

ANNEX 1

WAX AND GREEN BEANS

SPECIAL PROVISIONS

1. 2024 MINIMUM SELLING PRICES

1.1 The minimum prices to be paid to growers are as follows:

| Bean Categories | Base price Price per net ton | | Base price + 10% for irrigation ⁽¹⁾ Price per net ton | | Yield sh tn/acre | Revenue threshold (before irrigation) \$/seeded acre |
|---|---------------------------------|---------------|--|---------------|---------------------|---|
| | \$/sh tn | \$/mt | \$/sh tn | \$/mt | | |
| REGULAR green | 268 | 295.41 | 294.80 | 324.96 | 4.04 | 1 083 |
| REGULAR wax | 258 | 284.39 | 283.80 | 312.83 | 4.26 | 1 099 |
| MEDIUM-SMALL green | 247 | 272.27 | 271.70 | 299.49 | 4.48 | 1 107 |
| MEDIUM-SMALL wax | 196 | 216.05 | 215.60 | 237.65 | 5.68 | 1 113 |
| LARGE green | 257 | 283.29 | 282.70 | 311.62 | 4.27 | 1 097 |
| EXTRA-SMALL green and wax non-irrigated | 360 | 396.83 | N/A | N/A | 3.05 | 1 098 |
| EXTRA-SMALL green and wax irrigated | 395 | 435.41 | N/A | N/A | 4.08 | 1 612 |

⁽¹⁾The revenues for irrigation shall be subject to compliance with Article 2 of the wax and green beans annex of the grower's individual contract. In the case where the grower irrigates but only partially covers the needs of the crop, the Buyer reserves the right to reduce the premium to 5%.

The minimum selling prices indicated are net of harvesting and transport costs.

The prices and special provisions for organic beans are defined in Letter of Understanding "A" of this Annex.

1.2 Premiums and lump sum payments

1.2.1 As a planting premium, the Buyer shall pay the grower the following amounts per category, for each seeded area:

| PREMIUMS \$/seeded acre | | |
|----------------------------|--------------|---|
| REGULAR and LARGE beans | MEDIUM-SMALL | EXTRA-SMALL green and wax beans (irrigated and non-irrigated) |
| 196.22 | 204.75 | 213.28 |

However where the parcel planted in beans had previously been planted with peas during the same season, the premium for each area seeded to beans will be 65% of the amount specified in the premiums table.

The production premium may not be paid to grower for the portion of a field affected by pesticide drift, for the use of an herbicide causing crop injury or for a pesticide residue used the previous year. In such a case, the Buyer must document and inform the grower and the PLTQ of the non-payment of the premium.

- 1.2.2 The Buyer shall pay the grower a lump sum for early and late planting in \$ per day (cumulative) per acre seeded in wax and green beans, according to the following table:

| LUMP SUMS \$ / seeded acre | | | | | | | |
|-------------------------------|------|---------------|------|---------------------------------|------|---------------|------|
| Wax and green beans | | | | Extra-small green and wax beans | | | |
| Before May 15 | | After July 15 | | Before June 1 | | After July 15 | |
| May 10 | \$25 | July 16 | \$5 | May 19 | \$65 | July 16 | \$5 |
| May 11 | \$20 | July 17 | \$10 | May 20 | \$60 | July 17 | \$10 |
| May 12 | \$15 | July 18 | \$15 | May 21 | \$55 | July 18 | \$15 |
| May 13 | \$10 | July 19 | \$20 | May 22 | \$50 | July 19 | \$20 |
| May 14 | \$5 | July 20 | \$25 | May 23 | \$45 | July 20 | \$25 |
| | | July 21 | \$30 | May 24 | \$40 | July 21 | \$30 |
| | | July 22 | \$35 | May 25 | \$35 | July 22 | \$35 |
| | | July 23 | \$40 | May 26 | \$30 | July 23 | \$40 |
| | | July 24 | \$45 | May 27 | \$25 | July 24 | \$45 |
| | | July 25 | \$50 | May 28 | \$20 | July 25 | \$50 |
| | | July 26 | \$55 | May 29 | \$15 | July 26 | \$55 |
| | | July 27 | \$60 | May 30 | \$10 | July 27 | \$60 |
| | | July 28 | \$65 | May 31 | \$5 | July 28 | \$65 |

Lump sums of \$5.00/ac/day for seeding prior to the dates in this table apply as required. In addition, lump sums continue at \$5.00/ac/day for seeding after July 28, if applicable.

- 1.2.3 In the event of a complete production failure early in the season and the subsequent reseeded of the same crop on the same grower's land, the planting premium shall apply only once.

As for the lump sum paid based on seeding dates, in the case of reseeded, as described above, only one lump sum will apply.

In both cases, the higher amount will apply.

1.3 Special compensation

If a grower is unable to fulfil his contract for climatic, or other reasons beyond his control, and the contracted acreage cannot be planted to another insurable processing vegetable crop, the Buyer shall notify the PLTQ in writing and shall pay the grower a revenue compensation of \$350/contracted acre.

2. PAYMENT TERMS

- 2.1 Payments shall be made to growers as follows:

- 2.1.1 After deducting all monies owed by the grower, the Buyer shall pay by direct deposit, on or before first Thursday of November in the current year, and exceptionally 15 days after the end date of the harvest in the case of a late year, the net amounts due to the grower for all accepted wax and green beans, as well as any other amounts due according to this Agreement.
- 2.1.2 All monies owed for seeds and other services provided by the Buyer are payable at the time of payment for the product and bear no interest. As well as any other amounts owed as determined by the good standing grievance process as described in Article 5 of the General Provisions of this Agreement.
- 2.2 Upon the final payment, the Buyer shall provide the grower with an invoice stating the following:
- ⇒ The net payment for all wax and green beans delivered;
 - ⇒ The purchase price paid for wax and green beans;
 - ⇒ The amount of premiums, lump sum payments, adjustments payments, compensation payments and any other sums paid to the grower;
 - ⇒ All deductions withheld from the grower and/or in accordance with the Act.

3. SEED

- 3.1 The Buyer shall be required to have a sample taken for germination by a laboratory accredited by the Canadian Seed Institute for all carry-overs seeds lots one year old and over. The Buyer shall specify the results of this test on a tag attached to each delivery of seed.

The grower acknowledges that the Buyer is the exclusive supplier of the seed and no other seed may be used.

- 3.2 The Buyer shall also indicate the following information on the tag:

- ⇒ the species
- ⇒ the category of seed
- ⇒ the variety
- ⇒ the lot number
- ⇒ the number of seeds per bag, per pound or per kilogram
- ⇒ the number of bags delivered
- ⇒ the result of the germination test

- 3.3 The price stipulated in the Agreement is price per 1,000 seeds, and the grower shall be invoiced on that basis, according to the agreed seeding density.

If the recommended sowing rate is different from the agreed sowing rate, this must be specified in writing. If it is higher than agreed in the agreement, it shall be at the expense of the Buyer.

- 3.4 Responsibility for compliance with the recommended density remains with the growers. This density must not be less than 70% of the recommended population.

4. CALCULATION OF AVERAGE YIELD AND ALLOTTED VALUES

- 4.1 The grower's last five-year (5) average yield shall be determined on the basis of planted acreage.

However, in the case of areas abandoned due to excessive heat (Article 6.2), excessive water preventing harvesting (Article 6.3), loss of quality – disease (Article 6.4), loss of quality – early frost (Article 6.5), overabundance or through the fault of the Buyer (Article 6.1), the yield of the unharvested areas shall be determined either on the basis of the harvested areas or on an assessment of the yield of unharvested areas.

Also, in the case of by-passed fields or parts of fields and the reseeded of the same product on the same land, the yield shall be calculated solely on the basis of the harvested acreage.

4.2 The yield per category of beans shall be calculated in “\$ per acre” and shall be indexed at current value.

Where a grower has produced various categories over the years, such grower’s average yield, for a given category, shall be determined as follows:

⇒ the yields of bean categories which have been produced will be multiplied by the conversion factors set out in Table 1 to obtain the equivalent yield for another category of beans.

The conversion factors specified in Table 1 are calculated as follows:

$$\text{Conversion factor} = \frac{\text{Revenue threshold for category of beans to be produced}}{\text{Revenue threshold for category of beans already produced}}$$

TABLE 1

| | Category of beans to be produced | Regular green | Regular wax | Medium-small green | Medium-small wax | Large green | Extra-small green and wax non-irrigated | Extra-small green and wax irrigated |
|---|----------------------------------|---------------|--------------|--------------------|------------------|--------------|---|-------------------------------------|
| Category of beans already produced | | 1 083 | 1 099 | 1 107 | 1 113 | 1 097 | 1 098 | 1 612 |
| Regular green | 1 083 | 1.000 | 1.015 | 1.022 | 1.028 | 1.013 | 1.014 | 1.488 |
| Regular wax | 1 099 | 0.985 | 1.000 | 1.007 | 1.013 | 0.998 | 0.999 | 1.467 |
| Medium-small green | 1 107 | 0.978 | 0.993 | 1.000 | 1.005 | 0.991 | 0.992 | 1.456 |
| Medium-small wax | 1 113 | 0.973 | 0.987 | 0.995 | 1.000 | 0.986 | 0.987 | 1.448 |
| Large green | 1 097 | 0.987 | 1.002 | 1.009 | 1.015 | 1.000 | 1.001 | 1.469 |
| Extra-small green and wax non-irrigated | 1 098 | 0.986 | 1.001 | 1.008 | 1.014 | 0.999 | 1.000 | 1.468 |
| Extra-small green and wax irrigated | 1 612 | 0.672 | 0.682 | 0.687 | 0.690 | 0.681 | 0.681 | 1.000 |

4.3 New grower

Should a grower be in his first year with a Buyer, such grower’s average yield will be the higher of the following two yields:

- ⇒ either the average yield per acre over the last five (5) years of all the growers who supplied this Buyer (see Article 4.10)
- ⇒ or the revenue threshold set out in Article 4.9 of this Annex for the category concerned

4.4 Grower who didn't produce in all of the last five (5) years

One of the following procedures shall be used:

4.4.1 For the grower who has produced in either one (1) or two (2) crop years in the last five (5) years

His annual yield per acre, weighted if two (2) years, shall be added to the average annual yield per acre of all growers who have contracted with such Buyer for each year missing.

4.4.2 For the grower who has produced in either three (3) or four (4) crop years in the last five (5) years

His annual yield per acre, weighted by the number of years in which he has produced a crop of beans, shall be added to either one or more indexed yields, for each year missing, where applicable.

Indexed yields shall be determined by multiplying the average annual yield per acre of all the growers who have furnished such processor by the yield performance (%) of such grower.

For determining the grower's yield performance (%), his average annual yield per acre, weighted where applicable, shall be divided by the average annual yield of all the growers who have furnished such Buyer during the same years.

4.4.3 If there is no purchase by the Buyer

If the Buyer has not purchased the said product in all of the last five (5) years, the yield of the grower shall be allotted on the basis of the number of years of production contracted with such Buyer.

4.5 The average yield per acre for each category the grower may be allotted shall be written in his contract or sent in writing to the grower before the April 20.

4.6 Individual value

The individual value allotted to each grower per category of beans is determined by multiplying his average yield per acre mentioned in his contract by the planted acreage contracted for each category.

4.7 Total value

The total value anticipated by a Buyer for each category of beans may be over and above but never less than the total sum of individual values allotted, pursuant to Article 4.6 of this Annex, for all planted acreage contracted for each category.

4.8 Average potential yield

The average potential yield for the current year shall be equal to the total sum of individual values allotted pursuant to Article 4.6, divided (\div) by the total acreage seeded for such category.

4.9 Revenue threshold

For the purposes of implementing Articles of sections 7 and 8 of this Annex, the average annual yield per acre of all growers shall never be less than:

| Category of beans | Conventional \$/seeded acre | Organic \$/seeded acre |
|---|--------------------------------|---------------------------|
| Regular green beans | 1 083 | 1 582 |
| Regular wax beans | 1 099 | N/A |
| Medium-small green beans | 1 107 | 1 582 |
| Medium-small wax beans | 1 113 | 1 582 |
| Large green beans | 1 097 | N/A |
| Extra-small green and wax beans non-irrigated | 1 098 | 1 582 |
| Extra-small green and wax beans irrigated | 1 612 | 1 740 |

4.10 Each Buyer shall forward to the PLTQ, prior to harvesting, a report per category of beans stating the total area planted on each grower's land and the total sum of individual values allotted. The Buyer shall also indicate his last five-year average yield. The yield is calculated by bean category for all of the Buyer's plants.

5. HARVESTING

5.1 Upon the grower's request, the Buyer shall keep him informed of his field's maturation. The Buyer notifies the grower in advance of the date on which he intends to start harvesting.

5.1.1 In the event of disagreement related to the causes of abandonment or any harvesting problem, the grower may ask the Buyer and the PLTQ for an expert evaluation in order to document the problem. The Buyer and the PLTQ may decide, by mutual agreement, to request an external expertise. In this case, the costs of this expertise shall be paid in equal parts by the Buyer and the PLTQ.

5.2 Upon leaving the farm, the Buyer shall be responsible for transportation unless the grower himself provides for delivery.

5.3 Upon leaving the field, the operator hauling the crop shall provide a copy of the weight ticket to the identified person in charge of the harvesting team. The grower will be able to collect all his tickets from the person in charge of the harvesting team.

5.4 The Buyer shall on request inform the grower of grading results for all beans delivered to the Buyer's factory or receiving station.

However, in the event that the percentage of tare is more than 15%, the Buyer shall inform the grower of the foregoing within 24 hours.

5.5 Each Wednesday, the Buyer must email the grower, or his representative, a receipt for all plot receipts completed on the preceding Sunday (last truck emptied before midnight).

This ticket indicating:

- ⇒ the name of the grower
- ⇒ the date
- ⇒ the hour of arrival
- ⇒ the number appearing on the weight ticket
- ⇒ the total gross weight
- ⇒ the weight of the truck
- ⇒ the weight of the load delivered
- ⇒ Tare percentage of each truck (%)
- ⇒ the net weight

If the grower does not have an email address, the receipt will be mailed by the Buyer on Wednesday.

- 5.6 To simplify transactions between the grower and the Buyer, the minimum selling prices, per short ton, to be paid to growers, set out in Article 1.1, are net of harvesting and transportation-related expenses. These costs correspond to the service charges, per net short ton, listed in the Appendix included in this Annex.

The Buyer must indicate the total harvesting and transportation expenses on the grower's statement of account.

6. ABANDONED FIELDS

When a Buyer definitively **abandon** a field, he must immediately notify the grower verbally and in writing, with a copy to the PLTQ; he must indicate the **abandoned** area as well as the reason.

6.1 Fault of the Buyer

In the event that the Buyer is unable through his own fault or should he refuse for no valid reason to take delivery of a crop of beans, in whole or in part, such Buyer shall pay the grower according to the potential of his crop for all regulated products left unharvested the higher of the following, up to the potential yield of the crop:

- ⇒ 120% of the grower's last five-year average yield per acre contracted by his processor pursuant to Articles 4.1 to 4.4 of this Annex
- ⇒ 120% of the average potential yield per acre of all the growers who signed a contract with such processor pursuant to Article 4.8 of this Annex

6.2 Excessive heat

When a field or part of a field is unharvested due to excessive heat, the Buyer agrees to compensate the grower individually for the affected acreage according to the field's potential yield, less 80% of the grower's average yield as specified in his individual contract.

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- ⇒ 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less 80% of the average yield of the grower indicated in his individual contract
- ⇒ 120% of the yield threshold for the bean category specified in section 4.9 of this Annex, less 80% of the grower's yield as indicated in his individual contract

If applicable, the portion of the harvest potential minus 80% of the average yield of the grower indicated in his contract, exceeding the amount paid by the Buyer, shall be supplemented by the equalization fund provided for in this agreement.

The parties shall leave it to *La Financière agricole du Québec* to determine excessive heat. In the event that the grower has not insured his crop, it shall be up to the Buyer to determine whether excessive heat is involved.

When a field is abandoned due to excessive heat, the Buyer must establish, at his own expense and within 48 hours, the potential of the field at a quality in accordance with the Buyer's specifications (% rotten, stained, damaged less than 3%).

The first method used to assess the potential of the field is mechanical assessment. If it is not possible to use this method, pre-harvest sample results obtained by the Buyer will be used.

In the case of disagreement between the grower and the Buyer on the results obtained or unavailability of data, the potential of the grower's field will be determined according to the average of the variety used in a week of harvest, weighted according to each grower taking into account his performance by region.

6.3 Excess water preventing harvesting

Where a field or part of a field is abandoned due to excess water preventing harvesting, the Buyer agrees to compensate the grower individually for the affected acreage according to the field's potential yield, less 80% of the grower's average yield as specified in his individual contract.

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- ⇒ 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less 80% of the average yield of the grower indicated in his individual contract
- ⇒ 120% of the yield threshold for the bean category specified in section 4.9 of this Annex, less 80% of the grower's yield as indicated in his individual contract

The parties shall leave it to *La Financière agricole du Québec* to determine excess water preventing harvesting. In the event that the grower has not insured his crop, it shall be up to the Buyer to determine whether or not excess water is involved.

When a field is abandoned due to excess water preventing harvesting, the Buyer must establish, at his own expense and within 48 hours, the potential of the field to a quality in accordance with the Buyer's specifications (% rotten, stained, damaged less than 3%).

The results of pre-harvest samples obtained by the Buyer will be used to determine the potential of the field.

In the case of disagreement between the grower and the Buyer on the results obtained or unavailability of data, the potential of the grower's field will be determined according to the average of the variety used in a week of harvest, weighted according to each grower taking into account his performance by region.

6.4 Loss of quality – Diseases

Where a field or part of a field is abandoned due to pod quality unfit for processing as a result of the presence of Sclerotinia (*S. Sclerotiorum*) and/or spots from bacterial diseases:

- ⇒ bacterial blight (*Pseudomonas s. phaseolicola*)
- ⇒ brown pigmentation (*Xanthomas c. phaseoli*)
- ⇒ bacterial brown spot (*Pseudomonas s. syringae*)

The Buyer agrees to compensate the grower individually for the affected acreage according to the field's potential yield, less 80% of the grower's average yield as specified in his individual contract.

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- ⇒ 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less 80% of the average yield of the grower indicated in his individual contract
- ⇒ 120% of the yield threshold for the bean category specified in section 4.9 of this Annex, less 80% of the grower's yield as indicated in his individual contract

When a field is abandoned due to loss of quality - disease, the Buyer must establish, at his own expense and within 48 hours, the potential of the field to a quality in accordance with the Buyer's specifications (% rotten, stained, damaged less than 3%).

The results of pre-harvest samples obtained by the Buyer will be used to determine the potential of the field.

In the case of disagreement between the grower and the Buyer on the results obtained or unavailability of data, the potential of the grower's field will be determined according to the average of the variety used in a week of harvest, weighted according to each grower taking into account his performance by region.

6.5 Loss of quality -Early frost

When a field or portion of a field is abandoned due to deficient processable pod quality caused by an early frost that occurred:

- From September 15 to September 21, the Buyer agrees to compensate the grower individually for that seeding based on the potential of the crop up to the grower's average, less 80% of the grower's average yield shown on the grower's individual contract.
- On or after September 22, the Buyer agrees to compensate the grower individually for that planting based on crop potential, less 80% of the grower's average yield as shown on the individual contract.

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (products and lump sums):

- ⇒ 120% of the average yield per acre for the last five (5) years of the grower concerned with this processor, as established in Articles 4.1 to 4.4, less 80% of the average yield of the grower indicated in his individual contract
- ⇒ 120% of the yield threshold for the bean class specified in section 4.9 of this Annex, less 80% of the Grower's yield as set out in the Grower's individual contract

When a field is abandoned due to loss of quality - Early frost, the Buyer must establish, at his own expense and within 48 hours, the potential of the field to a quality in accordance with the Buyer's specifications (% rotten, stained, damaged less than 3%).

The results of pre-harvest samples obtained by the Buyer will be used to determine the potential of the field.

In the case of disagreement between the grower and the Buyer on the results obtained or unavailability of data, the potential of the grower's field will be determined according to the average of the variety used in a week of harvest, weighted according to each grower taking into account his performance by region.

6.6 All compensation due and owing shall be paid according to the current prices.

7. OVERABUNDANCE

7.1 Temporary overabundance

- 7.1.1 Temporary overabundance shall mean a temporary period of high yields during which the Buyer is unable due to operational constraints to harvest all the crops.
- 7.1.2 For the purposes of applying the temporary overabundance formula, all bean categories, as well as all the factories of a Buyer shall be taken into account.
- 7.1.3 Should there be a temporary overabundance of beans, the Buyer may leave some acres unharvested.
- 7.1.4 The areas unharvested due to temporary overabundance must be measured with precision and preferably by a third party.
- 7.1.5 The grower concerned and the Buyer shall rapidly notify the PLTQ in the event of any recourse to this provision.
- 7.1.6 The areas unharvested due to temporary overabundance shall be eligible for an adjustment payment. The adjustment payment shall be calculated according to the formula specified in section 8.
- 7.1.7 Any grower with areas left unharvested due to temporary overabundance will be assured of receiving a revenue based on the higher of the following, without exceeding the potential yield of the field:
- ⇒ 115% of the grower's last five-year average yield per acre contracted by his processor as set out in Articles 4.1 to 4.4.
 - ⇒ 100% of the revenue threshold stipulated for the bean category concerned and specified in Article 4.9 of this Annex.
- 7.1.8 The Buyer shall pay 50% of the value calculated in Article 8.4.5 into the adjustment fund.
- 7.1.9 The quantity left unharvested shall be determined jointly by the grower and the Buyer and, if possible, mechanically. Should there be any disagreement, all matters in dispute shall be settled according to the grievance procedure defined in Article 5.2 of the General Provisions of the Agreement.
- 7.1.10 All compensation due and owing shall be paid according to the current prices.
- 7.1.11 Under no circumstances shall the grower sell or the Buyer purchase at a price below the minimum prices specified in Article 1.1 a crop of beans has been abandoned in the field for any reason whatsoever. The grower shall dispose of a crop of beans that has been abandoned only by converting it to silage or green manure.

- 7.1.12 Should the grower derive a revenue from such crop other than by putting it to the aforementioned use, he shall forfeit his entitlement to compensation under the adjustment formula.
- 7.1.13 Where, for all growers of a Buyer, the yield of all the production of each category of beans exceeds 100% of the total value anticipated by such Buyer, pursuant to Article 4.7 of this Annex, the parties shall agree that there is a production surplus.
- 7.1.14 Where, for all growers of a Buyer, the yield of all the production of each category of beans exceeds 115% of the total value anticipated by such Buyer, pursuant to Article 4.7 of this Annex, the parties shall agree that there is overabundance.

7.2 Overabundance

- 7.2.1 In the event of overabundance, the Buyer's responsibility to take delivery of a category of beans from all of his growers shall not exceed 115% of the total value anticipated by such Buyer pursuant to Article 4.7. The limit of 115% is determined on the basis of and shall apply to the total crop of all growers and not to each grower's individual crop, which may be harvested or by-passed irrespective of this limit.
- 7.2.2 As soon as a Buyer recognizes that a situation of overabundance is developing, he shall promptly notify in writing the PLTQ.
- 7.2.3 Should the yield of one or more categories of beans develop into a situation of overabundance, the Buyer may but shall not be obliged to harvest the remaining areas for which the surplus beans had not been sold. Should the Buyer harvest such crop, he may elect to pay each grower in accordance with the payment provisions prescribed in Article 8.5 of this Annex, and should he not harvest such crop the payment provisions pursuant to Article 8.4 of this Annex shall apply.
- 7.2.4 As soon as a Buyer knows he will not harvest acreage due to overabundance, he must notify the grower concerned, the PLTQ accordingly.
- 7.2.5 The potential crop yield of all acreage left unharvested due to overabundance shall be assessed immediately and where possible mechanically by both the Buyer and the grower, and by a representative of the PLTQ. Should there be any disagreement, the matters in dispute shall be settled immediately in the field by an arbitrator designated beforehand by both parties.
- 7.2.6 For the purposes of applying the overabundance formula, all the factories of a Buyer, as well as all bean categories shall be taken into account.

8. ADJUSTMENT FUND AND MECHANISM

- 8.1 An Adjustment Fund shall be established to make compensation payments to the grower, as stipulated in this Agreement pursuant to the overabundance clause and excessive heat (6.2) **and in accordance with the Regulation Imposing Special Assessments on Processing Vegetable Growers.**
- 8.2 The Adjustment Fund shall be managed globally **by the parties**, taking into account all the factories of a Buyer and all bean categories.
- 8.3 The Adjustment Fund shall be financed:

- 8.3.1 Through **the special contribution aimed at covering expenses and losses related to surplus management paid by** all growers, including growers compensated for abandoned fields, **as per the Regulation Imposing Special Assessments on Processing Vegetable Growers.**
- 8.3.2 Through a Buyer **fee**, which will contribute 50% of the value of abandoned surplus acreage, as calculated in Article 8.4.5.
- 8.4 Where required, the Buyer shall determine the grower's payments by applying the following adjustment formula:
- 8.4.1 For excess heat causes, establish for all growers who had acreage abandoned for excess heat, the total monetary value to be received in excess of the compensation, if any, paid by the Buyer as provided in Article 6.2.

$$\frac{\text{Total monetary value to be received for excess heat (X)}}{=} \text{Sums of (Crop potential - 80\% of the grower's average yield as stated in their individual contract) - Compensation paid by the Buyer as per Article 6.2.}$$

The total monetary value to be received for excess heat (X) can never be less than zero.

- 8.4.2 Determine for each grower the individual monetary value of all acreage abandoned due to overabundance. The yield will be estimated according to the method provided in Articles 7.1.9 and 7.2.5.

The Buyer must specify to the PLTQ whether or not the acreage is irrigated.

$$\frac{\text{Individual monetary value of acreage abandoned for overabundance (A)}}{=} \text{Acreage abandoned X Yield X Price}$$

- 8.4.3 Establish for each grower the individual monetary value (B) of the crop produced for the total area sown, whether harvested or abandoned.

The individual monetary value will be equal to:

- ⇒ the value of the crop delivered and/or
- ⇒ the value determined in 8.4.2, if there were acreage abandoned due to overabundance, without exceeding the potential of the field (7.1.7) and/or
- ⇒ the value determined in 6.1, 6.2, 6.3, 6.4 or 6.5

The individual monetary value also includes the lump sums paid but excludes the production premium and the irrigation premium.

- 8.4.4 Determine the total monetary value of all acreage abandoned due to overabundance by adding all individual monetary values for all abandoned acreage, per grower, as determined under paragraph 8.4.2:

$$\frac{\text{Total monetary value of acreage abandoned for overabundance (C)}}{=} \text{Sum of (Individual overabundance monetary value) (A)}$$

- 8.4.5 Calculate the Buyer's contribution to the adjustment fund:

$$\text{Buyer's share (E)} = 50\% \times \text{Total monetary value of abandoned acreage for overabundance (C)}$$

8.4.6 Establish the total monetary value (F):

Total monetary value (F) = Sums of (individual monetary value) (B)

8.4.7 Determine the percentage of adjustment:

Adjustment Percentage (G) = $\frac{(\text{Total monetary value of acreage abandoned for overabundance (C)} + \text{Total monetary value to be received in excess heat (X)} - \text{Buyer's share (E)})}{\text{Total monetary value (F)}}$

8.4.8 Determine the individual adjustment amount to be paid (H) by multiplying the adjustment percentage by the individual monetary value of each grower:

Individual adjustment amount to be paid (H) = Adjustment Percentage (G) X individual monetary value (B)

8.4.9 The Buyer shall pay the value of such crop, in accordance with the prices and provisions of Articles 1 and 2 of this Annex:

Payment to grower (I) = Individual monetary value (B) – Deductions specified in the Agreement - Individual adjustment amount (H)

8.4.10 For a grower who had acreage abandoned for excess heat and is entitled to compensation under Article 8.4.1, the Buyer shall pay to the grower the amount calculated under Articles 6.2 and 8.4.1 less any deductions under Article 2 of this Annex.

8.5 Should the Buyer elect to take delivery of the total crop yield of all his growers, rather than leave areas in the field unharvested due to overabundance, such Buyer may pay his growers in accordance with the following payment provision: the Buyer shall pay each grower per area planted, on the dates specified in this Agreement, up to the highest of the following three amounts:

- ⇒ 100% of the grower's average yield specified in his individual contract
- ⇒ 100% of the average potential yield (see Article 4.8)
- ⇒ 100% of the revenue threshold for the category specified (see Article 4.9)

The balance owed for all deliveries of the growers concerned, exceeding the highest of the above amounts shall be paid on the 31st of March in the following year plus all accrued interest since the 1st of November. The interest shall be calculated using an annual rate 1% higher than the prime rate of the National Bank of Canada in effect at the close of business on the last Friday of September.

8.6 When applying the adjustment mechanism:

8.6.1 The PLTQ transmit to the Buyer a file of the equalization calculation performed according to Article 8 of this appendix and the Regulation Imposing Special Assessments on Processing Vegetable Growers;

8.6.2 During the application of the equalization mechanism, the Buyer transmits to the PLTQ, for validation purposes and before payment to the growers, the file including all data and calculations performed. The PLTQ validate in advance the amount of payment to be made to each grower, including the amount of the contribution collected and any compensation paid, if applicable, taking into account the application of the Regulation Imposing Special Assessments on Processing Vegetable Growers and this Annex.

SEED PRICES AND SERVICES CHARGES

1. Seed prices for the **2024** crop of wax and green beans are as follows:

| CATEGORIES | Recommended seeding density | Seed prices \$/1,000 seeds |
|---------------------------|-----------------------------|----------------------------|
| REGULAR green | 115,000 seeds/acre | 2.73 |
| REGULAR wax | 115,000 seeds/acre | 2.73 |
| MEDIUM-SMALL wax | 120,000 seeds/acre | 2.73 |
| MEDIUM-SMALL green | 120,000 seeds/acre | 2.73 |
| LARGE green | 115,000 seeds/acre | 2.73 |
| EXTRA-SMALL green and wax | 125,000 seeds/acre | 2.73 |

2. The service charges for the **2024** crop of wax and green beans are as follows:

| CATEGORIES | HARVESTING and TRANSPORTATION COSTS* (per net ton) |
|------------|---|
| | \$ / Short ton |
| All beans | 90 |

*Plus taxes

3. Side-dumping trailers

The Buyers agree to use side-dumping trailers to carry out harvesting operations, unless a different agreement is concluded between the grower and the Buyer.

4. Crop protection product

4.1 A conventional grower may decide to apply or choose a contractor to apply a phytosanitary preparation containing spores of *Coniothyrium minitans* (Contans®WG). Upon receipt of the grower's purchasing invoice, the Buyer shall refund the entire cost of the product, up to a treatment rate of 4 kg/ha and according to the price negotiated by Bonduelle (available to growers). In addition, the application of a preventive fungicide against *Sclerotinia* in season will be assume 100% by the Buyer. However, any other fungicide treatment for *Sclerotinia* that would be required will be at the grower's expense. Treatments will be decided by the Buyer according to the health status of the crop.

4.2 The Buyer will notify the grower when applying a crop protection product on its production. The Buyer will assume 100% of the costs of insecticide treatments, as well as 100% of the costs of fungicide treatments (except for *Sclerotinia* in the case of clause A4.1) and bactericides; products and applications.

5. Fertilizing substances

5.1 The Buyer will make available his charter of standards concerning the use of fertilizing substances.

IN WITNESS WHEREOF WE HAVE SIGNED ON THIS 29TH DAY OF THE MONTH OF APRIL 2024.

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Mélanie Noël, Directrice générale

LETTER OF UNDERSTANDING « A » FOR 2024

BEANS: ORGANIC PRODUCTION

This Letter of Understanding specifies certain clauses pertaining to the growing of organic beans.

- The contract between the grower and the Buyer, as defined in clause 3.1 of the General Provisions must specify that the contracted acreage is to be produced under organic management.
- The grower undertakes to give the Buyer a copy of his organic certification. If this certificate is not received, the produce will be considered as grown under conventional management and the clauses related to organic production will not be applicable.
- As a planting premium, the Buyer shall pay the grower of organic bean production the following amounts, per category, for each seeded area:

| PREMIUMS \$/seeded acre | | |
|----------------------------|---------------|---|
| REGULAR and LARGE beans | MEDIUM-SMALL | EXTRA-SMALL green and wax beans (irrigated and non-irrigated) |
| 206.03 | 206.03 | 211.80 |

- The Buyer shall pay the following prices for each category of beans certified organic:

| Bean Categories | Base price Price per net ton | | Base price + 10% for irrigation Price per net ton | | Yield per acre | Revenue threshold |
|---|---------------------------------|---------------|---|---------------|-------------------|----------------------|
| | \$/sh tn | \$/mt | \$/sh tn | \$/mt | sh tn/acre | \$/acre |
| Regular green | 462.50 | 509.82 | 508.75 | 560.79 | 3.42 | 1 582 |
| Medium-small green | 462.50 | 509.82 | 508.75 | 560.79 | 3.42 | 1 582 |
| Medium-small wax | 462.50 | 509.82 | 508.75 | 560.79 | 3.42 | 1 582 |
| Extra-small green and wax non-irrigated | 555 | 611.78 | N/A | N/A | 2.85 | 1 582 |
| Extra-small green and wax irrigated | 610.50 | 672.96 | N/A | N/A | 2.85 | 1 740 |

Irrigation revenue will be subject to compliance with Section 2 of the Bean Annex of the individual grower contract. In the case where the grower irrigates but only partially covers the needs of the crop, the Buyer reserves the right to reduce the premium to 5%.

- The seed price for organic beans for the year 2024 is as follows:

| Bean Categories | Recommended seeding density | Seed prices) |
|---------------------------|-----------------------------|------------------|
| | | (\$/1,000 seeds) |
| Regular and Medium-small | 120.750 seeds/acre | 2.73 |
| Extra-small green and wax | 124.133 seeds/acre | 2.73 |

- Before the cropping season begins, the grower may apply himself, or have a contractor of his choice apply, a plant health treatment containing spores *Coniothyrium minitans* spores (Contans ®WG). Upon receipt of the grower's purchasing invoice, the Buyer shall refund the entire cost of the product, up to a treatment rate of 4 kg/ha and according to the price negotiated by Bonduelle (available to growers.). The refund will be made on the final payment.
- The grower's average bean yield will be calculated as follows:

The average yield for the past five (5) years in all grades for regular green beans, medium-small green and medium-small wax beans will be determined on planted acres.

The average yield of the last five (5) years for extra-small green beans non-irrigated will be established on the seeded acres.

The average yield of the last three (3) years for extra-small green beans irrigated will be established on the planted acres.

However, where areas have been abandoned due to excess heat (Section 6.2), excess water preventing harvest (Section 6.3), quality loss - disease (Section 6.4), quality loss - early frost (Section 6.5), overabundance, or Buyer's fault (Section 6.1), then the yield shall be based on the areas harvested or the evaluation of the yield of the unharvested areas.

If a field or part of a field has been abandoned and the same product is reseeded in the same field, then the yield will be calculated only on the area bearing the crop.

Yields by bean category will be calculated in \$/acre and should be indexed to current value. Where the grower has produced different grades over the years, the calculation of the average yield for a given grade will be as follows:

- ⇒ The yields of the categories of beans produced will be multiplied by the conversion factor provided in TABLE - Organic Bean Conversion Factors to obtain the equivalent yield for another category of beans.

The conversion factors, identified in TABLE - Organic Bean Conversion Factors, are calculated as follows:

$$\text{Conversion factor} = \frac{\text{yield threshold for the grade of beans to be produced}}{\text{yield threshold for the grade of beans already produced}}$$

- For a grower who has produced beans organically for the past 5 years: see sections 4.1 and 4.2 of the agreement.
- For a grower who has produced beans organically for 4, 3, 2, 1, 0 years in the last 5 years, the missing production year(s) will be replaced by:
 - If the grower has produced conventionally for one or more missing years, the missing year(s) will be replaced by the year's organic yield X the grower's conventional performance factor

The conventional grower performance factor = missing year's grower yield / missing year's average yield.

- If the grower did not produce conventional beans for the missing years, the yield used will be the average organic bean yield for the missing year.

TABLE - Organic Bean Conversion Factors

| | Category of beans to be produced | Regular green | Regular wax | Medium-small green | Medium-small wax | Large green | Extra-small green and wax non-irrigated | Extra-small green and wax irrigated |
|---|----------------------------------|---------------|-------------|--------------------|------------------|-------------|---|-------------------------------------|
| Category of beans already produced | | 1 582 | 1 582 | 1 582 | 1 582 | 1 582 | 1 582 | 1 740 |
| Regular green | 1 582 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.100 |
| Regular wax | 1 582 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.100 |
| Medium-small green | 1 582 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.100 |
| Medium-small wax | 1 582 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.100 |
| Large green | 1 582 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.100 |
| Extra-small green and wax non-irrigated | 1 582 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.100 |
| Extra-small green and wax irrigated | 1 740 | 0.909 | 0.909 | 0.909 | 0.909 | 0.909 | 0.909 | 1.000 |

- If buffer zones are required by the organic certifier:
 - Buffer zones may not be seeded with the same species as the adjacent organically certified crop.
 - It is the grower's responsibility to identify the required buffer zones and grow the appropriate crop (no recognized allergenic species may be used)

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Mélanie Noël, Directrice générale

LETTER OF UNDERSTANDING « B » FOR 2024

AVERAGE IN BEAN - FADQ

This Letter of Understanding specifies some provisions for bean production.

- For the 2024 season exclusively, for growers who meet the following criteria:
 - Hold an insurance contract with La Financière agricole du Québec (FADQ) with an 80% coverage option and a 100% unit price
 - That the values of La Financière agricole du Québec are transmitted before June 30
- The grower's yield indicated on their individual contract will not be used to calculate the 80%, but rather 80% of the total insurable yield indicated on their agreement with La Financière agricole du Québec in proportion to the abandoned acreage versus the insured acreage
- This change will be in the following clauses:
 - 6.2 Excessive heat: When a field or part of a field is unharvested due to excessive heat, the Buyer agrees to compensate the grower individually for the affected acreage according to the field's potential yield, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec:

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec
 - 120% of the yield threshold for the bean category specified in section 4.9 of this Annex,, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec
 - If applicable, the portion of the harvest potential, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec, exceeding the amount paid by the Buyer, shall be supplemented by the equalization fund provided for in this agreement.
- 6.3 Excess water preventing harvesting: When a field or part of a field is unharvested due to Excess water preventing harvesting , the Buyer agrees to compensate the grower individually for the affected acreage according to the field's potential yield, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec::

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec
- 120% of the yield threshold for the bean category specified in section 4.9 of this Annex,, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec.

- 6.4 Loss of quality – Diseases: Where a field or part of a field is abandoned due to pod quality unfit for processing as a result of the presence of Sclerotinia (S. Sclerotiorum) and/or spots from bacterial diseases:
 - ⇒ bacterial blight (*Pseudomonas s. phaseolicola*)
 - ⇒ brown pigmentation (*Xanthomas c. phaseoli*)
 - ⇒ bacterial brown spot (*Pseudomonas s. syringae*)

The Buyer agrees to compensate the grower individually for the affected acreage according to the field's potential yield, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec:

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec
- 120% of the yield threshold for the bean category specified in section 4.9 of this Annex,, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec

6.5 Loss of quality -Early frost: When a field or portion of a field is abandoned due to deficient processable pod quality caused by an early frost that occurred:

- From September 15 to September 21, the Buyer agrees to compensate the grower individually for that seeding based on the potential of the crop up to the grower's average, less 80% of the grower's average yield shown on the grower's individual contract.
- On or after September 22, the Buyer agrees to compensate the grower individually for that planting based on crop potential, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec.

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- 120% of the average yield per acre for the last five (5) years of the grower concerned with this processor, as established in Articles 4.1 to 4.4, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec
- 120% of the yield threshold for the bean class specified in section 4.9 of this Annex, less a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec

8.4.1 For excess heat causes, establish for all growers who had acreage abandoned for excess heat, the total monetary value to be received in excess of the compensation, if any, paid by the Buyer as provided in Article 6.2.

Total monetary value to be received for excess heat (X) = Sums of (Crop potential - a pro-rata of the abandoned acreage of the insurable value of the beans indicated in their agreement with La Financière agricole du Québec) – Compensation paid by the Buyer as per Article 6.2.

The total monetary value to be received for excess heat (X) can never be less than zero.

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Mélanie Noël, Directrice générale

LETTER OF UNDERSTANDING « C » FOR 2024

ASREC PREMIUM - BEAN

For the 2024 season only, for growers who meet the following criteria:

- holder of an insurance contract with La Financière agricole du Québec (FADQ) with an 80% coverage level and a unit price of 100%;
- the individual value of the grower and the cost of the contribution to the ASREC program of La Financière agricole du Québec, must be sent to the Buyer, one (1) month before the final payment date.

The Buyer agrees to pay the grower a production incentive premium equal to the cost of the contribution to the ASREC program, less any rebates or discounts, if applicable.

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