

2007-0076

**DELIVERY AND PURCHASE AGREEMENT
for VALO SPF EGGS**

between

LOHMANN TIERZUCHT GMBH, Germany
- hereinafter called „LTZ“

and

STATE VETERINARY INSTITUTE
Zvolen, Slovak Republic

- hereinafter called „SVI“

In detail both parties agree on the following terms

- 1.1. LTZ is a breeding company for particular layer flocks that have to be kept under special conditions and is able to supply SVI with SPF eggs according to the valid European Pharmacopoeia - hereinafter referred to as VALO SPF Eggs.
- 1.2. SVI is engaged to take the ordered quantity as agreed upon. The delivery will be effected in equal part shipments in each of 52 calendar weeks per year or in any other part shipments agreed in writing.
- 1.3. LTZ is engaged to supply the agreed annual quantity.
- 2.1. The exact quantity and the requested date of shipment need to be coordinated latest until 10 days prior to the requested date of shipment. For each month one delivery of 360 VALO SPF Eggs is scheduled
- 2.2. This contract comes into force on the date of signature and is valid until 31st December 2009 . We will prepare and sign new contract after this 2 year period.
- 2.3. If SVI 's demand exceeds the contracted quantity, the increased quantity will be included into the contract provided the additional VALO SPF Eggs are available. The inclusion of any increased quantity cannot be guaranteed generally in advance, but has to be coordinated for each case.
- 3. The purchase price per VALO SPF Egg is € 1.50 plus € 185.00 for transport and packing of the 360 eggs to cip Bratislava airport
- 3.1. Base for the fixed price is the current level of the costs for production of VALO SPF Eggs. If any substantial alteration (+- 5%) in cost for essential factors occurs during the validity of this contract, an adjustment of the price has to be negotiated.
- 3.2. The payment has to be effected by transfer within 14 days from date of value which

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will be the last day of the month in which the delivery is effected. This way all monthly deliveries are due for settlement on the same day. SVI will bear any bank charges arising from the settlement.

- 4.1. LTZ declares that VALO SPF Eggs originate from layer flocks which are regularly tested for pathogens and antibodies according to SPF regulations (European Pharmacopoeia) and for CAV in the LTZ veterinary laboratory or in an adequate establishment. Each shipment is accompanied by a corresponding Control Certificate.
- 4.2. Warranties for quality of the VALO SPF Eggs are limited to being free from pathogens according to the Control Certificate which accompanies each shipment. LTZ is not liable for any other deficiency or defect in the supplied VALO SPF Eggs and in so far SVI is not entitled to claim any guarantee.
- 4.3. The parties agree that LTZ is not liable for any damage which might be caused - direct or indirect - by using VALO SPF Eggs.
- 4.4. If the examination proves the presence of pathogens not in accordance with point 4.2., LTZ is obliged to replace all contaminated eggs from the infected flock supplied to SVI, respectively to refund the value of these eggs
5. LTZ warrants a fertility rate of 85 % for the eggs set after arrival in accordance with LTZ 's recommendations and a minimum egg weight of 50g per piece at the time of grading in the facilities of LTZ.
- 6.1. LTZ obliges themselves to effect packing and despatch of VALO SPF Eggs with the appropriate care. LTZ will not take back any packaging material.
- 6.2. LTZ is liable for visible transport damages which are claimed upon receipt of the goods. Each claim must be made in writing to both LTZ and the transport agent immediately after receipt of the goods.
- 6.3. In case delivery is impossible or delayed due to force majeure, contingencies, infection of the VALO SPF flock, official regulations or any other circumstances beyond LTZ's control, LTZ is not liable for damages or ceasing gains.
- 7.1. If due to contingencies (e.g. infections of the VALO SPF flock) LTZ is not able to supply the contracted quantity of VALO SPF Eggs, LTZ will try to make a subsequent delivery without delay.
- 7.2. If VALO SPF Eggs are not available for a subsequent delivery, LTZ will try to find another source. The quality of these eggs and their usability for the vaccine production must be confirmed by LTZ veterinary laboratory. LTZ is not obliged to purchase eggs to cover SVI 's requirements.
8. SVI will supply the import permits if necessary.
- 9.1. SVI is not allowed to hatch chicks from VALO SPF Eggs for other purposes than research and quality control. All hatched chicks must be killed immediately after use

but not later than 14 weeks of age.

- 9.2. SVI agrees to use VALO SPF Eggs only for the production of vaccine, for quality tests or for the preparation of other expendible items. The genetic of the birds, the eggs and any derived material remain the intellectual property of LTZ. Any other use of the supplied items or services must be subject of a seperate agreement.
- 9.3. SVIS agrees not to use the supplied products or services to prepare any material which might be used as a raw material for other production purposes (like cell lines, sera, antibodies, or any other kind of material)
- 9.4. In the event SVI should fail to fulfil the contractual obligations due to the present clauses LTZ shall be entitled to a liquidation damages at EURO 250,000 (twohundredfiftythousand) from SVI for each single case and all flocks and products originating from the failure shall be killed or destroyed immediately under supervision of LTZ representatives.
10. Modifications and supplements to this delivery agreement as well as special arrangements require an agreement in writing signed by both parties to become effective.
11. If individual clauses of this agreement become ineffective either entirely or partly, this will not have any impact on the other clauses. The ineffective clause has to be replaced by another effective one which corresponds to the intent and purpose of the ineffective clause.
12. If not fixed otherwise in this agreement, the terms of supply of LTZ will apply in addition.
13. With the signature of this agreement automatically all previous delivery and purchase agreements between SVI and LTZ will become null and void.
14. German law is applicable to this agreement. Place of jurisdiction is Cuxhaven.

Zvolen.....22.10.2007.....

Cuxhaven.....09.10.07.....

SVI

ŠTÁTNY VETERINÁRNY ÚSTAV
Pod dráhami 918
960 86 ZVOLEN
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LOHMANN TIERZUCHT GMBH

LOHMANN TIERZUCHT GMBH
Am Seekeich 9-11
Postfach 460
D-27454 Cuxhaven

