

TERMS and CONDITIONS OF SALE

Placement of an Order Constitutes Acceptance of the Following Terms and Conditions

Prices and Quotations. The price of the Products as specified in the attached Purchase Order is inclusive of any duties but exclusive of sales or other taxes. Unless otherwise agreed in writing, BUYER IS RESPONSIBLE FOR PAYMENT OF ALL LOCAL AND FOREIGN TAXES, DUTIES, HANDLING, FREIGHT, CONTENT, PACKAGING, INSURANCE and other related costs for shipping and/or import and export of the Product TO AND FROM COMPANY. Attainment of all required EXPORT AND/OR IMPORT LICENSES ARE THE RESPONSIBILITY OF BUYER. Company will cooperate with Buyer to secure necessary shipping documents at Buyer's expense. Company shall not modify prices prior to delivery, unless to reflect changes to the order imposed by Buyer. All quotations issued by Company for the supply of Product shall remain open for acceptance for a period of thirty (30) days. In all other cases, prices payable are those currently in effect.

Payment. Unless otherwise agreed in writing, ALL PRODUCTS SHALL BE PAID IN FULL PRIOR TO SHIPMENT OF THE PRODUCTS IN THE CURRENCY AS INVOICED AT THE TIME OF CONFIRMATION. Company shall not be obligated to commence manufacture of the ordered Product until a FIFTY PERCENT (50%) DEPOSIT is received; all delivery time estimates will be adjusted accordingly. Unless otherwise agreed in writing, the remaining payment is due in full, PRIOR TO SHIPMENT. If otherwise agreed and a payment is not met as agreed (LATE PAYMENT), Company shall have the right to: (i) Suspend Deliveries and/or Cancel any of its outstanding obligations; and (ii) CHARGE INTEREST AT AN ANNUAL RATE OF 18% or as legally allowable by law on all unpaid amounts calculated on a day to day basis until payment is received.

Changes and Returns. Company reserves the right to make changes in the Product specifications which do not materially affect functionality, performance or price of the Products. Products failing to meet the specifications as ordered may only be returned with prior authorization from Company. Company reserves the right to refuse the return of all Products. Upon the return of any Product, Company shall have the right to evaluate the returned Products to determine and/or corroborate the basis for return at the expense of the faulted party. Refunds or charges will be based upon the Company's final determination of fault.

Delivery. Unless otherwise agreed, Company will select the method of shipment and the carrier to be used; shipment will be F.O.B. (UCC) Navasota, Texas to the destination in accordance with the International Commercial Terms 2000 (Incoterms 2000) with the place of destination defined as the site of deposit with carrier. ALL INSURANCE, TAXES, DUTIES AND OTHER SHIPPING FEES INCURRED BY COMPANY WILL BE CHARGED BACK TO BUYER.

Buyer assumes all ownership rights, risks and responsibilities for any loss or damage to the Products upon delivery to the carrier. If Buyer fails to accept delivery of the Products within a reasonable period after receiving notice that they are ready for delivery, Company may dispose of or store the Products at Buyer's expense. Company will use all reasonable endeavours to avoid delay in delivery on the notified delivery dates. Failure to deliver by the specified date will not be a sufficient cause for cancellation, nor will the Company be liable for any direct, indirect, consequential or economic loss due to delay in delivery. BUYER SHALL NOTIFY COMPANY WITHIN FIVE (5) BUSINESS DAYS in writing of any short delivery or defects reasonably discoverable on careful examination. Where delivery requires an export license or other authorization before shipment, Company shall not be responsible for any delay caused by such licence or authorization.

Risk of Damage and Title. Buyer shall bear the risk of loss to the Products after delivery to the carrier. Full legal and equitable title and interest in the Goods and Equipment shall pass to the Buyer at the time of delivery to the carrier. Buyer agrees not to dispose of or resell the Product until Company has been paid in full. Buyer shall assume all risk to any property left in Company's possession in the event of non-payment beyond ninety (90) days of invoice. Buyer is encouraged to secure sufficient insurance to cover Buyer's property. COMPANY SHALL NOT BE LIABLE FOR ANY DAMAGE TO BUYER'S PROPERTY AND SHALL NOT BE RESPONSIBLE FOR LOSS, WHETHER BY FAILURE TO FILL NITROGEN TANKS, FAILURE TO FEED ANIMALS, OR SIMILAR ACTS.

Regulatory Compliance. Buyer shall ensure that as specified, the Products: (i) will be safe for their intended purpose in the countries of intended use; (ii) will be manufactured by the Company according to the required regulatory standards for each country of intended use; (iii) following delivery to Buyer, Products are handled in a safe manner; and (iv) will be disposed of in accordance with all appropriate regulatory guidelines. Buyer shall provide all necessary Regulatory Requirements to the Company at the time of placement of the order. COMPANY IS NOT RESPONSIBLE for SECURING THIS INFORMATION and is obligated only to provide product as manufactured for the UNITED STATES. It is the

responsibility of Buyer to notify Company of and to comply with any foreign regulatory restrictions and/or specifications that may influence the manufacture, sale, import/export, or use of any Product in that country. COMPANY'S LIABILITY IS LIMITED TO WHAT IS SPECIFIED AT THE TIME OF ORDER CONFIRMATION.

Warranties and Limited Liability. Company solely warrants that the Product provided at the time of shipment MEETS THE SPECIFICATIONS AS STATED IN THE PURCHASE ORDER OR AGREEMENT and is WARRANTED TO MEET THOSE SPECIFICATIONS ONLY. Company's SOLE LIABILITY and Buyer's EXCLUSIVE REMEDY FOR BREACH OF THIS WARRANTY, IS LIMITED TO THE REPAIR, REPLACEMENT OR REFUND OF THE PRODUCT AT THE SOLE DISCRETION OF COMPANY. IN NO CASE DOES COMPANY WARRANT THE PREGNANCY RATE of any semen, embryo or related genetic product and DOES NOT WARRANT GENDER BIRTH RATES, regardless of sorted product purity.

All warranty CLAIMS MUST BE MADE WITHIN TEN (10) DAYS of receipt of the Product. COMPANY SPECIFICALLY DISCLAIMS AND EXCLUDES ALL OTHER WARRANTIES OF ANY KIND OR NATURE WHATSOEVER, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, AS TO THE SUITABILITY, PRODUCTIVITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, MERCHANTABILITY, CONDITION, OR ANY OTHER MATTER WITH RESPECT TO THE PRODUCTS. In NO event shall Company be liable for claims for any other damages, whether direct, incidental, foreseeable, consequential, or special (including by not limited to loss of use, revenue or profit), whether based upon warranty, contract, tort (including negligence) or strict liability arising in connection with the sale or the failure of the products to perform in accordance with the stated specifications.

Company shall have no liability under the warranties contained herein with respect to any defect in the Products arising from: wilful damage, recklessness or negligence of Buyer or its employees or agents; misuse or modification of the Products without Company's approval. Company shall have no liability under the warranties contained herein in the event full payment for the Products has not yet been made to Company.

Inability to Deliver Product

(i) **Insolvency.** In the event either party becomes bankrupt or goes into liquidation, Company shall be entitled to immediately terminate the Contract without notice to Buyer and without prejudice to any other rights of the Company hereunder.

(ii) **Force Majeure.** Company shall not be liable for non-performance in the event of circumstances beyond its reasonable control, including but not limited to acts of God, strikes, lock outs, labour disputes, fire, flood, explosion, natural catastrophe, government action, military operations, blockade, sabotage, revolution, riot, civil commotion, war, inability to obtain material, equipment or transportation, computer or other equipment failure, and inability to obtain components. If an event of Force Majeure exceeds one month, either party may cancel the Contract without liability providing reasonable efforts are made in a cost effective manner to fulfil the obligations under the terms of these Terms and Conditions of Sale.

Miscellaneous.

These Terms and Conditions of Sale, unless modified in writing by separate semen, embryo, housing, or other reproduction related Agreement, constitutes the entire understanding between the parties with respect to the sale and distribution of semen products sold by Company. In the case of any discrepancy between these Terms and Conditions of Sale and the terms of a separate Agreement, the terms of the separate Agreement shall prevail.

Should any part of this, or any related Agreement for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any remaining portion which shall remain in full force and effect as if executed without the invalid or unenforceable portion thereof.

Failure to insist upon strict performance of any of the above terms shall not be deemed to be a Waiver of the Company's rights or remedies.

This Agreement will be governed by and construed in accordance with the laws of the state of Texas. Should any material term be in conflict with any laws or regulations, the Parties shall in good faith attempt to negotiate a lawful modification of to preserve the original expectation of the Parties.

The terms of this Agreement may not be varied or waived except with the express written agreement of both parties. Neither Party shall assign this Agreement or delegate its duties under this Agreement without the prior written consent of the other Party.