

General Terms of Business (2012)
for cheese trading and services and
the Dispute Settlement Procedure and
Arbitration Regulations
of the
“Nederlandse Zuivelbeurs” (Dutch
Dairy Exchange) Foundation

Filed on July 10 2012 under number 41/2012
with the court registry of the district court of The Hague
as well as with the Chamber of Commerce of the Haaglanden
district under file number 40409697 on July 6 2012.

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of the "Nederlandse Zuivelbeurs" (Dutch Dairy Exchange)
Foundation**

GENERAL TERMS OF BUSINESS (2012)
for cheese trading and services and
the Dispute Settlement Procedure and Arbitration Regulations of the
“Nederlandse Zuivelbeurs” (Dutch Dairy Exchange) Foundation
in The Hague

These General Terms of Business are made up of the following sections:

- I the Terms of Business, as applicable between affiliated companies;
- II the Additional Terms and Conditions for third parties, as applicable to agreements between an affiliated company and a non-affiliated company;
- III the Dispute Settlement Procedure and Arbitration Regulations, comprising
 - A: an amicable settlement phase; and
 - B: the arbitration procedure.

These terms of business can be cited as the “General Terms of Business of the Dutch Dairy Exchange Foundation”.

I THE TERMS OF BUSINESS

as applicable between affiliated companies of the “Nederlandse Zuivelbeurs” (Dutch Dairy Exchange) Foundation.

Chapter 1 General

(Provisions applicable to purchases and services)

APPLICABILITY

Article 1.

1. These Terms of Business will apply to all offers issued by affiliated companies to other affiliated companies, as well as to all agreements entered into between affiliated companies, relating to cheese in the widest sense of the word.
2. If the cheese is not delivered in its entirety but rather as partial deliveries at different times, each such partial delivery will be considered an independent delivery for the application of these Terms of Business.

DEFINITIONS

Article 2.

These terms of business use the following definitions:

“cheese”	the cheese product – both packaged and unpackaged – as currently defined in Article 1, section e (and f) of the Agricultural Quality Decree for Dairy Products (7 July 1998, Law Gazette no. 453), as well as products analogous to cheese products, which will in all cases include cheese-like products in which milk fat has been replaced by vegetable fats.
“storage”	storing of cheese for third parties in the cheese warehouse, maintaining cheese stock in the cheese warehouse, treating and/or processing cheese in the cheese warehouse and/or related locations and the release of cheese from the cheese warehouse. This also includes a sales transaction as part of which parties simultaneously have agreed that the same batch of cheese will be sold back and delivered to the selling party by the buying party in its unprocessed state.
“affiliated company” or “affiliated companies”	a (legal) person that trades in cheese, dairy products or related goods and makes use of the Dairy Exchange organised by the Foundation, as well as its Terms of Business. Affiliated companies pay a membership fee set by the board of the Foundation.
“packaging”	banderoling, labelling, application of transparent labels, cutting and portioning of cheese and related actions for the checking, weighing, and packing of cheese.
“paraffining”	application of a protective layer or coating directly on the cheese.
“parties”	selling party/service provider and buying party/client jointly.
“buying party”	the party buying cheese from the selling party

"selling party"	the party selling cheese to the buying party
"client"	the party contracting the service provider to provide services
"service provider"	the party contracted by the client to provide services
"selling party/service provider"	selling party and/or service provider as the occasion arises
"buying party/client"	buying party and/or client as the occasion arises
"cheese warehouse"	every space used for the storage of cheese and/or the processing of cheese.
"Incoterms"	the most recent Incoterms of the International Chamber of Commerce as they are at the time the agreement is entered into.
"barrel"	barrel is understood to refer to containers of cheese and cheese products, including: wheeled containers, pallets, boards, transport boxes, CBL crates, and foil crates.
"trade"	buying and selling of cheese.
"services"	storage and/or packaging and/or paraffining.
"barrel proprietor"	the party giving the barrel on loan to the barrel user
"barrel user"	the party that has the barrel on loan from the barrel proprietor

DEVIATING TERMS OF BUSINESS

Article 3.

Terms and conditions or stipulations that deviate from these Terms of Business and that are communicated by an affiliated company in purchase orders or sales orders, service contracts and/or letters, or other means of correspondence, or communicated verbally, will only be effective if these have been explicitly accepted in writing.

OFFERS

Article 4.

Offers are free of obligations, unless stated otherwise in writing.

GENERAL DELIVERY

Article 5.

- 1 Unless agreed otherwise, delivery of ex-works will be as per the Incoterms. If the buying party/client does not make any vehicles available on the day of delivery, in case of ex-works delivery, or otherwise makes delivery impossible, all damages and costs incurred by the selling party/service provider ensuing directly from such negligence will fall to the buying party/client.
- 2 The Incoterms applicable at the time the agreement is entered into will lead to the interpretation of the transportation and delivery terms used in offers, purchase agreements and/or purchase confirmations, storage agreements and/or storage confirmations, insofar as these are not deviated from in these documents and/or these terms and conditions.
- 3 If carriage-paid delivery is agreed upon, delivery will be on the basis of carriage and insurance paid up to (CIP in the Incoterms) the agreed destination, and the following will also apply:
 - a. If the selling party/service provider fails to deliver on the day of delivery, all damages and costs for the buying party/client ensuing directly from this negligence will fall to the selling party/service provider.
 - b. Possible additional costs for delivery to different warehouses by the buying party/client will fall to the buying party/client.
- 4 If delivery is to be on the demand of the buying party/client, the buying party/client will ensure that dispatch instructions will be issued to the selling party/service provider in time before termination of the agreed term so that the selling party/service provider can deliver within that term.
- 5 In case an agreed delivery method is lacking or unclear, the selling party/service provider will be entitled to deliver in a way that he deems fit.
- 6 Regardless of what has been agreed upon by selling party and buying party or client and service provider in relation to payment terms, selling party/service provider are entitled to require that the buying party/client provide sufficient surety for payment prior to delivery. If this surety for payment is not provided within the reasonable term set by the selling party/service provider or not deemed sufficient by the selling party/service provider, the selling party/service provider will be entitled to suspend (further) compliance with its obligations under the agreement. Selling party/service provider will, in that case, in no way be liable for possible damages suffered by the buying party/client ensuing from this

suspension of compliance.

- 7 Selling party/service provider agrees to inform the buying party/client about the date of production of the cheese, if the buying party/client requests such information.

LOADING AND UNLOADING INSTRUCTIONS

Article 6.

- 1 The buying party/client must ensure that he issues clear and timely instructions regarding the transportation and loading and unloading procedure.
- 2 If a load is made up of several batches of cheese when cheese is delivered for storage, the buying party/client must indicate clearly and in a timely manner which cheese belongs to which of the separate batches of cheese.
- 3 If the buying party/client fails to provide the instructions referred to in paragraph 1 and 2 on time, any ensuing consequences will fall to the buying party/client.
- 4 If the loading of cheese by the selling party/service provider happens on the instruction of the buying party/client, the selling party/service provider will not be liable for possible overloading of the transport unit. Selling party/service provider will in that case explicitly be indemnified against overloading by the buying party/client.

LOAD HEIGHT

Article 7.

- 1 Unless delivery on pallets or otherwise is agreed upon, the load height for transport will be subject to the following (maximum) values for cheese between 14 and 28 days old:

TYPE OF CHEESE (semi-manufacture/end product)	LOAD HEIGHT
Gouda* 5 kg	3
Gouda* 10-12 kg	3
Gouda* 17 kg	3
Gouda* cumin	3
Gouda* low salt/fat	3
Maasdammer	3
Amsterdam	3
Bread cheese	3
Light cheese (low sodium level)	3
Proosdij cheese	3
Edam*	3
Boerenkaas* (Farmer's cheese)	3
* For "Gouda" the possible shapes are "flat cylindrical", "block" and "bread".	
* For "Edam" the possible shapes are "round", "block" and "bread".	
* For "Boerenkaas" the possible shapes are "flat cylindrical", "block" and "round".	

- 2 For cheese younger than 14 days the maximum load height is 2, regardless the type of cheese.
- 3 For so-called "foil cheese" the maximum load height is 8; and foil cheese must always be transported in a refrigerated unit (temperature between 2-8° Celsius)

BARREL DEPOSIT

Article 8.

- 1 The barrel proprietor guarantees that the barrel that he makes available is in good condition. That means the barrel is clean and free of defects. If the barrel is not in good condition, the barrel user will report that to the barrel proprietor in writing, within two working days.
- 2 The barrel proprietor may charge a returnable deposit for the barrel he loans to the barrel user, unless otherwise agreed upon, which deposit will amount to:

Type of barrel	Deposit amount (per barrel in Euros plus VAT)
Wheeled container	250
Transport box	450
CBL-crate / E2-crate	3.86
Foil crate (complete)	250
partitions foil crate	10
Multiple pallets wood	10
Plastic H1 pallet	56.75
HT pallet	17.50

The deposit is payable along with the purchase or service invoice relating to the delivered goods. Upon returning the barrel in good condition, the barrel proprietor will pay back the deposit to the barrel user at the final date of the invoice. VAT will not be charged on the deposit.

- 3 The barrel user may only use the barrel that was used by the barrel proprietor for the delivery of goods to the buying party/client for the shipment of products of the corresponding selling party/service provider. The barrel user may not make the barrel he has on loan in any way available to others. The barrel user may not change the appearance of the barrel, affix stickers to it, paint the barrel, or otherwise place logos, symbols, or names on the barrel.
- 4 The barrel user is held responsible to ensure that the barrel remains in good condition, i.e.: clean and without defects. If it turns out, after returning it by the barrel user to the barrel proprietor, that the barrel is not in good condition, the barrel user will be liable towards the barrel proprietor for any ensuing costs. The barrel user will also be liable for any damages sustained by the barrel proprietor as a result of the barrel not being returned in good condition.
- 5 The barrel owned by the barrel proprietor will remain the inalienable property of that barrel proprietor. This barrel will be fitted with an identifying mark that stands out as the property of the barrel proprietor. Property rights, ownership, lien or any other right in rem cannot be invoked against the barrel proprietor by anyone under any circumstances.
- 6 The risk of late return of the barrel, loss of the barrel and/or contamination of or damage to the barrel, for whatever reason, will fall to the barrel user. The barrel proprietor will in that case be entitled to retain the deposit paid by the barrel user, albeit without prejudice to the barrel proprietor's further right to claim (additional) damages from the barrel user.

TERMS OF PAYMENT

Article 9.

1. All amounts payable by buying party/client to selling party/service provider under any agreement must be paid without delay and without off-setting of outstanding debts on the correspondingly agreed pay-by-date.
2. Storage charges and – if cheese is insured through the cheese storage provider - premiums and costs of insurance will be charged for the agreed period, with parts of that period also considered full periods.
3. Unless agreed otherwise, buying party/client will have a payment term of 28 days after the invoice date for payment into the account. If payment has not been received within abovementioned term, buying party/client will automatically be held in default of exceeding the payment term, without any summons or proof of default being required. Buying party or client will in that case also be liable to pay interest on the outstanding amount at a rate of 1.5% per calendar month after expiry of the payment term. Part of a calendar month will be considered a full calendar month. This interest will be payable without any summons or proof of default being required. Buying party/client will furthermore be held liable to compensate the selling party/service provider for all costs the selling party/service provider has to incur to collect outstanding amounts.
 - a. The following costs will in particular fall to the buying party/client: expenses incurred by solicitors, both judicial and extrajudicial, also insofar as these exceeded amounts

- wound up by the court, bailiffs' fees, representatives' fees and debt-collection agencies.
- b. Abovementioned extrajudicial costs incurred by third parties will be limited to 15% of the sum total, with a minimum of € 100.
 - c. Costs for bankruptcy applications and storage charges in case of suspension of supply will also fall to the buying party/client.
 - d. The selling party/service provider is not obliged to prove that claimed collection costs were actually incurred.
4. Without prejudice to any other declaration by the buying party/client relating to the making of payments and without prejudice to the administrative processing thereof by the selling party/service provider, payments by the buying party/client will always and exclusively be taken firstly to cover collection fees and interest payable by the buying party/client, secondly to cover claims of the selling party/service provider relating to articles that the buying party/client has sold on and delivered to third parties and finally to cover the oldest unpaid invoices of the selling party/service provider.
 5. All claims of the selling party/service provider against the buying party/client will be payable without delay if the buying party/client is declared bankrupt, applies for a moratorium, is declared subject to the Debt Restructuring for Natural Persons Act, the buying party/client's assets are seized, and this seizure cannot be raised within 30 days, or buying party/client otherwise loses the disposal of (part of) its assets, if buying party/client offers its creditors an arrangement, if buying party/client defaults on its compliance with any obligations towards the selling party/service provider, or ceases its operations. The above will be correspondingly applicable in case the company is run through a legal person and this legal person goes into liquidation.
 6. All items delivered by the selling party will remain its property – also after and despite processing or treatment – until the buying party has made all payments relating to the items under the agreement, including any work agreed upon under such agreements and all claims for shortcomings in compliance with such agreements, including all incurred collection expenses and payable interest.
 7. Buying party agrees to establish a tacit right of lien on the deliverables for the selling party upon first request, insofar as possible by making transfer of property of delivered goods subject to conditions for all existing and future claims of the selling party against the buying party/client, including all collection expenses and interest; the buying party will not be permitted to establish a tacit right of lien on the deliverables for a third party.
 8. The buying party will receive the items that are the property of the selling party on loan and agrees to make these available to the selling party upon first request to that effect – when buying party is in default – and to access his premises where these items are held, so that selling party can reclaim these items upon termination of the loan agreement, which can be done with immediate effect.
 9. The buying party is not authorised to pledge items belonging to the selling party to third parties (and neither is it authorised to establish a pawn or tacit right of lien on these items for a third party) or transfer the property thereof to third parties, with the exception of sales and delivery to third parties as part of the normal exercise of its business.
 10. By way of collateral for payment of everything that buying party or client owes or will owe to selling party or service provider under any agreement, selling party or service provider will have a lien on all monies and cheeses of the buying party/client that the selling party/client has in its possession at any time.

ORIGIN OF THE CHEESE

Article 10

1. The selling party/service provider agrees to tell the buying party/client in which region the cheese was produced.
2. Where the naming of the cheese products is concerned, the nomenclature of the scheme referred to in Article 17 paragraph 2 is used.
3. Selling party/service provider furthermore agrees to comply with all valid statutory regulations and specifications.

FORCE MAJEURE

Article 11

1. In these Terms of Business, force majeure is defined as it is defined in the law of the Netherlands. Force majeure relieves the selling party/service provider and the buying party/client of the delivery obligation and purchase obligation respectively, without the selling party/service provider and buying party/client being able to make any statutory claims for damages respectively.

2. Obstruction of traffic will only relieve the selling party/service provider of its obligations to deliver on time, with possible ensuing additional costs and transport risks due to the buying party/client still requiring timely delivery falling to the buying party/client.
3. In case of temporary force majeure, selling party/service provider will only be relieved of its obligations under the stipulation of paragraph 1 if this temporary force majeure has lasted more than three months.

DISPUTES

Article 12

- 1 All disputes arising between buying party/client and selling party/service provider – including their successors or beneficiaries - both legal and factual disputes, of any nature, prompted by or related to an agreement, to which these Terms of Business apply, or further or related agreements, will be submitted to arbitrators, excluding the ordinary judiciary.
- 2 Selling party/service provider can, however, contrary to the stipulation from the previous paragraph, submit a dispute or claim as referred to in paragraph 1 to the judgement of the appropriately competent cantonal court, if the dispute or claim in question does not amount to more than the amount referred to in Article 93 of the Civil Legal Code.
- 3 Arbitration as referred to in paragraph 1 will be subject to the dispute settlement procedure as it is valid at the moment of submission of the dispute, as well as the arbitration regulations of the “Nederlandse Zuivelbeurs” Foundations, based in The Hague.
- 4 The stipulations from paragraph 1 and 2 of this article will be without prejudice to the buying party’s and selling party’s, or the client’s and service provider’s, right to try to come to an amicable settlement of the dispute as per the articles of the Dispute settlement procedure upon commencement of the arbitration.
- 5 Present disputes clause does not exclude the party’s right to turn to the judge’s hearing applications for interim relief for urgent matters and to proceed to the taking of attachment measures and the means of keeping up such measures.
- 6 If parties have entered into several agreements under this terms of business, and one of the parties fails to comply with its obligations towards the other or fails to pay the damages defined in substitute for such obligations, the latter party will, providing liability in the shortcomings has been ascertained by the arbitrators, be entitled to claim surety, possibly to be defined by arbitrators, for the correct compliance with its obligations under agreements.
- 7 If, despite summons to that effect, surety is not provided for/by the party in question, the other party reserves the right to terminate all current agreements. In that case, the terminating party agrees to notify the counterparty of its intention to exercise this right by way of a notice sent by registered mail and at the soonest possible opportunity.

APPLICABLE LAW

Article 13

All agreements, to which these terms and conditions apply, partially or in full, are governed by Dutch Law. The provisions of the Vienna Sales Convention are excluded.

FINAL CLAUSES

Article 14

1. Whenever these Terms of Business refer to working days, this does not include Saturdays, Sundays and official public holidays as per the General Extension of Time Limits Act.
2. If any stipulations from these general terms and conditions, or any part of an agreement entered into under these general terms and conditions are null or nullified, the other stipulations of these general terms and conditions, or other parts of the agreements, will remain fully intact. Parties will in that case come to an arrangement regarding the null or nullified stipulations and/or the null or nullified part of the agreement that resembles the original purport of the parties when they entered into the agreement, as well as related general terms of conditions, as closely as possible.

Chapter 2 Trade

PURCHASE UPON INSPECTION

Article 15.

1. In case of "purchase upon inspection" the buying party has the right to inspect the cheese prior to acceptance, or to have a third party inspect the cheese. This inspection has to be performed within a certain term, i.e. no later than on the 2nd working day after the day on which the selling party has notified the buying party that the items can be "inspected". This is normally the 2nd working day after the "purchase upon inspection" is agreed, unless a longer term is agreed.
2. If the inspection under the first paragraph finds the items not to meet with the buying party's expectations, the agreement will automatically be considered dissolved.
3. If the buying party or his representative fail to have the cheese inspected within the set term, the cheese will be considered approved; possible subsequent comments cannot give grounds for dissolution of the agreement or for damages, except in cases of hidden shortcomings.
4. The notifications that the items have been approved or not will be issued to the selling party or its representative on the day of inspection.

WEIGHT

Article 16.

1. The weight of the delivery, as determined by the selling party, will only be binding for the buying party if buying parties does not detect any deviations from that weight directly upon receipt of the delivery.
2. The buying party agrees to report the weight to the selling party on the same day whenever possible, yet no later than 2 working days after delivery, and confirm this in writing. The selling party agrees to respond within 2 working days and confirm its response in writing.

AGE OF THE CHEESE

Article 17.

1. In case of delivery of aged cheese, the cheese must be of the age as agreed in the purchase or sale respectively, or on the basis of which the services are provided.
2.
 - a. May cheese (a.k.a. grass cheese) is understood to mean cheese produced in the months up to May.
 - b. Summer cheese is understood to mean cheese produced in the months of June, July and August.
 - c. September cheese is understood to mean cheese produced in the period from 1 September to 15 October.

LEEWAY IN DELIVERABLE QUANTITY

Article 18.

1. If a certain weight has been agreed for the purchase and sale, the delivered batch can weigh slightly more or less:

up to	1,000 kg	5%
up to	5,000 kg	4%
up to	10,000 kg	2%
over	10,000 kg	2% to a maximum of 1,000 kg.
2. Claims related to deviations from the purchase weight must be made to the counterparty in writing within 2 working days after receipt of the shipment in question.
3. Without prejudice to the previous paragraph, weight deviations of natural cheese are settled as per the following norms:
 - natural cheese aged between 14 days and 35 days may have a weight deviation of no more than 0.2% without costs being amended; if the deviation is more than 0.2%, costs can be adjusted for every 0.1% of deviation.
 - natural cheese aged between 35 days and 12 weeks may have a weight deviation of no more than 0.1% without costs being amended; if the deviation is more than 0.1%, costs can be adjusted for every 0.05% of deviation.
 - natural cheese aged 12 weeks and over may have a weight deviation of no more than 0.05% without costs being amended; if the deviation is more than 0.05%, costs can be adjusted for every 0.05% of deviation.

DELIVERY FROM VARIOUS LOCATIONS

Article 19.

The buying party agrees to accept deliveries from different warehouses.

PURCHASE PRICE, PAYMENT

Article 20.

1. The price of cheese is set based on weight and applies per kilogram on a net ex-warehouse (the selling party's warehouse) basis, in Euros, plus VAT, unless agreed otherwise.
2. Selling party will send its invoice within 5 working days after delivery.

CLAIMS RELATING TO SHORTCOMINGS

Article 21.

1. When delivered cheese does not comply with the agreement because the cheese displays shortcomings, claims relating to that will only be taken up if these were submitted in writing within 5 working days after receipt of the cheese and for soft and fresh cheese this term will be 2 working days.
2. When shortcomings only emerge a while after receipt, buying party can only claim the delivered cheese did not meet the agreed quality if he has notified the selling party within the following terms after detecting the shortcomings, or within which he could reasonably be expected to have detected the shortcoming:
 - a. in case of shortcomings in the cheese's rind, claims must be submitted to the selling party by the buying party in writing within 10 working days, with such claims only taken up before the cheese has reached the age of 42 days;
 - b. in cases of shortcomings other than the previously cited shortcomings, claims relating to such hidden shortcomings of both individual cheese and or a whole variety must be submitted to the selling party in writing with 10 days after detection of the shortcoming.
3. The selling party is obliged to inform the buying party, in writing, of its position relating to claims within 10 working days after receipt of these claims.
4. If a dispute which has given rise to a claim, as referred to under paragraphs 1 or 2 of this article, is not settled between the parties within a 6-week term after the claim was submitted or after the selling party has informed the buying party of its position on the matter in the way as intended by paragraph 3, the complainant will request arbitration within a term of 6 weeks under penalty of lapsing of the claim, and do so in the way as described in Article 16 of the arbitration regulations.
5. The assessment of whether and when the buying party could reasonably have been expected to detect a shortcoming in the cheese (paragraph 2) will consider the buying party's obligation to comply with standards of inspection and care as set by practice and statutory regulations. Storage of cheese must happen in an air-conditioned warehouse, with periodical inspections as necessary for the different kinds of cheeses and recorded in the warehouse log for the buying party. For naturally matured cheese, unpackaged, the air-conditioning must be as follows: maximum 16° Celsius, unless agreed otherwise. For all packaged cheese, including foil cheese, air conditioning must be at 1-7° Celsius. And there is also the requirement that the buying party is to ensure that the original packaging must remain undamaged.

Article 22.

- 1 Without prejudice to the right from Article 21, paragraphs 2 through 5, regarding hidden shortcomings, the selling party will cease to be liable for damage as the consequence of a hidden shortcoming when the guarantee period between the delivery date and the disclosure of a shortcoming as listed in the following has expired.

TYPE OF CHEESE (semi-manufacture/end product)	SHORTCOMINGS IN RIND, not detectable at delivery	DAIRY SHORTCOMINGS
	WEEKS OF AGE	WEEKS OF AGE
Gouda* 5 kg	16	52
Gouda* 10-12 kg	16	52
Gouda* 17 kg	16	52
Gouda* cumin	16	52
Gouda* low salt/fat	20	24
Maasdammer	6	8
Amsterdam	5	5
Broodkaas	8	8
Diet cheese (low sodium)	5	5
Proosdij cheese	20	52
Edam*	20	52
Boerenkaas* (Farmer's cheese)	20	52
* For "Gouda" the possible shapes are "flat cylindrical", "block" and "bread".		
* For "Edam" the possible shapes are "round", "block" and "bread".		
* For "Boerenkaas" the possible shapes are "flat cylindrical", "block" and "round".		

- 2 Stipulations from the first paragraph do not apply to cases where the buying party makes a reasonable case for the shortcomings originating in the production of cheese; the selling party will, in that case, be held to provide the buying party, upon request, with copies of bacteriological reports, as drawn up during the production process.

NEGLIGENCE

Article 23.

1. The party whose counterparty is considered negligent due to failing to deliver or receive in a timely manner must notify the negligent counterparty in writing no later than on the 2nd working days after the termination of the delivery term of the course of action it will follow and have the right to allow the negligent counterparty a forbearance period. This forbearance period will, however, be defined accurately.
2. If the notification referred to in the previous paragraph has not been received by the negligent party within 2 days after the start of the negligence, the forbearance period will tacitly be considered to be 3 working days.
3. If the negligent party fails to comply with its obligations before the end of the forbearance period, the course of action stipulated in the notification referred to in paragraph 1 will become effective, unless parties agree otherwise.

Article 24.

1. If the buying party fails to comply with its obligations, the selling party is entitled to:
 - a. enforce compliance with the agreement, i.e. claim payment of the invoice amount from the buying party, increased by statutorily payable interest, costs and damages, while leaving the items and if necessary store them, with ensuing risk and costs falling to the buying party;
 - b. or proceed to the dissolution of the agreement, i.e. taking back the delivered items and claiming payment of costs, damages and interest.

Article 25.

If the selling party fails to comply with its obligations, the buying party will also have the right to claim compliance with or dissolution of the agreement, as well as claim damages.

Chapter 3 Services

SECTION 1 Storage and processing

STORAGE

Article 26.

1. When providing storage services, the service provider will provide the care of a good depositary.
2. The service provider especially pledges to the client that the cheese will be stored in such a way that the quality is guaranteed to a reasonable degree; any damages ensuing from the service provider's non-compliance with this stipulation can be claimed by the client, insofar as that compliance can be attributed to the service provider or its buyer.

CONDITIONS FOR STORAGE

Article 27.

All storage and/or processing of cheese in the cheese warehouse will be at the expense and risk of the service provider. Service provider must have sufficient insurance for all risk affecting the stored cheese and/or cheese submitted for processing during the term of the agreement.

START AND END OF CHEESE STORAGE

Article 28.

1. Storage and/or processing of cheese by the service provider will be considered to have commenced:
 - a. when cheese is unloaded by staff of the service provider when received: as soon as said staff starts unloading;
 - b. when cheese is not unloaded by staff of the service provider when received: as soon as the staff taking care of unloading the cheese has placed the first package of the shipment in the cheese storage facility.
2. Storage and/or processing of cheese by the service provider will be considered to have ended:
 - a. when cheese is loaded by staff of the service provider when received: as soon as said staff has placed a package of the batch in question in the vehicle, or somewhere else for shipment;
 - b. when cheese is not loaded by staff of the service provider when received: as soon as the staff taking care of loading the cheese, starts taking out packages of cheese.
3. Storage charges and additional costs will be payable to the service provider for the full period during which space has been made available for the cheese of the client. The date of receipt and dispatching of the cheese are included in the period for storage charge calculation.

DESCRIPTION OF THE CHEESE

Article 29.

1. Upon entering into a service agreement the client must submit a sufficiently detailed written description of the cheese to the service provider (or have a third party submit this description), stating the different types, qualities, weights, values, quantities, as well as all other specifics that the service provider must be aware of for the proper execution of the storage agreement.
2. If the service provider accepts cheese for storage for which the full description with indication of type, quality, nature, or characteristics has not been provided to the client, the service provider will not be considered to have cognizance of these specifics only because he has accepted the cheese. The same applies if the client has not provided the service provider with the information that is reasonably considered necessary to enable proper storage.

RECEIPT

Article 30.

1. The client will ensure that the supplied cheese is delivered to the cheese storage facility by him, or on his behalf, and free of charge.
2. Service provider will only conduct an entry inspection of the cheese offered to him for storage and/or processing to check the number of packages, cheeses, weight, and visible features relating to nature and type, which check will be recorded by the service provider in writing, unless agreed otherwise between service provider and client. Service provider agrees to notify the client without delay, yet no later than 2 working days after delivery, of any deviations he has detected in relation to the delivery note. The financial settlement of the agreement between the service provider and the client will be based on the weight as stated on the delivery note, unless the weight as measured by the service provider deviates by over 0.1% (for which he is to provide sound proof), in which case the weight as measured by the service provider will be used for the financial settlement.
3. Service provider will not be obliged to accept cheese of which the nature, type, quality, weight, quantity, packaging and/or value visibly deviate from the original description or not comply with the requirements that can be set for it. The assessment thereof will be made by the service provider, using standards of reasonableness and fairness.
4. If the service provider agrees to store and/or process such cheese anyway, all necessary additional work for the preparation, cleaning or adjusting of allocated spaces will be taken care of by, or under the supervision of, the service provider, with ensuing costs falling to the client.
5. Service provider will provide the client with a confirmation of receipt upon receipt of the cheese. Barring other conclusive evidence, this confirmation of receipt is the proof that the cheese stated on the confirmation has been received for storage and/or processing by the service provider on the account of the client.

SPECIAL CHEESE STORAGE

Article 31.

1. If client has not provided any written instructions accompanying the cheese when delivering the cheese for storage and/or processing to the service provider, the service provider will store and/or process this cheese as he sees fit and adhere to methods that are generally accepted in the sector.
2. If the client deems it necessary to have the cheese stored in a special way, the client will inform the service provider of that on time and in writing, in order to give the service provider the opportunity to take the necessary preparatory measures and, if such notification is not given, service provider will not be liable for losses and/or damage, no matter how these were caused, during the storage of the cheese in question.
3. If the client deems it necessary to have the cheese stored in a special way by the service provider or such special storage is necessitated by the nature of the cheese, all costs related to such special storage will fall to the client.

REJECTION OF CHEESE FOR STORAGE

Article 32.

1. Service provider reserves the right to reject cheese that is offered for storage and/or processing. Service provider will base such a rejection on an assessment based on standards of reasonableness and fairness.
2. Cheese will in any case be rejected when:
 - a. the cheese does not comply with the conditions and regulations as described in these Terms of Business;
 - b. the cheese can potentially be harmful to and/or damage other cheeses in storage;
 - c. the cheese is not found to be in order after a sensory inspection;
 - d. the origin of the cheese cannot be stated and proven upon request to that effect.

BUSINESS HOURS

Article 33.

1. Unless agreed otherwise in writing, all activities to be carried out by the service provider on or in relation to the cheese will be carried out during regular business hours, as stipulated in the normal working hours in the Collective Labour Agreement for the sector.
2. If the client requires activities to be carried out outside regular business hours, the service provider is entitled to either comply with or reject such a request. Service provider will, however, only reject a request to that effect on reasonable grounds.
3. Additional costs ensuing from carrying out activities outside the regular business hours referred to in paragraph 1 on the request of the client will fall to the client.

STORAGE AND TRANSFER OF CHEESE

Article 34.

1. Service provider will at all time be authorised to store the cheese in areas of the cheese storage facility as he can make available. The basic principle here is that the area in question is to be suitable for the objective that parties have agreed in the storage agreement, and meets statutory requirements.
2. Unless parties agree otherwise in writing, the service provider reserves the right to at any time transfer the cheese offered to him for storage to another cheese storage facility, providing this facility is suitable for storage of the cheese in question. Service provider will notify the client of such transfers and whenever his cheese is held elsewhere, stating where the cheese is stored, and without prejudice to the client's right to inspect his cheese at this other location.

ACCESS

Article 35.

1. Access to the premises and buildings of the cheese storage will only be granted to the client or someone acting on the client's behalf during the regular business hours of the cheese storage facility. When visiting the cheese warehouse, the client or his representative will always first report to the management. The service provider reserves the right to deny the client or his representative entry, providing he has reasonable grounds to do so.
2. All persons who are on the premises of the storage warehouse on behalf of or sent by the client, including staff and third parties, are obliged to comply with locally applicable regulations, instructions, and formalities, as well as to observe instructions of the Customs Agency, Food Inspection Agency, and other authorities relating to hygiene, public order, and safety.

DELAYS

Article 36.

1. Service provider will not be liable for delay, loss of time, costs or damage, of any nature, suffered by any party, as a result of the loading/unloading bays being inaccessible, unusable, or occupied, unless a space was reserved beforehand.
2. If vehicles fail to arrive or cannot be dealt with at the agreed time, or cannot get to their loading/unloading bay, for whatever reason, the service provider will, providing he is not to blame, be entitled to compensation of unnecessary costs, loss of time and/or other costs of any nature, that ensue from above obstruction, unless it concern a case of force majeure on the part of the client.
3. If the client notifies the service provider of delivery or collection of the cheese to or from the service provider's premises at a specific time, and this requires special assistance by the service provider, the client will, if he fails to deliver or collect the cheese properly and on time, be liable for any ensuing damages and costs, and indemnify the service provider against any claims third parties may lodge against the service provider as a result.

ENCUMBERED CHEESE

Article 37.

1. Service provider will never be held to accept cheese that is encumbered with transport fees, taxes, rights, penalty fees and/or other levies or costs, of any nature, unless sufficient collateral has been provided by the client or on the client's behalf.
2. All transport fees, taxes, rights, penalty fees and/or other levies or costs, under any denomination, that are payable upon receipt or afterwards, must have been paid in advance by the client. Considering the short-term nature of this advance payment, client will not be reimbursed for interest that accumulates on it.

LEGISLATION AND REGULATIONS, AND ALSO INSPECTION BY THE AUTHORITIES

Article 38.

1. Storage will be subject to corresponding legislation, regulations, guidelines and/or rules and instructions by the authorities.
2. If such legislation, regulations, guidelines and/or rules and instructions by the authorities are changed after the agreement is entered into, these changes will nevertheless be considered part of the agreement.
3. If such changes lead to changes in costs, service provider will be entitled to adjust the price and/or the rate accordingly as of the date such changes take effect.
4. If an inspection by the authorities leads to the service provider carrying out additional unforeseen work, the service provider is entitled to charge any related costs to the client, unless these additional costs are the result of negligence that can be attributed to the service provider.

RIGHTS, TAXES, AND STATUTORY OBLIGATIONS

Article 39.

1. If cheese is subject to customs and excise stipulations or other taxes and/or government instructions, the client agrees to provide all information required by the service provider on time, enabling the service provider to file the corresponding documentation.
2. Service provider will not be liable for the correctness of the details stated on the waybill, if these were provided by the client. This also applies to the labels affixed to the cheese. Service provider will only be obliged to check weight, number of packages, and description of the cheese, and the latter only if the description is visible on the outside of the package.
4. Service provider will neither be liable for the checking, accepting, storing, completing or issuing of any documentation, nor for the contents of such documentation, unless the service provider is subject to a statutory obligation to that effect, or has explicitly agreed in writing that this is to be part of the agreement as one of the services provided by the service provider.

SPECIAL MEASURES

Article 40.

1. Without prejudice to the stipulations from the previous article, the service provider is entitled to, without delay, take any measures, which will fall to the risk and account of the client, that it considers necessary, including the destruction of the cheese, if there are reasonable and fair grounds to believe that not taking such measures would lead to a danger of loss of or damage to the cheese itself, other cheese, or the cheese warehouse, or of death or physical injury of persons or animals. All related costs, including those incurred by the destruction of the cheese, will fall to the client.
2. Service provider will notify the client of special measures as soon as possible prior to taking such measures, unless this is not possible, in which case the service provider will notify the client as soon as possible after taking the measures.
3. In case the cheese is auctioned by the service provider, the service provider agrees to transfer the proceeds of that auction to the client, after deducting its costs and any claims against the client, and if possible do so within one week after receipt, and in case this is not possible, the amount will be deposited with a bank.

RATES AND RATE CHANGES

Article 41.

1. Unless a price/rate has been specifically agreed, client will owe the prices/rates the service provider normally charges and which are common in the sector.
2. Agreed prices/rates will only apply for the activities of the storage provider covered by the storage agreement. In case activities are not specified, these will only encompass: accepting, handling, and storing, removing cheese.
3. All other costs, such as for transferring, treatment and/or processing, also when not referred to in these general terms and conditions, will be charged for at rates and subject to conditions that are commonly used by the storage provider and in the sector.
4. Client will be notified of changes to prices/rates will be as soon as possible, and will become effective within three months after such notification.

SECTION 2 Packaging

PACKAGING

Article 42

- 1 Service provider will carry out packaging work as per the instructions of the client. If the client does not give any packaging instructions, or these are lacking, the service provider will carry out the packaging work as per statutory regulations and common practice in the sector.
- 2 The client indemnifies the service provider against claims from third parties, under any denomination, unless and insofar as the service provider has fallen short in his compliance with his obligations, and this can be proven.

Article 43

- 1 Insofar as the carrying out of packaging work by the service provider should lead to a "new" product coming about, as defined in product liability legislation, the client, and never the service provider, will be considered the producer of that "new" product. The client will affix his own labels or distinguishing mark on the "processed" cheese, or have a third party do so. If the client fails to do so, the service provider is entitled to affix an indication on the cheese, stating the name and address of the client. All costs related to that will fall to the client.
- 2 Client indemnifies the service provider against third-party claims, under any denomination, based on product liability legislation.

Article 44.

- 1 Complaints about the soundness of the packaging work carried out by the service provider can only be lodged within 10 working days after detection of unsound packaging services by the client, yet in no case later than 42 days after the time on which the packaging work was carried out.
- 2 Complaints about services are not admissible when the client has proceeded to the processing or transfer while client could have detected claimed unsound packaging service by way of a simple visual inspection.
- 3 Service provider's liability to pay damages relating to packaging services he has provided will never exceed the amount of the invoice for the provided packaging services to which the claim of unsound packaging relates, without prejudice to the client's possible right to dissolve the service agreement in question for reasons of attributable shortcomings. The service provider is not liable for any consequential damage, under any denomination and suffered under any agreement.

Accepted during the board meeting of December 4. 2009

Mr J.F.A. Anker (chairman)
Mr A.M. Hess (secretary)

II ADDITIONAL TERMS AND CONDITIONS FOR THIRD PARTIES

as applicable to an agreement between a company affiliated to the Foundation and a non-affiliated company, hereinafter to be referred to as "third party", for the provision of goods.

APPLICABILITY OF TERMS AND CONDITIONS FOR THIRD PARTIES

Article 1.

- 1 All transactions, such as offers, agreements, and the like, of an affiliated company of the "Nederlandse Zuivelbeurs" (Dutch Dairy Exchange) Foundation with a third party are subject to the above Terms of Business in Section I, under observance of the changes and additions described in this Section II. Deviations will only be binding when these are agreed in writing between the affiliated company and the third party.
- 2 Third-party Terms of Purchase will only apply when this has been accepted in writing by the affiliated company; in the absence of such acceptance, the third party will be considered to have disclaimed his terms and conditions when having the affiliated company execute the agreement.
- 3 If the third party only acquires knowledge of the fact that the affiliated company exclusively operates under the General Terms of Business when he receives the invoice, the third party will be entitled to let the affiliated company know within three working days after the invoice date that he intends to cancel the agreement, in which case he agrees to ensure that any delivered goods will be returned in good condition within three working days after said notification; failing that, the third party will be deemed to have accepted the applicability of these terms and conditions.

APPLICABLE LAW AND ARBITRATION FOR AGREEMENTS WITH THIRD PARTIES

Article 2.

- 1 All transactions are subject to Dutch Law; applicability of the Vienna Sales Convention is excluded.
- 2 When disputes arise between an affiliated company and a third party as a result of an agreement (the execution thereof or of other ensuing agreements) relating to cheese, the stipulations from Article 12 of Section I - the arbitration scheme - will apply, unless the affiliated company prefers to submit the dispute to the regular Court, the legal authority in the third party's place of business, or the Court of The Hague, if the third party is based outside the Netherlands.

DELIVERY OF CHEESE TO A THIRD PARTY

Article 3.

If a third party has not responded to the affiliated company in writing by four days after receipt of a written confirmation of sale, or an invoice, the confirmation of sale or invoice will irrevocably be considered to correctly reflect the agreement between the parties.

LIMITATION OF DAMAGE LIABILITY

Article 4.

Damages payable by an affiliated company to a third party for non-compliance or incomplete compliance with its obligations under an agreement will never exceed the invoice value of the goods delivered under that same agreement, and at least not exceed the amount covered by the affiliated company's liability insurance. The affiliated company will never be liable for consequential damage suffered by the third party.

RIGHT TO SUSPENSION/RECLAMATION

Article 5.

In case of non-payment of an expired invoice, suspension of payment, application for a moratorium, bankruptcy, or liquidation of the third party's operations, the affiliated company will be entitled to, without having to provide proof of default or request the intervention of a court, suspend or cancel the order (or part thereof that is still to be delivered), and to reclaim the goods that have already been delivered but are still its property under Section I, in which cases any amounts claimed by the affiliated company from the third party continue to be payable with immediate effect.

PROPERTY RIGHTS ON CHEESE FOR EXPORT

Article 6.

Contrary/in addition to the stipulations in Article 9 of Section I, parties can agree to have the legal consequences of a property reservation for a batch of cheese intended for exportation governed by the laws of the destination State, providing the laws of that State contain property rights clauses that are more beneficial to the selling party than the stipulations to that effect in Dutch law, as described in Article 9 of Section I. Any agreement to that effect will only be valid if the batch of cheese is actually imported into the designated destination State.

III DISPUTE SETTLEMENT PROCEDURE and ARBITRATION REGULATIONS (2012)

of the 'Nederlandse Zuivelbeurs' [Dutch Dairy Exchange] Foundation

These regulations are applicable to all disputes that arise between the companies registered with the 'Dutch Dairy Exchange' Foundation, regardless of the nature of the dispute. These regulations also apply to parties not registered with the 'Dutch Dairy Exchange' Foundation, but have, by way of agreement, declared the general terms and conditions of business of the 'Dutch Dairy Exchange' Foundation, or the arbitration regulations, applicable.

Section A INITIATION OF THE PROCEDURE

Article 1.

- 1.1 Arbitration is put in motion by submission of a request for arbitration to the 'Dutch Dairy Exchange' Foundation, by the party most affected. The dispute is considered pending as from the day on which the request for arbitration is received by the 'Dutch Dairy Exchange' Foundation.
- 1.2 The request for arbitration should be addressed to the secretariat of the 'Dutch Dairy Exchange' Foundation, in writing, by registered mail, dated, and five copies should be included. The following should also be stated:
 - a. name and address of the applicant (claimant);
 - b. name and address of the counter party (defendant);
 - c. a brief and unequivocal description of the dispute;
 - d. that which is sought after by the applicant (the claim).
- 1.3 In the request for arbitration the applicant may indicate, if necessary, that he / she would first like to attempt dispute settlement by way of mediation, as intended in these regulations, under Section B.
- 1.4 The secretariat of the Dairy Exchange Foundation (hereinafter also referred to as the 'secretariat' in these regulations) shall confirm receipt of the request for arbitration, as soon as possible, by way of registered mail, to the claimant as well as the defendant, sending a copy of the request for arbitration to the claimant.
- 1.5 Within three working days after payment of the administration fees, as intended in Article 29 paragraph 1, by the claimant, the secretariat shall request, by registered mail, that the claimant and the defendant inform the secretariat, within seven days, in writing, with regard to whether or not an attempt to mediation is longed for, or whether or not either party would prefer to move directly to arbitration.
If a response is not received from the parties within the proposed period of seven days, or if both parties have not opted for settlement of the dispute by means of mediation, the secretariat shall proceed with the arbitration procedure and communicate this decision to the parties.

Section B MEDIATION

Article 2

- 2.1 When both parties have indicated to opt for settlement of the dispute by means of mediation, the secretariat shall assign one or two mediators to the parties and include a mediation agreement. The parties should come to a joint decision with regard to the mediator that shall be utilised by them.
- 2.2 The secretariat shall, in consultation with the mediator, determine the value of the deposit for the mediation procedure. The administration fees of the Dutch Dairy Exchange Foundation, for the mediation procedure, shall be included in the deposit amount.
- 2.3 Both parties shall share equally in payment of the deposit amount and said deposit amount shall be managed by the secretariat. If necessary, the secretariat may request a supplementary deposit amount from the parties. Both parties shall also share equally in the payment of this supplementary deposit amount. The secretariat shall send a financial settlement overview to the parties after conclusion of the mediation procedure.

Article 3

- 3.1 The mediation procedure shall come to an end if the parties have not come to a joint decision with regard to the mediator to be utilised by them, or fail to make payment of the deposit amount and / or the supplementary deposit amount, within 14 days after the date requested by the secretariat of the Dairy Exchange.3.2 In the event that the mediation procedure concludes, as provided for in paragraph 1 of this article, or one of the parties indicate the need for conclusion of the mediation procedure, or if, after a period of three months after the parties have made the joint decision with regard to the mediator known to the secretariat, the mediation has not resulted in a written settlement agreement between the parties, which also involves conclusion of the initiated arbitration procedure, the secretariat shall communicate this to the parties and the arbitration procedure shall continue.
- 3.3 If the parties come to an arrangement, the mediator shall prepare a written settlement agreement of this arrangement and have it signed by both parties.

Section C ARBITRATION

Article 4.

- 4.1 All disputes, whether of a legal or factual nature, that arise between parties, and to which these arbitration regulations are applicable, shall be settled by way of arbitration in the manner stipulated in these arbitration regulations.
- 4.2 In the event that a previous attempt at mediation is concluded, as intended in Section B, without agreeing in that instance that the initiated arbitration procedure shall also be concluded, the claim shall remain the grounds for arbitration, as described in Article 1, unless the claimant wishes to add to, reduce, or deduct from this claim, at any rate, to change the claim, in which case the claimant shall notify the secretariat and the defendant immediately and in writing.
- 4.3 As soon as the secretariat establishes that the arbitration procedure shall continue, whether or not after an attempt at mediation, the secretariat shall inform the claimant of the deposit amount to be paid by the claimant, to compensate for the expected costs related to the arbitration procedure. The claimant should also pay a separate amount for administration fees, as stipulated in Article 29 paragraph 1. During the term of the arbitration procedure the secretariat may require a supplementary deposit amount from the claimant, just the once, or on multiple occasions.
- 4.4 The secretariat may choose to lodge the established deposit and / or supplementary deposit, as intended in paragraph 3 of this article, and the subsequent collection and management of it, with the Registrar.

Article 5.

- 5.1 Parties shall receive, no later than three working days after payment of the deposit amount and costs, as intended in Article 4.3, by the claimant, the request to nominate three arbitrators in the first instance from the list of arbitrators, as intended in Article 25. Parties should inform the secretariat within seven working days, at most, concerning the nominated individuals.
- 5.2 The secretariat shall approach the nominated arbitrators to determine whether or not they are willing to participate in the dispute. The arbitrators should declare, in writing, within three working days after receipt of the nomination notification, whether or not the nomination is accepted, also in connection with the provisions laid down under Article 1034 of the Code of Civil Procedure.
- 5.3 The relevant party shall be notified and requested to nominate three other arbitrators, should the three arbitrators nominated by that party be unwilling to sit on the Council of Arbitrators. Parties should inform the secretariat of their nomination within seven working days of the request for nomination.
- 5.4 The Management Board of the 'Dutch Dairy Exchange' Foundation shall nominate a third arbitrator from the list of arbitrators, in the first instance as intended under Article 25. This arbitrator shall act as chairman of the Council of Arbitrators.
- 5.5 The secretariat shall inform the parties of the nominated arbitrators, by way of a written statement, at the same time as the acceptance of the nomination of arbitrator(s).
- 5.6 The three nominated arbitrators jointly form the Council of Arbitrators.
- 5.7 When treatment of a dispute, for whatever reason, takes place after the period of one year, for which period the nominated arbitrators were elected in accordance with Articles 25 through 28, whilst their appointment took place within that period, then, in this case, the period of one year shall be extended, tacitly, until after treatment of the dispute.

Article 6.

The Management Board of the 'Dutch Dairy Exchange' Foundation shall appoint a Registrar for the arbitration procedure. The Registrar shall fulfil the function of secretary. Parties shall be informed of the nomination of the Registrar by way of written notification as intended in Article 5.5.

Article 7. Preferred Manner of Dispute Settlement

- 7.1 The Registrar shall approach both parties, as soon as possible after his / her nomination, with the question of whether or not either party would prefer to proceed with immediate verbal treatment of the dispute, or whether or not prior written explanation would be preferred.
- 7.2 If parties indicate that they would prefer immediate verbal treatment of the dispute, then this should be communicated as such within 7 working days. The date shall be established by the Council of Arbitrators immediately and disclosed to the parties, should the parties opt for verbal treatment of the dispute.
- 7.3 If the parties opt to provide prior written explanation, or fail to respond within the period provided, the claimant shall be asked by the Registrar to submit a Memorandum of Claims within 3 working days after lapse of the period, as intended in the second paragraph of this article.

Article 8 Terms of the Procedure

- 8.1 The Memorandum of Claims, as intended in Article 7.3, should be received by the Registrar no later than fourteen days after the date of signature of the Registrar's request to that end.
- 8.2 After receipt of the Memorandum of Claims, the Registrar shall request, within three working days, that the defendant submit the Memorandum of Reply, no later than fourteen days after date of signature of the Registrar's request to that end.
- 8.3 The Registrar shall invite the claimant to, if so desired, utilise the option to reply no later than three working days after receipt of the Memorandum of Reply. The Reply should be received by the Registrar no later than fourteen days after the invitation for reply.8.4 After receipt of the Reply, within three working days, the Registrar shall provide the option to the defendant to submit a Reply no later than fourteen days after date of signature of the Registrar's request to that end.
- 8.5 Parties shall, for the duration of this procedure, as described in this article, each have the opportunity to request postponement on one occasion, for a maximum period of fourteen days. An extra period of postponement may be granted in exceptional cases only, at the discretion of the Council of Arbitrators, or the Registrar, if authorised for this purpose by the Council of Arbitrators.
- 8.6 Each party shall submit a written statement, in every step of the procedure of this article, in five copies, to the Registrar, who shall, in turn, provide a copy to the defendant and a copy to each of the arbitrators.
- 8.7 Both parties shall be informed by registered mail, by, or on behalf of the Council of Arbitrators, with regard to the time and location on which the Council of Arbitrators shall hear the verbal discussion of the dispute, after expiry of the periods indicated in the previous paragraphs, without timely submission of a statement, or completion of the procedure as described in paragraphs a through e, or in the event that both parties have declared to renounce their right to provide (further) written explanation of their standpoint. This hearing should take place within fourteen days.8.8 If necessary, and at the discretion of the Council of Arbitrators, discussion should take place with the Council of Arbitrators, supported by the Registrar, no later than fourteen days after treatment of the dispute.
- 8.9 If, in the discussion intended in paragraph 8, the Council of Arbitrators comes to the conclusion that supplementary verbal treatment of the dispute is necessary, then this should be communicated to the parties within three working days, stating the time and location of the verbal treatment, and the hearing should take place no later than fourteen days after the said communication to the parties.
- 8.10 If necessary, and at the discretion of the Council of Arbitrators, discussion should take place with the Council of Arbitrators, supported by the Registrar, no later than fourteen days after the second verbal treatment of the dispute.

Article 9

- 9.1 The Council of Arbitrators may, in so far as possible, observe the cheese party(ies) involved in the dispute, or with consideration of that stipulated in Section D, order specialist reports in that respect.
- 9.2 The Council of Arbitrators may also call on witnesses and may order parties to present witnesses, or call up witnesses. All verbal hearings and statements should take place at the hearing, except for in special cases, to be determined at the discretion of the Council of Arbitrators.
- 9.3 Transcripts are not made at hearings, unless the Council of Arbitrators decides otherwise.

Article 10.

- 10.1 Parties may appear in person or be represented by an authorised representative, on condition that a proper power of attorney is in place for the authorised representative.
- 10.2 Parties are obliged, with regard to the arbitration procedure through the Council of Arbitrators, to provide all information and data required by the Council of Arbitrators, and to adhere to written or verbal instructions. In the event that a party does not adhere to the aforementioned, the Council of Arbitrators shall, in their verdict, be able to make such assumptions as seen fit to them.
- 10.3 In the event that the defendant is not present or represented, or failed to provide its defence to the Council of Arbitrators on time, the claim shall be awarded, unless the Council deems the claim to be unjustifiable or unfounded, or is of the opinion that terms are present that warrant further arbitration, or a further hearing.

Article 11.

- 11.1 The defendant may submit a counter claim, no later than at the time of Memorandum of Reply, or in the event of a lack thereof, no later than at the first hearing, on condition that the claim is a result of the same agreement as that of the original claim, or has a direct connection to it.
- 11.2 A counter claim should, at all times, be submitted to the Registrar in writing and in five copies.
- 11.3 If the counter claim is the result of a different agreement, entered into based on the conditions of the 'Dutch Dairy Exchange' Foundation, then arbitration should be requested for it separately, though one may request that the claim be treated by the same Council of Arbitrators responsible for treatment of the original claim.
- 11.4 The Council of Arbitrators shall determine whether or not a ruling shall take place for the counter claim at the same time as the original claim, or whether or not it should be treated entirely on its own.
- 11.5 The Council of Arbitrators may also, in the event of simultaneous treatment of the claims, require that the party initiating the counter claim pay a deposit amount for the costs related to the counter claim.

CHALLENGING OF ARBITRATORS OR REGISTRAR

Article 12.

- 12.1 In the event that a party is of the opinion that the arbitrator and / or Registrar nominated by the Management Board of the Dutch Dairy Exchange Foundation, should be challenged, then, within one week after receipt of the written statement, the party should notify the Council of Arbitrators, the secretariat of the 'Dutch Dairy Exchange' Foundation, and the involved arbitrator, as well as the defendant, which writing, on pain of nullity, should contain:
 1. the name(s) of the challenged arbitrator(s) and / or Registrar;
 2. statement of the reasons for the challenge.Any reasons other than those included in the statement shall not be taken into consideration.
- 12.2 Challenge of arbitrators, or the Registrar, can take place by virtue of the reasons for which, according to the law, arbitrators can be challenged.
- 12.3 All challenges should be presented at the same time; everything on penalty of forfeiture of right. If, however, grounds for a challenge only became known to the challenging party at a later stage, or, in the event that a party received the notification as intended in paragraph 1 of this article, the challenge can still take place 24 hours afterwards.
- 12.4 The legal proceedings may be suspended by the Council of Arbitrators as from the date of receipt of the notification of challenge.

Article 13.

- 13.1 If a challenged arbitrator does not withdraw within two weeks after the date of receipt of the notification, the judge hearing applications for interim relief at the Court shall rule on the justifiability of the challenge, at the request and account of the party most affected.
- 13.2 If the request to the Court is not submitted within four weeks after the date of receipt of the notification, the right to challenge shall expire and the proceedings, if suspended, shall restart, and the state of affairs shall return to what it was previously.
- 13.3 If the challenged arbitrator withdraws or the particular objection is ruled justifiable by the President of the Court, then he / she shall be replaced in accordance with the arrangements that were applicable in his / her original nomination, unless the parties have agreed to a different manner of replacement.
- 13.4 It is the responsibility of the Management Board of the 'Dutch Dairy Exchange' Foundation to replace a challenged Registrar and the nomination of a new Registrar shall take place in accordance with that stipulated in Article 6.

Article 14.

In the event that the involved arbitrator, or one or both of the parties, resides outside of the Netherlands, or the actual domicile is outside of the Netherlands, the periods stipulated in Article 13 shall be six and eight weeks, respectively. In the event that one of the parties is situated outside of the Netherlands, the Council of Arbitrators may officially extend the periods for the submission of memorandums and other exhibits, as mentioned in the arbitration regulations.

REPLACEMENT OF ARBITRATORS

Article 15.

- 15.1 In the event that one or more of the selected arbitrators, for whatever reason, is unable to fulfil his / her role (further), then he / she shall be replaced in accordance with the arrangements that were applicable to the original nomination, unless the parties have agreed to a different method of replacement.
- 15.2 In so far as the responsibility of the remaining arbitrators may also have ceased, in the event of one or more arbitrators being removed from post, then the remaining arbitrators shall be deemed reappointed.
- 15.3 In the event that replacement took place after forwarding of the notification as intended in Article 5.5, a revised notification will be sent by registered mail to both parties.
- 15.4 In the event that replacement takes place after the first hearing of the arbitrators, treatment of the case shall have to start again, in accordance with that stipulated in Article 7 and the following, unless both parties agree that treatment may be continued.

WITHDRAWAL OF ARBITRATION

Article 16.

A request for arbitration may be withdrawn by the applicant, in writing, under the following conditions:

1. The applicant shall owe an amount of € 250.00 (excl. vat), in addition to the payment of any costs that may have already been incurred, in the event that a request for arbitration is withdrawn before the Council of Arbitrators or experts have taken to their activities.
2. Withdrawal, after defence has already been heard, can, however, only take place if the defendant in the hearing has declared, in writing, to consent to withdrawal, and under payment of the full arbitration costs, as well as any costs that may have already been incurred.
3. The Council of Arbitrators may grant exemption from the payment of the aforementioned amounts, in full or in part, should exceptional circumstances give rise to such exemption.

JUDGEMENT

Article 17.

- 17.1. The Council of Arbitrators shall pass judgement as good men and as seen befitting, based on the conditions of the 'Dutch Dairy Exchange' Foundation. Judgement will be passed no later than 28 days after discussion, as intended in Article 8.8 through 8.10. The Council is, however, if exceptional circumstances give rise to it, entitled to extend the duration of its responsibility.
- 17.2 The Council of Arbitrators rules by way of a majority vote, and does not report on the position of the minority. The Council will provide, in its ruling, a signed judgement, supported by reasons, in four copies, whilst taking into consideration the stipulations in Article 1057 of the Code of Civil Procedure. The Registrar is responsible for sending a copy of the judgement, as soon as possible, to each of the following:
 - a. all parties, at the same time, by way of registered mail;
 - b. the Registrar of the Court, in the district in which the arbitration location is situated;
 - c. the secretariat of the 'Dutch Dairy Exchange' Foundation.
- 17.3 The secretariat of the Dutch Dairy Exchange Foundation is allowed to notify third parties and / or to publicise the judgement, whilst taking care to uphold the anonymity of parties.

APPEAL

Article 18.

The Council of Arbitrators for Appeal comprises three arbitrators, indicated on the relevant list of Article 25.

Article 19.

- 19.1 Every party has the right to Appeal against the judgement to the Council of Arbitrators for Appeal, by way of written notification to the secretariat of the 'Dutch Dairy Exchange' Foundation, and also within one month after the date on which the judgement was forwarded to the parties, as intended in Article 17.
- 19.2 The defendant has the right, on its part, to also appeal, even after said period, yet no later than at the time of the first hearing of the appeal-arbitrators. In this event, the defendant may also be required to pay a deposit amount for arbitration costs.

Article 20.

Articles 4 through 17 also apply to the treatment in Appeal, on the understanding that in the cases intended in Article 15, the appointment takes place based on the list of replacement members, as indicated in Article 25 sub-section 2, and that the amount stated in Article 16 paragraph 1, is doubled. Furthermore, in consideration of the following: New claims may not be included in Appeal, except, that claimed may include interest, rental fees, damage or expenses that expired or developed after the original claim was submitted.

ALLOCATION OF ARBITRATION COSTS

Article 21

- 21.1 The Council of Arbitrators and the Council of Arbitrators for Appeal, shall budget, in their judgement, the amount for arbitration costs up to and including depositing the judgement with the Registrar, including the costs for the Registrar's activities.
- 21.2 The amount determined by the Council of Arbitrators and the Council of Arbitrators for Appeal, under paragraph 1, shall be allocated to the parties. The division of the established amount shall be included in the judgement.
- 21.3 The costs will be paid by the claimant, and recovery of the costs will become the responsibility of the claimant, should the accused party fail to make payment of the costs allocated to it in the judgement.
- 21.4 The costs allocated to the claimant, or, if paragraph 3 is applicable, shall, for the most part, to the extent possible, be covered by the deposit amount paid by the claimant. Any possible remaining amount shall be charged to the claimant by the secretariat of the 'Dutch Dairy Exchange' Foundation, prior to publication of the judgement.
- 21.5 Contrary to that stipulated in paragraphs 2, 3 and 4, the Council of Arbitrators (for Appeal) may, if opportune, decide that both parties should pay the full amount, as intended in paragraph 1, as a deposit amount, prior to publication of the judgement. The remaining amount will be paid back to parties after settlement of the costs allocated to all parties.
- 21.6 The invoices forwarded to the parties, with regard to the costs, as intended in Article 29 through 32, should be paid within eight days after the date of invoice. The Dutch Dairy Exchange Foundation shall be entitled to proceed with debt collection, immediately, in the event that said payment is not fulfilled, in which case possible extra costs shall be accountable to the defaulting party.

Section D SPECIALIST REPORT

Article 22 In the Event of Mediation

- 22.1 As soon as the deposit amount is paid, as established in accordance with Article 24 paragraph 1, the secretariat shall immediately proceed to invite each of the parties to appoint a specialist, within 5 working days, from the list of specialists, compiled by virtue of Article 25 of these regulations, and the mediator shall nominate the third specialist. The third specialist will serve as chairman of the specialists.
- 22.2 In the event that one of the parties fails to appoint a specialist, said party will be considered to have abandoned its right to appoint a specialist, and the defendant shall be informed of the situation. The procedure shall subsequently continue as stipulated in these regulations.
- 22.3 Half of the advance payment amount, as intended in Article 24 paragraph 1, shall be paid by each party, unless only one of the parties requires a specialist report, in which case, that party shall be liable for the full advance payment amount.
- 22.4 In the event that one or more of the selected specialists, for whatever reason, is unable to fulfil his / her role (further), the mediator shall assign one or more alternative specialists, in consultation with the parties, to account for the cancelled specialist(s).
- 22.5 In the event that one of the parties is of the opinion that one or more specialists have an interest in the report to be issued by them, he / she shall notify the secretariat immediately after receipt of the notification as intended in Article 24 paragraph 2.
- 22.6 Parties may also require a specialist report at a later stage during discussions.
- 22.7 The transcript of the recording and the specialist reports drafted during the attempt at mediation are available to the arbitrator(s) for free assessment.

Article 23 In the Event of Arbitration

- 23.1 The Council of Arbitrators shall, as soon as the deposit amount for the costs to be incurred for specialist reports, as intended in Article 24 paragraph 1, is received, select one or more independent specialists from the list of specialists, compiled by virtue of Article 25 of these regulations, which shall be covered by the deposit, to prepare a statement of the quality situation of the cheese party involved in the proceedings, as soon as possible.
- 23.2 Establishment of the number of specialists to be appointed will occur after consultation with the parties.
- 23.3 In the event that one or more of the selected specialists, for whatever reason, is unable to fulfil his / her role (further), the Council of Arbitrators shall select one or more alternative specialists, to account for the cancelled specialist(s).
- 23.4 In the event that one of the parties is of the opinion that one or more specialists have an interest in the report to be issued by them, he / she shall notify the secretariat immediately after receipt of the notification as intended in Article 24 paragraph 2.
- In the event that the Council of Arbitrators considers the objection to be justifiable, the specialist(s) shall be replaced by another (others), taking into consideration that which is stipulated in this article.

Article 24 In the Event of Mediation or Arbitration

- 24.1 The secretariat shall determine the advance payment amount to be paid in connection with the costs involved in preparation of the specialist report.
The advance payment amount should be paid within a period of five working days after the date of invoice.
- 24.2 After receipt of the advance payment amount, as intended in paragraph 1 of this article, the secretariat shall announce their appointment selection, and do so under statement of co-specialists and the location of the goods to be examined, and shall forward a copy to the parties.
- 24.3 The appointed specialists shall, immediately after receipt of the notification as intended in Article 24 paragraph 2, call-up both parties to be present at the assessment of the goods involved in the dispute, and to provide the specialists with the necessary information.
- 24.4 The specialist(s) shall / should examine the goods involved in the dispute, in person, and report his / her findings in writing, within 5 working days after the investigation, in a report to the secretariat.
- 24.5 The specialist(s) shall / should, in the transcript of the recording, at least state the following: the quantities, the identified cheese numbers / brands, the quality state based on a representative sample from the complete lot; the manner of storage, and furthermore, all that which seems important and / or is required with regard to the cheese party in the proceedings.

Section E APPOINTMENT OF ARBITRATORS, SPECIALISTS AND REGISTRAR

Article 25.

The Management Board of the 'Dutch Dairy Exchange' Foundation shall, on an annual basis, prepare three lists of individuals who may act in the capacity of:

1. arbitrators in the first instance, and the number of individuals shall be such, that the choice may be as free as possible;
2. arbitrators for Appeal, comprising at least three members and three replacement members;
3. at least ten specialists.

Article 26.

- 26.1 The names of all individuals on the aforementioned lists shall be listed in alphabetical order. The Management Board of the Foundation shall appoint arbitrators and specialists for the current calendar year, based on these lists.
- 26.2 The secretariat of the 'Dutch Dairy Exchange' shall ensure that these lists of appointed arbitrators and specialists are made available to the registered companies.
- 26.3 With regard to arbitrators and specialists, only the name, place of residence, and place of employment shall be disclosed.

Article 27.

The arbitrators and specialists shall be selected for the duration of a year. The individuals on the lists may be reappointed by the Management Board forthwith. An individual may be listed on the list of specialists and the list of arbitrators in the first instance, simultaneously, but may not act as an arbitrator in a dispute, if acting as a specialist in said dispute.

Article 28.

The Council of Arbitrators shall be supported by a Registrar. The Registrar shall be a legal expert active in the Netherlands. The Registrar shall be appointed by the Management Board of the 'Dutch Dairy Exchange' Foundation. The Registrar shall remain the same in the first instance and in Appeal. The Registrar is responsible for putting together the judgement, amongst other things, in accordance with arbitrators' instructions. The Registrar is not a member of the Council of Arbitrators.

Section F COSTS

Article 29. Administration Fees

- 29.1 The claimant is, upon commencement of the arbitration procedure, liable to pay the secretariat a fixed amount of € 1,000.00 (excl. vat) for administration fees. The defendant submitting a counter claim is liable to pay the same amount for administration fees. In the event of Appeal, the same amount(s) shall again be due for administration fees.
- 29.2 In the event that parties would like to attempt mediation, both parties shall [in addition to the aforementioned administration fees mentioned in paragraph 1 of this article], owe and amount of € 50.00 per person per hour to the secretariat for administration fees.
- 29.3 The secretariat of the 'Dutch Dairy Exchange' Foundation is responsible for collection of the administration fees that are due.

Article 30. Witnesses and Specialists

Witnesses and specialists appearing at the hearing may claim compensation in accordance with the official rates for legal fees and salaries in civil affairs. The arbitrators shall determine the amount for compensation.

Article 31. Arbitrators

The fee for arbitrators amounts to € 275.00 (excl. vat) per daily period, per arbitrator, and € 325.00 (excl. vat) for appeal-arbitrators, per daily period or continuous period of 4 hours, per arbitrator. In addition to the fee, arbitrators may also claim compensation for travel and accommodation expenses, as well as for other expenses incurred for the arbitration procedure.

Article 32. Arbitration Costs

Under arbitration costs is understood the costs, as intended in Articles 29, 30 and 31, in addition to all further costs inevitably associated with the arbitration procedure, in the opinion of the arbitrators, including the costs of the Registrar and potential costs relating to specialist investigations, as arranged by the Council of Arbitrators (f Appeal). The costs for legal assistance of parties remain, except in special cases, at the discretion of the arbitrators, to the account of the party that required the legal assistance.

Section G FINAL STIPULATIONS

Article 33.

Saturdays are not included when working days are mentioned in the Dispute Settlement Procedure or Arbitration Regulations. Furthermore, the General Extension of Time-limits Act is applicable.

Article 34.

When any of the stipulations in these regulations are violated, and a party fails to protest in this respect in writing and within six working days, then said party is considered to have parted with its right to appeal to said violation.

Article 35

The 'Dutch Dairy Exchange' Foundation, its Management Board and employees, the arbitrators, the Registrar, the specialists as intended in this capacity, and all (legal) persons enlisted by them, cannot be held liable for any actions or negligence with regard to an arbitration procedure to which these regulations are applicable.

Article 36

The rules are applicable in the form that it had at the time when the arbitration procedure commenced.

Accepted during the management meeting on 28 October 2011.

B.H. Wevers (Chairman)
Mr A.M. Hess (Secretary)

“Nederlandse Zuivelbeurs” (Dutch Dairy Exchange) Foundation

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