.
3.6.3	Should infection be ascertained in the Seller's herd, the Buyer shall be entitled – without incurring any liability for compensation – to terminate the agreement with immediate effect. The Buyer and Seller

	shall be entitled to compensation from SRK, cf. clauses 9.6.1 and 9.3.5.
3.6.4	<p>Should the undesirable infection be ascertained only in the Buyer's herd, the Buyer shall be entitled to terminate the agreement with immediate effect if he culls the herd by removing all pigs from the property.</p> <p>Written notice of termination because of culling shall be given within 2 week-numbers of the discovery of undesirable infection. Culling shall be commenced within 4 week-numbers of notice of termination being given and shall be completed within 8 week-numbers of commencement, i.e. the entire herd housing area shall be emptied of animals and cleaned, cf. SPF Health Rules.</p> <p>In the event of culling of the Buyer's herd, the Buyer and the Seller shall be entitled to compensation from SRK, cf. clauses 9.6.1 and 9.3.5.</p> <p>Should culling not be completed within the stipulated time frame, the Buyer shall be liable to compensate the Seller for breach of contract for the consignments which could not be delivered, cf. clause 8.5.1.</p>
3.6.5	<p>Should undesirable infection be ascertained – in relation to SPF-SuS registration – in the Seller's herd or the Buyer's herd, the following shall apply for:</p> <p>Delivery Agreements concerning ongoing consignments, Order Confirmations and Verbal Agreements: The agreement shall be terminated with effect from and including the day after SPF-SuS has sent notification to the Owner of change in health status. Said termination shall not incur liability for any of the parties.</p>
3.7	Transfer of Business Agreements
3.7.1	<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>
3.7.2	Should the property be sold or converted to another form of ownership (e.g. I/S, ApS or A/S) the provisions of clause 3.7.1 shall also apply.
3.7.3	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.
3.8	Consequences of fire, etc. for Business Agreements
3.8.1	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.
3.9	Consequences of salmonella occurrence and zoonosis supervision for Business Agreements
3.9.1	Red herds shall be declared for salmonella in accordance with the rules of the Danish Veterinary and Food Administration and Pig Research Centre.
3.9.2	<p>According to PRC rules, the Seller has an active duty to disclose:</p> <ol style="list-style-type: none"> 1. the salmonella index for the last six months, 2. the salmonella level of finishers for the last three months, 3. any positive results of laboratory salmonella culture within the last six months. <p>Developments in salmonella index, cf. items 1., 2. and 3., are notified by SPF-SuS as "Supplementary status information". The current index and the latest information on salmonella level and salmonella</p>

	culture results shall be stated on the delivery note of a consignment.
3.9.3	<p>When a red seller herd is registered as having "Supplementary health information" with:</p> <ol style="list-style-type: none"> 1. a salmonella index of 5.0 or more or 2. classification on salmonella level 2 or level 3 <p>all other parties to the Seller's Business Agreements shall be notified by SPF-Selskabet in the following ways, depending on the type of agreement concerned:</p> <ol style="list-style-type: none"> a) Deliver Agreements, herd establishment/large one-off consignments: At the earliest 3 week-numbers before the first delivery week, but before delivery. On receiving notification, the Buyer shall be entitled, without being liable to pay compensation to the Seller, to terminate the agreement with immediate effect (within 8 days of receiving notification at the latest), if <ol style="list-style-type: none"> 1. the salmonella index is 10 or more or 2. the salmonella index is 5.0 or more and the salmonella level is 2 or 3. b) Delivery Agreements, ongoing consignments, and Order Confirmations: At the earliest 2 week-numbers before the first delivery week, but before delivery. On receiving notification, the Buyer shall be entitled, without being liable to pay compensation to the Seller, to terminate the agreement with immediate effect (within 8 days of receiving notification at the latest) if the salmonella index is 5.0 or more and the salmonella level is 2 or 3. <p>Should either the salmonella index be 5.0 or more or the salmonella level be 2 or 3, the Buyer shall be entitled, without incurring liability for compensation, to refuse to accept the consignment for as long as the salmonella index or salmonella level remains at or above said limits. Once the salmonella index or salmonella level has dropped to below the aforementioned limits, consignments shall be resumed in accordance with the Business Agreement, discounting the refused consignments.</p> <ol style="list-style-type: none"> c) Other agreements: At the time the agreement is entered into.
3.9.4	Should a seller herd be subjected to compulsory zoonosis or public supervision by the veterinary authorities, the parties to the agreement/Buyer shall be informed hereof as described in clause 3.9.3. The Buyer shall then be entitled to terminate the agreement with immediate effect without being liable to pay compensation to the Seller.
4	Transport
4.1	Rules and legislation
4.1.1	<p>SPF-Selskabet transports are performed in compliance with:</p> <ol style="list-style-type: none"> a) SPF-SuS approval of SPF-Selskabet as an SPF Carrier b) SPF Transport Rules (from SPF-SuS), incl. the stated exceptions for transport in open vehicles, clause 2.2.5 c) SPF-Selskabet's Terms of Business, in particular the present section on transport d) Current legislation concerning the transport of livestock, including: <ul style="list-style-type: none"> • Council Regulation (EC) no. 1/2005 of 22 December 2004 on the protection of animals during transport and related operations • Danish Ministry of Justice executive order no. 1729 of 21 December 2006 (and subsequent amendments) on the protection of animals during transport • Statute no. 530 of 6 June 2007 (and subsequent amendments) on amendments to the Animal Protection Act (endorsement point scheme for animal transports) • 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

	If SPF-Selskabet is not a party to the Business Agreement, SPF-Selskabet may perform the transport in compliance with a Transport Agreement.
4.2	Transport Agreements
4.2.1	All consignments pursuant to a Business Agreement, cf. clause 3, are transported by SPF-Selskabet in compliance with clause. 4. Special transport conditions shall be stipulated in the Business Agreement.
4.3	Access conditions
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.
4.4	Loading and unloading
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 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 4.11, 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.
4.5	Bedding and manure
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.
4.6	Reception of supplementary breeding stock
4.6.1	It shall be possible to unload breeding stock which is to supplement existing sow herds at the Buyer's in one of the following reception facilities: a) Vacant and clean quarantine room which has no direct contact with the pig housing area. b) Clean trailer, located at least 100 m from the property's pig housing facilities. With SPF herds, the trailer shall be approved by SPF-SuS and equipped with an approval sign. c) Clean room (antechamber) which has no direct contact with the pig housing facilities during the entire unloading period, incl. the time taken by the Driver to prepare for unloading.

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	<p>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.</p> <p>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.</p> <p>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.</p>
4.10	Consequences of conditional health status and changed health status
4.10.1	<p>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.</p> <p>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.</p> <p>In the event of changed status in one of the herds concerned, the Transport Agreement shall - if necessary - be adapted to the change.</p> <p>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.</p>
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. clause 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	<p>Criteria for fitness for transport are specified in Annex I, Chapter I of the Transport Regulation (Council Regulation (EC) no. 1/2005). The criteria are:</p> <p>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>

	<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"> 1. they are unable to move independently without pain or to walk unassisted; 2. they present a severe open wound, or prolapse; 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; 4. they are new-born mammals in which the navel has not completely healed; 5. they are pigs of less than three weeks of age, unless they are transported less than 100 km. <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"> 6. large umbilical hernia, i.e. the hernia shall be smaller than the following sizes/diameters: <ol style="list-style-type: none"> a. 100-kg pigs: 15 cm b. 30-kg pigs: tennis ball c. 7-kg pigs: table tennis ball 7. scrotal hernia / undescended testicles 8. serious open wounds (e.g. sucking lesions) or serious abscesses 9. tail bites which are incompletely healed 10. lameness 11. prolapsed rectum 12. aural haematoma 13. injury 14. mated gilts and pregnant sows after more than 102 days of gestation 15. mated gilts and pregnant sows if the journey takes more than 8 hours <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>
4.13	Segregation of pigs during 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"> • Breeding boars (boars which have been used for mating purposes) shall always be collected/transported separately from other pigs. • Sows shall not be collected/transported together with young boars (boars which have not been used for mating) . • Gilts more than 6 months of age shall not be collected/transported together with young boars more than 6 months of age. • 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. <p>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.</p>
5	Prices and terms of payment
5.1	Prices, quotations, charges and royalties
5.1.1	<ol style="list-style-type: none"> 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 point charges, ear tags and the pig royalty fund shall be charged unless otherwise expressly agreed prior to delivery. b) SPF-Selskabet shall be entitled to change its prices at any time – on the provision of reasonable notice. c) Current prices and quotations, applicable for a week at a time, shall be: <ul style="list-style-type: none"> - Published in the trade press

	<ul style="list-style-type: none"> - Published on SPF-Selskabet's website: www.spf.dk - Made available on request to SPF-Selskabet <p>d) When a breeding index is used in the calculation of price, the index applicable from the Monday of the week in which transport is performed shall apply (cf. www.danavl.dk).</p>
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"> a) To the same extent and with the same notice as SPF-Selskabet otherwise changes its business charges, cf. clause 5.1b). b) With immediate effect when necessitated by changes in the regulations of public authorities or the Danish Agriculture and Food Council.
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"> 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. 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 invoicing date. c) When new herds are purchased, SPF-Selskabet shall demand payment via PBS or surety for payment of the purchase price prior to delivery.
5.4	Retention of title - on sale to Danish buyers
5.4.1	<ul style="list-style-type: none"> 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". 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.
5.5	Interest accrument and interest payment
5.5.1	<ul style="list-style-type: none"> 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. 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. 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. d) Interest shall accrue monthly.
5.6	Payment to SPF-Selskabet
5.6.1	<ul style="list-style-type: none"> 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. 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. 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.
5.7	Payment to the Seller
5.7.1	<ul style="list-style-type: none"> 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 Seller before payment.

	b) Payment shall usually be at the Seller's disposal 7-10 days after the delivery date.
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 amount 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>
6	Breeding stock 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> <p>Breeding stock from DanBred breeding and multiplier herds shall also be ear-marked in accordance with Pig Research Centre's "Rules for Breeding and Multiplying".</p> <p>Other breeding stock shall, besides marking with CHR no., cf. a), also be marked with an individual number on a white ear tag.</p>
6.2	Tail length
6.2.1	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).
6.3	Open wounds
6.3.1	At the time of delivery, pigs shall have no open wounds resulting from castration, tail docking, tail biting, ear sucking, flank sucking, etc.
6.4	Vaccination of sales stock
6.4.1	<p>Vaccination shall be performed prior to sale/purchase in accordance with SPF-Selskabet's "Vaccination programmes for traded breeding stock".</p> <p>a) Boars shall be vaccinated against Glässer's disease and erysipelas.</p> <p>b) Pregnant pigs and non-mated gilts shall be vaccinated against porcine parvovirus (PPV). The date of vaccination shall be stated on the delivery note or in the electronic data transferred from the Seller.</p> <p>c) Pregnant pigs shall be vaccinated against necrotic enteritis and erysipelas.</p>
6.5	Race specifications
6.5.1	On the delivery of first-generation hybrids (F1) or back-crossed hybrids, the letter combination of the dam and sire races may be given in random order. The dam race is thus not determined unless specifically stipulated in the Business Agreement.

6.6	Gilt and boar weight																																								
6.6.1	<p>On delivery to the Buyer, gilts and boars shall meet the following minimum weight requirements:</p> <table border="1"> <thead> <tr> <th>Age in days</th> <th>Weight kg</th> <th>Age in days</th> <th>Weight kg</th> <th>Age in days</th> <th>Weight kg</th> <th>Age in days</th> <th>Weight kg</th> </tr> </thead> <tbody> <tr> <td>28</td> <td>6.5</td> <td>75</td> <td>25</td> <td>127</td> <td>53</td> <td>183</td> <td>93</td> </tr> <tr> <td>49</td> <td>14</td> <td>85</td> <td>30</td> <td>141</td> <td>63</td> <td>197</td> <td>99</td> </tr> <tr> <td>63</td> <td>20</td> <td>99</td> <td>37</td> <td>155</td> <td>73</td> <td>210</td> <td>105</td> </tr> <tr> <td></td> <td></td> <td>113</td> <td>44</td> <td>169</td> <td>83</td> <td></td> <td></td> </tr> </tbody> </table>	Age in days	Weight kg	Age in days	Weight kg	Age in days	Weight kg	Age in days	Weight kg	28	6.5	75	25	127	53	183	93	49	14	85	30	141	63	197	99	63	20	99	37	155	73	210	105			113	44	169	83		
Age in days	Weight kg	Age in days	Weight kg	Age in days	Weight kg	Age in days	Weight kg																																		
28	6.5	75	25	127	53	183	93																																		
49	14	85	30	141	63	197	99																																		
63	20	99	37	155	73	210	105																																		
		113	44	169	83																																				
6.7	Teats																																								
6.7.1	<p>a) After farrowing, female pigs shall have at least 13 functional teats (for purebred animals, counted from the front). Duroc hybrid females need only have 12 functional teats. The requirement on minimum 13 functional teats shall not apply to purebred Duroc or Hampshire females.</p> <p>b) Landrace and Yorkshire boars shall have at least 14 normal, well-developed teats – 7 on each side (counted from the front).</p>																																								
6.8	Gestation																																								
6.8.1	<p>a) Landrace, Yorkshire and hybrid gilts which after mating or attempts at mating or lacking oestrus are not gestating by the end of 45th week since their birth shall be replaced.</p> <p>b) Mated gilts which are aged less than 28 weeks or more than 45 weeks at mating shall only be sold on the written acceptance of the Buyer.</p> <p>c) For mated gilts/sows supplied later than 4 weeks after mating, at least 9.0 live-born, fully developed piglets per mated gilt/sow per "batch" shall be guaranteed for the first litters after delivery. (Batch = groups of litters born at less than three-day intervals.)</p>																																								
6.9	Boar virility, etc.																																								
6.9.1	<p>1) When boars are 8½ months (36 weeks) old they shall:</p> <ol style="list-style-type: none"> have demonstrated their desire to mate (potency and mounting ability) have demonstrated their ability to mate (penis erection and intromission) have fertile semen <p>2) The Buyer shall not:</p> <ol style="list-style-type: none"> allow purchased boars to mate before they are over 6 months of age. The right to compensation in accordance with the Terms of Business shall otherwise be lost. use purchased boars for internal AI unless so agreed with the Seller 																																								
7	Complaints about deficiencies																																								
7.1	Complaint form and address																																								
7.1.1	It is recommended that complaints 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 7.2.2-7.2.6. 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: - General: 8 days after the deficiency is ascertained - Deficient number: 2 week-numbers after delivery - Delayed delivery: 2 week-numbers after the agreed delivery week
7.2.4	Deficiencies/errors in invoices/payments: 30 days at the latest after the invoice/payment date
7.2.5	Deficiencies regarding health-related issues: General: As soon as the deficiency is ascertained, where export is concerned however 5 days at the latest after unloading at the Buyer's Glässer's disease, Breeding stock: 14 days after outbreak Porcine parvovirus, Gilts: 14 days after outbreak Porcine parvovirus, Mated gilts, sows: Immediately on outbreak Erysipelas, Breeding stock: Immediately on outbreak Necrotic enteritis, Mated gilts, sows: 14 days after outbreak
7.2.6	Deficiencies in animals delivered: Age, Gilts, mated gilts: 8 days after receipt Litter size, Mated gilts, sows: 8 days after farrowing Mating desire/ability, Boars: When boar is 9 months old Legs, hooves, Breeding stock: 20 days after receipt Gestation, Gilts: 48 weeks of age at the latest Gestation, Mated gilts, sows: 20 days after re-mating Death, Breeding stock: The day after receipt Other external defects, Breeding stock: 20 days after receipt Farrowing date, Mated gilts, sows: 8 days after expected farrowing Tail bites/wounds, Breeding stock: The day after receipt. Tail length, Breeding stock: 8 days after receipt Lacking breeding approval, Breeding stock: 8 days after rejection by breeding consultant Lacking marking, Breeding stock: 8 days after receipt Abnormalities in offspring, Boars: 14 days after the birth of the 10th litter Teats, Boars: 20 days after receipt Teats, Gilts, mated gilts, sows: 8 days after farrowing Congenital tremor, Breeding stock: 20 days after receipt Sterility, Boars: When boar is 12 months old Weight, Gilts: The day after receipt
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, incl. the rules of SPF-Risikokassen. 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.
	<p>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.</p> <p>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.</p> <p>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.</p> <p>g) Breeding stock for which the purchase price has been fully or partially refunded as a result of defects shall not be required to be slaughtered. The Buyer shall be entitled to keep the animals and use them as he wishes.</p>
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: <ul style="list-style-type: none"> 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 www.spf.dk. 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.
8.3.2	<p>Compensation limits</p> <p>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"> a) The agreed price on the date of delivery, but max. the SPF price for breeding stock of the same category and health status. 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
8.3.3	<p>Key figures in compensation for fault and neglect</p> <p>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, SvineIT, where the aforementioned production data are used.</p> <p>In all calculations, the compensation limits stipulated in clause 8.3.2 shall apply.</p>
8.4	Compensation payment
8.4.1	Compensation payment awaits arbitration

A+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.
8.4.2 A+B	<p>Lacking ability to pay compensation</p> <p>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 (see clauses 3.4.2 and 9.6.4 however).</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 A+B	<p>SPF-Selskabet's right of recourse</p> <p>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 C	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.
8.5	Compensation for non-fulfilment of Business Agreements
8.5.1	If after the agreed delivery week discrepancies are discovered (delays or lacking numbers) in relation to the original agreement (i.e. the signed agreement, cf. clause 3.3.4), the injuring party shall pay compensation to the injured party in accordance with the percentage rates stipulated in the table below. If several changes have been notified, cf. clause 3.3.4, the latest notification shall apply.

Notification of change sent to SPF-Selskabet before the agreed delivery week of the batch:	Compensation for postponement	Compensation for discrepancies in number *)			Compensation for notice of termination	
		Per discrepant pig in batch shall be paid if the discrepancy is:			Per batch shall be paid:	
	Per pig in batch shall be paid per week:				Buyer	Seller
**		5-20%	21-50%	Over 50%		
26-13 week no.**)	0.5%	0%	3%	5%	2%	5%
12-9 week no.**)	1%	0%	5%	10%	3%	10%
8-4 week no.	2%	5%	10%	15%	8%	15%
3-2 week no.	5%	10%	15%	20%	20%	20%
Later/no notification	10%	20%	30%	40%	25%	25%

	<p>The stipulated rates are percentages of the current SPF price, for corresponding animals in the agreed week of delivery or in the actual week of delivery of a batch, cf. the Business Agreement.</p> <p>*) By discrepancies in number is meant either too many or too few pigs delivered in individual batches, the point of reference being the weeks of birth corresponding to the stipulated minimum and maximum ages in weeks for the batch. If too many pigs are delivered in a batch, compensation for these shall be calculated using only 50% of the percentages stipulated in the table. If postponement of the delivery has been agreed, the point of reference shall still be the agreed week of birth.</p> <p>Animals which following delivery are valued at slaughter value, weaner value or back-cross value</p> <ol style="list-style-type: none"> 1. because of defects ascertained within 21 days of delivery or 2. because they were not of the agreed race combination <p>shall be considered as being non-delivered with respect to fulfilment of the Business Agreement.</p> <p>***) Not applicable to Delivery Agreements for ongoing consignments and Order Confirmations.</p>
8.6	Compensation for disease (non-SPF diseases)
8.6.1	<p>Glässer's disease</p> <p>Outbreak within 4 weeks of delivery shall be compensated by the Seller as the difference between purchase price and slaughter value plus veterinary and antibiotics expenses.</p> <p>Said compensation shall be conditional on all animals in the consignment concerned having been vaccinated according to the rules or covered by herd vaccination programmes, cf. "Vaccination programmes for traded breeding stock". A further condition shall be that diagnosis and a course of treatment have been timely initiated, i.e. within 8 hours of the initial symptoms. A veterinary certificate containing details of the time at which initial symptoms were discovered and the treatment plan shall be enclosed with claims for compensation.</p>
8.6.2	<p>Erysipelas</p> <p>Outbreaks of swine erysipelas/rose rash in animals delivered as</p> <ol style="list-style-type: none"> a) pregnant pigs <ul style="list-style-type: none"> - shall be compensated with DKK 500 per mated gilt/sow affected in addition to standard compensation for lacking gestation (incl. pigs) on farrowing b) erysipelas-vaccinated gilts <ul style="list-style-type: none"> - shall be compensated with DKK 500 per animal affected + 60% of the estimated weaner price in the farrowing week of a 7-week pig of equal health status - per lacking piglet in relation to 9.0 piglets per litter c) boars <ul style="list-style-type: none"> - shall be compensated with DKK 500 per affected animal
8.6.3	<p>Porcine parvovirus</p> <p>Entitlement to compensation shall be on the condition that both parvovirus vaccinations have been performed in the Seller's herd and that a veterinary certificate is enclosed with the claim. In addition, a veterinary certificate shall be made available containing a clinical description of the outbreak and the results of laboratory tests on blood samples and fetuses and/or dead pigs.</p> <p>No compensation shall be paid for parvovirus outbreak among other animals in the Buyer's herd. Outbreak in the first litter of purchased, timely vaccinated animals shall be compensated with:</p> <ol style="list-style-type: none"> a) For hybrid gilts: <ul style="list-style-type: none"> DKK 500 per animal affected + 60% of the estimated weaner price in the farrowing week of a 7-kg pig of equal health status - per lacking piglet in relation to 9.0 piglets per litter. b) For purebred gilts: <ul style="list-style-type: none"> DKK 500 per animal affected + 60% of (the base price of a 4-week hybrid gilt in the farrowing week and of equal health status) - per lacking female pig in relation to 4.0 females per litter.
8.6.4	<p>Necrotic enteritis (mated gilts/sows)</p> <p>Outbreak shall be compensated with DKK 500 per mated gilt/sow affected - in addition to standard</p>

	<p>compensation for lacking pigs, cf. clause 8.11.3.</p> <p>Entitlement to compensation shall however be on the condition that both vaccinations have been performed in the Seller's herd and that a veterinary certificate and laboratory confirmation of the occurrence of necrotic enteritis is enclosed with the claim.</p>
8.6.5	<p>Congenital tremor Congenital tremor or acute trembling shall be compensated with the purchase price minus the slaughter value on the date of delivery, cf. clause 8.3.1.</p>
8.7	Weight
8.7.1	<p>If the weight of boars or gilts is under the stipulated minimum weight, cf. clause 6.6, compensation shall be paid as follows:</p> <p>a) Minimum weight of up to 50 kg: Purchase price minus weaner value, cf. clause 8.3.1</p> <p>b) Minimum weight of 50 kg or more: Purchase price minus slaughter value, cf. clause 8.3.1</p> <p>Animals for which compensation has been paid shall not necessarily be slaughtered.</p>
8.8	Teats
8.8.1	<p>Gilts</p> <p>a) Lacking functional teats in purebred Landrace and Yorkshire animals shall be compensated with the purchase price minus the slaughter value (cf. clause 8.3.1) on the date of purchase if the Buyer wishes the animal slaughtered. If the animal is kept, compensation shall be paid in accordance with clause 8.8.1b) plus an adjustment of the purchase price to hybrid level.</p> <p>b) Lacking functional teats in other animals shall be compensated as follows when the animal has:</p> <ul style="list-style-type: none"> - 12 functional teats: 35% of paid SPF price - 11 functional teats: 45% of paid SPF price - 10 and less than 10 functional teats: Purchase price minus slaughter value (cf. clause 8.3.1) for animals over 16 weeks of age on delivery <p>c) If the number of animals for which compensation is paid for lacking teats exceeds 10% of the total number of animals in a consignment from the same Seller, higher compensation shall be paid for the animals in excess of the 10%. Said increase in compensation shall be 30% of the calculated compensation for the animals concerned, cf. items a) and b) above. Should the 10% threshold be exceeded in a single claim for compensation, the additional compensation shall be based on the oldest of the animals.</p> <p>Boars Missing teats shall be compensated in accordance with clause 8.13.4.</p>
8.9	Legs and hooves
8.9.1	<p>Females Female animals with significant leg and hoof defects shall be compensated as follows:</p> <ul style="list-style-type: none"> Gilts under 18 weeks of age on delivery: Purchase price minus weaner price (estimated weaner price) Gilts over 17 weeks of age on delivery: Purchase price minus slaughter value, cf. clause. 8.3.1 Mated gilts and sows: Purchase price minus slaughter value, cf. clause. 8.3.1 <p>Boars Significant leg and hoof defects shall be compensated in accordance with clause 8.13.4.</p>
8.10	Age on delivery
8.10.1	<p>a) Compensation for gilts which – unless otherwise previously agreed – are more than 8 months of age on delivery shall be the purchase price minus the slaughter value, cf. clause 8.3.1</p> <p>b) Compensation for mated gilts which – unless accepted by the Buyer prior to delivery (cf. clause 6.8.1 b)) – are under 28 weeks or over 45 weeks when mated shall be the difference between</p>

	the SPF price of the mated gilt and the SPF price of a 28-week gilt in the week of delivery.
8.11	Gestation and farrowing
8.11.1	<p>Gestation Lacking gestation shall be compensated as follows:</p> <p>a) Gilts Purchase price minus slaughter value on delivery date. If the gilt is not ascertained to be gestating by the end of the 45th week since its birth, compensation shall be provided as follows: Claims for a number of animals which is more than 2% of a consignment, cf. clause 1.2, shall not be eligible for compensation unless laboratory tests demonstrate abnormalities in the genital organs. The way in which said tests are performed shall be agreed with SPF-Selskabet.</p> <p>b) Mated gilts, sows: Paid SPF price minus SPF price for a 30-week gilt at the time of delivery. Purchase price minus slaughter value (sow) at time of delivery if re-mating has occurred later than the sixth (expected) gestation week.</p>
8.11.2.	<p>Farrowing date (mated gilts/sows) Should farrowing occur outside the period: Expected farrowing date plus or minus 5 days, compensation shall amount to 25% of the paid SPF price per mature gilt/sow. If farrowing occurs prematurely, additional compensation shall amount to 60% of the estimated weaner price in the week of farrowing for a 7-kg pig of equal health status for each piglet fewer than nine in the litter. The litter shall not be included in the "batch average", cf. clause 6.8.1 c).</p>
8.11.3	<p>Number of pigs at birth (mated gilts/sows) (cf. clause 6.8.1c) Each lacking pig in the "batch average" shall be compensated with 60% of the estimated weaner price for a 7-kg pig of equal health status. In the event of justified Caesarean, documented veterinary expenses shall be compensated and the sow and piglets shall be included in the aforementioned "batch average". Death in connection with farrowing shall be compensated with 80% of the purchase price and surviving piglets shall be included in the aforementioned "batch average". The total compensation amount shall not exceed the purchase price.</p>
8.12	Other external defects
8.12.1	<p>Tail length</p> <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"> 1. reduction in slaughter value 2. fines imposed by the slaughterhouse 3. fines imposed by public authorities as a result of purchased pigs which have been illegally docked by the Seller <p>c) 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>
8.12.2	<p>Open wounds Compensation for pigs with open wounds caused by tail biting, ear sucking, etc. shall be determined by an SPF sales consultant.</p>
8.12.3	<p>Incomplete marking Uncertain identification due to lacking ear tags or inconsistent marking, cf. clause 6.1, shall be compensated with DKK 300 per animal.</p>

8.13	Specific boar defects
8.13.1	Desire/ability to mate Lacking desire or ability to mate shall be compensated in accordance with clause 8.13.4.
8.13.2	Sterility In the event of claims for compensation for sterility or reduced fertility, SPF-Selskabet shall be entitled to demand mating lists for the entire herd and semen samples of the boar as documentation. Semen tests shall be performed by a veterinary surgeon or a Hatting-KS consultant. Sterility or greatly reduced fertility shall be compensated in accordance with clause 8.13.4.
8.13.3	Heritable abnormalities Heritable abnormalities in more than 10% of the piglets in the first 10 litters sired by the boar shall be compensated in accordance with clause 8.13.4 if the Buyer is capable of documenting that only the boar in question was used for the matings concerned and that the females in question are DanBred pigs delivered by SPF-Selskabet.
8.13.4	Calculation of compensation for boars Boars shall be compensated with the difference between the purchase price and the estimated slaughter value on the day of receipt on the proviso that slaughter weight does not exceed 100 kg. If the boar was less than 18 weeks on receipt, the "slaughter value" shall be equal to the weaner value on the day of receipt (cf. weight/age table in clause 6.6). SPF-Selskabet shall be entitled to demand documentation that the boar has been slaughtered.
9	Rules of SPF-Risikokassen (SRK)
9.1	Purpose SPF-Risikokassen was established for the purpose of providing limited compensation on individual application from buyers/suppliers, cf. clauses 9.2 and 9.8.
9.2	Entitlement to compensation for loss
9.2.1	Undesirable infection and oedema Buyers who suffer loss through the suspicion or ascertainment of undesirable infection or oedema in their own herds or the supplier herd shall be entitled to claim compensation if the infection has been – or might have been – transferred together with pigs purchased through SPF-Selskabet.
9.2.2	Delayed consignments Buyers or Sellers who suffer loss due to delayed consignments from SPF-Selskabet as a result of the infections mentioned in clause 9.2.1 shall be entitled to claim compensation.
9.2.3	Conditional health status of SPF vehicle The Owner of a red herd shall be entitled to claim compensation for losses incurred as a result of the conditional health status of the SPF vehicle used to transport sold animals from his herd.
9.3	Financing, compensation limits and liability
9.3.1	SRK shall be funded via SRK premiums imposed on Buyers.
9.3.2	SRK's liability to pay compensation shall be limited to the total amount of SRK premiums collected. Should SRK's funds be drained or insufficient to cover the claims for compensation received, SPF-Selskabet shall be entitled to refuse the claims or to provide proportionate compensation. Should SPF-Selskabet's Board of Directors decide to liquidate SPF-Risikokassen, any credit balance shall devolve on SPF-Selskabet. Said balance shall not be devolved until all SRK's liabilities pursuant to clauses 9.4 and 9.7 have been met.
9.3.3	Buyers shall only be liable for SRK's obligations with respect to the SRK premiums collected.

9.3.4	SPF-Selskabet shall decide whether applications for compensation from Buyers/Sellers can be met. Buyers/Sellers shall have no legal right to compensation from SRK.
9.3.5	SRK shall only grant compensation to Buyers who have paid SRK premiums on the pigs supplied or have agreed to pay said SRK premiums, cf. the Business Agreement. Premiums shall be paid together with payment for the pigs. Should compensation be granted for non-delivered pigs, the outstanding SRK premiums shall be deducted from the compensation. Once agreed, the payment of SRK premiums cannot be terminated later than 21 days before the first delivery week. If a Buyer has not wished SRK coverage for a consignment and said consignment is prevented fully or partially by a situation which would have entitled the Buyer to SRK compensation and the Buyer therefore enters into a new Business Agreement, he shall be entitled at that point in time to enter into an agreement on SRK coverage of both the prevented consignment and the new.
9.3.6	All pigs for which compensation is entitled shall be transported by SPF-Selskabet and supplied from red SPF herds. Said transport may be carried out in an SPF vehicle or open vehicle and may include transshipment via an assembly site.
9.3.7	SRK shall only provide compensation to: <ul style="list-style-type: none"> a) Owners of SPF herds if said Owners have complied with SPF Health Rules in accordance with the SPF Owner Agreement. b) Owners of herds with "Unknown" health status if said Owners have complied with standard Danish professional standards for protection against infection. c) Buyers of pigs that are delivered to a property that meets the requirements for the payment of the SRK compensation in question, cf. also a) and b).
9.3.8	When calculating compensation amounts, the invoiced purchase price excl. VAT shall be used on the proviso that it is less than the applicable SPF price of female breeding stock in the week of delivery of equal category and health status.
9.4	Purchased - or suspected purchased - infection in newly established sow herds
9.4.1	Recipient herd has approved SPF status: If infection with Mycoplasma hyop., dysentery, Ap3-Ap6 or Ap12 is ascertained in the newly established SPF sow herd, cf. clause 9.4.4, in accordance with SPF-SuS rules for demonstrating infection, or infection with PRRS or oedema is ascertained during the establishment phase, cf. clause 9.4.3, and said infections are purchased with the pigs, SRK shall provide the Buyer with the following compensation: <ul style="list-style-type: none"> • per breeding pig 35% of invoiced purchase price, cf. clauses 9.3.8 and 9.4.6 however • per weaner over 20 kg: DKK 20.00 Should the infection be with Ap1, Ap2, Ap4, Ap5, Ap7, Ap8, Ap9, Ap10 or atrophic rhinitis, SRK shall provide the Buyer with the following compensation: <ul style="list-style-type: none"> • per purchased breeding pig: 75% of invoiced purchase price, cf. clause 9.3.8 however • per weaner over 20 kg: DKK 30.00
9.4.2	Recipient herd has health status "Unknown": If undesirable infection with Mycoplasma hyop., dysentery, Ap3, Ap6 or Ap12 is ascertained in accordance with SPF-SuS rules for demonstrating infection, or infection with PRRS or oedema is ascertained in the supplier herd during the establishment phase, cf. clause 9.4.3, within 6 weeks (42 days) of a consignment in the establishment phase, SRK shall provide the Buyer with the following compensation: <ul style="list-style-type: none"> • per breeding pig: 25% of invoiced purchase price, cf. clause 9.3.8 and 9.4.6 however • per weaner over 20 kg: DKK 20.00 Should the infection be with Ap1, Ap2, Ap4, Ap5, Ap7, Ap8, Ap9, Ap10 or atrophic rhinitis, SRK shall provide the Buyer with the following compensation: <ul style="list-style-type: none"> • per purchased breeding pig: 65% of invoiced purchase price, cf. clause 9.3.8

	<ul style="list-style-type: none"> • per weaner over 20 kg: however DKK 30.00
9.4.3	The establishment phase shall be defined as follows: All consignments up to and including 13 weeks after the first consignment, cf. the Business Agreement.
9.4.4	<p>Newly established sow herds shall be defined as follows: The entire property shall be emptied, cleaned and disinfected, cf. SPF Health Rules, before delivery of the new herd. SPF-Selskabet shall be given confirmation thereof as follows:</p> <ul style="list-style-type: none"> a) for SPF herds: registered approval by SPF-SuS prior to delivery b) for herds with health status "Unknown": <ul style="list-style-type: none"> a. written declaration from the herd's veterinary surgeon confirming that the entire property has been emptied of pigs and that the pig housing has been disinfected. Said declaration shall be sent to SPF-Selskabet prior to delivery. or b. survey and inspection of the entire property by a member of SPF-Selskabet's staff prior to the delivery of the first batch of the consignment to ensure that no pigs are present on the property and that the pig housing has been cleaned and disinfected. <p>The conditions stipulated in item b) shall be accompanied by a declaration from the Owner/Buyer that no pigs will be delivered to the recipient property during the entire establishment phase other than those received from SPF-Selskabet. SPF-Selskabet shall determine the type of approval, cf. a) and b), required.</p>
9.4.5	<p>Should undesirable infection or infection with oedema be suspected after delivery of the first batch but prior to delivery of all animals specified in the Delivery Agreement, herd assessment shall not be performed until all pigs have been delivered in accordance with the Delivery Agreement. Should the Buyer not accept receipt of the remaining animals, SRK shall only provide compensation for the pigs delivered.</p> <p>Should undesirable infection or infection with oedema be suspected prior to delivery of the first batch, SRK shall provide compensation in accordance with clause 9.6.</p> <p>SRK premiums shall not be charged for pigs which are not delivered.</p>
9.4.6	Should swine dysentery be ascertained in a newly established SPF herd, only 50% of the compensation calculated in accordance with clause 9.4.1 shall be provided. Should dysentery not be eradicated in the herd with the aid of approved medicinal eradication programmes within the following 12 months, the remaining compensation shall be provided. The remaining compensation shall also be provided in the event of re-establishment (replacement of the entire herd) if the housing units are emptied (veterinary declaration) within 12 months.
9.4.7	Should oedema or atrophic rhinitis be ascertained in a breeding or multiplier herd, compensation shall be provided for newly established Buyer herds which have received breeding stock from the infected herd within the 13 weeks before infection was initially suspected irrespective of whether or not infection is ascertained in the Buyer herd. The compensation amount shall be determined in accordance with clauses 9.4.1 and 9.4.2.
9.4.8	Compensation shall only be provided for one infection during the establishment phase.
9.4.9	<p>Compensation shall not be provided if</p> <ul style="list-style-type: none"> a) suspicion of infection in the Seller's or Buyer's herd arises later than 3 months (13 week-numbers) after the final delivery from the supplier herd in which infection is ascertained b) suspected infection is confirmed later than 8 week-numbers after the suspicion arose in the Buyer's herd c) the same infection is not simultaneously ascertained in the Seller's herd
9.4.10	Re-delivery of pigs (in connection with claims regarding deficiencies) later than 15 weeks after the first delivery shall be considered as supplements, cf. clause 9.5.

9.5	Purchased infection or suspicion thereof in the supplementation of sow herds via quarantine facilities
9.5.1	<p>For SRK purposes, quarantine facilities shall be defined as an independent, approved unit which is used to temporarily house purchased breeding stock which are to be subsequently transferred to the Recipient's existing herd. The following rules shall apply for the approval and use of quarantine facilities:</p> <p>a) Quarantine facilities in/at SPF herds The facilities shall be approved and used in accordance with the rules for quarantine facilities stipulated in SPF Health Rules. Approval shall be registered with SPF-SuS before the first delivery to the quarantine facilities.</p> <p>b) Quarantine facilities in/at herds with other health status</p> <p>a. The herd's veterinary surgeon shall provide a written declaration that the quarantine facilities are separate from other housing areas and that the pigs can be cared for without contact to the rest of the herd. Said declaration shall be sent to SPF-Selskabet prior to delivery.</p> <p>or</p> <p>b. A member of SPF-Selskabet's staff shall survey and inspect the quarantine facilities prior to delivery of the first batch in the consignment to ensure that the pigs can be cared for without contact to the rest of the herd. In addition, the Buyer shall sign a declaration confirming that the pigs are cared for separately.</p> <p>SPF-Selskabet shall determine the type of approval required for herds with other health status. SPF-Selskabet shall have the approval registered with SPF-SuS.</p>
9.5.2	<p>Should purchased undesirable infection or oedema be suspected or ascertained in purchased breeding stock, compensation shall be provided for the Buyer if:</p> <p>a) The pigs are, on reception, unloaded into and housed in quarantine facilities, cf. clause 9.5.1.</p> <p>b) Suspicion of infection in the Seller's herd arises within 42 days of delivery. Said suspicion shall have been reported to SPF-SuS immediately it arose.</p> <p>c) SPF-SuS has given written notification that the animals are to be removed from the quarantine facilities because infection is suspected.</p> <p>d) The interval between the first and last delivery to the quarantine facilities is no more than 14 days.</p>
9.5.3	<p>Compensation for infection in quarantine facilities shall be determined as follows:</p> <p>a) per female: the difference between purchase price*) and slaughter/resale price plus a daily increment of DKK 12</p> <p>b) per boar: the difference between purchase price*) and slaughter/resale price plus a daily increment of DKK 35</p> <p>The aforementioned daily increments shall be paid for the period: from the date of delivery to the date of removal from the quarantine facilities. Removal shall have been completed within 7 days of receipt of the notification mentioned in clause 9.5.2 c).</p> <p>SPF-Selskabet shall be given documentation for the slaughter/resale price obtained in the form of either a sales statement from the slaughterhouse or a sales statement in which the ID numbers of the resold pigs are stated. SPF-Selskabet shall retain the right to inspect the Recipient's herd in order to ascertain whether or not the pigs for which compensation has been provided are present. In the event of resale for non-slaughter purposes, SPF-Selskabet shall approve the price prior to sale.</p> <p>*) cf. clause 9.3.8</p>
9.5.4	<p>Should the Buyer not have received transfer permission within 11 week-numbers of the delivery week, compensation shall be provided with the highest weekly increment for gilts per week for each pig held in the quarantine facilities for the period from the 9th week in quarantine to the week of transfer/removal. In the event of removal, compensation shall be provided in accordance with clause 9.5.3. Should the average age of gilts held in quarantine exceed 30 weeks by the end of the 9th week-number after delivery, compensation may also be provided in accordance with the aforementioned clause.</p>

9.5.5	If several Buyers utilise the same quarantine facilities, only Buyers who have paid SRK premiums shall be entitled to compensation for their animals.
9.5.6	If pigs which have been removed and for which compensation has been paid were delivered in accordance with "Delivery Agreements, ongoing consignments" and said agreement is terminated because of a simultaneous change in the health status (cf. SPF-SuS) of the Seller's herd, the Buyer shall, on purchasing a corresponding batch in the pool, be entitled to receive the difference between the pool trading premium and the trading premium agreed upon in the terminated agreement.
9.5.7	If the purchased breeding stock are released and transferred to the herd following the receipt of written permission from SPF-SuS and suspicion of undesirable infection or infection with oedema arises in the Buyer's herd within the first two week-numbers of the aforementioned release, compensation shall be provided if: <ul style="list-style-type: none"> a) The recipient herd has SPF-SuS approved SPF status b) The suspected infection has been reported to SPF-SuS immediately and infection with the same disease is ascertained in both the Recipient's herd and the Seller's herd within six week-numbers of the initial suspicion of infection.
9.5.8	Compensation awarded in accordance with clause 9.5.7 shall be based on the principles described in clauses 9.4.1 and 9.4.2. The compensation amount shall however be calculated as follows: <ul style="list-style-type: none"> a) per pig over 6 months of age: 35% and 75% respectively of the SPF price for a gilt of 30 weeks based on the base price the week in which the infected animals were delivered to the quarantine facilities b) per other pig: DKK 20.00
9.5.9	Compensation shall not be provided in accordance with clause 9.5.7 if suspicion of infection arises later than eight week-numbers after receipt of the supplementary pigs in question unless the infection can be traced back to any pigs which are ascertained as being infected in the quarantine facilities.
9.5.10	Compensation shall only be provided for one infection in the quarantine facilities.
9.6	Delivery Agreements, breeding stock for herd establishment or expansion
9.6.1	If conditional health status or ascertained undesirable infection or oedema infection in the Seller's herd or the Recipient's herd causes postponement of the delivery times of individual batches, cf. "Delivery Agreements for breeding stock (herd establishment)" or if delivery is prevented for the same reason, compensation shall be provided for the Buyer or Seller respectively.
9.6.2	The Buyer shall receive compensation amounting to (cf. clause 9.3.6 however): <ul style="list-style-type: none"> a) 5% of the estimated average purchase price per animal (cf. the Delivery Agreement) for each week-number in excess of two that the delivery is postponed. Compensation shall be provided for a maximum of four weeks. SPF-Selskabet shall be entitled to deliver pigs from a herd other than the one originally agreed. Should the Buyer decide to remove/slaughter the pigs that have already been delivered, he shall be obliged to accept delivery of pigs from a herd with: <ul style="list-style-type: none"> - higher health status than the original agreement, in which case he shall be liable to pay any difference in health surcharge - equal health status to the original agreement - Red SPF+Ap12 if the original agreement was Red SPF - Red SPF+Myc+Ap12 if the original agreement was Red SPF+Myc b) If the individual age batches in the consignment finally delivered (with max. 4 weeks' postponement however) or delivered from an alternative herd are younger than the corresponding age batches in the original Delivery Agreement, compensation shall be provided to the amount of DKK 75 per animal for each week that the individual batches are younger. <p>Compensation may be provided in accordance with both a) and b). Any pregnant animals shall be considered as 30 week gilts in connection with both a) and b).</p> <p>Compensation shall only be provided if any alternative consignments are delivered by SPF-Selskabet.</p>
9.6.3	Compensation to the Supplier shall amount to: <ul style="list-style-type: none"> a) DKK 75 per female and DKK 150 per boar for each week the animal is over 29 weeks of age

	<p>on delivery</p> <p>b) Any purebred surcharges and index payments lost because of sale to alternative recipient. Said losses shall only be compensated after at least 6 weeks' postponement.</p>
9.6.4	<p>Claims for compensation in connection with changes to or termination of Delivery Agreements for breeding stock in the event of the Supplier or Recipient suspending payments or declaring bankruptcy shall be met by SPF-Risikokassen to the amount of 50% of the rates stipulated in the Terms of Business. Such payment shall constitute full and final settlement of the compensation issue.</p> <p>SPF-Selskabet shall however be entitled to seek reimbursement for any payments made by SPF-Risikokassen from the liable party or his estate.</p>
9.7	Conditional health status on SPF vehicle
9.7.1	<p>SRK may compensate the Owner of a red SPF herd with up to 50% of any loss he suffers in connection with the imposition of conditional health status for an ongoing, incomplete transport of breeding stock to a third party.</p> <p>SRK shall reimburse SPF-Selskabet for lost business charges for the transport plus any additional expenses incurred for ferries, etc.</p>
9.8	Applying for compensation from SRK
9.8.1	<p>Before any compensation is provided by SRK, the claimant must submit an application for compensation.</p>
10	Disputes
10.1	Legal settlement of disputes by arbitration
10.1.1	<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. (See however the special provisions of clauses 10.2.1 and 2.9.6)</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 are available on request from SPF-Selskabet.</p>
10.2	Legal settlement of disputes in Danish courts of law
10.2.1	<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>
10.3	Right to implicate third parties (right of third party notice)
10.3.1	<p>If a civil action has been brought before the Danish courts against SPF-Selskabet, cf. clause 10.2.1, 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</p>

	entitled to implicate (i.e. give third party notice to) SPF-Selskabet during said legal action.
11	Forms and IT services
11.1	SPF-Selskabet's delivery notes, pedigree certificates and freight bills
11.1.1	SPF-Selskabet's delivery notes shall only be used by the Seller for sales to SPF-Selskabet or transports performed by SPF-Selskabet.
11.1.2	If purebred (pedigree) breeding stock is purchased, the Buyer shall be entitled to request that the animals be accompanied by a pedigree certificate in accordance with EU regulations (89/503/EEC: Commission Decision of 18 July 1989 laying down the certificate of purebred breeding pigs, their semen, ova and embryos). Said pedigree certificates shall be issued by Pig Research Centre and be sent to the Buyer within 8 days of completed delivery.
11.1.3	The following shall be stated on the delivery note accompanying every consignment of pigs: <ul style="list-style-type: none"> a) the supplier herd's CHR number and name b) the supplier herd's health status, supplementary health status and any conditional health status or salmonella information c) the recipient herd's CHR number, name and if necessary address d) the business contract number e) the loading and unloading times (date and time) f) the loading and unloading form g) the Form of transport (SPF vehicle and/or Open vehicle) h) assembly site transshipment, if any i) the number of pigs and their category j) pedigree data for the individual pigs. Where export of purebred (pedigree) pigs is concerned, said pedigree data may also be stated on any "pedigree certificate" requested by the Buyer. These data may also be transferred electronically after delivery. k) the price of the individual animals may be stated when deliveries are performed in Denmark but not in the case of export <p>Weight shall only be stated if so stipulated in the contract. In that event, only the weight of the entire load at the time of loading shall be stated.</p> <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>
11.1.4	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 site), 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 2.4.2.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.
11.2	SPF-Portalen
11.2.1	All SPF-Selskabet's customers shall be given access to the Internet-based communication system SPF-Portalen (spfportalen.dk).
11.2.2	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.