



Minimum Terms for Agreement on AI cooperation

1.0 Background

1.1 The Distributor is pursuant to Agreement on Sale entitled to enter into an agreement with AI stations abroad.

Distributor's agreement with an AI station abroad must include the minimum conditions as stated below.

1.2 Words and terms in this Agreement shall – unless the context suggests otherwise – be understood as defined in the Agreement on Sale.

2.0 The AI station

2.1 This Agreement concerns the AI station's boar unit(s) and the quarantine unit(s) belonging to the boar unit(s), cf. 12.1 a) where these locations are listed (= the AI station).

2.2 Distributors can enter into an agreement with a foreign AI station, only, if the AI station is not included on VSP's list of AI stations with a ban on purchase, and the Distributor's agreement with the AI station must be terminated if and when the AI station at a later point in time is included on VSP's list of AI stations with a ban on purchase, cf. also 11.3.

2.3 The Distributor must inform VSP if the address of the AI station changes, or if new AI stations and/or quarantine units are put into operation.

2.4 Boars housed at the AI station – including DanAvl boars delivered by the Distributor – are collectively called the Herd.

3.0 The boars

3.1 The AI station is only entitled to house DanAvl boars with User code 100 born in a DanAvl herd owned by a Breeder, who has entered into Agreement on Breeding (In Danish: *Aftale om Avl*) with VSP.

In case that an AI station is situated in either Germany, the Netherlands or Belgium, active DanAvl Landrace or Yorkshire boars must have an Index of at least 100 at any given time, whereas active DanAvl Duroc boars must have an Index of at least 85 being effective as from April 1, 2014.

4.0 Sale of semen and payment of Fees

4.1 The AI station is permitted to sell semen from purebred DanAvl boars, only, to

- a) DanAvl herds
- b) DanAvl distributors
- c) Commercial herds provided that prior to delivery the herd owner has signed the current Buyer's Declaration and Acceptance of Terms of Sale laid down by VSP, cf. 12.1 b) that include a prohibition of resale of purchased purebred semen or any offspring hereof, including hybrid offspring.

Furthermore, prior to the sale of purebred DanAvl Landrace or Yorkshire semen, the owner of the Commercial herd must have entered into Agreement on On-farm Replacement Production with a registered DanAvl distributor.

Whenever purebred DanAvl Duroc semen is sold, it is furthermore a requirement that the semen originates from two or more purebred DanAvl Duroc boars (= Commercial semen), if permitted according to national veterinary legislation, unless the customer of the AI station has ordered Named semen (= semen of one identified boar).

A register of DanAvl herds and DanAvl distributors can be retrieved from www.danavl.dk.

4.2 Apart from the delivery of boars for slaughter, the AI station shall be prohibited from moving the Herd or any individual DanAvl boars from the AI station without prior consent from VSP.

4.3 The Distributor shall pay the Fees fixed at any given time for semen from DanAvl boars which are sold or delivered by the AI station, cf. 12.1 c).

5.0 Name registration and marking of semen

5.1 AI boars must be ear tagged with a boar name at first use.

When registering in the Pig Breeding Database, the AI station is assigned a particular prefix for AI boars. This prefix consists of two letters (A-Z) which must be applied as the first two characters in the boar's name.

A boar name may consist of a total of six characters. The prefix may be supplemented with letters or numbers (1-9). The letters must be placed as the first characters in the name.

5.2 Any portion of semen must at a minimum be labelled with the breed or breed combination. Furthermore, Named semen must be labelled with the name or ID-number of the boar.

6.0 Inspection

6.1 VSP is entitled at any time - but within normal working hours – to inspect and photo record the Herd, take blood samples for the purpose of DNA-testing of the Herd's animals and to examine and obtain copies of all recordings and data that the AI station is under obligation to carry out

and keep pursuant to existing EU directives and national regulations on boar semen with the following amendments

- a) The AI station must discard semen from DanAvl boars that is not sold or delivered, and shall register and keep all information hereto for at least 2 years.
- b) DanAvl boars can only be delivered for slaughter from the AI station, and the AI station is under obligation to ensure that a slaughter certificate is issued and kept for at least 2 years.

6.2 In the event that the AI station falls outside the scope of the current EU directives and the regulations listed in 6.1, then current EU directives and current Danish regulations on boar semen and the amendments set out in 6.1 shall be considered as having been agreed between the Distributor and the AI station.

6.3 The AI station must submit the above recordings and data concerning produced, delivered and discarded semen from DanAvl boars and slaughtered DanAvl boars to VSP in due time and according to the conditions laid down by VSP.

7.0 Marketing

The AI station must clearly separate marketing and sale of semen of DanAvl boars from that of own boars and boars from other Breeding programmes.

8.0 Trademark

8.1 The AI station is entitled, however not obliged, to use the DanAvl trademark in marketing and sale of semen from DanAvl boars.

8.2 The AI station is under the obligation to comply with the Concept manual in force at the time in question, cf. 12.1 d), when selling or marketing semen of DanAvl boars.

8.3 It is prohibited for an AI station to apply the DanAvl trademark, or trademarks that might be confused with the DanAvl trademark when selling or marketing semen of boars which are not DanAvl boars.

9.0 Liability and risk

9.1 The Distributor and the AI station operate their companies independently of VSP, and VSP is not liable for, nor bears any risk of errors and negligence caused by the parties, and VSP is not liable nor bears any risk concerning the boars delivered by the Distributor and the quality and traits of the semen delivered by the AI stations.

9.2 Any breach of this Agreement by the AI station, or the appendices and sets of rules included in the agreement, shall in relation to VSP be considered as breach of obligations by the Distributor towards VSP.

10.0 Assignment of rights

- 10.1 The AI station is not authorized to assign its rights and obligations pursuant to this Agreement without obtaining prior written consent by VSP, which will be conditional upon the assignee signing an agreement on AI cooperation.
- 10.2 If the AI station is organised as a company etc. (legal person), assignment of participating interests shall be considered transfer of ownership and assignment of rights, cf. 10.1.

11.0 Commencement and termination

- 11.1 The Agreement commences when the Distributor and the AI station have signed the Agreement and VSP has received a copy of the signed Agreement, but the Agreement is at all times conditional upon that the AI station is not included on VSP's list of AI stations with a ban on purchase, cf. 11.3.
- 11.2 The Distributor is entitled to terminate the Agreement without notice, if the AI station significantly neglects its obligations pursuant to the Agreement or the appendices or set of rules included in the Agreement, cf. 12.0.
- 11.3 The Agreement terminates without notice if and when the AI station is included on the VSP's list of AI stations with a ban on purchase, or if the AI station loses its public approval as an AI station.
- 11.4 When the Agreement terminates, all DanAvl boars at the AI stations' units must be slaughtered and all semen from DanAvl boars which are collected, but not yet delivered shall be destroyed.
- 11.5 If the Agreement is terminated due to non-compliance by the Distributor, which is not due to conditions on the AI station, the AI station is authorized to continue its operation on conditions which in principle remain unchanged, if the AI station has entered into a new agreement with a new DanAvl distributor no later than 30 days from receipt of notice that the Agreement with the Distributor has been terminated.
- 11.6 The Agreement between Distributor and AI station shall be terminated in the event that VSP enters as contracting party in relation to the AI station.

12.0 Set of Rules

- 12.1 The Agreement includes the following sets of rules (=appendices) that, including the changes and additions made hereto at a later point in time, form integral parts of the Agreement:
- a) The AI station's boar units and quarantine units, cf. 2.1,
 - b) Buyer's Declaration and Acceptance of Terms of Sale, cf. 4.1
 - c) Fees in connection with production and sale of DanAvl breeding material, cf. 4.3
 - d) Concept manual, cf. 8.3.

The individual sets of rules, cf. 12.1, can be amended with 6 months' prior notice, or in the way and with the notice described in the set of rules in question.

VSP notifies the Distributor in writing of amendments made to the individual sets of rules.

12.2 The individual and current appendices and sets of rules can be retrieved from www.vsp.lf.dk.

13.0 Disputes

13.1 Disputes between the Distributor and VSP shall be settled as laid down in Agreement on Sale.

13.2 VSP can decide to assert a claim directly against the AI station, if the AI station fails to meet the obligation it has undertaken by signing these Minimum terms, or the appendices included herein, cf. 12.0.

13.3 Disputes between the AI station and VSP shall be settled at VSP's venue in Denmark and according to Danish law.

14.0 Language

In case of discrepancies between the Danish text version of this Agreement and any translation, the Danish version shall prevail and only the Danish version will be submitted in case of a dispute cf. section 13.