CATTLE SERVICES (AYR) LIMITED (THE "COMPANY")

NATIONAL ASSOCIATION OF BREEDERS SERVICES (UK)

STANDARD TERMS AND CONDITIONS (THE "TERMS") FOR SALE OF SEMEN AND EMBRYOS (THE "GOODS")

1. Basis of Contract:

1.1

This order constitutes an offer by the customer (the **"Customer"**) to purchase Goods in respect of each specified sire in accordance with these Terms.

1.2

Any order shall remain open for acceptance by the Company for 12 months from the date of the offer unless revoked in writing prior to acceptance.

1.3

The order shall only be deemed to be accepted when the Company issues a written acceptance of the order, at which point the contract (the **"Contract"**) shall come into existence.

1.4

No variation to these Terms shall be binding unless agreed by the Company in writing.

1.5

The Customer may cancel the Contract upon serving notice in writing to the Company received at least 7 days before the date of despatch of the Goods to the local A.I. Centre. The Customer will indemnify the Company against all losses and expenses incurred by the Company as a result of such a cancellation.

1.6

The Contract constitutes the entire agreement between the Company and the Customer. The Customer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the Company which is not set out in the Contract.

2. Acknowledgements, Representations and Fitness for Purpose:

2.1

The Customer acknowledges and accepts that the fertility rates and characteristics of progeny obtained by the use of the Goods may vary greatly due to many factors including, but not limited to, the skill of the artificial inseminator, the characteristics and fertility of the recipient cow and the environment in which the recipient cow is kept.

2.2

The Customer recognises that the propensity of any progeny resulting from the use of the Goods to have recessive genes or defects which may lead to genetic abnormalities or contribute to illness, disease, impairment, ill-health or otherwise may result from factors outwith the Company's control including, but not limited to, the characteristics of the recipient cow and any failure to use the Goods in the manner set out in information relating to the Goods which is published from time to time by the Company (the **"Published Information"**).

2.3

The Customer acknowledges that it is aware of the Published Information made available by the Company and the importance of considering this when determining whether or not the Goods are fit for use with any particular recipient cow. The Customer also acknowledges that it is to rely on its own expertise when assessing the fitness of the Goods for any particular purpose, whether or not made known to the Company either expressly or implied.

2.4

The Company does not warrant that the Goods are free from any recessive genes or other defects which may lead to genetic abnormalities or contribute to illness, disease, impairment, ill-health or otherwise reduce the value of the Goods or of progeny resulting from the use of the Goods.

2.5

The Company takes all reasonable steps to maintain the fertility of the Goods but cannot guarantee that the Goods are fertile at the time of delivery.

2.6

Where the artificial insemination is carried out by an agent of the Customer it shall be the responsibility of the Customer to ensure that the labelling of the Goods adheres to the Published Information before the Goods are used.

2.7

In entering into the Contract the Customer acknowledges that it relies only on Published Information available at the time the Customer placed the order and not on any statement, promise or representation made by any employee or agent of the Company.

2.8

Where semen from the specified sire has tested positive for any recessive genes or other genetic defects, any information relating to this published in the most recent Published Information is correct and accurate to the best of the Company's knowledge and belief at the date of the Contract.

3. Title, Storage, Risk and Delivery:

3.1

Title to, and risk of damage or deterioration or loss of, the Goods shall pass to the Customer at the time of delivery.

3.2

The Company or its agent shall deliver the Goods to the Customer's local AI Centre or such other location in the UK as the Customer and the Company may agree in writing (the **"Delivery Location"**), whereupon the Customer shall become liable for any storage, transport or other expenses accruing thereafter.

4. Price and Terms of Payment:

4.1

The price of the Goods shall be the price listed in the Company's published price list current as at the date of acceptance of the order.

4.2

The price of the Goods is exclusive of the costs and charges of packaging, insurance and transport of the Goods to the Delivery Location, which will be invoiced to the Customer.

4.3

The price of the Goods is also exclusive of Value Added Tax (**"VAT"**). The Customer shall, on receipt of a valid VAT invoice from the Company, pay to the Company such additional amounts in respect of VAT as are chargeable on the supply of the Goods.

4.4

The Company may invoice the Customer for the Goods on or at any time after completion of the delivery of the Goods to the Delivery Location. The Customer shall pay the invoice in full and in cleared funds within 28 days following the date of the Company's invoice.

4.6

If the Customer fails to make any payment due to the Company under the Contract by the due date for payment, the Customer shall pay interest on the overdue amount at the rate of 3% per month. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount. The Customer shall pay the interest together with the overdue amount.

4.7

The Customer shall pay all amounts due under the Contract in full without any deduction or withholding.

5. Limitation of Liability

5.1

The Company shall not be liable to the Customer, whether in contract, delict (including negligence), breach of statutory duty, or otherwise, for any for any loss of profits, loss of business or any other indirect or consequential loss or damage suffered by the Customer arising under or in connection with the Contract including (but not limited to) the following:

5.2.1

The use of the Goods whether or not such Goods test positive for recessive genes and/or any other genetic defects unless results of such tests were known to the Company and had not been included within the Published Information available at the time the Customer placed the order for the Goods; and

5.2.2

The designation of the specified sire or any progeny or relation or ascendant thereof as the carrier of any recessive gene or any other genetic defect or from any de-registration of the specified sire or any progeny or relation or ascendant thereof with any Cattle Breed Society (in each case occurring after the date of the Contract) nor from any potential such designation or de-registration (in each case whether arising before or after the date of the Contract) unless such was known to the Company and had not been included in the Published Information.

5.3

For the avoidance of doubt, the Company shall be under no liability to the Customer in respect of any losses arising from the following:

5.3.1

Any advice or failure to advise as to the choice and selection of the Goods;

5.3.2

The Customer's failure to comply with Published Information relating to the storage and handling of the Goods or with any applicable laws, rules and/or regulations or;

5.3.3

The Customer's failure to use a person fully trained and competent in the techniques of artificial insemination in using the Goods; and

5.3.4

The use of the Goods not resulting in any progeny.

5.4

The Company's total liability to the Customer arising under or in connection with the Contract, whether in contract, delict (including negligence), breach of statutory duty or otherwise, shall under no circumstances exceed the price of the Goods.

5.5

The Customer waives any claim for breach of any representations made by any employee or agent of the Company before entering into the Contract.

5.6

The Company shall not be liable or responsible for any delay in performing, or any failure to perform, any of the Company's obligations in relation to the Goods if the delay or failure is due to any cause beyond the Company's reasonable control.

5.7

Nothing in these Terms is intended to limit or exclude the Company's liability for death or personal injury caused by the Company's negligence or the negligence of its employees, agents or subcontractors (as applicable) or any matter in respect of which it would be unlawful for the Company to exclude or restrict liability.

6. Recall of Stocks:

6.1

If the Company shall determine, in its absolute discretion, that the Specified Sire shall be withdrawn from service then the Customer shall, upon being notified of such determination, make available for collection by the Company any Goods which the Company has delivered to the Customer but which remain unused and the Customer shall use its best endeavours to keep and maintain the Goods in a live and healthy state until such collection.

6.2

If the Company shall determine, in its absolute discretion, that the destruction of the Goods delivered to the Customer is necessary then, on being notified of such determination, the Customer shall immediately destroy the Goods in accordance with the Company's instructions.

6.3

If Goods have been recalled or destroyed in accordance with clauses 6.1 and 6.2 respectively, the Company shall, in its absolute discretion, either replace the Goods or refund the price of the Goods to the Customer in full.

7. Reporting and Access:

7.1

The Customer shall notify the Company immediately of any defect or suspected defect in the Goods or any defect or suspected defect arising from their use and the Customer shall promptly take reasonable steps to mitigate its loss and shall co-operate with the Company in any enquiries or investigations the Company in its absolute discretion considers necessary.

7.2

The Customer will comply with any reasonable request by the Company to make available for inspection by the appointed representatives of the Company the recipients of, and progeny resulting from the use of, the Goods and any veterinary, farm or other records relating thereto owned by or in the care or control of the Customer.

8. General Conditions:

8.1

The headings in these Terms are for convenience only and shall not affect their interpretation.

8.2

If any provision of these Terms is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these terms and the remainder of the provision in question shall be unaffected thereby.

8.3

A person who is not a party to the Contract shall not have any rights under or in connection with it.

8.4

The Company may at any time assign or transfer all or any of its rights or obligations under the Contract. The Customer may not assign or transfer any or all of its rights under the Contract without the prior written consent of the Company.

8.5

The Contract shall be governed by and construed in accordance with the Law of Scotland and the Courts of Scotland shall have exclusive jurisdiction in connection with it.