



FASTSTART SIRE AGREEMENT

For the Use of Semex FastStart Sires and the Conditions on Resulting Embryos or Calves
("FastStart Agreement")

BETWEEN:

The Semex Alliance, by its general partner, Semex Canada Inc.

5653 Highway 6 N

Guelph, ON, Canada N1H6J2

(hereinafter called "SEMEX")

Party of the First Part

—AND—

(client or farm name)

(address)

(telephone and fax)

(e-mail)

(client prefix)

(hereinafter called the "CLIENT")

Party of the Second Part

1. All currency amounts are assumed to be in USD\$.
2. SEMEX and the CLIENT hereby agree that, for any semen or embryo purchased by the CLIENT, the following purchase or genetic access conditions apply to any calf created or born from any sires designated by SEMEX to be FastStart sires ("**FastStart Sires**") between the date the FastStart Sire was added to SEMEX's FastStart program by SEMEX and the date on which such FastStart Sire is removed from the list of FastStart Sire's published on SEMEX's website at the following link: www.semex.com/faststart:
 - 2.1. **ROFO** - The CLIENT hereby grants to SEMEX the right of first option to purchase or to have genetic access to any embryo or calf created or born from a FastStart Sire (the "**ROFO**").
 - 2.2. **Restriction on sale** - The CLIENT may not sell any embryo or calf created or born from a FastStart Sire unless the ROFO has not been exercised by SEMEX within the period set out in Section 2.4 or unless an authorized representative of SEMEX's Product Development department has authorized the sale of such embryo or calf. No embryos may be sold by the CLIENT to a third party unless such third party enters into a FastStart Agreement with SEMEX prior to the sale.
 - 2.3. **Genomic testing** – For any genomic test requested via a provider other than Semex Elevate, the CLIENT will notify SEMEX at productdevelopment@semex.com within 10 days of having received the genomic result on any embryo or calf created or born from a FastStart Sire. For any embryo or calf created or born from a FastStart Sire that is genomic tested with a non-USA genomic evaluation or not tested at all, SEMEX reserves the right to test the animal on the US genomic base at SEMEX's cost.

- 2.4. Exercise and notice - If SEMEX wishes to exercise its ROFO, SEMEX must notify the CLIENT using the contact information provided by the CLIENT above within 30 days of the first publication date of the official US monthly proof for a calf born from a FastStart Sire. The notice must indicate whether SEMEX wishes to purchase or be granted genetic access to the calf born from a FastStart Sire. SEMEX will be deemed to retain all rights in the calf born from a FastStart Sire from the date on which SEMEX sends notice to the CLIENT.
- 2.5. Bull Option - For any male calf born from a FastStart Sire (a “**Male Offspring**”) for which SEMEX exercises its ROFO, SEMEX will pay the CLIENT a cash payment of \$500 for health testing and \$2,500 when the Male Offspring passes all required health tests in isolation and enters a SEMEX facility, and a final cash payment when the Male Offspring semen has been shown to pass all SEMEX quality and quantity semen testing requirements and the Male Offspring still meets minimum genetic standards to be marketed as determined by SEMEX in its sole discretion. The final cash payment is established according to the TPI or NM\$ ranking of the male at the first official monthly proof that follows the Male Offspring’s 6-month birthday compared to all males that are 6-months of age and older as listed in Table 1:

Table 1: Purchase Price for Selected Male Offspring

Male Ranking for GTPI or NM\$ (whichever is higher)	Health Testing	Payment after passes isolation	Payment when quality semen
Within Top 10	\$500	\$2500	\$97,500
Top 11 to 100	\$500	\$2500	\$47,500
Outside the Top 100	\$500	\$2500	\$22,500

Note: Prices are not cumulative

- 2.6. Female Option - For any female calf born from a FastStart Sire (a “**Female Offspring**”) for which SEMEX exercises its ROFO, the CLIENT must select one of the two following options within 30 days receipt of the ROFO exercise notice from SEMEX:
- 2.6.1. Female Option 1 – Sell Female Offspring to SEMEX: SEMEX will make a cash payment for the Female Offspring according to the TPI or NM\$ ranking of the female (whichever is higher) on the Female Offspring’s first official monthly proof as listed in Table 2:

Table 2: Purchase Price for Selected Female Offspring

Female Ranking for GTPI or NM\$ (whichever is higher)	Purchase Price
Within Top 50	\$100,000
Top 51 to 100	\$50,000
Outside Top 100	\$25,000

Note: Prices are not cumulative

- 2.6.2. Female Option 2 – Granting Genetic Access of Female Offspring to SEMEX: The CLIENT may keep the Female Offspring in its possession and shall grant to SEMEX at least 50% of the matings of the Female Offspring with a SEMEX sire up to a maximum of 18 months of age and resulting embryo or calf would be subject to the terms of this FastStart Agreement.
3. The CLIENT agrees that any failure by the CLIENT to perform its obligations hereunder will constitute an event of default on the part of the CLIENT which will entitle SEMEX to seek injunctive relief and any other remedy available to it in law, including a claim for damages.

4. The term of this FastStart Agreement shall be from January 1 of the year in which this FastStart Agreement is signed by the parties and until mutually terminated in writing by the parties (the “**Term**”). Embryos or calves created or born from a FastStart Sire during the Term will be subject to the terms of this FastStart Agreement.
5. SEMEX reserves the right to cancel the FastStart program at any time.
6. This FastStart Agreement may be executed by either party by facsimile transmission, or by email (electronic document) of Portable Document Format (“PDF”), each of which shall constitute an original and all of which, taken together, shall then be considered an original copy. Any party executing this FastStart Agreement by fax or email shall, immediately following a request by the other party, provide an original signed copy of this FastStart Agreement.
7. The individual(s) executing this FastStart Agreement and any related purchase agreement on behalf of the CLIENT, hereby represent(s) and warrant(s) to SEMEX that he/she/they have the authority to sign this FastStart Agreement on behalf of the CLIENT (including if applicable all of the partners of the CLIENT) and to perform the obligations contained herein.
8. This FastStart Agreement is governed by the laws of the Province of Ontario.

IN WITNESS WHEREOF the parties have signed this FastStart Agreement as of the last of the dates set next to their signatures.

THE SEMEX ALLIANCE, by its general partner, SEMEX CANADA INC.

Per:

(signature)

Date

Jay Shannon, Director, Genetic Programs & Solutions

Name and Title

CLIENT

Per:

(signature)

Date

I have authority to bind.

CLIENT Name and Farm Name (Print)