



3STARGENETICS

3STAR EmbryoProgram

Acquisition of 50 % ownership of embryos and the resulting calves

Embryos

- ▶ 3STAR Genetics (3STAR) makes embryos available
- ▶ The choice of embryos is up to the breeder (selection per mating)
- ▶ There is no obligation about numbers of purchased embryos
- ▶ Embryos will be delivered to the desired ET-team (costs for embryo export are for the account of the breeder)
- ▶ The breeder makes sure that the embryos will be implanted within 6 weeks of delivering

Investment for the breeder

- ▶ Implantation costs
- ▶ The breeder makes recipients available
- ▶ Eventual additional payment per embryo (€ 100,- till € 400,-)

Breeding revenues and costs: From the moment the calves are born all breeding revenues and costs will be divided equally.

Heifer calves: Heifers born from these embryos are 50% owned by the breeder, the other 50% is owned by 3STAR. Heifers will be genomic tested and depending on the genomic result and wishes of the breeder it will be decided to keep or sell them. In case females will be sold to third parties the rearing costs from 3 months on will be paid (half) to the breeder.

If heifer calves will be kept and used for breeding purposes (to deliver embryos, bulls and/or interesting female animals), 3STAR will stay owner and also contributes 50% of the future (breeding) costs. There is no compensation for rearing of females, which are co-owned with 3STAR. On the other hand the milk revenues are solely for the breeder. In the end it is not the intention of 3STAR becoming co-owner of 'commercial' milk cows, coming from these embryos, and the next generations. For 3STAR it's purely and only about the breeding revenues from these females.

Bulls: Bulls born from these embryos must be housed in good conditions and free of diseases. The bulls will be genomic tested by customers of 3STAR, after which 3STAR will try to sell these bulls as good as possible. In case bulls are sold to AI-studs the rearing costs from 3 months on will be paid (half) to the breeder. Of all bulls not sold to AI-studs all revenues and rearing costs are for the account of the breeder.

Acquisition: In case one of the both partners is willing to purchase females from this program, the other partner determines the price of the animal. If the purchasing partner decides the price is too high, then the partner who has determined the price is obliged to take over the animal at the price specified by him. In practice, this will mean that we will come to a realistic price in joint consultation.