

**CERTIFIED SEMEN SERVICES, INC.
AGREEMENT FOR
SEMEN IDENTIFICATION, AI CENTER ANIMAL MANAGEMENT, SEMEN QUALITY CONTROL AND SIRE
HEALTH AUDITING SERVICE**

AGREEMENT CSS # 20230101 v. 1

Certified Semen Services, Inc., hereinafter known as CSS and an Artificial Insemination Business, hereinafter known as the A.I. Business do hereby agree to the following terms and conditions:

Purpose and Objectives: CSS plays a vital role in enhancing product quality through auditing and inspection of processes and systems relating to product identification, A.I. center animal management, semen quality control, sire health testing, and safety.

CSS standards require that participants utilize systems and processes that reduce risk factors that otherwise may lead to disease transmission, identification, semen quality control and or product safety errors.

Compliance with CSS standards will be assessed by on-site audits and ad-hoc communication. When an organization does not fully comply with a CSS standard, CSS will issue specific required corrective actions. Failure to implement the specific action(s) can ultimately lead to the loss of certification.

Additional information about the "Business and Purpose" of CSS may be found in Article II. of the CSS Bylaws.

I. CSS and the A.I. Business agree that:

- A. The period of this Agreement ends December 31 of each calendar year.
- B. This Agreement is automatically renewed effective January 1 of each subsequent calendar year, provided conditions of this Agreement have been complied with and a statement of compliance attested to by the manager of the A.I. Business has been filed with CSS, prior to the renewal date.
- C. This Agreement may be terminated (1) upon mutual agreement; (2) for cause by CSS in keeping with the procedures for the conduct of Audits and hearings set forth herein or (3) by CSS or by the said A.I. Business by giving 30 days written notice to the other party.
- D. If this Agreement is terminated, no part of the previously paid fees will be refunded, but no additional fees will be assessed and payable after the date of termination.
- E. Upon execution, this Agreement shall supersede and terminate any prior agreements for auditing services between the parties.
- F. Audits can be conducted by the CSS Service Director as announced *or* unannounced visits. If conditions warrant, the CSS Service Director may elect to conduct a virtual audit in place of the in-person audit. The first CSS audit will always be conducted in-person.
- G. Pursuant to the CSS/USDA Memorandum of Understanding (MOU), CSS shall inspect the

participating center using the USDA/CSS checklist.

II. The A.I. Business agrees to:

- A. Pay unit dues and location fees, to CSS, as established by the CSS Board of Directors from time to time. See Exhibit A *Schedule of Fees*.
- B. Comply with the following provisions related to bull identification and corresponding semen identification:
 - 1. Accept responsibility for accurate identification of semen from point of purchase, lease, or contract of the sire to original point of sale of the processed semen, and further to follow practices and procedures that will provide for accurate identification of each breeding unit of semen produced and sold, including:
 - a. Develop and follow routine procedures and establish internal controls that will provide for accurate bull and semen identification consistent with standards as established by CSS. This includes identifying the bull, ejaculates, semen, and batch samples with the NAAB uniform code.
 - b. Accept responsibility for accurate identification of bulls or have on file a proper affidavit from the owner verifying the identity of the bull collected.
 - c. Inform owners of bulls, that have been genomic tested prior to entry, that the AI business, is responsible to validate identity and parentage by genomic testing the animal again.
 - 2. Develop internal controls and follow routine procedures that will provide for accurate semen identification consistent with standards as established by CSS.
 - a. Label each unit of semen produced by it with the:
 - (1) Registration name of the bull (if applicable) or known bull name
 - (2) Registration number of the bull (if applicable)
 - (3) Collection code (date of collection - various formats allowable)
 - (4) NAAB Uniform Code number
 - (5) NAAB stud location code for semen production facility
 - (6) NAAB semen processing center code, if different from 5
 - b. Label alternative semen products according to policies determined by the CSS Board of Directors.
 - c. Maintain records for a minimum of seven years showing all:
 - (1) Sire purchases, leases, or contracts
 - (2) Semen collections
 - (3) Semen processing/freezing
 - (4) Semen shipments
 - d. Comply with the breed association requirements with regards to

recording of DNA test results, which may result from blood typing/microsatellites profiling or SNP genotyping for all registered bulls owned and leased by the A.I. Business.

- e. Inform the owners of all registered bulls, being custom collected, of the blood typing/microsatellite profiling/ or SNP genotyping requirements of the appropriate breed association.

Report information on each bull the first-time semen is collected to the respective breed association, if required.

- f. Accept and cooperate in an annual Semen Identification, A.I. Center Animal Management, Semen Quality Control and Sire Health Audit by a representative of CSS giving such representative complete access to all phases of semen production and related identification functions; as well as make available all records pertinent to this Agreement for examination by the person making the Audit. This includes allowing a representative of the USDA to attend CSS audits as required by the USDA/CSS MOU.

- g. Cooperate with CSS to implement corrective actions required to comply with the CSS agreement.

- 3. Provide and maintain accurate records of original dispatch of semen from inventory.

- 4. Assist in resolving alleged misidentification of semen processed by the A.I. Business and offspring from the use of such semen, including:

- a. Genotyping, necessary to clarify matters of identification and parentage for registered cattle, shall be conducted by an ICAR approved laboratory. See ICAR.org
- b. Notify the appropriate breed associations and CSS of any investigative work required to resolve alleged misidentifications.
- c. Cooperate in the conduct of any additional genotyping requested by CSS to maintain accurate identification of semen and investigating alleged misidentification in registered and grade livestock.
- d. Assume financial responsibility for clarifying questions of identification and parentage created by said A.I. Business and its representatives when proven at fault.

- 5. Accept Definition of Terms used herein in connection with any construction of this Agreement as shown by Exhibit B *Definition of Terms* attached.

- C. Comply with the following provisions for semen quality control:

- 1. Accept responsibility for following a documented, comprehensive semen quality control program with a goal of helping to ensure that each unit of semen

produced contains sperm of adequate quantity and quality to achieve normal fertility in producer's herds.

2. Agree to implement industry developed and recommended minimum procedures for semen quality control monitoring through CSS.
3. Provide details of your semen quality control procedures and minimum standards for review during the CSS audit and by ad hoc communication.

These details will include but are not limited to:

- a. Sperm enumeration procedures
 - b. Equipment calibration methods and frequency of calibration.
 - c. Semen extension rate information and parameters used to determine minimum/maximum sperm per straw.
 - d. Pre-freeze and post thaw evaluation information and QC standards.
 - e. Semen discard data.
 - f. Written SOPs with internal standards for semen quality control.
 - g. Procedures followed for semen quality exceptions.
 - h. Physical identifier for semen below quality control minimums if applicable.
 - i. Procedures and identifiers for alternate semen products if applicable.
4. Provide information regarding training of personnel demonstrating that they are competent and adequately trained for quality control work.
 5. Agree to accept reasonable recommendations of the CSS auditor regarding semen quality control standards for compliance and evaluation of competency.
 6. Agree to submit representative semen samples to designated central testing or reference laboratories on occasion as may be needed for the purpose of industry research, semen quality assurance programs or disputes.
 7. Agree to participate in evaluation of blind semen samples in a "round-robin" quality assessment program conducted from time to time as a general industry assessment.
- D. Comply with the following provisions for Sire Health for *all* semen collected and or processed at the center:
1. Assume responsibility to inform the owners of bulls from which semen is custom collected of:
 - a. The potential for transmission of disease via fresh and frozen semen.
 - b. Customary industry practices with respect to health of bulls.
 - c. The existence of any state regulations relative to bovine semen, health testing or animal transportation.
 - d. The existence of regulations relative to the exportation of bovine semen from

the United States to most foreign countries and that semen processed under the "CSS Minimum Requirements for Disease Control of Semen Produced for A.I." may not meet the provisions of such regulations.

2. Utilize the CSS label "Health Certified Semen" only regarding semen from bulls residing in "CSS Certified" facilities. Semen produced from bulls in a "CSS Certified" facility meets or exceeds all the provisions outlined in the "CSS Minimum Requirements for Disease Control of Semen Produced for A.I." The CSS auditor will certify either an AI Business or specific areas within an AI Business "CSS Certified" when conditions comply with or exceed the *CSS Minimum Requirements for Disease Control of Semen Produced for A.I.* set forth in Exhibit C [Minimum Requirements \(naab-css.org\)](http://naab-css.org) and *CSS Certified Facility Requirements and Conditions* set forth in Exhibit D attached hereto and as they may be amended consistent with changing industry practices.
 - a. Imprint the CSS logo only on semen packages containing CSS "Health Certified Semen" as defined in paragraph D.2 above.
 - b. Comply with the following provisions when displaying the CSS logo and otherwise publicly reporting affiliation with CSS:
 - (1) If all semen advertised and sold by the A.I. Business is processed in compliance with the "CSS Minimum Requirements for Disease Control of Semen Produced for A.I." said A.I. Business may display the CSS logo at its discretion and may include the words "Health Certified Semen" or "Exclusive" in association with the use of the CSS logo.
 - (2) If imported semen is marketed by the A.I. Business, in conjunction with the use of the CSS logo and is advertised as "Health Certified Semen", it must meet or exceed the requirements of the current CSS Semen Import Policy.
 - (3) If all semen processed by the A.I. Business's custom freezing service complies with the "CSS Minimum Requirements for Disease Control of Semen Produced for A.I." said A.I. Business may display the CSS logo at its discretion and may include the words "Health Certified Semen" or "Exclusive" in association with the use of the CSS logo.
 - (4) If only a portion of the semen produced by the A.I. Business is produced in compliance with the "CSS Minimum Requirements for Disease Control of Semen Produced for A.I." said A.I. Business may display the CSS logo with the word "Available" in association with it when advertising custom freezing services and shall be consistent with a format provided by CSS.
3. Maintain the records of health tests completed on each bull for a period of seven (7) years from the date of such tests.

- E. Comply with the following provisions for A.I. Center Animal Management.
1. The A.I. business expressly authorizes CSS, its employees, or representatives who are duly authorized by the CSS Board of Directors to examine pertinent records and facilities owned by the AI Business for the purpose of evaluating compliance with the “CSS-A.I. Center Animal Management Guidelines”.
- F. Comply with provisions of the USDA-CSS Inspection Checklist for Approval of Bovine Semen Collections Centers (SCC) for Export (other than for export to the European Union or any other country with specific requirements) per the current MOU between NAAB/CSS and USDA-APHIS.

The undersigned A.I. Business does further agree that an authorized USDA-APHIS representative may accompany the authorized CSS representative on the audit.

- G. The undersigned A.I. Business does expressly authorize CSS, its employees, or representatives who are duly authorized by the CSS Board of Directors to examine the records and facilities owned by the undersigned A.I. Business for the purpose of making Audits provided for under this Agreement. Nevertheless, A.I. Business may refuse such access to CSS employees, representatives, or Board members who, in its reasonable discretion, the A.I. Business believes would pose a potential conflict of interest to those of the A.I. Business.

The undersigned A.I. Business does further agree to implement any necessary corrective action(s) as outlined by the CSS auditor. Proof of implementation must be provided to the CSS auditor by a mutually agreeable assigned deadline date. Failure to comply may result in Suspension, pursuant with Section V., or the termination of this agreement.

The undersigned A.I. Business does further authorize CSS to make such Audits and gather such information as it deems necessary in the event a written complaint is filed with CSS in connection with the sale and or delivery of any semen produced by the undersigned A.I. Business in accordance with this Agreement.

The undersigned A.I. Business does further expressly authorize CSS to terminate this Agreement when the results of the Audit and other conduct of the undersigned A.I. Business does not meet the standards and procedures as established by CSS; subject to rights of restoration under the procedures set out in Section VI. on Appeals.

III. CSS agrees to:

- A. Be responsible for, participate in, and aid in providing a Semen Identification, A.I. Center Animal Management, Semen Quality Control and Sire Health Auditing Service to said A.I. Business which is uniform with the Auditing Service provided all other such A.I. Businesses under Agreement with CSS, including:
1. Provide a complete report of the Audit to the President and Manager of the A.I. Business including notice of any violations and required corrective actions, along with recommendations to improve semen identification, A.I. center animal management, semen quality control and sire health procedures. The said report will be provided within sixty (60) days following completion of the Audit.

2. Assist the A.I. Business with the development of necessary improved procedures and controls for accurate semen identification, A.I. center animal management, semen quality control and an approved sire health program. The CSS auditor will determine a mutually agreed deadline date for implementation of improved procedures and controls or corrective actions.
 3. Notify the AI Business, in writing, of suspension of CSS Certification, and any reinstatement of CSS Certification, pursuant to Section V, below.
 4. Authorize the A.I. Business to display the appropriate logo when in the judgment of CSS, the conditions of this Agreement are fulfilled.
 5. Provide an Appeal, pursuant to section VI., for the A.I. Business when in disagreement with the judgment of CSS.
 6. Respect the right of said A.I. Business to exercise jurisdiction over all employees for whom it assumes responsibility.
- B. Consult with other organizations or organized groups with responsibilities for semen and animal identification, A.I. center animal management, semen quality control and health of bulls producing semen for A.I. when making significant changes in the Auditing Service in an effort to assure that the Auditing service will continue to meet the reasonable needs of these organizations to carry out their respective animal identification responsibilities, A.I. center animal management, semen quality control, and sire health programs.

This may include conferring with USDA-APHIS regarding qualification of the semen collection center for bovine semen exports.

- C. Assist in resolving alleged misuse or sale of semen processed by the A.I. Business which does not meet the conditions of this Agreement. Cooperate, to the extent reasonable and practical in assisting, in the clarification and resolution of problems of parentage and identification and sire health when the A.I. Business or user of semen that has been provided by the A.I. Business files a formal "Request for Investigation Study".
- D. Notify the President and Manager of the A.I. Business, at any time that a complaint is lodged against the A.I. Business, of the need for a special investigation by CSS. Said notification shall include appropriate notice of the nature of the complaint and the nature of the investigation that will be conducted by CSS.
- E. Except as appropriate to carry out the terms of this Agreement or as required by applicable law or legal process, to keep all communications, inspections, documents, trade secrets and other information regarding the participating organization strictly confidential during the term of this Agreement and for three (3) years following the termination of this Agreement.

IV. Indemnification:

The undersigned A.I. Business does further agree to indemnify and hold CSS, its agents, officers,

employees, and representatives harmless from any third-party claims arising from a CSS report of investigation created or performed under this Agreement, provided that such indemnity shall not apply if the relevant CSS report knowingly included false information or other misrepresentations about the A.I. Business.

V. Suspension and Reinstatement:

- A. The A.I. Business' continuous compliance with all of its obligations under this Agreement is a condition of the A.I. Business' certification hereunder. Suspension is the loss of CSS Certification due to A.I. Business' failure to comply with its obligations under this Agreement. Suspension may result in the USDA revoking A.I. Business' export eligibility. Suspension status will be determined by the CSS Service Directors.
- B. CSS shall provide written notice to the A.I. Business of any suspension of CSS Certification, specifying details of the infraction, post- suspension corrective actions required and timetable for completion.
- C. The USDA will be notified of any suspension of A.I. Business' CSS Certification, and of the status of any post-suspension corrective action plan. USDA will determine whether to reinstate any suspended organization's export eligibility.
- D. A.I. Business can have its CSS Certification reinstated by enacting a post-suspension corrective action plan, subject to approval by the CSS Director(s) and upon satisfactory completion of all said corrective actions. CSS shall notify A.I. Business in writing of the effective date of any lifting of suspension of CSS Certification.

VI. Appeals:

If A.I. Business is dissatisfied with any decision that would terminate this Agreement or any decision by CSS not to reinstate the A.I. Business after termination, the A.I. Business shall be entitled to appeal said decision in the manner set forth below. If the A.I. Business files an appeal to the decision to terminate its Agreement, this Agreement cannot be officially terminated until the Appeals procedure herein described is complete.

- a. The undersigned A.I. Business shall notify the President of CSS in writing of its desire to appeal the decision described above within thirty (30) days after the date of mailing of the written decision to which the appeal is directed. Said request shall state in writing what act or actions of CSS or its employees, officers, agents, or representatives is improper to which the undersigned A.I. Business objects and reason for said objections.
- b. Upon receipt of such written appeal notice, the President shall schedule said appeal for a hearing at the next meeting of the Board of Directors of CSS. The matter may be heard at a regular meeting of the Board of Directors or at a special meeting, but the appeal shall be heard no later than sixty (60) days after said appeal request is received.
- c. The Board of Directors shall proceed to hear said appeal at said meeting of the Directors and the undersigned A.I. Business or its attorney or representative shall be entitled to present the basis for said appeal at said meeting. CSS officers or employees who make the determination shall also have the right to present to the Board of Directors the reason

for their decision on the disputed issue. The Board of Directors shall then after hearing said appeal, vote to determine whether the actions of the representatives of CSS shall be overruled. If a majority of the Board of Directors present for said meeting vote to overrule the action of the CSS representatives, that appeal shall be sustained, and the action appealed from shall be rescinded. If a majority of the Board of Directors does not vote in favor of overruling said action, the action taken by the representatives of CSS shall stand.

- d. In the event the appeal is denied, the A.I. Business may at that time apply for a new Semen Identification and Sire Health Auditing Service Agreement with CSS and if CSS is satisfied that the defective practice has been corrected, the A.I. Business may be granted a new Agreement by CSS. If the request for a new Agreement is denied, the A.I. Business may appeal said denial in the manner set out above. If said appeal is sustained the A.I. Business shall be restored to the full rights of said Agreement, but the applicant shall have no claim against CSS, its officers, employees, agents, or representatives for any liability in connection with their decision regarding termination or readmission.

VII. Representations:

The undersigned A.I. Business does hereby acknowledge and agree that only the employees of CSS shall be entitled to conduct the semen identification, A.I. center animal management, semen quality control, and sire health audit provided for under the agreement, and that the undersigned A.I. Business acknowledges that neither the A.I. Business nor any of its agents, servants, or employees shall be entitled to conduct such audit services as called for under the Agreement and are not authorized to represent to any third party that the A.I. Business or its agents, servants, or employees serve as agents for Certified Semen Services, Inc., nor shall they represent that they are entitled to make representations on behalf of Certified Semen Services, Inc.

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Exhibit A

Fee Schedule

Pay to CSS fees:

1. \$1,650 annual location fee within sixty (60) days following the beginning of each Agreement year.
2. \$1,650 annually for each location beyond the principal location, payable within sixty (60) days following the beginning of each Agreement year.
3. Five-tenths cent (\$0.005) per breeding unit of beef and dairy semen produced and sold in the U.S. and all other countries from bulls owned or leased by said A.I. Business, payable quarterly within 45 days after the end of each quarter of the Agreement year.
4. Five-tenths cent (\$0.005) per breeding unit of beef and dairy semen custom frozen, payable quarterly within 45 days after the end of each quarter of the Agreement year, and
5. A penalty of one percent (1%) per month shall be added to any payments not paid when due as above described.

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Exhibit B

DEFINITION OF TERMS

- 1. Artificial Insemination (A.I.) Business:**
An individual or business entity under Agreement with CSS which: (1) owns or has lease to one or more bulls from which said individual, or business entity collects, processes, and distributes semen for use in insemination of cattle or (2) which for valuable consideration collects, processes, stores and distributes semen from bulls owned by others.
- 2. Audit:**
The examination of facilities, procedures, and records to assure accurate semen identification and compliance with the CSS Minimum Requirements for Disease Control of Semen Produced for AI and other CSS Agreement provisions.
- 3. CSS Certified Facility:**
A facility that is comprised of CSS Certified Resident barn, areas, or pens and or CSS Certified Isolation barn, areas, or pens. This may be an entire AI Business or specific areas within an AI Business.
- 4. CSS Health Certified Semen:**
Frozen semen, from a bull, that has successfully complied with all aspects of the CSS Minimum Requirements for Disease Control of Semen Produced for A.I. and the CSS Participant Agreement
- 5. Effective Separation:**
Physical separation of animals without common or shared handling, watering, or feeding facilities or equipment. Feed and manure handling vehicles should not move between premises containing herds of different (lesser) health test status. However, if it is absolutely necessary to share equipment between facilities, such equipment must be thoroughly cleaned and disinfected prior to moving movement between facilities, moving from higher health status to lower health status whenever possible. If herds, with a different health test status, are fed and handled by the same personnel, workers must wear protective clothing and footwear dedicated to each herd.
- 6. Location:**
A location may be of two types: (1) The principal location is the site of the administrative offices and production facilities for the A.I. Business (defined in paragraph 1 above), (2) A location beyond the principal location is the site of production facilities and offices that are under the control of or owned by the A.I. Business and are beyond a driving distance of 50 miles from the principal location.
- 7. Site Plan:**
Is a satellite image or to scale map of the physical location, property boundaries and each designated health area. This site plan should include health status indications and barn/zone identification.

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Exhibit D

CERTIFIED FACILITY REQUIREMENTS AND CONDITIONS

1. The CSS Certified Facility is identifiable in an AI Center site plan and has appropriate signage.
2. The CSS Certified Facility operates under written facility procedures and maintains complete and up to date SOPs that are reviewed and amended with regularity.
3. The CSS Certified Facility must be dedicated to bulls and mount animals that meet or exceed the CSS Minimum Requirements.
4. All animals in a CSS Certified Facility must bear individual uniform identification (ear tag, leg band, neck chain) that is clearly visible and conforms with the NAAB Uniform Coding System.
5. All Animals that physically enter a CSS Certified Facility must have been tested according to the "Pre-Entry to Isolation" section of the CSS Minimum Requirements with negative results.
6. Bulls and mounts destined for the CSS Certified Facility arriving at the AI center without Pre-Entry testing or if Pre-Entry test results are pending, must be held in a physically separate facility/location while undergoing CSS Pre-entry testing and/or until results are known.
7. Appropriate sections of the CSS Certified Facility shall be thoroughly cleaned and disinfected, where possible, prior to introduction of new occupants.
8. All CSS "Isolation" and "Resident Herd" testing shall be conducted while the animal is on the AI center premises and housed in the CSS Certified Facility.
9. Diagnostic sampling and testing procedures must comply with the CSS Minimum Requirements.



SIGNATURE PAGE – CSS PARTICIPANT AGREEMENT #20230101

The undersigned person has reviewed, and has authority to sign, on behalf of the stated organization this Agreement CSS #20230101 and has authority to bind the organization to the terms of the agreement. Further, the undersigned agrees to inform the operational managers of the organization of the requirements herein.

Name: _____

Title: _____

Organization: _____

Signature: _____

Date: _____

The undersigned President of CERTIFIED SEMEN SERVICES, INC.(CSS) has been given authority by its Board of Directors to sign this agreement on behalf of CSS and has authority to bind the organization to the terms of this agreement and acknowledges the receipt of this signed document on behalf of CSS.

Name: _____ JAY L. WEIKER _____

President of Certified Semen Services
8413 Excelsior Drive, Suite 140
Madison, WI 53717

Signature: _____

Date: _____

