

General Terms and Conditions for Grazing and Meadow Dairy Products of the Grazing Foundation

These General Terms and Conditions were adopted in amended form by the Executive Board of the Grazing Foundation (*Stichting Weidegang*) at its meeting of November 7, 2017 and will enter into force on January 1, 2018. The Executive Board considers the following in this regard:

- the object of the Foundation is to encourage and support dairy farmers in the Netherlands to practise grazing.
- the Meadow Milk Logo for dairy products was created for this purpose;
- the Meadow Milk Logo expresses the fact that Meadow Farm Milk, processed into Meadow Dairy Products, is stored, transported, processed, refined and packed separately from regular farm milk, and that it originates from cattle that is allowed to graze;
- holders of a License Agreement for the use of the Meadow Milk Logo may use the Meadow Milk Logo for the dairy products for which a Grazing Certificate has been issued;
- in view of the organisation of the dairy sector and the desire to limit administrative costs, it is the intention of the Foundation to make dairy producers who process raw farm milk responsible for the task of checking on and taking primary responsibility for compliance with the requirements for issue of a Grazing Certificate, insofar as the dairy farmer from whom the raw milk is purchased is subject to these requirements, and therefore that the Certifying Body checks these dairy producers in particular;
- in view of the aim to keep costs low and to avoid placing a disproportionate burden on dairy farmers, controls for compliance with the applicable requirements must if possible take place concurrent with or subsequent to other kinds of controls that are already being carried out at the dairy farms.

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CHAPTER 1 - INTRODUCTION

Article 1 - Definitions

For the purposes of these General Terms and Conditions, the following expressions have the meanings given to them below:

- “Affiliated Dairy Farmer”** : a natural person, legal entity or cooperative venture between natural persons and/or legal entities (commercial partnership or professional partnership) who or which is effectively engaged in operating the dairy farm company and whose raw farm milk is produced in accordance with the General Terms and Conditions and supplied to a Meadow Dairy Company by this same natural person, legal entity or cooperative venture either independently as member of an association or cooperative or as a supplier, and thus not in conjunction with other Affiliated Dairy Farmers (in producers’ organisations, for example) for processing into dairy products intended for human consumption;
- “Approval Audit”** : the first audit carried out by the Certifying Body under the Certification Agreement;
- “Audit”** : the system of controls and assessments carried out by Certifying Bodies in order to safeguard compliance with the General Terms and Conditions;
- “Audit Schedule”** : the schedule for the audit to be carried out at a Meadow Dairy Company by the Certifying Body, and the schedule for the inspections to be carried out at the Affiliated Dairy Farmers of that Meadow Dairy Company by or on behalf of the Certifying Body or by the Meadow Dairy Company;
- “Certification Agreement”** : an agreement in writing concluded between the Certifying Body and an applicant for a Grazing Certificate or a Meadow Dairy Company, under which audits, inspections and other activities related to certification as referred to in the General Terms and Conditions are carried out;
- “Certifying Body”** : a legal entity accredited against standard NEN-EN-ISO/IEC 17065 that may carry out audits, inspections and certifications, or give instructions to do so, in accordance with an agreement concluded with the Foundation for this purpose with due observance of these General Terms and Conditions;
- “Control”** : a system implemented by a Meadow Dairy Company in order to safeguard compliance with the General Terms and Conditions by the Affiliated Dairy Farmers of that Meadow Dairy Company;
- “Control Plan”** : a plan setting out how Controls are to be carried out which has been approved by the Certifying Body.
- “Dispute Regulations”** : the regulations that apply to the settlement of disputes as referred to in Article 13.1, appended as an annex;
- “Executive Board”** : the executive board of the Foundation;
- “Foundation”** : the Grazing Foundation (*Stichting Weidegang*);
- “General Terms and Conditions”** : these General Terms and Conditions;
- “Grazing”** : happens when, in the normal course of business, an Affiliated Dairy Farmer allows all eligible lactating cows to graze outdoors in a meadow with sufficient grass for at least six hours a day and at least 120 days a year, so that the animals are free to exercise their natural grazing habits on a continual basis or, as alternative, in accordance with the criteria for flexible grazing described in Annex 1 hereto;
- “Grazing Certificate”** : a certificate consisting of part A (Audit of Affiliated Dairy Farmers), part B (Milk Transportation (*RMO*) Audit) and part C (Audit of the production site), or consisting of any one or two such parts as a partial certificate (*deelcertificaat*), issued by the Certifying Body or Bodies stating that the Meadow Dairy Company is certified as regards these General Terms and Conditions and listing the products or product categories for which it is issued and if the Meadow Farm Milk has been produced by cows that graze in Dutch meadows and the origin has been checked in the certification process, stating at the discretion of the Certifying Body, whether the milk has been produced from Dutch Meadow Farm Milk;

“Inspection”	: the inspection by or at the instruction of a Meadow Dairy Company of its Affiliated Dairy Farmers as implementation of its Control Plan
“Integrity Program”	: the program established by the Foundation with the aim to safeguard the quality of the certification scheme as implemented by the Certifying Body, as such program shall read from time to time;
“Licence Agreement”	: Licence Agreement between the Foundation and a Meadow Dairy Company or a brand owner who acquires Meadow Dairy Products from a Meadow Dairy Company pertaining to the Meadow Milk Logo under which the Meadow Dairy Company is entitled to use this Logo;
“Meadow Dairy Company”	: a legal entity and holder of a Grazing Certificate which (i) puts Meadow Dairy Products produced by it on the market, with the Meadow Farm Milk being purchased from the Affiliated Dairy Farmers or from a different Meadow Dairy Company, or which (ii) stores, transports, processes, refines and/or packs Meadow Dairy Products produced by a different Meadow Dairy Company as a successive producer, or instructs a successive producer to store, transport, process, refine and/or pack Meadow Dairy Products, after which one of the successive producers or a retailer puts those Meadow Dairy Products on the market in packaging displaying the Meadow Milk Logo;
“Meadow Dairy Products”	: dairy products or products of which at least 10% of the dry matter consists of dairy ingredients, with a total dairy content meeting the criteria set out in Annex 2 , and which are produced in accordance with the provisions of the General Terms and Conditions and are intended for human consumption;
“Meadow Farm Milk”	: raw farm milk produced by an Affiliated Dairy Farmer in accordance with the General Terms and Conditions that is intended to be processed into dairy products for human consumption;
“Meadow Milk Logo”	: (i) the WEIDEMELK word marks and figurative marks of which the Foundation is the sole trademark owner and owner of the rights and copyrights to that Logo and (ii), the Meadow Milk Logo in amended form as represented in Annex 1 to the Licence Agreement. The Meadow Milk Logo is used: <ul style="list-style-type: none"> - for the purpose of putting Meadow Dairy Products on the market; - for the purposes of marketing, communication and promotion with respect to such Meadow Dairy Products; - to indicate a Meadow Dairy Company as regards specific dairy products for which a Grazing Certificate has been issued;
“Privacy Policy”	: Privacy Policy regarding the Foundation’s collection and processing of personal data, as referred to in article 12 (3);
“Rectification Audit”	: the audit carried out by the Certifying Body under the Certification Agreement which may or may not be preceded by consultation with the Executive Board as referred to in Article 7.

Article 2 – Objects and application

1. The object of the Foundation is to encourage and support dairy farmers in the Netherlands to pursue grazing, a goal which the Foundation attempts to accomplish by granting use of the Meadow Milk Logo, among other things. In this context, the Foundation is responsible for managing and checking the full, uniform, independent and impartial performance of the certification, audit and checking work by or on behalf of the Certifying Bodies and by or on behalf of the Meadow Dairy Companies themselves with respect to the provisions of these General Terms and Conditions, and for supervising the lawful use of the Meadow Milk Logo.
2. A company that puts or gives instructions to put one or more dairy products on the market, whether as a producer or as successive producer and/or packer, is eligible to be granted the rights to use the Meadow Milk Logo if:
 1. that company holds a valid Grazing Certificate (parts A, B and C if the company itself purchases Meadow Farm Milk from Affiliated Dairy Farmers, and part C if the company only purchases Meadow Dairy from another Meadow Dairy Company for successive production); and
 2. there is a Certification Agreement in effect between that company and the Certifying Bodies and the company does not imputably fail to fulfil its obligations under that agreement.
3. A company that puts or gives instructions to put one or more dairy products on the market as a retailer is eligible to be granted the rights to use the Meadow Milk Logo if the company only purchases Meadow Dairy Products from a Meadow Dairy Company and puts it on the market.

4. The Foundation grants the right to use the Meadow Milk Logo, by means of a Licence Agreement, to a company that meets the requirements stated in paragraphs 2 or 3 of this Article. If the Meadow Dairy Company no longer holds a valid Grazing Certificate, imputably fails to fulfil its obligations under the Certification Agreement concluded with the Certifying Body or under the Licence Agreement, or if it is otherwise in breach of any of its obligations under these General Terms and Conditions, the Foundation will revoke the right to use the Meadow Milk Logo that was granted to the company by unilaterally terminating the Licence Agreement, without prejudice to the possibility that the right to use the Logo may be suspended under these General Terms and Conditions.

CHAPTER 2 – CERTIFYING BODIES

Article 3 – Approval of Certifying Bodies

1. Certifying Bodies must be approved as such by the Foundation in order to qualify to certify and perform certification Audits. The Executive Board decides on the conditions and procedures for this approval, including but not limited to, compliance with the Integrity Program.
2. Before a Certifying Body can be approved as such by the Foundation, it must first meet the following requirements (insofar as they apply):
 - a) acceptance of these General Terms and Conditions and of the Integrity Program;
 - b) requirements and demands adopted by the Executive Board with respect to:
 - (i) the professional competence of the auditors, reviewers and others to be assigned by the Certifying Body and with respect to their ongoing education;
 - (ii) carrying out certification work, Audits, Inspections and reviews;
 - (iii) recording data and maintaining their confidentiality;
 - (iv) reporting by the Certifying Body;
 - (v) uniformity of work and working procedures of the Certifying Bodies; and
 - (vi) complaints registration and an arrangement for settling disputes;
 - c) any further conditions that may be imposed by the Foundation, any arrangements entered into with the Foundation or any instructions given by the Foundation.
3. Approval of a Certifying Body as such and the accompanying conditions, arrangements or instructions agreed upon and referred to above will be incorporated in an agreement between the Certifying Body and the Foundation.
4. The Certifying Body must be accredited against standard NEN-EN-ISO/IEC 17065, or an application for this accreditation must be pending with a National Accreditation Body in the country where it is based, which must be a member of the European Co-operation for Accreditation. The work must demonstrably be carried out in conformity with the accreditation. The Certifying Body must perform its obligations as specified in these General Terms and Conditions in accordance with the accreditation. If a Certifying Body wishes to depart from one of the prescribed regulations, prior written permission from the Executive Board is required and the Certifying Body must submit a reasoned application to that effect to the Executive Board.
5. The Certifying Body may delegate actual Inspections, for which it remains responsible, to a third party. That third party must at the least hold NEN-EN-ISO/IEC 17020 accreditation.
6. The Certifying Body is responsible and liable to the Foundation for the complete, prompt and correct performance of its work. If the Certifying Body delegates the actual work to a third party, as described in paragraph 5, the Certifying Body will ensure that the third party performs the work completely, promptly and correctly, in accordance with the General Terms and Conditions.

CHAPTER 3 – CERTIFICATION OF MEADOW DAIRY COMPANIES

Article 4 – Approval Audit

1. A company that wishes to be eligible for a Grazing Certificate must submit a written application to that effect to the Certifying Body and send a copy of it to the Foundation, providing in any case the following information:
 - a. name of the company;
 - b. postal address of the company;
 - c. visiting address of the company;
 - d. name of contact;
 - e. telephone number;
 - f. email address;
 - g. the products to which the application relates;

- h. if the Meadow Farm Milk is produced by cows that graze in Dutch meadows, it should be indicated whether this Dutch origin has to be checked during the certification process; and
 - i. any other information requested by the Certifying Body.
2. Following such application, the Certifying Body will provide further details to the applicant about the substantive and procedural requirements for certification (which are the same or supplementary to the requirements published by the Foundation on its website), and a Certification Agreement will be concluded between the applicant and the Certifying Body. The Certifying Body and the applicant will determine a period within which a draft Control Plan is to be submitted for the Certifying Body's approval. The Control Plan must meet the requirements set out in Article 5.
3. After the date of receipt of the Control Plan, the Certifying Body will notify the applicant in writing, setting out reasons, that it has approved the Control Plan or that it considers the Control Plan to be inadequate or incomplete. In the two latter cases the Certifying Body will also inform the applicant of the aspects that require improvement and give the applicant the opportunity to improve or add to the Control Plan. This process will be repeated until the Certifying Body approves or definitively rejects the application; in the latter case, the Certification Agreement will be deemed to have ended. The Control Plan forms part of the Certification Agreement. The Certifying Body will provide a copy of the signed Certification Agreement to the Foundation.
4. After the Control Plan is approved, the Certifying Body and the applicant will determine a date for the Approval Audit to be carried out and the date as from which it must be possible for the Control to be carried out in accordance with the Control Plan.
5. The Approval Audit consists of an administrative and a physical audit on site, determining whether the applicant can carry out the Control (or cause it to be carried out) in accordance with the approved Control Plan.
6. If the Meadow Dairy Company cannot carry out the Control in accordance with the approved Control Plan, a Rectification Audit will be performed. Rectification Audits will be repeated until, in the opinion of the Certifying Body, the Control can be carried out fully in accordance with the Control Plan. If the Control can be carried out in accordance with the Control Plan, a Grazing Certificate will be awarded for the dairy products listed in the application. If the Control cannot be carried out in accordance with the Control Plan, then the Certification Agreement will, at the discretion of the Certifying Body following consultation with the Executive Board, be deemed to have ended.
7. The company may conclude separate Certification Agreements with different Certifying Bodies for the Audit of Affiliated Dairy Farmers (part A), the Milk Transportation (*RMO*) Audit (part B) and the Audit of the production site (part C). If the Approval Audit is successful, a partial certificate will be issued (part A, part B or part C).

Article 5 – Control Plan of the Meadow Dairy Company

1. The Control Plan of a Meadow Dairy Company for a Grazing Certificate part A (Audit of Affiliated Dairy Farmers) must in any case describe how the following requirements have been met:
 - a. the availability of a private written or electronic register that processes (or that can process) the data on the Affiliated Dairy Farmers and the other Meadow Dairy Companies from which Meadow Farm Milk is purchased; included in such data are the reports referred to in Article 8 and any measures and penalties imposed;
 - b. the Affiliated Dairy Farmer's obligation to maintain a system in which the Grazing is registered and which, to the extent applicable, is in line with the Control carried out by the Meadow Dairy Company;
 - c. the requirements that:
 - i. the grazing season has begun no later than on June 15;
 - ii. herd grazing (being the grazing of different groups of cows at different times of the day) is only permitted when the Affiliated Dairy Farmer has opted for flexible implementation of grazing using a measurement system for registration of individual cow grazing time, which has been approved by the Grazing Foundation;
 - iii. no partial herd grazing has occurred (meaning that a group of cows does not graze at all on a grazing day);
 - d. the requirements imposed by the Meadow Dairy Company on the business set-up of the Affiliated Dairy Farmer with regard to Grazing and associated aspects of Control, thus providing the guarantee that the Affiliated Dairy Farmer does in fact apply Grazing;
 - e. the Meadow Dairy Company's obligation to impose a penalty for dairy farmers who have applied for the status of Affiliated Dairy Farmer and are registered as such if they do not practise grazing in accordance with the definition thereof in the General Terms and Conditions; and
 - f. the Meadow Dairy Company's obligation to take measures ensuring that purchased Meadow Farm Milk and purchased or produced Meadow Dairy Products are stored, transported, processed,

refined and/or packed separately from any other farm milk or dairy products that are present in that Meadow Dairy Company, either by the Meadow Dairy Company itself or by a third party it instructs for this purpose.

2. The private register referred to in paragraph 1 (a) of this article must in any case include the following data:
 - a. name and address data on the Affiliated Dairy Farmers and other Meadow Dairy Companies from which Meadow Farm Milk or Meadow Dairy Products are or are to be purchased;
 - b. date of commencement of participation by the Affiliated Dairy Farmers and other Meadow Dairy Companies from which Meadow Farm Milk is or is to be purchased;
 - c. monthly volume of Meadow Farm Milk delivered by Affiliated Dairy Farmers and other Meadow Dairy Companies, as well as the quantities of the Meadow Dairy Products produced by the Meadow Dairy Company;
 - d. Inspections performed at the Affiliated Dairy Farmers; the type of Inspection (announced or unannounced) and the outcome;
 - e. the measures and/or penalties imposed on the Affiliated Dairy Farmers by or on behalf of the Meadow Dairy Company;
 - f. name and address data on the auditors if the Control is carried out by or on behalf of the Meadow Dairy Company; and
 - g. the announced Inspections to be carried out by or on behalf of the Meadow Dairy Company at Affiliated Dairy Farmers during the next two years.
3. The unannounced and announced Inspections of Affiliated Dairy Farmers, as referred to in paragraph 2 of this article, should be carried out in accordance with an Audit Schedule. All Inspections will be carried out between 1 May and 1 November.
4. The Audit Schedule for the Inspections to be carried out at the Affiliated Dairy Farmers ensures that the following minimum of Inspections are carried out per year:
 - a. at least 10% of all Affiliated Dairy Farmers is selectively inspected based on a risk assessment by the Meadow Dairy Company. These selective assessments take place unannounced during the grazing season and are carried out by a Certifying Body that is affiliated with the Foundation. The Certifying Body shall provide the Grazing Foundation with the outcome of each of such Inspections by the end of the year in which the Inspection was carried out;
 - b. at least 15% of all Affiliated Dairy Farmers is inspected by a Certifying Body that is affiliated with the Foundation; and
 - c. at least 15% of all Affiliated Dairy Farmers is inspected by a Certifying Body that is affiliated with the Foundation or by the Meadow Dairy Company.
5. Inspections are performed using the assessment criteria laid down in **Annex 3**.
6. If during an Inspection doubts are raised about grazing and follow up Inspections are needed, such follow up Inspections should be unannounced and performed by a Certifying Body that is affiliated with the Foundation.
7. The Control Plan of a Meadow Dairy Company for a Grazing Certificate part B or C must in any case describe how the Meadow Dairy Company ensures that Meadow Farm Milk or Meadow Dairy Products are stored, transported, processed, refined and/or packed separately from other farm milk or dairy products transported, stored, processed, refined and to be packaged by or on behalf of that Meadow Dairy Company.
8. To the extent possible, Article 8 applies *mutatis mutandis* to the Audits carried out by the Certifying Body at a Meadow Dairy Company as referred to in paragraph 7 of this article.

Article 6 – Audits

1. Audits consist of an administrative and a physical audit on site, determining whether the Meadow Dairy Company can carry out the Control (or cause it to be carried out) in accordance with the approved Control Plan.
2. Following initial approval and certification the Meadow Dairy company shall be audited annually by the Certification Body on the basis of the Audit Schedule.
3. The audit shall be conducted before the end of the validity period of the certificate. This shall be planned and conducted in due time to enable for timely renewal before the certificate expiry date
4. The Certifying Body is authorised to carry out interim Audits at a Meadow Dairy Company.
5. If as a result of any Audit it is established that a Meadow Dairy Company or one or more Affiliated Dairy Farmers is/are not complying, or not complying fully, with any obligations under or pursuant to these General Terms and Conditions or the Certification Agreement, the Certifying Body will impose one or more

rectification measures on that Meadow Dairy Company as referred to in Article 7. If the rectification measures are not carried out in an adequate manner or if the defects have not been adequately addressed by the time that the next Audit is carried out, the Grazing Certificate may be suspended or revoked with due observance of the relevant provisions of these General Terms and Conditions.

6. If in any year a major defect is ascertained during an Audit, the Certifying Body will revoke the Grazing Certificate after consulting with the Executive Board.

Article 7 – Rectification Audit; penalties

1. If following an Audit or for any other reason the Certifying Body ascertains that a Meadow Dairy Company is not carrying out the Control, or is not doing so in good time, completely or properly, then one of the following measures will be imposed on the Meadow Dairy Company notwithstanding the provisions of paragraph 3 of this article:
 - a) a written warning, setting out rectification measures, will be issued;
 - b) heightened supervision will be carried out, with rectification measures being imposed followed by an unannounced Rectification Audit;
 - c) the Grazing Certificate will be suspended for a maximum of three months, with rectification measures being imposed followed by an unannounced Rectification Audit; or
 - d) the Grazing Certificate (or part of it) will be revoked.
2. The measure to be imposed will depend on the way in which the Certification Agreement is not being complied with, or is not being complied with in good time, completely or properly. When imposing measures the following will be taken into account:
 - (i) the nature and seriousness of the ascertained defect(s);
 - (ii) their frequency;
 - (iii) the measures (including rectification measures) taken by the Meadow Dairy Company to prevent any recurrence of the defect(s); and
 - (iv) other relevant facts and circumstances.
3. If the Certifying Body ascertains that a Meadow Dairy Company has not complied with the Certification Agreement or not complied with it completely due to a manifest error or *force majeure*, then this will be taken into account if:
 - (i) the company demonstrates that it is, up to a certain degree, not accountable or to blame for such non-compliance; and
 - (ii) in the case of an error the company has taken every possible measure to prevent the error from recurring and to rectify the consequences of the error.
4. The Certifying Body is authorised to impose the measures listed in paragraph 1 (a) and (b) independently. The Certifying Body may only impose the measures referred to in paragraph 1 (c) and (d) once it has consulted with the Executive Board.

Article 8 – Reporting by the Certifying Body

1. The Certifying Body sets out the findings of every Audit in a report which in any case includes the following:
 - a. The date of the Audit;
 - b. Name and address data on the applicant (in the case of an Approval Audit), the Meadow Dairy Company and, if applicable, its Affiliated Dairy Farmers;
 - c. All checked data and regulations, with conclusions;
 - d. Ascertained anomalies;
 - e. Explanatory notes to any ascertained anomalies; and
 - f. A description of any special circumstances during the Audit, with the reasons (e.g. building alterations, no animals present, etc.) and regulations that could be or could have been affected by such special circumstances.
2. The report must be signed by the applicant (in the case of an Approval Audit), the Meadow Dairy Company, the Affiliated Dairy Farmer and by or on behalf of the auditor of the Certifying Body. A copy of the report will be issued to, or sent later to, the audited party (or each of them as the case may be). Any Meadow Dairy Company that purchases Meadow Farm Milk from Affiliated Dairy Farmers will receive a copy of the reports to the extent that they relate to these Affiliated Dairy Farmers.
3. The reports will be stored in accordance with the accreditation requirements of NEN-EN-ISO/IEC 17065.
4. The reports will then be assessed by a reviewer attached to the Certifying Body. The reviewer will determine what rectification measures must be carried out by the Meadow Dairy Company and inform the Meadow Dairy Company in writing of the measures that have been imposed.

Article 9 - Meadow Dairy Company's obligation to notify changes

1. A Meadow Dairy Company must notify the Certifying Body monthly and in writing of any change that is reasonably relevant in light of these General Terms and Conditions, including if applicable any changes concerning the Affiliated Dairy Farmers.
2. A Meadow Dairy Company must notify the Certifying Body immediately of any change to the Meadow Dairy Company's business or business operations that affects or could affect the Certification Agreement or its compliance with it. Any Meadow Dairy Company as referred to in Article 5 (7) must make such notification if it purchases Meadow Dairy Products from a Meadow Dairy Company that it did not previously purchase from.
3. In response to any changes as referred to in the first and second paragraphs of this article, the Certifying Body may carry out an Audit.

CHAPTER 4 – THE GRAZING CERTIFICATE

Article 10 – Award and issue

1. A Grazing Certificate consists of part A (Audit of Affiliated Dairy Farmers), part B (Milk Transportation (RMO) Audit) and part C (Audit of the production site) and it may only be issued by the Certifying Bodies. A Certifying Body may issue a separate partial certificate for part A, part B or part C.
2. The Certifying Body must include the following text on the Grazing Certificate (or the partial certificates):

"[CI's name of logo] hereby declares that [name and address data of the certificate holder and its relevant EC approval numbers (where applicable) of sites where Meadow Dairy Products are produced by or on the instructions of that Meadow Dairy Company] produces or processes dairy products in accordance with the General Terms and Conditions for Grazing and Meadow Dairy Products of the Grazing Foundation applicable to the products or product categories listed on this certificate under part [AB/C].

The products or product categories to which the certificate applies: []

Certificate number []

Initial certification date []

Issue date []

Valid until []

[signature]"

If the Meadow Farm Milk is produced by cows that graze in Dutch meadows and this Dutch origin has been checked in the certification process, then the Certifying Body has the option to state on the certificate: "The products have been prepared from Dutch Meadow Farm Milk."

3. A certificate (or partial certificate) has a unique serial number. The Executive Board sets rules regarding the system to be applied by the Certifying Body.
4. A Grazing Certificate is valid for the period from the date of issue until 31 December of the year following the year in which the certificate was issued. Recertification shall be achieved annually prior to expiry date of the existing (partial) certificate, following an Audit.
5. If the number and/or types of products for which a Grazing Certificate has been issued changes, the Certifying Body will issue an amended or new Grazing Certificate (or partial certificate) at the certificate holder's first request after having carried out such Audits as the Certifying Body considers useful or necessary, provided they are carried out in accordance with these General Terms and Conditions.

Article 11 – Rights and obligations

1. Every applicant for a Grazing Certificate and every Meadow Dairy Company must cooperate with any Audit referred to in these General Terms and Conditions; Meadow Dairy Companies that purchase Meadow Farm Milk from Affiliated Dairy Farmers must have the latter cooperate and, in this regard, have them comply with all instructions and regulations issued by or on behalf of the Certifying Body, including:
 - a. allowing the Certifying Body or third parties engaged by it free access (or giving instructions for allowing free access) to all sites and business premises which must be entered in order to carry out the Audit or Inspection, on the understanding that the applicant may deny the Meadow Dairy

- Company access to any space to such persons if there are reasonable grounds for doing so. In such a case the applicant will notify the Meadow Dairy Company and the persons concerned of this, stating reasons;
- b. allowing the Certifying Body or third parties engaged by it to inspect all relevant administrative documents;
 - c. providing the Certifying Body or third parties engaged by it with all the information that they consider to be reasonably necessary in order to perform the Audit or Inspection; and
 - d. providing the Certifying Body or third parties engaged by it with copies of analogue or electronic documents on condition that, once the Audit or Inspection has been completed, such documents must be returned as soon as possible, either personally or by registered post, to the person who provided them.
2. The following rules apply to an Audit or Inspection to be carried out by the Certifying Body and parties engaged by it:
 - a. the Certifying Body will provide all auditors with written means of identification. If requested, the auditors must provide identification before requesting access or information.
 - b. the auditors must carry out their work and conduct themselves in their dealings with third parties in such a way that any disturbance to or disruption of normal work and operations is kept to a minimum.
 - c. before entering a company or company premises that are to be checked, the auditors must be dressed in accordance with the rules that generally apply to that company or those company premises; they must also comply with the applicable statutory provisions and the rules that generally apply to that business or those business premises.
 - d. when performing its responsibilities the Certifying Body must maintain confidentiality regarding the commercial, individual technical aspects of the parties being assessed. This obligation to maintain confidentiality also applies to all matters (i) for which the Foundation also imposes confidentiality; (ii) which must be understood to be confidential; and (iii) it applies in full to all auditors and employees of the Certifying Body as well as to third parties engaged by it; the Certifying Body must impose this obligation on each of these parties, failing which the Certifying Body will be liable for any damage.
 3. Due consideration will be given to Affiliated Dairy Farmers who observe the Sunday rest (*zondagsrustveehouders*) in the carrying out of Inspections.
 4. To the extent possible, an Inspection of an Affiliated Dairy Farmer will be carried out simultaneously with or following any other inspections or controls being carried out at that farmer by the Certifying Body.
 5. Refusal by a Meadow Dairy Company or by its Affiliated Dairy Farmers to cooperate with an Audit or Inspection (or part of it) may lead to the Certifying Body suspending or revoking the Grazing Certificate, with due observance of the relevant provisions of these General Terms and Conditions.

Article 12 – Register, privacy

1. The Foundation is entitled to keep a private register containing the key data on Meadow Dairy Companies and Certifying bodies (but not the data on Affiliated Dairy Farmers) that it needs in order to perform its responsibilities as referred to in Article 2. It is entitled to request further data from the Certifying Bodies and the Meadow Dairy Companies in the context of its management and supervisory responsibilities as described in Article 2.
2. The Foundation is entitled to state the name and address data of holders of a Grazing Certificate on its website, as well as the products or product categories for which the Grazing Certificate has been issued and the status of the Grazing Certificate.
3. The collection and processing of personal data by the Foundation is explained in further detail in the Foundation's Privacy Regulations. The collection and processing of personal data by the Meadow Dairy Company and the Certifying Body must be in accordance with the prevailing legislation. The Foundation is not responsible and is not liable for the data processing by the Meadow Dairy Company and the Certifying Body.
4. The Meadow Dairy Company or the Certifying Body guarantees that the personal data it discloses to the Foundation have been obtained lawfully and that, where necessary, it has obtained the consent of Affiliated Dairy Farmers who are natural persons or who constitute an alliance of natural persons to disclose data to the Foundation for the purposes described in Article 2 and to publish the name and address data of holders of a Grazing Certificate on the Foundation's website, as described in paragraph 2 of this article.
5. A Certifying Body has access to the register referred to in paragraph 1 of this article to the extent that this concerns data on that Certifying Body or data on a Meadow Dairy Company (and its Affiliated Dairy Farmers) with which the Certifying Body has concluded a Certification Agreement.
6. A Meadow Dairy Company has access to the register referred to in paragraph 1 of this article to the extent that this concerns data on the Meadow Dairy Company itself and its Affiliated Dairy Farmers.

CHAPTER 5 - GENERAL

Article 13 - Disputes

1. Any disputes that arise between a Meadow Dairy Company, an Affiliated Dairy Farmer and a Certifying Body on the one hand and the Foundation on the other hand about these General Terms and Conditions and their implementation will be settled with due observance of the Dispute Regulations.
2. Any disputes that arise between a Meadow Dairy Company or an Affiliated Dairy Farmer on the one hand and a Certifying Body on the other hand will be settled as agreed in the Certification Agreement.

Article 14 - Amendments

Amendments to these General Terms and Conditions will enter into force following a resolution adopted to that effect by the Executive Board and they will in any case be notified by or on behalf of the Foundation to the Meadow Dairy Companies and the Certifying Bodies one month before they enter into force. The Meadow Dairy Companies and the Certifying Bodies may, in writing, refuse to accept any such amendment(s) until such time as they enter into force if it/they is/are materially detrimental to their legal position.

Article 15 – Contribution

1. Every year the Executive Board determines the amount of the contribution for Meadow Dairy Companies (certificate holders) and for Licensees on the basis of the general costs of the management and supervision referred to in Article 2 and the costs relating to activities which, in the Foundation's opinion, are useful or required for promoting its object. The Executive Board will notify the Meadow Dairy Companies and Licensees in writing by 1 December of the amount of the contribution due for the next calendar year. The contribution must be paid within the period stipulated by the Foundation. If payment is not made by the end of this period, the Foundation will suspend the licence or the certificate until the contribution has been paid.
2. The costs relating to the auditing and inspection work carried out by a Certifying Body and the costs relating to the management, the award of and the use and supervision of the use of a Grazing Certificate will be borne by the Meadow Dairy Company and will be agreed between the Meadow Dairy Company on the one hand and the Certifying Body on the other hand in the Certification Agreement.

Article 16 – Special cases

1. The Executive Board may:
 - a. issue further instructions to a Certifying Body about certification, auditing and inspection in general and in relation to individual applicants for a Grazing Certificate, Meadow Dairy Companies and Affiliated Dairy Farmers in particular, including but not limited to, instructions in addition to the Integrity Program as in force at the time of such instructions;
 - b. in exceptional or unforeseen cases or in the event of emergencies, stipulate further temporary rules regarding matters regulated in these General Terms and Conditions and/or in the Integrity Program;
 - c. in qualifying cases, issue a temporary exemption, either wholly or in part, to the provisions of these General Terms and Conditions as well as to provisions set out in a Certification Agreement, and attach conditions or requirements to such exemption which will be deemed to have been cancelled if those conditions or requirements are not complied with, or not complied with properly or on time; and
 - d. withdraw an exemption that has been granted.
2. The Certifying Body or Bodies, applicants for a Grazing Certificate (until the approval procedure applicable to them has been completed), the Meadow Dairy Companies and the Affiliated Dairy Farmers must comply with all the regulations referred to in paragraph 1 of this article (or give instructions for them to be complied with).

Article 17 – Liability

1. The Foundation is not liable for any form of damage suffered by applicants for a Grazing Certificate, Certifying Bodies, Meadow Dairy Companies or the Affiliated Dairy Farmers (or one or more of them) on the grounds of or in connection with these General Terms and Conditions or any Certification Agreement or Licence Agreement, except in the case of gross negligence or intent.
2. In the event of gross negligence or intent, the Foundation's liability to Meadow Dairy Companies is limited annually to the amount of the annual contribution that is due or has been paid by the Meadow Dairy Company concerned. This limitation also applies jointly to all Affiliated Dairy Farmers who are affiliated with the Meadow Dairy Company concerned.

Article 18 – Final provisions

1. These General Terms and Conditions are governed by Dutch law.
2. The language to be used by the Parties to this Agreement is English; the Agreement will also be implemented in English, which will include the resolution of disputes as defined in the Annex of this Agreement, unless both Parties have a command of Dutch and determine by joint agreement that the language to be used will be Dutch.

ANNEX 1: CRITERIA FOR FLEXIBLE IMPLEMENTATION OF GRAZING

For a number of dairy farmers, the required minimal grazing time of six hours per day is constrictive. This concerns farmers whose plots are too small to allow for grazing for at least six hours per day, whereas there would be sufficient grass for the dairy cows if they were to graze for fewer hours at a time, but for more days a year. By allowing grazing on additional days, the animals would still be allowed to exercise their natural grazing behaviour and they would have sufficient grass to do this.

Additionally, there is a need for greater flexibility in grazing among dairy farmers who allow their cows to roam freely (as with automatic milking) or who practise herd grazing, on the condition that the grazing time of cows is recorded electronically and that the records will show that the farmers are offering grazing to their cows in accordance with the definition laid down by the Grazing Foundation. In 2016, in a pilot, measurement systems to measure individual cow grazing time were developed and tested.

As of 1 January 2017, Affiliated Dairy Farmers may opt for flexible implementation of grazing as described and in accordance with the conditions given in this Annex. Flexible implementation of grazing is an additional interpretation of the definition of Grazing as laid down in the General Terms and Conditions for Grazing and Meadow Dairy Products.

Flexible implementation of grazing happens when, in the normal course of business, an Affiliated Dairy Farmer allows all eligible lactating cows to graze outdoors in a meadow with sufficient grass for at least 720 hours and at least 120 days per year, so that the animals are free to exercise their natural grazing habits on a continual basis.

1. Prior to the start of the grazing season, the Affiliated Dairy Farmer will inform the Meadow Dairy Company to which he/she delivers milk that he/she wishes to make use of flexible implementation of Grazing.
2. The Affiliated Dairy Farmer that opts for flexible implementation of Grazing will use either one of the following registration systems:
 - a) a central registration system provided by the Meadow Dairy Company in which he/she logs the number of days and hours during which grazing is practised; or
 - b) a by the Grazing Foundation approved measurement system for registration of individual cow grazing time. An overview of approved measurement systems will be published on the website www.weidemelk.nl.
3. From the registration provided by the Affiliated Dairy Farmer it follows that the Affiliated Dairy Farmer has allowed all eligible lactating cows to graze outdoors for at least 720 hours and at least 120 days per year in the year in which he/she opted for flexible implementation of Grazing.
4. For flexible implementation of Grazing using the registration system described under 2a the following additional conditions apply:
 - a) Prior to the Inspection, the assessor must check the central registration system to determine the days and times when the cows will be grazing, so that, at the allotted times, the assessor will be able to verify whether the cows are in fact grazing outdoors.
5. For flexible implementation of Grazing using the registration system described under 2b the following additional conditions apply:
 - a) During an Inspection the Affiliated Dairy Farmer must provide the assessor, if requested, insight in the working and measurements recorded by the measurement system. Examples are:
 1. The individual grazing time of the herd for each date in the year up to the date of the Inspection;
 2. The current list of cows that are registered as being in the meadow; or
 3. A plan outlining the installation of the measurement system on the farm.
 - b) For each date in the year in which the Affiliated Dairy Farmer opts for flexible implementation of Grazing, a report will be made available to the Meadow Dairy Company. From 2018 the report should be made available electronically and on a daily basis (the most recent report to be sent being the report of three days prior to the current date).
 - c) Using the calculation rules set out below, the following information will be included in the report:
 1. UBN (Unique Business Number);
 2. Farmnumber (Tanknumber);
 3. Date;

4. Total number of dairy cows on farm;
5. Total number of dairy cows that qualify for grazing;
6. Percentage of dairy cows that qualify for grazing and that have had a grazing time of at least 60 minutes;
7. Grazing day;
8. Farm grazing time for that date in full minutes;
9. Standard deviation of the individual grazing times of all dairy cows that qualify for grazing;
10. Cumulated farm grazing time for that location-id after the reported date for that year; and
11. Cumulated grazing days for that location-id after the reported date for that year.

Calculation rules for computing farm grazing time and grazing days based on individual cow grazing time

The following definitions and calculation rules apply when using a by the Grazing Foundation approved measurement system for registration of individual cow grazing time:

- Individual grazing time** : the total number of full minutes per day that an individual cow that qualifies for grazing has grazed.
- Day** : period of 24 hours beginning and ending at midnight.
- Dairy cow that qualifies for grazing** : all lactating cows, with the option to except those lactating cows that are in the first 14 days of the lactation period. NB: A sick cow is qualified for grazing and is accounted for in the 10% of cows that graze less than 60 minutes a day.
- Grazing day** : a day on which at least 90% of the dairy cows that qualify for grazing has had an individual grazing time of at least 60 minutes (1 hour).
- Farm grazing time** : the average in full minutes of the individual grazing times of all dairy cows that qualify for grazing during a grazing day. NB: if a day does not qualify as a grazing day then the farm grazing time is zero.

For grazing, a dairy farm must have a minimum of 720 hours (43200 minutes) of farm grazing time over a period of at least 120 grazing days per year.

ANNEX 2: CRITERIA FOR THE USE OF NON-MEADOW-MILK INGREDIENTS IN MEADOW MILK AND MEADOW DAIRY PRODUCTS

Making dairy products (or Meadow Dairy Products) is a complex process that must satisfy the criteria of technological process requirements, factory harmonisation and strict statutory provisions. Also, the use of dairy ingredients is necessary to enable the manufacture of products that are appreciated by the public.

These criteria and the fact that not all dairy ingredients can be obtained in a Meadow Dairy variant mean that mixing in non-Meadow-Milk dairy flows cannot be ruled out entirely. The proportion of non-Meadow-Milk should however should be kept to a minimum. This is why the following rules have to be observed.

Meadow Dairy Products comprise dairy products that are produced in accordance with the provisions in the General Terms and Conditions from Meadow Farm Milk and destined for human consumption. In using non-Meadow-Dairy Products (including non-Meadow-Dairy ingredients), a distinction is drawn between Meadow Milk for Consumption and Other Meadow Dairy Products:

1. Meadow Milk for Consumption may only consist of Meadow Farm Milk. The unavoidable inclusion of traces of non-Meadow-Milk, for instance resulting from transportation and transfer, is permitted.
2. Other Meadow Dairy Products are manufactured on the following conditions:
 - a) Meadow Dairy Products may only be prepared with Meadow Farm Milk;
 - b) criteria stemming from, for instance, technology, process requirements and factory layout may result in an unavoidable mixing with non-Meadow-Milk flows and is permitted to a limited degree;
 - c) non-Meadow-Dairy ingredients may only be used if Meadow Dairy ingredients are not available in sufficient quantity, quality and/or at a competitive price;
 - d) non-Meadow-Dairy ingredients may only be added because of their functional and additional features;
 - e) the aggregate proportion of non-Meadow Dairy flows (see b., above) and non-Meadow Dairy ingredients (see c. and d., above) in relation to the total dairy content in a Meadow Dairy product may not exceed 5.00% by weight (m/m)¹.

¹ $((\text{mass of non-Meadow-Milk} + \text{mass of non-Meadow-Milk dairy ingredients}) / \text{mass of the total dairy content of the product}) \times 100\%$

ANNEX 3: ASSESSMENT CRITERIA FOR INSPECTIONS OF AFFILIATED DAIRY FARMERS

1.	Is the registration list indicating the grazing days (grazing calendar indicating dates and hours per day) duly completed and available and does the registration show that grazing was started no later than 15 June?	Yes	No
2.	Are all the lactating cows grazing in the meadow? If no: determine the percentage of lactating cows that is not grazing in the meadow and indicate the reason for this.	Yes	No
3.	Are the cows displaying natural grazing behaviour, do the cows have sufficient supply of grass and is the number of lactating cows per hectare grazeable area ≤ 10 ?	Yes	No
4.	Are the grazing areas fenced off and using materials that are suited for dairy cattle?	Yes	No
5.	Do the grazing areas look as if they are being grazed and does the image in the field correspond with the grazing calendar?	Yes	No
6.	Is it apparent that the path or route from / to the meadow is being used?	Yes	No

For grazing approval, all of the questions should be answered "Yes". If there is at least one "No", doubts may be raised about grazing.

The Inspections of Affiliated Dairy Farmers should take place during the grazing season and on a grazing day.

ANNEX 4: DISPUTE REGULATIONS

These Dispute Regulations have been adopted by the Executive Board of the Grazing Foundation and they are effective from 1 January 2013. These are the Dispute Regulations referred to in Article 13(1) of the General Terms and Conditions for Grazing and Meadow Dairy Products.

Article 1 – Definitions

The definitions given in Article 1 of the General Terms and Conditions for Grazing and Meadow Dairy Products are used in these Dispute Regulations.

Article 2 – Scope of application

These Dispute Regulations apply to the disputes referred to in Article 13(1) of the General Terms and Conditions for Grazing and Meadow Dairy Products.

Article 3 – Submission of disputes

An application for the settlement of disputes in connection with the General Terms and Conditions for Grazing and Meadow Dairy Products, and the implementation of such settlement, must be submitted to the Foundation, with the reasons for the application being stated.

Article 4 – Hearing of applications by the Foundation

The Foundation notifies the party/parties to whom the facts on which the reasons for objection are based relate, with the request that this/these party/parties provide the Foundation with a response within ten working days. Within five days of having received such a response or, if the response is not received on time, within twenty days of having received the application, the Foundation will issue a written notification to the party who submitted the application as to whether it considers the objection valid and, if so, that the application will be submitted for a decision by the Objections Committee if the applicant confirms the application.

Article 5 – Confirming an application

If the party/parties submitting the application confirms it after the provisions of Article 4 have been applied, then such party/parties must confirm this in writing to the Foundation within ten working days. The Foundation will immediately notify the secretary of the Objections Committee of this by registered post.

Article 6 – Objections Committee

An application submitted by an applicant with due observance of the provisions of Article 5 will be submitted to the Objections Committee. The Objections Committee will consist of three members and two substitute members. The Foundation will make a secretary available to the Committee. The chairman and the members are persons appointed by the Executive Board of the Foundation who are independent from the Meadow Dairy Companies, the Certifying Bodies, the Affiliated Dairy Farmers and the Foundation. All appointments of members of the Objections Committee are made by the Executive Board of the Foundation. The Objections Committee decides whether an application is valid and what consequences derive from it. The decision of the Objections Committee is not deemed to be an arbitral award or a binding opinion. Once a Meadow Dairy Company or Certifying Body has agreed to be bound by the Dispute Regulations, it may within two weeks of having concluded a Certification Agreement or Licence Agreement indicate in writing that it objects to one or more members (or substitute members). If the Executive Board appoints a new member, it will notify the Meadow Dairy Companies and the Certifying Bodies of this, in writing, no later than one month before the date of appointment. Up to the date of appointment the Meadow Dairy Company or the Certifying Body may indicate in writing that it objects to the member to be appointed. Members to whom a Meadow Dairy Company or Certifying Body has objected will not take part in the settlement of disputes to which that Meadow Dairy Company or that Certifying Body is a party.

Article 7 – Independence of the Objections Committee members

A person is considered independent if none of the following applies to him or her or his or her spouse, registered partner or other life partner, foster child or relative by blood or marriage to the second degree:

- (i) in the five years preceding his/her appointment as member of the Objections Committee he or she has been an employee, director or supervisory director of a Meadow Dairy Company, a Certifying Body or the Foundation and/or, if applicable, a legal predecessor or group company of these categories, or if he or she is an Affiliated Dairy Farmer;
- (ii) he or she has received personal financial payment from a Meadow Dairy Company, a Certifying Body, an Affiliated Dairy Farmer or the Foundation other than the payment received for work carried out as a member of the Objections Committee, to the extent that such payment is not received in the normal course of business of his or her company;
- (iii) in the year preceding his or her appointment as member of the Objections Committee he or she has an important business relationship with Meadow Dairy Companies, Certifying Bodies, Affiliated Dairy Farmers or the Foundation.

Article 8 - Appointment

The Objections Committee Regulations, adopted by the Foundation, also apply to the appointment, composition and working methods of the Objections Committee.

Article 9 – Limited review

The Objections Committee subjects applications to a limited review, with due observance of all the relevant interests and, if the application has been made to object against an adopted resolution or an act, the Committee will determine whether the party in question could reasonably have adopted such resolution or carried out such act.

Article 10 – Notification

The Objections Committee will notify the Foundation of its decision in writing, in principle no later than forty working days after the Foundation receives the applicant's confirmation as referred to in Article 5. The chairman of the Objections Committee may extend this period for special reasons, which he/she will indicate to the Foundation. The Foundation will, by registered letter, inform the applicant immediately after it receives the Objections Committee's decision or notify the applicant about the extension of the period.

Article 11 – Disputes

If there is still a dispute even after the Objections Committee has issued its decision, then such dispute will be settled by the competent court at the request of any party involved.

Article 12 – No suspensive effect

An application submitted in terms of these Dispute Regulations will not have any suspensive effect in relation to any decision made or action undertaken.

Article 13 – Working language

The language to be used by the Parties to this Agreement is English; the Agreement will also be implemented in English, which will include the resolution of disputes as defined in this Annex, unless both Parties have a command of Dutch and determine by joint agreement that the language to be used will be Dutch.