

CANADA-MANITOBA

AgrilInsurance

AgrilInsurance Contract

(EFFECTIVE 2019 CROP YEAR)

BACKGROUND

Manitoba Agricultural Services Corporation (the “Corporation”) is empowered under The Manitoba Agricultural Services Corporation Act (the “Act”) to insure certain Persons under any insurance program established by a regulation made under the Act. That regulation sets forth the various methodologies for calculating Probable Yields, Premium rates and Dollar Values and contains expanded explanations of many of the terms used in this document.

The Corporation may enter into a contract of insurance with a Person who is a “qualified person” within the meaning of that term in the Act, provided that Person has made application for such contract of insurance on or before March 31 of the year in which the insurance is to apply and such application has been accepted by the Corporation.

The Person to whom the contract of insurance set out in this document is issued has made an Application to the Corporation for a contract of insurance and by doing so has represented to the Corporation that the applicant is a “qualified person”.

Under this contract of insurance, the Corporation insures against one or more of:

- (i) loss or damage beyond the insured person’s control to an Insured Crop by reason of a Designated Peril,
- (ii) loss beyond the insured person’s control respecting land not seeded by reason of a Designated Peril for Excess Moisture Insurance,
- (iii) loss or damage beyond the insured person’s control respecting eligible forage establishment crops by reason of a Designated Peril during the period of establishment, or
- (iv) loss beyond the insured person’s control respecting Saskatoon or Strawberry Plants by reason of a Designated Peril.

In the case of damage to Insured Crops, the insurance is based solely on the loss of Production. The insurance provided does not insure against declines in market value.

Subject to certain exceptions, the Insured must insure all acres of a crop selected for insurance. The indemnity is based on the number of acres that are insured, the loss of Production from those acres and the Dollar Value for each tonne of lost Production. The insurance provided is subject to the terms and conditions of this contract of insurance, including adjustments to Production for such things as dockage, quality and uninsured causes of loss and the requirement that the crop be seeded by certain dates.

The indemnity is limited to a maximum amount and the indemnity payable may be limited to a percentage of the maximum indemnity depending upon the stage of the Insured Crop at the time the loss or damage occurred.

In the case of Excess Moisture Insurance and Forage Establishment Insurance, the amount of the indemnity is based on the number of acres that the Insured was unable to seed or which did not achieve Establishment and a Dollar Value for each acre. In the case of Strawberry Establishment Insurance and Saskatoon Establishment Insurance, the amount of the indemnity is based on the number of Strawberry Plants and Saskatoon Plants, respectively, that do not establish and a Dollar Value for each affected Plant.

The foregoing is intended to provide a brief description of the background and purpose of the insurance provided in this contract of insurance and does not form part of this Contract.

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The Insured and the Corporation agree that:

PART 1 MEANING OF TERMS

1.01 Definitions. In this Contract:

“**Acreage**” means any land area in Manitoba expressed in acres;

“**Acreage Indemnity**” means Dollar Coverage multiplied by the applicable Indemnity Level multiplied by the Acreage affected by the loss or damage, as determined by the Corporation;

“**Act**” means The Manitoba Agricultural Services Corporation Act (Manitoba) as the same may be amended or replaced from time to time;

“**Additional Insurance Programs**” means Excess Moisture Insurance, Forage Establishment Insurance, the Enhanced Quality Option, the Harvest Flood Option, Strawberry Establishment Insurance and Saskatoon Establishment Insurance;

“**Adjusted Production**” means the Production of an Insured Crop adjusted for dockage, moisture (as applicable), quality, Volunteer Crops, Appraised Production and uninsured causes of loss, all as determined by the Corporation or where applicable, as required by this Contract;

“**Administration Fee**” means the fee, if any, charged by the Corporation from time to time on such basis as may be determined by the Corporation for administering this Contract;

“**Aerial Seeding**” or “**Aerial Seeded**” means the sowing of seeds through aerial means such as a plane or helicopter, but does not include Broadcast Seeding;

“**Alfalfa Seed**” means Common Alfalfa Seed and Pedigreed Alfalfa Seed;

“**All Crops Selected**” means the circumstance in which an Insured has all of the Insurable Crops selected for insurance under this Contract at the same Coverage Level, excluding any Organic Crop, Select Hay Type or Basic Hay;

“**Alternate Use**” means the Insured Crop has been put to another use or pastured, but not harvested in the generally accepted agronomic manner for that Insured Crop as described under the definition of “Harvest” in this Contract;

“**Annual Ryegrass Seed**” means any annual variety of ryegrass seed that is seeded in the spring of the Crop Year in which insurance is to apply;

“**Appeal Tribunal**” means the Appeal Tribunal continued under the Act;

“**Application**” means any application(s) for insurance made by the Insured on the form(s) provided by the Corporation;

“**Appraised Production**” means the expected Production, as determined by the Corporation;

“**Assigned RFV**” means the RFV assigned to an Insured under the Enhanced Quality Option for the purposes of calculating that Insured’s RFV Guarantee;

“**Attained RFV**” means the sum of, for each lot of similar quality, as determined by the Corporation, the RFV of the lot less 105, multiplied by the tonnes in the lot; starting in order with the highest quality lot, as determined by the Corporation, and continuing until the tonnes accounted for equal the alfalfa Select Hay Type Production Guarantee or all production has been accounted for, provided that, for the purpose of calculating the Attained RFV, the minimum RFV is 105 and the maximum RFV is the Insured’s RFV Guarantee;

“**Basic Hay**” or “**Select Hay**” means only those varieties of alfalfa, alfalfa grass mixtures, tame grasses, sweet clover and Coarse Hay, all as approved by the Corporation for the relevant Crop Year, and used for the purpose of producing forage, silage or dried forage products, but does not include annual crops, weeds or Stands which are designated as pasture;

“**Basic Hay Insurance**” means insurance provided under Part 21;

“**Big Game**” means bear, deer, elk, moose or wood bison but does not include an animal of any of those kinds that is:

- (i) privately owned,
- (ii) held under authority of a permit or licence issued under authority of The Wildlife Act (Manitoba) or The Livestock Industry Diversification Act (Manitoba) or the regulations under either of those Acts, or
- (iii) held in captivity without lawful authority;

“**Broadcast Seeding**” means any method of seeding, other than Aerial Seeding, whereby the seed is scattered or spread on top of the ground, all as determined by the Corporation;

“Canola” means canola, including both Polish and Argentine types, but excluding Rapeseed;

“Carryover Production” means the weight or volume of crop produced in Crop Years prior to the current Crop Year which is still held in storage by the Insured;

“CCP Crops” means all Insured Crops except Table Potatoes, Processing Potatoes, broccoli, cabbage, cauliflower, carrots, parsnips, rutabagas, sweet corn, Winter Squash, pumpkins, peppers, leeks, Cooking Onions, Other Onions, Select Hay and Basic Hay, Greenfeed, Silage Corn, Pasture and Organic Crops and, if the context requires, any reference to Insurable Crops or Insured Crops shall include CCP Crops;

“CCP Insurance” or **“Crop Coverage Plus”** means insurance provided under Part 17;

“Coarse Hay” means:

- (i) Stands of Native Grasses including slough hay and invasive species such as quackgrass, but excluding cattails, bulrushes, giant reeds, foxtail barley and any other species of low feeding value as well as hay from ditches along roadways, all as determined by the Corporation,
- (ii) Stands consisting of any Native Grasses as referred to above in combination with tame grasses or legumes where the tame grasses make up less than 75% of the Stand, and
- (iii) any other Stand of forage legumes, excluding alfalfa and sweet clover,

that are, in all cases, normally available and intended to be Harvested for the purposes of producing feed for livestock as determined by the Corporation;

“Common Alfalfa Seed” means alfalfa grown for the purpose of producing seed but does not include Pedigreed Alfalfa Seed;

“Contract” means this AgrilInsurance Contract (as amended from time to time), the Regulations, the Application accepted by the Corporation and any changes to insurance coverage selected by the Insured and accepted by the Corporation from time to time;

“Cooking Onions” means onions grown to be marketed as large dry bulb onions, such as Spanish type onions, but excluding Other Onions;

“Corporation” means Manitoba Agricultural Services Corporation;

“Coverage” means the Insured’s Probable Yield for each Insured Crop for a Crop Year multiplied by that Insured’s Coverage Level, or where Pasture is the affected

Insured Crop, means Dollar Value multiplied by Coverage Level;

“Coverage Level” means the percentage of the Probable Yield offered by the Corporation and selected by the Insured for an Insured Crop, or where CCP is selected, means the percentage of Probable Yield offered by the Corporation for CCP Crops in accordance with, and subject to, Section 17.03, or where Pasture is the Insured Crop, means the percentage of Dollar Value offered by the Corporation and selected by the Insured;

“Crop Year” means the period from April 1 in any year until March 31 in the following year;

“Declared Acreage” means, for the Crop Year, all Acreage of the Insured as declared in the Seeded Acreage Report for that Crop Year;

“Designated Perils” means drought, excessive moisture, excessive rainfall, flood, frost, winterkill, hail, fire, excessive heat, wind (including tornado), Big Game and Waterfowl and, subject to the provisions of Section 5.01, disease and pests;

“Destroy” or **“Destroyed”** means the act of destroying the existing Stand by making a pass over the Acreage to apply a chemical or to till the Acreage;

“Dollar Coverage” means Dollar Value for Excess Moisture Insurance, Forage Establishment Insurance, Forage Restoration and Novel Crop Insurance and for each Insured Crop (other than Pasture) means Dollar Value multiplied by Coverage;

“Dollar Value” means:

- (i) the price per tonne of the Guaranteed Grade of the Insured Crop as determined and offered by the Corporation and, if different amounts are offered, the amount selected by the Insured, for a Crop Year for any Insurable Crop,
- (ii) the amount per acre as determined and offered by the Corporation and, if different amounts are offered, the amount (other than the minimum amount per acre) selected by the Insured for that Crop Year for EMI Insured Acreage,
- (iii) the amount per acre as determined and offered by the Corporation and, if different amounts are offered, the amount selected by the Insured for that Crop Year for Forage Establishment Acreage,
- (iv) the amount per acre as determined and offered by the Corporation for that Crop Year for Forage Restoration Acreage,
- (v) the amount per Pastured Livestock as determined and offered by the Corporation for that Crop Year for Pasture,

- (vi) the price per tonne of the Select Hay Type as determined and offered by the Corporation and, if different amounts are offered, the amount selected by the Insured for that Crop Year for any Select Hay Type,
- (vii) the amount per RFV point as determined and offered by the Corporation for that Crop Year for the Enhanced Quality Option,
- (viii) the amount per acre as determined and offered by the Corporation and, if different amounts are offered, the amount selected by the Insured for that Crop Year for the Harvest Flood Option,
- (ix) the price per tonne as determined and offered by the Corporation for that Crop Year for the Hay Disaster Benefit,
- (x) the amount per acre as determined and offered by the Corporation and, if different amounts are offered, the amount selected by the Insured for that Crop Year for Novel Crop Insurance,
- (xi) the amount per Strawberry Plant as determined and offered by the Corporation for that Crop Year for Strawberry Establishment Insurance, or
- (xii) the amount per Saskatoon Plant as determined and offered by the Corporation for that Crop Year for Saskatoon Establishment Insurance,

in each case, as the context requires;

“Eligible Forage Establishment Crop” means:

- (i) any combination of alfalfa, clover, sainfoin, perennial ryegrass or other perennial grasses excluding Native Grasses, and
- (ii) any combination of the crops referred to in paragraph (i) above and other types of forage crops, provided that those crops referred to in paragraph (i) above are sown in such an amount as is sufficient on their own, in the opinion of the Corporation, to have resulted in the Forage Establishment Acreage achieving Establishment;

“EMI” or **“Excess Moisture Insurance”** means insurance provided under Part 16;

“EMI Deductible” means the number obtained when the EMI Insured Acreage of an Insured is multiplied by the EMI Deductible Percentage of that Insured;

“EMI Deductible Percentage” means 5%, subject to adjustment for an Insured in accordance with the provisions of Section 16.07;

“EMI Indemnity” means the EMI Unseeded Acreage less the EMI Deductible, multiplied by the Dollar Value;

“EMI Insured Acreage” means (A) all Acreage of an Insured available for crop seeding (and normally used by the Insured for this purpose, as determined by the Corporation), and (B) all Forage Establishment Acreage of an Insured seeded in the spring of the prior Crop Year not having achieved Establishment, in each case, on or before June 20 in the Crop Year for which Excess Moisture Insurance is to apply, and for greater certainty, EMI Insured Acreage of an Insured does not include any:

- (i) Acreage under bush or brush, perennial forage seeded in the fall of the previous year, fall rye or winter wheat, unless such Acreage was Destroyed in the fall of the previous Crop Year and is ready for spring seeding as determined by the Corporation,
- (ii) Acreage under sod, pasture or perennial forage, unless such Acreage was Destroyed by June 10 and is ready for spring seeding as determined by the Corporation,
- (iii) Acreage which was not seeded due to excessive rainfall, flood or excessive moisture in the previous year and which could have been prepared for seeding in that previous year, but was not as determined by the Corporation, or
- (iv) Acreage which has been declared by the Corporation from time to time as being uninsurable under Part 3;

“EMI Reduced Deductible Option” means the option exercised by an Insured to have the EMI Deductible Percentage reduced from the percentage amount otherwise in effect for that Insured down to a percentage of 5%;

“EMI Unseeded Acreage” means EMI Insured Acreage not seeded on or before June 20 because of excessive rainfall, flood or excessive moisture;

“Enhanced Quality Option” or **“EQO”** means the option selected by an Insured to have an indemnity payable in respect of the alfalfa Select Hay Type insured under Select Hay Insurance calculated on the basis of that Insured’s RFV Guarantee;

“Enhanced Quality Option Indemnity” or **“EQO Indemnity”** means the RFV Coverage less the Attained RFV, multiplied by the Dollar Value;

“Establishment” means the establishment of 75% or more Ground Cover of an Eligible Forage Establishment Crop, as determined by the Corporation;

“Establishment Year” means the year in which a new planting of an Eligible Forage Establishment Crop is seeded;

“Extended Coverage Seeding Period” means the extended period for the seeding of an Insurable Crop as set forth in Part 6 under the heading “Extended Coverage Seeding Period for reduced Coverage”;

“Fall Rye” means any fall rye grown for grain production, including hybrid fall rye and open pollinated fall rye, all as determined by the Corporation;

“Field” means a contiguous area of Acreage put to a particular use, all as determined by the Corporation;

“Field Peas” means any plant grown for dry pea production, but does not include garden or canning peas;

“Flax” means flax and solin;

“Forage Establishment Acreage” means the total Acreage of the Insured planted to Eligible Forage Establishment Crops in an Establishment Year;

“Forage Establishment Indemnity” means the product of the Dollar Value and the Acreage of Eligible Forage Establishment Crops which fail to achieve Establishment due to one or more of the Designated Perils;

“Forage Establishment Insurance” means insurance provided under Part 18;

“Forage Restoration” means the forage restoration benefit provided under Part 19;

“Forage Restoration Acreage” means Acreage of forage insured under Basic Hay Insurance or Select Hay Insurance, respectively (excluding, in each case, sweet clover and Coarse Hay), Alfalfa Seed, Pedigreed Timothy Seed or tall fescue seed planted by the Insured that has achieved Establishment and is insured under this Contract;

“Forage Restoration Deductible” means Insured Acreage of Basic Hay under Basic Hay Insurance and Insured Acreage of each Select Hay Type under Select Hay Insurance (excluding, in each case, sweet clover and Coarse Hay), Alfalfa Seed, Pedigreed Timothy Seed or tall fescue seed, as the case may be, multiplied by, in each case, 5%;

“Forage Restoration Indemnity” means the product of the Acreage affected by the loss or damage due to excessive rainfall, flood or excessive moisture, and Destroyed, all in accordance with the terms of this Contract, less the Forage Restoration Deductible, multiplied by the Dollar Value;

“Grade Factor” means the factor assigned by the Corporation after comparing the per tonne market value

of Production of an Insured Crop to the per tonne market value of the Guaranteed Grade of such Insured Crop, and where “market value” is as determined by the Corporation in such manner, by such method (which may include the use of average market prices for whatever period of time the Corporation deems applicable) and at such point in time as the Corporation considers appropriate;

“Grain Corn” means any hybrid corn grown for grain production, but for greater certainty, Grain Corn does not include Open Pollinated Corn, all as determined by the Corporation;

“Greenfeed” means oats, barley, Mixed Grain, wheat, rye, triticale, Field Peas, sorghum, sudan grass and millet grown separately, or in combination, for the purpose of being cut, baled or silaged for livestock feed;

“Ground Cover” means the amount of soil surface covered by an Insurable Crop;

“Guaranteed Grade” means the grade or other specification for a crop as determined by the Corporation;

“Harvest” or **“Harvested”** means the generally accepted agronomic manner in which the affected Insured Crop is harvested, which:

- (i) in the case of Table Potatoes, Processing Potatoes, carrots, Cooking Onions, parsnips and rutabagas when they are dug and removed from the Field, or
- (ii) in the case of a crop which is normally harvested as livestock feed, when the crop has been baled or silaged, or
- (iii) in the case of Coarse Hay, when the Coarse Hay has been cut, or
- (iv) in the case of all other crops, when the crop has been threshed.

If the crop has not been harvested in accordance with the foregoing provisions, as applicable, then that crop, unless it has been Destroyed, shall be deemed to have been put to an Alternate Use. Notwithstanding the foregoing, if the Corporation determines that the crop should have been harvested by a certain date, the Corporation may deem the crop to have been harvested on that date;

“Harvest Flood Option” means the option selected by an Insured, who has Acreage of Coarse Hay insured under Basic Hay Insurance or Select Hay Insurance, to have that Acreage insured against the inability to harvest it due to excessive moisture;

“Harvest Flood Option Deductible” means the number obtained when the total Acreage of Coarse Hay of an Insured is multiplied by 20%;

“Harvest Flood Option Indemnity” means the Acreage of Coarse Hay that cannot be Harvested due to excessive moisture less the Harvest Flood Option Deductible, multiplied by the Dollar Value;

“Harvested Production Report” means any reports the Insured is required to provide for Production that has been Harvested, Destroyed or put to an Alternate Use in the form required by the Corporation for that purpose;

“Hay Disaster Benefit Indemnity” means the indemnity automatically calculated by the Corporation and payable to an Insured under Section 21.17;

“Hemp Grain” means any stand of industrial hemp acceptable for commercial grain production under licences and authorizations issued by Health Canada;

“High Generation Seed Plots” means Acreage sown for production of select seed, breeder seed or seed of foundation status by seed growers authorized by the Canadian Seed Growers Association for production of seed of those three classes;

“Indemnity Level” means the percentage established in Parts 10, 11 and 12 which is used in determining the amount of the indemnity payable by the Corporation under this Contract;

“Individual Productivity Index” means a crop specific relative productivity index for the Insured utilizing IPI Yields, all as determined by the Corporation;

“Insurable Crop” means an agricultural product specified as being eligible to be insured under an insurance program established pursuant to the Act and the Regulations and, in the case of Select Hay Insurance, means each Select Hay Type;

“Insurance Test Area” means the area designated as such for each of the Insurable Crops referred to in Section 6.01 as having an Insurance Test Area;

“Insured” means the Person insured under this Contract;

“Insured Acreage” means the Declared Acreage of an Insured Crop, subject to any adjustments as determined by the Corporation, which is the Acreage to be insured under this Contract;

“Insured Crop” means an Insurable Crop insured under this Contract including Organic Crops, but not including Insurable Crops insured under Forage Establishment

Insurance, Strawberry Establishment Insurance or Saskatoon Establishment Insurance;

“Intercrop Mixture” means the mixture of two or more Insurable Crops other than Mixed Grain growing simultaneously on the same Acreage in a Crop Year, of which each is no less than 6% of the total Production from such Acreage;

“IPI Yield” means the average tonnes per acre of an Insurable Crop adjusted for dockage, moisture (as applicable), Appraised Production, losses due to Big Game, Waterfowl, hail and third parties, all as determined by, or documented to the satisfaction of, the Corporation;

“Landlord” means an owner of the land on which an Insurable Crop is grown by the Tenant of that Landlord and who has a direct financial interest in such Insurable Crop;

“Livestock” means beef, dairy and bison cows or bulls, feeder cattle (including calves), horses, donkeys, mules, sheep, goats, deer, alpacas, llamas and elk registered as game production animals under The Livestock Industry Diversification Act (Manitoba);

“Maximum Pastured Livestock” means the aggregate number of Pastured Livestock that is calculated by multiplying each type of Pastured Livestock of the Insured by a factor established for each type by the Corporation in each Crop Year, provided that such aggregate number shall not exceed the Insured Acreage of all Select Hay Types or Basic Hay of the Insured;

“Mixed Grain” means a mixture consisting of a combination of any two or more of spring wheat, durum wheat, oats, barley, triticale and Field Peas, if the major component thereof does not exceed 80% by weight of the seeded mixture;

“Native Grasses” means Stands containing at least 75% of grass species that occur naturally in North America, as determined by the Corporation;

“Novel Crop” means any crop grown for the purpose of producing seed, as determined by the Corporation, and which is not otherwise an Insurable Crop;

“Novel Crop Insurance” means insurance provided under Part 24;

“Novel Crop Maximum Acreage” means 30% of the Insured Acreage, excluding for this purpose, any Insured Acreage seeded to Insured Crops not eligible for CCP Insurance (other than any Organic Crop);

“Open Pollinated Corn” means any stand of corn grown from seed produced by the product of uncontrolled pollination and grown for the purpose of grain production, but for greater certainty, Open Pollinated Corn does not include Grain Corn;

“Organic Crop” means organic northern hard red wheat, organic red spring wheat, organic prairie spring wheat, organic Other Spring Wheat, organic extra strong wheat, organic durum wheat, organic hard white wheat, organic winter wheat, organic oats, organic Flax, organic Field Peas, organic barley and organic Hemp Grain;

“Other Dry Edible Beans” means all dry edible beans planted for the purpose of producing seed, other than white pea beans, black beans, kidney beans, cranberry beans, small red beans and pinto beans;

“Other Onions” means all types of onions such as shallots, pearl onions, sets, boiler onions or green bunching onions, but excluding Cooking Onions;

“Other Spring Wheat” means any spring wheat variety which:

- (i) is not a Registered Wheat Variety of northern hard red wheat, red spring wheat, prairie spring wheat, extra strong wheat, durum wheat or hard white wheat, or
- (ii) is any other wheat type designated by the Corporation from time to time;

“Overseed” or **“Overseeding”** means one or more passes to meter and incorporate additional seed to thicken the existing Stand;

“Pasture” means any Acreage that is used by the Insured for the purpose of grazing Pastured Livestock;

“Pasture Coverage” means the product that is obtained when the number of Maximum Pastured Livestock is multiplied by Coverage;

“Pasture Indemnity” means, for Select Hay, the product of Pasture Coverage assigned to the Select Hay Type multiplied by the quotient that is obtained when the Insured’s Adjusted Production for that Select Hay Type is divided by the Insured’s Production Guarantee for that Select Hay Type, and for Basic Hay, the product of Pasture Coverage multiplied by the quotient that is obtained when the Insured’s Adjusted Production of Basic Hay is divided by the Insured’s Production Guarantee for Basic Hay;

“Pastured Livestock” means the number of Livestock owned or leased by the Insured that grazed on Pasture during the applicable Crop Year;

“Pedigreed Alfalfa Seed” means varieties of alfalfa grown for the purpose of producing pedigreed seed with such varieties being approved annually by the Corporation;

“Pedigreed Seed Crop” means, collectively, barley, Rapeseed, Canola, Flax, oats, Field Peas, soybeans, Processing Potatoes, Table Potatoes, northern hard red wheat, red spring wheat, prairie spring wheat, extra strong wheat, durum wheat, hard white wheat and winter wheat grown for the purpose of producing pedigreed seed and selected for insurance by an Insured as a Pedigreed Seed Crop;

“Pedigreed Timothy Seed” means varieties of timothy grown for the purpose of producing pedigreed seed with such varieties being approved annually by the Corporation;

“Perennial Ryegrass Seed” means all perennial varieties of ryegrass grown for the purpose of producing seed;

“Person” means any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency or board or commission or authority and any other form of entity or organization;

“Premium” means the amount determined by the Corporation to be payable by the Insured to the Corporation for insurance under this Contract;

“Principal Shareholder” means any Person holding 10% or more of the issued and outstanding voting shares of an Insured which is a corporation or such other Person as may be designated by the Corporation from time to time as being a Principal Shareholder;

“Probable Yield” means the expected yield in tonnes per acre of an Insured Crop for an Insured as determined by the Corporation and where applicable shall be calculated as required by the Regulations;

“Processing Potatoes” means varieties of potatoes, including those grown for seed, suitable for the processing market, with such varieties being designated annually by the Corporation;

“Production” means the total tonnes of a specific agricultural crop or a specific Insured Crop produced from an Acreage as determined by the Corporation;

“Production Guarantee” means, with respect to an Insured Crop, the total insured tonnes obtained by multiplying the Coverage by the Insured Acreage;

“Production Loss” means the amount, if any, that the Adjusted Production falls short of the Production Guarantee;

“Production Value” only applies when the Insured selects for insurance, and then grows, more than one type of the same crop or grows pedigreed and non-pedigreed crops of the same crop or selects CCP Insurance and means:

- (i) for Alfalfa Seed, the sum of the products of the Adjusted Production for each crop type of Alfalfa Seed, multiplied by the Dollar Value for the particular crop type of Alfalfa Seed,
- (ii) for Canola, the sum of the products of the Adjusted Production for each crop type of Canola, multiplied by the Dollar Value for the particular crop type of Canola,
- (iii) for a Pedigreed Seed Crop, the sum of the products of the Adjusted Production for each crop type of the Pedigreed Seed Crop and the corresponding non-Pedigreed Seed Crop, multiplied by the relevant Dollar Value for the particular crop type, and
- (iv) for CCP Insurance, the sum of the products of the Adjusted Production for each CCP Crop multiplied by the Dollar Value for the particular CCP Crop;

“Production Value Guarantee” only applies when the Insured selects for insurance, and then grows, more than one type of the same crop or grows pedigreed and non-pedigreed crops of the same crop or selects CCP Insurance and means:

- (i) for Alfalfa Seed, the sum of the products of the Insured’s Production Guarantee for each crop type of Alfalfa Seed, multiplied by the Dollar Value for the particular crop type of Alfalfa Seed,
- (ii) for Canola, the sum of the products of the Insured’s Production Guarantee for each crop type of Canola, multiplied by the Dollar Value for the particular crop type of Canola,
- (iii) for a Pedigreed Seed Crop, the sum of the products of the Insured’s Production Guarantee for each crop type of the Pedigreed Seed Crop and the corresponding non-Pedigreed Seed Crop, multiplied by the relevant Dollar Value for the particular crop type, and
- (iv) for CCP Insurance, the sum of the products of the Insured’s Production Guarantee for each CCP Crop multiplied by the Dollar Value for the particular CCP Crop;

“Production Value Loss” means the amount, if any, that the Production Value falls short of the Production Value Guarantee;

“Proso Millet” means any suitable variety of the species *Panicum miliaceum* as defined by the Corporation;

“Rapeseed” means any variety of rapeseed that is high in erucic acid, with such varieties being designated annually by the Corporation;

“Registered Wheat Varieties” means those varieties of spring wheat and durum wheat which appear as of April 1 of the relevant Crop Year on the variety designation lists published by the Canadian Grain Commission under the authority of the Canada Grain Act or such other varieties (including experimental varieties) as the Corporation may designate as a “Registered Wheat Variety” for the purposes of this Contract from time to time;

“Regulations” means the regulations made under the Act respecting AgrilInsurance and the Additional Insurance Programs, as the same may be amended or replaced from time to time;

“Reseeded Crop” means the crop that is seeded when an Acreage is seeded a subsequent time in a Crop Year or continuous 12-month period, as the case may be;

“Reseed” or **“Re seeding”** means the act of Destroying the existing Stand by making a pass over the Acreage to apply a chemical or to till the Acreage, followed by the metering and incorporation of seed including single passes with an airseeder equipped with shovels to Destroy the existing Stand and simultaneously incorporate the seed;

“RFV” means the relative feed value of forage production expressed as a number and determined by the Corporation;

“RFV Coverage” means the RFV Guarantee less 105, multiplied by the alfalfa Select Hay Type Production Guarantee;

“RFV Guarantee” means the sum of 105 and 90% of the difference of the Assigned RFV and 105;

“Royal Bank Prime Rate” means the prime lending rate of interest expressed as a rate per annum which the Royal Bank of Canada, or any successor to the Royal Bank of Canada, establishes as the reference rate of interest (commonly known as “prime”) in order to determine interest rates it will charge for loans in Canadian funds, as the same may be in effect from time to time;

“Saskatoon Deductible” means 20% of the Saskatoon Plants insured under Saskatoon Establishment Insurance;

“Saskatoon Establishment Insurance” means insurance provided under Part 26;

“Saskatoon Establishment Insurance Indemnity” means the number of Saskatoon Plants that have been lost as a result of a Designated Peril less the Saskatoon Deductible, multiplied by Dollar Value;

“Saskatoon Plant” means a plant that is in its first, second or third year of growth following transplanting into the Field and that, when mature and healthy, can bear saskatoon berries;

“Seeded Acreage Report” means any report, declaration or information provided by the Insured relative to the use of land by the Insured or, if applicable, the Livestock numbers of the Insured, in the form required by the Corporation for that purpose;

“Select Hay” or **“Basic Hay”** means only those varieties of alfalfa, alfalfa grass mixtures, tame grasses, sweet clover and Coarse Hay, all as approved by the Corporation for the relevant Crop Year, and used for the purpose of producing forage, silage or dried forage products, but does not include annual crops, weeds or Stands which are designated as pasture;

“Select Hay Insurance” means insurance provided under Part 21;

“Select Hay Type” means the type or types of Select Hay, namely,

- (i) alfalfa,
- (ii) alfalfa grass mixtures,
- (iii) tame grasses,
- (iv) sweet clover, and
- (v) Coarse Hay,

selected for insurance under Select Hay Insurance;

“Silage Corn” means any corn grown for silage production, all as determined by the Corporation;

“Stage 1” means the period after completion of seeding up to and including June 20;

“Stage 2 H” means the period beginning at the point in time at which the Insured Crop is Harvested;

“Stage 2 UH” means the period beginning immediately after the end of Stage 1 for that Insured Crop and ending when:

- (i) any portion of that Insured Crop is Destroyed,
- (ii) the portion of the Acreage on which the Insured Crop is located is put to an Alternate Use, or

- (iii) any portion of the Acreage on which the Insured Crop is located has been Harvested;

“Stage Indemnity” means the product of the Dollar Value for the affected Insured Crop multiplied by the difference between:

- (i) Coverage for the affected Insured Crop multiplied by the applicable Indemnity Level multiplied by the Acreage affected by the loss or damage, and
- (ii) Adjusted Production for the affected Insured Crop, all as determined by the Corporation;

“Stand” means the plants growing on an Acreage;

“Statement of Account” means any statement of the Corporation indicating, among other things, amounts due and owing by the Insured to the Corporation;

“Strawberry Deductible” means 20% of the Strawberry Plants insured under Strawberry Establishment Insurance;

“Strawberry Establishment Insurance” means insurance provided under Part 25;

“Strawberry Establishment Insurance Indemnity” means the number of Strawberry Plants that have been lost as a result of a Designated Peril less the Strawberry Deductible, multiplied by Dollar Value;

“Strawberry Plant” means a plant that is transplanted in the Field in the Crop Year in which insurance is to apply and that, when mature and healthy, can bear strawberries;

“Table Potatoes” means varieties of potatoes, including those grown for seed, suitable for the table market, with such varieties being designated annually by the Corporation;

“Tenant” means a Person actually engaged in farming land in Manitoba which is rented under a bona fide crop share lease agreement with a Landlord and such Person does not have a direct or indirect ownership interest in such land, as determined by the Corporation;

“Test Plots” means Acreage sown for research purposes by researchers conducting experiments which could be expected to result in abnormal yields;

“Volunteer Crop” means any crop not intentionally sown (other than Coarse Hay) as determined by the Corporation;

“Waterfowl” has the same meaning in this Contract as that term is given under the Wildlife Damage Compensation Regulation under The Wildlife Act

(Manitoba), as that Regulation may be amended or replaced from time to time;

“**Wildlife Damage Compensation Payment**” means any crop compensation payment paid or payable to the Insured pursuant to the Wildlife Damage Compensation Regulation under The Wildlife Act (Manitoba), as that Regulation may be amended or replaced from time to time, for loss or damage to an Insured Crop, as determined by the Corporation;

“**Winter Squash**” means a species within the squash genus Cucurbita which forms an inedible, thick, hard rind and can include acorn squash, spaghetti squash, butternut squash or other species as accepted by the Corporation.

PART 2 PURPOSE OF INSURANCE

2.01 Purpose. Subject to the terms and conditions hereof, this Contract provides:

- (i) for an Insured Crop, an indemnity for a Production Loss or Production Value Loss, or where Pasture is the affected Insured Crop, a Pasture Indemnity,
- (ii) for Excess Moisture Insurance, an EMI Indemnity,
- (iii) for Forage Establishment Insurance, a Forage Establishment Indemnity,
- (iv) for Forage Restoration, a Forage Restoration Indemnity,
- (v) for the Enhanced Quality Option, an Enhanced Quality Option Indemnity,
- (vi) for the Harvest Flood Option, a Harvest Flood Option Indemnity,
- (vii) for the Hay Disaster Benefit, a Hay Disaster Benefit Indemnity,
- (viii) for Strawberry Establishment Insurance, a Strawberry Establishment Insurance Indemnity, and
- (ix) for Saskatoon Establishment Insurance, a Saskatoon Establishment Insurance Indemnity.

PART 3 SCOPE OF INSURANCE

3.01 Varieties of Insurable Crops and Insurability.

All varieties of an Insurable Crop (including those varieties which are common or unknown) are insurable unless the Corporation has issued an “eligible varieties list” for that Insured Crop, in which case, only those varieties approved by the Corporation and appearing on that list for the Crop Year to which such insurance is to apply shall be insurable. Varieties unknown to, or undeclared by, the Insured may be declared as a specific variety or crop by the Corporation at any time.

3.02 Winter Wheat Insurability. All winter wheat varieties are insurable under this Contract as winter wheat. No winter wheat variety is insurable as Other Spring Wheat.

3.03 Exclusions - Land, Varieties, Perils. The terms and conditions of this Contract may limit or exclude insurance in certain cases. In addition, the Corporation may, from time to time prior to the applicable deadline provided for in Part 28, declare that:

- (i) certain Acreage is uninsurable for all Insurable Crops and Additional Insurance Programs under this Contract or is uninsurable for certain Designated Perils or is uninsurable for certain Insurable Crops, or
- (ii) certain varieties of Insurable Crops are uninsurable for certain Designated Perils or are insurable only in accordance with the restrictions determined by the Corporation.

Any such declaration by the Corporation shall be binding and in effect until such time as the Corporation repeals or modifies it.

3.04 Period of Insurance. Subject to the terms and conditions of this Contract, insurance is provided by the Corporation for loss or damage that occurs:

- (i) for Alfalfa Seed, Pedigreed Timothy Seed, Perennial Ryegrass Seed or tall fescue seed, from the date the Acreage is accepted for insurance under this Contract or, in the case of all other Insured Crops except Select Hay Types, Basic Hay and Pasture, from the date of seeding, until the time the Insured Crop is Harvested, Destroyed or the Acreage on which the Insured Crop is located is put to an Alternate Use by the Insured,
- (ii) for Excess Moisture Insurance, from the beginning of the Crop Year until June 20,
- (iii) for Forage Establishment Insurance, subject to paragraph 18.06(iii)A, from the date of seeding of the Eligible Forage Establishment Crop until June 25 of the Crop Year immediately following the year in which the Eligible Forage Establishment Crop was planted,
- (iv) for Forage Restoration, from the beginning of the Crop Year until September 30,
- (v) for Basic Hay Insurance, Select Hay Insurance and Pasture Insurance, from the date the Acreage of Basic Hay or Select Hay Type is accepted for insurance by the Corporation until:
 - A. the time the Basic Hay or Select Hay Type is Harvested, or

- B. the time the Basic Hay or Select Hay Type is Destroyed or the Acreage on which the Basic Hay or Select Hay Type is located is put to an Alternate Use by the Insured, or
 - C. if Coarse Hay is the relevant type of Basic Hay or Select Hay Type, when the Acreage on which the Coarse Hay is located has been determined by the Corporation as being too wet to Harvest,
- (vi) for the Enhanced Quality Option, from the date the Acreage of alfalfa Select Hay Type is accepted for insurance by the Corporation until:
- A. the time the alfalfa Select Hay Type is Harvested, or
 - B. the time the alfalfa Select Hay Type is Destroyed or the Acreage on which the alfalfa Select Hay Type is located is put to an Alternate Use by the Insured,
- (vii) for Strawberry Establishment Insurance, from the date on which the transplanting of the Strawberry Plant is completed until June 20 of the year following the year in which the Strawberry Plant was transplanted, and
- (viii) for Saskatoon Establishment Insurance, subject to Section 26.05, from the beginning of the Crop Year until June 20 of the following year,

unless any of the foregoing dates are extended by the Corporation in its discretion.

3.05 Restricted Coverage. If the Insured is subject to a Premium surcharge equal to or greater than 6% as determined according to tables established by the Corporation from time to time, the Insured is not eligible for any Coverage Level above 70% offered by the Corporation for any Insured Crop nor is the Insured in that case eligible for CCP Insurance or to select the higher Dollar Value for Basic Hay Insurance.

3.06 Coverage Level Restriction. If an Insured has a high risk of Production Loss or Production Value Loss, as determined by the Corporation, the Corporation may restrict the Insured to a 50% Coverage Level on all Insurable Crops. If the Insured is subject to a premium surcharge equal to 25% as determined according to tables established by the Corporation from time to time, the Insured shall be restricted to a 50% Coverage Level on all Insurable Crops and, in that case, is also not eligible for Select Hay Insurance or to select the higher Dollar Value for Basic Hay Insurance.

3.07 Common Alfalfa Seed, Pedigreed Alfalfa Seed or Pedigreed Timothy Seed Restrictions. For Common Alfalfa Seed, Pedigreed Alfalfa Seed or Pedigreed Timothy Seed to be eligible for insurance under this Contract:

- (i) Ground Cover must be 75% or more of a Field, and
- (ii) the Corporation must, in its sole discretion, consider such Acreage as satisfactory for production.

3.08 Pedigreed Alfalfa Seed and Pedigreed Timothy Seed Eligibility. Subject to Section 3.07, for Acreage of Pedigreed Alfalfa Seed or Pedigreed Timothy Seed to be eligible for insurance under this Contract:

- (i) the crop must be grown from seed which is breeder seed or of foundation or registered status (as defined by the Seeds Regulations under the Seeds Act (Canada)) and grown on Acreage which satisfies the Canadian Seed Growers' Association standards for pedigreed seed production,
- (ii) the Insured must be a member of the Canadian Seed Growers' Association, or must have applied for such membership on or before the final date for such application for membership as prescribed by the Canadian Seed Growers' Association of the year in which insurance is to apply,
- (iii) the Insured must have applied to the Canadian Seed Growers' Association for certification of the Acreage referred to in paragraph (i) above on or before the final date for such application for certification as prescribed by the Canadian Seed Growers' Association for the year in which insurance is to apply,

and the Corporation must be provided with all documentation as it may request in order to confirm the foregoing.

If the eligibility criteria set forth above is not satisfied, then:

- (i) in the case of Pedigreed Alfalfa Seed, the Acreage is insurable as Common Alfalfa Seed under this Contract, provided such crop is otherwise satisfactory to the Corporation for insurance, and
- (ii) in the case of Pedigreed Timothy Seed, the Acreage is not eligible for insurance under this Contract.

In either case, the Insured shall be required to pay to the Corporation the corresponding Premium and Administration Fees on such Acreage.

3.09 Alfalfa Seed Restrictions. Pedigreed Alfalfa Seed together with Common Alfalfa Seed shall be considered Alfalfa Seed and one Insurable Crop for Coverage Level selection, seeding date purposes and the calculation of Probable Yield.

Any indemnity for Alfalfa Seed shall be calculated on the basis of Production Value Loss.

3.10 Pedigreed Seed Crop Eligibility. For Acreage of a Pedigreed Seed Crop to be eligible for insurance as such under this Contract,

- (i) the crop must be grown from seed which is select seed, breeder seed, or of foundation or registered status (as defined by the Seeds Regulations under the Seeds Act (Canada)) and grown on Acreage which satisfies the Canadian Seed Growers' Association standards for pedigreed seed production, or
- (ii) if the affected crop is Processing Potatoes or Table Potatoes, the crop must be grown from seed which is of pre-elite, elite or foundation status as each such term is defined by the Seeds Regulations under the Seeds Act (Canada) and grown on Acreage which satisfies Canadian Seed Potato Certification Program standards for pedigreed potato seed production defined by the Canadian Food Inspection Agency,
- (iii) in the case of paragraph (i) above, the Insured must be a member of the Canadian Seed Growers' Association, or must have applied for such membership on or before the final date for such application for membership as prescribed by the Canadian Seed Growers' Association of the year in which insurance is to apply, and
- (iv) the Insured must have applied to (A) the Canadian Seed Growers' Association for certification of the Acreage referred to in paragraph (i) above or (B) to the Canadian Food Inspection Agency for certification of the Acreage referred to in paragraph (ii) above, in each case, on or before the final date for such application for certification as prescribed by the Canadian Seed Growers' Association and the Canadian Food Inspection Agency, respectively, for the year in which insurance is to apply, unless the Corporation determines that the crop on such Acreage was lost or damaged as a result of a Designated Peril prior to such final date and it would not have been in accordance with proper farming practices to proceed to Harvest such crop as a Pedigreed Seed Crop,

and the Corporation must be provided with all documentation as it may request in order to confirm the foregoing. If the eligibility criteria set forth above is satisfied and the Insured declares such Acreage as a non-Pedigreed Seed Crop, the Corporation may, at its discretion, insure the crop as the corresponding Pedigreed Seed Crop. If the eligibility criteria set forth above is not satisfied and the Insured declares such Acreage as a Pedigreed Seed Crop, the Corporation will only insure such Acreage as the corresponding non-Pedigreed Seed Crop. In either case, the Insured shall be required to pay to the Corporation the corresponding Premium and Administration Fees on such Acreage.

3.11 Pedigreed Seed Crop Restrictions. If an Insured selects insurance for a Pedigreed Seed Crop,

- (i) the Insured must also insure the corresponding non-Pedigreed Seed Crop and both are considered as one Insurable Crop for Coverage Level selection, seeding date purposes and the calculation of Probable Yield,
- (ii) for the purpose of calculating the Individual Productivity Index or other probable yield calculations of the Insured, the Pedigreed Seed Crop will be considered as the corresponding non-Pedigreed Seed Crop,
- (iii) where both a Pedigreed Seed Crop and the corresponding non-Pedigreed Seed Crop are grown by the Insured, the indemnity shall be calculated on the basis of Production Value Loss.

If an Insured selects insurance for a non-Pedigreed Seed Crop, the Insured is not required to select insurance for the corresponding Pedigreed Seed Crop. However, all Acreage of the Pedigreed Seed Crop must then be insured as a non-Pedigreed Seed Crop.

3.12 Tall Fescue Seed Restrictions. For tall fescue seed to be eligible for insurance under this Contract:

- (i) the Stand after Establishment must be no more than five years old, unless the Corporation, in its discretion, accepts an older Stand for insurance,
- (ii) Ground Cover must be 75% or more of a Field, and
- (iii) the Corporation must, in its sole discretion, consider such Acreage as satisfactory for production.

3.13 Organic Crop Eligibility. For a crop to be an Organic Crop and eligible to be insured as such under this Contract, the crop must be grown on Acreage that is land eligible to be certified for organic production in the affected Crop Year by a certifying body that is recognized by the Canadian Food Inspection Agency or by the United States Department of Agriculture.

If the eligibility criteria set forth above is satisfied at the time the Organic Crop is sown, but the affected Acreage is not certified as land eligible for organic production during the Crop Year, and the Insured declares such Acreage as an Organic Crop, the Corporation will continue to insure such Acreage as an Organic Crop.

3.14 Basic Hay Restrictions. All types of Basic Hay shall be considered Basic Hay and one Insurable Crop for Dollar Value selection. For the purpose of calculating the Probable Yield of an Insured, calculations will be made separately for each type of Basic Hay and then combined into one value for all Basic Hay types.

3.15 Coarse Hay Restriction. If an Insured is unable to Harvest Acreage of Coarse Hay due to excessive moisture, the Insured is not eligible for a Production Loss Indemnity on the affected Acreage under Basic Hay Insurance or Select Hay Insurance. Acreage of Coarse Hay not Harvested due to excessive moisture will not be included in future Probable Yield calculations.

3.16 Canola - IPI Restrictions. For the purpose of calculating the Individual Productivity Index of an Insured, calculations will be made separately for each type of Polish and Argentine Canola including its corresponding Pedigreed Seed Crop, and then combined into one Individual Productivity Index for both types.

3.17 Fall Rye – IPI Restrictions. For the purpose of calculating the Individual Productivity Index of an Insured, calculations will be made separately for each type of hybrid fall rye and open pollinated fall rye and then combined into one Individual Productivity Index for all types.

3.18 Perennial Ryegrass Seed. Perennial Ryegrass Seed is only insurable as an Insured Crop in the Crop Year immediately following the Crop Year in which it was seeded and only if it has achieved Ground Cover of 75% or more of the Field.

3.19 Potato Restrictions. Potatoes grown for the purpose of producing seed are insurable under this Contract as Table Potatoes or Processing Potatoes, as defined and approved by the Corporation annually. Only Processing Potatoes (including its corresponding Pedigreed Seed Crop) can be insured as irrigated or non-irrigated Processing Potatoes. The Probable Yield for non-irrigated Processing Potatoes (including its corresponding Pedigreed Seed Crop) cannot exceed the Probable Yield for irrigated Processing Potatoes.

3.20 Volunteer Crops and Intercrop Mixtures. Volunteer Crops are not eligible for insurance under this Contract. Intercrop Mixtures are eligible for insurance under this Contract only if they are insured under Novel Crop Insurance.

3.21 Fall Seeded Crops. Annual crops, other than Fall Rye or winter wheat, seeded in the fall of the Crop Year prior to the Crop Year in which insurance is to apply and which are normally seeded in the spring, are not eligible for insurance under this Contract until the beginning of that following Crop Year and then only if such crops establish in the spring with a sufficient Stand to yield at least the Insured's Coverage for that crop and provided no loss or damage has occurred that is the result of spring frost, all as determined by the Corporation.

3.22 Broadcast and Aerial Seeding Restriction. If an Insurable Crop is sown by Broadcast Seeding or Aerial Seeding, such Insurable Crop is not eligible for insurance under this Contract unless the seed is incorporated into the soil by mechanical means and establishes with a sufficient Stand to yield at least the Insured's Coverage for that crop, all as determined by the Corporation. The incorporation date will be deemed to be the seeding date for the purposes of this Contract. Notwithstanding Section 7.01, the Insured must report any Aerial Seeded Acreage on the Seeded Acreage Report and if Aerial Seeded Acreage is reported, the deadline for submitting the Seeded Acreage Report is June 22.

3.23 Minimum Acreage. No insurance will be provided under this Contract if the Insured Acreage is less than five acres, except in the case of EMI and the Harvest Flood Option, in which case there must be a minimum of 10 acres of EMI Insured Acreage and Coarse Hay, respectively, for insurance to apply. Forage Establishment Insurance is not available if the Forage Establishment Acreage is less than five acres. A Select Hay Type is not insurable under Select Hay Insurance unless the Acreage of that Select Hay Type is equal to or greater than five acres.

3.24 Seeding Date Restrictions. No insurance will be provided under this Contract if an Insurable Crop is seeded after the seeding deadline for that crop as set forth in Section 6.01 or, if the Insurable Crop has an Extended Coverage Seeding Period, after the expiry of the Extended Coverage Seeding Period for the seeding of that Insurable Crop as set forth in Section 6.01.

3.25 Extended Coverage Seeding Period. For Acreage of an Insurable Crop seeded during the Extended Coverage Seeding Period for that Insurable Crop as set forth in Part 6, the Probable Yield of that Insured for that Insurable Crop on such Acreage will be reduced by 20%. The Coverage for that Acreage will be adjusted accordingly, but the Premium will not be adjusted.

3.26 Irrigation Requirements for Processing Potatoes, Vegetables, Strawberry Plants and Saskatoon Plants. For Processing Potatoes (including its corresponding Pedigreed Seed Crop) to qualify as irrigated potatoes, the Field on which the potatoes are planted must have an adequate water supply and working irrigation equipment capable of supplying the minimum water requirement for that Field, as shown on maps available in the insurance offices of the Corporation. In addition, the Insured shall maintain an up-to-date log showing the dates and approximate amounts of rainfall and water applied to each irrigated Field of Processing Potatoes (including its corresponding Pedigreed Seed Crop), which log and Field may be

inspected by the Corporation at any time and from time to time. If the Insured does not irrigate any Acreage of Processing Potatoes (including its corresponding Pedigreed Seed Crop) in accordance with the foregoing requirements or does not maintain such a log, the Corporation may reclassify such Acreage as non-irrigated Acreage, in which case the Insured's Coverage and Premium will be adjusted.

Any Acreage of carrots, Cooking Onions, parsnips, rutabagas, Strawberry Plants or Saskatoon Plants must be irrigated in a manner satisfactory to the Corporation as evidenced by the requirements on file with any insurance office of the Corporation. If any such Acreage is not so irrigated, that Acreage is not eligible for insurance under this Contract and no Premium is payable by the Insured in respect of that Acreage.

3.27 Bacterial Ring Rot Restriction. If an Insured has had a prior occurrence of bacterial ring rot in Table Potatoes or Processing Potatoes (including their respective corresponding Pedigreed Seed Crop), no insurance will be offered under this Contract for subsequent potato production losses if an Insured has not, to the satisfaction of the Corporation, fully complied with a clean-up order issued in accordance with the Bacterial Ring Rot in Potatoes Regulation under The Plant Pests and Diseases Act (Manitoba) or with any sanitation requirements imposed by the Canadian Food Inspection Agency. Any inspection performed by the Corporation in connection with or to satisfy the foregoing requirements shall be paid for by the Insured.

3.28 Fire Loss Restriction. This Contract does not insure against loss or damage as a result of fire intentionally started by the Insured or the agents, servants or employees of the Insured, unless such fire is lawfully started and is in compliance with the requirements of all applicable law.

3.29 Organic Crop Reference. Any reference in this Contract to a non-Organic Crop that has an organic counterpart shall be deemed to include that counterpart.

3.30 All Crops Insured. If the Insured has All Crops Selected and the Corporation offers a new Insurable Crop for insurance in any Crop Year, then that new Insurable Crop shall be deemed to have been selected by the Insured for insurance in that Crop Year at the same Coverage Level as selected under All Crops Selected.

3.31 Baled Production in Wet Field. Notwithstanding the definition of "Harvest" and Section 21.13, if the Corporation determines that excess moisture has prevented the Insured from removing a Select Hay Type, Basic Hay or Greenfeed bales from the Field on a timely basis, the amount of production lost or damaged as a result of the excess moisture, until such

time as the Corporation determines that the Harvested Select Hay Type, Basic Hay or Greenfeed bales could have been removed from the Field, will not be counted as Production.

3.32 Regulated Product. If an Insurable Crop is a regulated product as defined in Section 1 of The Farm Products Marketing Act (Manitoba), insurance under this Contract is only available for that Insurable Crop if the Insured has valid arrangements in place for the marketing and sale of all of the Insurable Crop in compliance with that Act and the regulations and orders under it.

3.33 Dollar Value Selection. For each Crop Year, the Corporation may establish for the purposes of the definition of "Dollar Value" in Section 1.01 more than one Dollar Value. On or before March 31 in the year prior to the Crop Year in which the insurance is to apply, the Insured must select the Dollar Value to apply in the circumstances for which the Corporation has established more than one Dollar Value. In the case of Insurable Crops, the Dollar Value selection made by the Insured may not be selected on an individual crop basis and will apply to all Insurable Crops selected by that Insured.

3.34 Fall Crop/EMI Insurability. Winter wheat, Fall Rye, fall planted Saskatoon Plants and fall seeded Eligible Forage Establishment Crops must be planted or seeded, as the case may be, within the dates, and selections in respect of Excess Moisture Insurance must be made by the dates, set out in Sections 6.01 and 28.05, respectively. However, any insurance in respect of the foregoing will be based on the Contract that is in effect as of the following April 1.

PART 4 OBLIGATION TO INSURE

4.01 Entire Acreage. The entire Acreage of an Insured Crop in Manitoba and, for Forage Establishment Insurance and Excess Moisture Insurance, all Forage Establishment Acreage and all EMI Insured Acreage, respectively, and for Strawberry Establishment Insurance and Saskatoon Establishment Insurance, all Strawberry Plants and Saskatoon Plants, respectively, in which the Insured has a direct or indirect financial or other interest, as determined by the Corporation, either individually, in partnership, through a corporation in which the Insured is a Principal Shareholder or otherwise, must be insured with the Corporation. If the Insured is a corporation or a partnership, the entire Acreage of an Insured Crop in Manitoba and, for Forage Establishment Insurance and Excess Moisture Insurance, all Forage Establishment Acreage and all EMI Insured Acreage, respectively, and for Strawberry Establishment Insurance and Saskatoon Establishment Insurance, all Strawberry Plants and Saskatoon Plants, respectively, in which it and its Principal Shareholders or

partners, as the case may be, have any such interest must be insured with the Corporation. If the Insured is a Landlord, the entire Acreage of an Insured Crop in Manitoba under a bona fide crop share lease agreement with a Tenant who is also an Insured must be insured with the Corporation, but the foregoing shall not require such Landlord to insure Acreage of that Insured Crop farmed by the Landlord independently. If a Landlord does not insure the Landlord's interest in an Insurable Crop and the Tenant of that Landlord elects to insure the Tenant's interest, the Tenant shall be obligated to insure both the Landlord's and the Tenant's interest in that Insurable Crop.

4.02 Exceptions - Greenfeed. Provided the Insured has not selected Greenfeed as an Insured Crop, any Acreage of Greenfeed of that Insured may be excluded from insurance on an individual field basis upon written request made by the Insured (which includes any request made in the Insured's Seeded Acreage Report) and received by the Corporation on or before June 30. If such a request is not received by the Corporation on or before such deadline or if the Acreage is not used by the Insured for livestock feed, the Corporation may refuse to accept the request for exclusion from insurance or may reclassify the relevant Acreage as Acreage to which insurance will apply and the Premium and Administration Fees shall be deemed earned by the Corporation and payable by the Insured for such Acreage.

4.03 Exceptions - Silage Corn. If an Insured has selected Grain Corn or Open Pollinated Corn as an Insured Crop and declares Silage Corn on the Seeded Acreage Report which is subsequently put to an Alternate Use by threshing it as Grain Corn or Open Pollinated Corn, as the case may be, the Acreage so Harvested may be considered as Grain Corn or Open Pollinated Corn, as applicable, and the Insured shall be required to pay to the Corporation the Premium and Administration Fees on all such Acreage unless the Insured's Adjusted Production on that Acreage falls short of the Production Guarantee for Grain Corn or Open Pollinated Corn, as the case may be, on that Acreage. In that case, such corn shall be considered to be Silage Corn and Coverage on such Acreage shall be calculated on that basis.

4.04 High Generation Seed Plots/Test Plots. Notwithstanding Section 4.01, an Insured may, with the prior consent of the Corporation, elect to not insure the High Generation Seed Plots and/or Test Plots of that Insured, in which case, all such Acreage shall be excluded from insurance under this Contract. If such an election is made, all Production from such Acreage shall be kept separate from Production of all Insured Acreage. If the Insured fails to keep the Production separate in accordance with the foregoing requirement to the satisfaction of the Corporation, the Corporation may, in its discretion, combine Production from Insured Acreage

with Production from uninsured Acreage and calculate Production for the Insured Acreage, in such manner as the Corporation may determine.

4.05 Landlord Selections. If the Insured is a Landlord, the Insured Crops, Dollar Value (if more than one Dollar Value is offered by the Corporation) and Coverage Level for the Landlord's Acreage shall be those selected by the Tenant(s). Any selection made by a Tenant from time to time in respect of the EMI Reduced Deductible Option shall also be binding on the Landlord of that Tenant. The EMI Deductible that applies from time to time in respect of a Tenant shall also be the EMI Deductible applied against the Landlord of that Tenant. An Insured who is a Landlord shall be bound by the information contained in the Seeded Acreage Report, Harvested Production Report and all claims or other documents filed by the Tenant as they relate to such Landlord's Acreage. For a Landlord to be eligible for insurance under this Contract, the Landlord and Tenant shall have entered into a bona fide crop share lease agreement under which payment of rent is determined entirely by a share or portion of the Insured Crop on the Acreage leased and no part of the lease payment is subject to a minimum monetary payment.

PART 5 UNINSURED CAUSES OF LOSS

5.01 Uninsured Causes. This Contract does not insure against any loss or damage, resulting from one or more of the following:

- (i) inadequate soil fertility,
- (ii) the use of seed, plants or transplants which do not meet acceptable standards,
- (iii) subject to Section 11.05, weeds or chemical damage, including damage resulting from the use of herbicides or pesticides,
- (iv) competition from any crop or plant growing with the Insured Crop, Eligible Forage Establishment Crop, Strawberry Plant or Saskatoon Plant,
- (v) a shortage of labour or machinery,
- (vi) damage to the Insured Crop, Eligible Forage Establishment Crop, Strawberry Plant or Saskatoon Plant which is a result of improper operation of machinery,
- (vii) grazing by livestock,
- (viii) pests or disease, unless the Insured establishes to the satisfaction of the Corporation that measures for control of such pests or disease were performed,
- (ix) improper seed bed preparation, seed placement or planting methods,
- (x) improper crop rotation,

- (xi) early seeding which results in an unreasonable increase in the risk of loss,
- (xii) stem rust, if the Insured Crop is winter wheat,
- (xiii) an inadequate population of leafcutter bees, if the Insured Crop is Alfalfa Seed,
- (xiv) frost damage, if the variety of the Insured Crop affected by the damage is not appropriate for the area in which it was seeded,
- (xv) bacterial ring rot, if a certified or better seed source is not used,
- (xvi) inadequate straw or mulch cover, in the case of Strawberry Establishment Insurance,

- (xvii) for land declared by the Corporation under Section 3.03 as having restricted coverage due to flooding, loss or damage caused by adjacent lake water,
- (xviii) any other negligence, neglect, misconduct or improper farming practice of the Insured, or of agents or employees of the Insured, and all as determined by the Corporation.

5.02 Adjustment for Uninsured Causes. Any loss in Production due to an uninsured cause of loss, as determined by the Corporation, will be added in the calculation of Adjusted Production for the determination of an indemnity payment, but will not be included in IPI Yield or Probable Yield calculations.

PART 6 SEEDING DATES

6.01 Seeding Dates. The following dates are the final seeding dates and where noted the earliest seeding dates for each of the following Insurable Crops:

| Seeding date for full Coverage | Extended Coverage Seeding Period for reduced Coverage | Insurable Crop type and area |
|--------------------------------|---|--|
| May 25 | May 26 through to and including May 30 | fababeans. |
| May 30 | None | Grain Corn, lentils and Open Pollinated Corn in their respective Insurance Test Area; soybeans in soybean area 4. |
| May 30 | May 31 through to and including June 4 | Grain Corn in grain corn areas 2, 3 and 4; Silage Corn in silage corn area 2; lentils in lentil area 1; soybeans in soybean areas 2 and 3; Open Pollinated Corn in open pollinated corn area 1. |
| June 6 | None | white pea beans, black beans, kidney beans, cranberry beans, small red beans, pinto beans and Other Dry Edible Beans in the dry edible bean Insurance Test Area. |
| June 6 | June 7 through to and including June 11 | white pea beans, black beans, kidney beans, cranberry beans, small red beans, pinto beans and Other Dry Edible Beans in dry edible bean areas 2 and 3; Grain Corn in grain corn area 1; Cooking Onions, parsnips; soybeans in soybean area 1; Annual Ryegrass Seed. |
| June 10 | None | Oil sunflowers and non-oil sunflowers in the sunflower Insurance Test Area. |
| June 10 | June 11 through to and including June 15 | white pea beans, black beans, kidney beans, cranberry beans, small red beans, pinto beans and Other Dry Edible Beans in dry edible bean area 1; Proso Millet; Rapeseed and Argentine type Canola in canola area 2; oil sunflowers and non-oil sunflowers in sunflower area 1; triticale; Hemp Grain. |

| Seeding date for full Coverage | Extended Coverage Seeding Period for reduced Coverage | Insurable Crop type and area |
|---|---|--|
| June 15 | June 16 through to and including June 20 | canaryseed; Field Peas; Rapeseed and Argentine type Canola in canola area 1; carrots; late maturing varieties of Table Potatoes and Processing Potatoes as specified by the Corporation; Silage Corn in silage corn area 1. |
| June 20 | None | buckwheat; Polish type Canola; Flax; mustard; oats; barley; Mixed Grain; early maturing varieties of Table Potatoes and Processing Potatoes as specified by the Corporation; northern hard red wheat; red spring wheat; prairie spring wheat; Other Spring Wheat; extra strong wheat; durum wheat; hard white wheat, rutabagas; Novel Crops; Strawberry Plants; spring planting of Saskatoon Plants. |
| June 20 | June 21 through to and including July 15 | Greenfeed. |
| June 25 | None | spring seeding of an Eligible Forage Establishment Crop. |
| August 15 (but not before July 25) | None | fall seeding of perennial grasses, alfalfa, clover and sainfoin (excluding Perennial Ryegrass Seed). |
| August 31 (but not before August 10) | September 1 through to and including September 5 | fall seeding of Perennial Ryegrass Seed. |
| September 15 (but not before August 20) | September 16 through to and including September 20 | winter wheat. |
| September 20 (but not before August 15) | September 21 through to and including September 25 | Fall Rye. |
| November 30 (but not before August 15) | None | fall planting of Saskatoon Plants. |

All of the areas referred to above (including the Insurance Test Areas) or elsewhere in this Contract are established by the Corporation from time to time and are shown as such on the Corporation's public website at www.masc.mb.ca. There is no Extended Coverage Seeding Period for any Insurable Crop type seeded in an Insurance Test Area.

6.02 Seeding Dates for Pedigreed Seed Crops.

The seeding dates and the Extended Coverage Seeding Periods for Pedigreed Seed Crops are the same as the corresponding non-Pedigreed Seed Crop.

6.03 Seeding Dates for Organic Crops.

The seeding dates and the Extended Coverage Seeding Periods for Organic Crops are the same as the corresponding non-Organic Crop.

6.04 Extension of Seeding Dates.

All or any of the dates for seeding provided for in this Part may be extended in the discretion of the Corporation with notice of any such extension given in whatever manner and within whatever time as may be determined by the Corporation.

6.05 Extension of Stage 1. If the seeding dates are extended by the Corporation in accordance with Section 6.04, the Corporation may also extend Stage 1 by whatever time the Corporation may determine in its discretion.

PART 7 SEEDED ACREAGE REPORT

7.01 Requirement to File. Subject to Section 3.22 and Section 8.04, the Insured shall complete and file a Seeded Acreage Report with the Corporation not later than June 30 of each Crop Year for all Insurable Crops. If the Insured has selected Greenfeed as an Insured Crop and has seeded Acreage of Greenfeed during the Extended Coverage Seeding Period for Greenfeed as set forth in Part 6, the Insured shall file an additional Seeded Acreage Report for that Acreage of Greenfeed on or before July 31 of the Crop Year in which the

Greenfeed was seeded. The total Acreage (defined for this purpose as including both land inside and outside Manitoba) of the Insured including, without limitation, all Acreage not seeded in the Crop Year, all summerfallow Acreage and all Strawberry Plants and Saskatoon Plants must be stated and certified on the Seeded Acreage Report together with such other information as the Corporation may require. If the Insured does not seed an Insurable Crop, the Insured shall nevertheless file a Seeded Acreage Report.

7.02 Failure to File. If the Insured does not file a Seeded Acreage Report by the dates set forth in Section 7.01 in any Crop Year or does not indicate in a Seeded Acreage Report the seeding of an Insurable Crop or other agricultural crop, the Corporation may determine the Insured Acreage of the Insured, the number of Strawberry or Saskatoon Plants, the EMI Insured Acreage, the Forage Establishment Acreage of the Insured or all of them or may declare the Insured Acreage to be “zero” for such Insurable Crop or declare the number of Strawberry or Saskatoon Plants, the EMI Insured Acreage, the Forage Establishment Acreage or all of them to be “zero”.

7.03 Late Acceptance. Notwithstanding Sections 7.01 and 7.02, the Corporation has the right in its discretion to accept a Seeded Acreage Report submitted for filing after the dates set forth in Section 7.01. An Insured whose Seeded Acreage Report is not received by the dates set forth in Section 7.01 may be charged a late filing fee of \$100 and such fee shall be payable by the Insured in addition to any other amounts payable under this Contract.

7.04 Adding Acreage and Plants. Acreage not declared by an Insured under Section 7.01 may be added by the Insured or the Corporation as Acreage to be insured under this Contract only if:

- (i) none of the Acreage to be added has been Harvested, Destroyed or put to an Alternate Use and none of the acres of the Field to which the Acreage is to be added has been Harvested, Destroyed or put to an Alternate Use, and
- (ii) the total Acreage of the Field to which the Acreage is to be added (including the added Acreage) has been inspected and appraised by the Corporation and is otherwise acceptable to the Corporation for insurance under this Contract.

If Acreage to be added has been Harvested or put to an Alternate Use and, provided such Acreage is otherwise acceptable to the Corporation for insurance under this Contract, the Corporation may add the Acreage under this Contract with the Premium and Administration Fees due and payable by the Insured in respect of such Acreage, but such Acreage will not be eligible for a claim for indemnity.

Notwithstanding the foregoing, EMI Unseeded Acreage cannot be added under this Section as Acreage to be insured under this Contract and Forage Establishment Acreage can only be added if the Forage Establishment Crop on that Acreage has achieved Establishment. Strawberry Plants and Saskatoon Plants not declared by the Insured under Section 7.01 can be added as plants to be insured under Strawberry Establishment Insurance and Saskatoon Establishment Insurance, respectively, provided such plants are viable and otherwise insurable under this Contract as determined by the Corporation.

7.05 Appraised Production on Added Acreage. The amount, if any, that the Appraised Production from Acreage being added under Section 7.04 falls short of Coverage will be considered an uninsured cause of loss and added in the calculation of Adjusted Production for the determination of an indemnity payment, but will not be included in IPI Yield or Probable Yield calculations.

7.06 Switching Crops. If an Insured has declared, in error, an Insured Crop on the Seeded Acreage Report, but actually seeded a different Insurable Crop that has a higher Dollar Coverage than the Insured Crop declared on the Seeded Acreage Report, the Corporation may, provided the affected Acreage is otherwise acceptable for insurance by the Corporation, insure the Insurable Crop so grown at the Dollar Coverage of the first declared Insured Crop. If the Insurable Crop seeded has a lower Dollar Coverage than the Insured Crop declared on the Seeded Acreage Report, the Insurable Crop will be insured at the lower Dollar Coverage. In all cases, the Insured must pay the Corporation the Premium and Administration Fees calculated on the basis of the Insurable Crop grown.

7.07 Right to Measure. The Corporation reserves the right to check or measure any or all Acreage by any means acceptable to the Corporation in order to determine the Insured Acreage, the EMI Insured Acreage or the Forage Establishment Acreage of the Insured or the number of Strawberry Plants or Saskatoon Plants, in the case of Strawberry Establishment Insurance and Saskatoon Establishment Insurance, respectively, or all of them, and reserves the right to adjust the Insured Acreage, the EMI Insured Acreage or the Forage Establishment Acreage or the number of Strawberry Plants or Saskatoon Plants or all of them, accordingly.

7.08 Deleting Acreage. Declared Acreage of an Insurable Crop which has not been planted may be deleted as Declared Acreage through a revision to the Seeded Acreage Report only if:

- (i) none of the Acreage of the Insurable Crop has been Harvested or Destroyed, or
- (ii) such Acreage has been put to an Alternate Use,

and only if the Corporation has measured all Acreage, by a method determined by the Corporation, of that Insurable Crop.

7.09 Inspection Fee. The Insured shall pay the Corporation such inspection fee as is determined by the Corporation for the services performed or undertaken by the Corporation under this Part.

PART 8 NOTICE OF LOSS

8.01 General Notice. On the completion of Harvest of an Insured Crop, if it appears that there is a Production Loss or Production Value Loss, as the case may be, for that Insured Crop as a result of one or more of the Designated Perils for that crop, the Insured shall file the Harvested Production Report required by Section 15.01 by November 30 of the Crop Year in which the damage or loss occurs.

8.02 Stage 1/Stage 2 UH Notice. If loss or damage occurs to an Insured Crop, other than Select Hay Types and Basic Hay, during Stage 1 or Stage 2 UH as a result of one or more of the Designated Perils for that crop, the Insured shall notify the Corporation of such loss or damage prior to the Insured Reseeding or Destroying that Insured Crop or putting the affected Acreage to an Alternate Use.

8.03 Notice of Fed or Sold Production. The Insured must notify the Corporation 10 days prior to any Production from any Acreage of an Insured Crop being utilized for feed. If the affected Insured Crop is Greenfeed or Silage Corn, the Insured must also notify the Corporation 10 days prior to any Production of Greenfeed or Silage Corn being sold, placed in an immeasurable position or disposed of in any manner. If the Insured does not provide such notice, the Corporation may deny any claim or determine Adjusted Production in such manner as it determines appropriate. In such case, the Premium and Administration Fees shall be due and payable by the Insured. Whether the Corporation denies the claim or not, the Corporation may determine Adjusted Production on such basis as it considers appropriate for future Probable Yield calculations.

8.04 Excess Moisture Insurance Notice. Notwithstanding Section 7.01, the Insured must notify the Corporation in writing of a claim for an EMI Indemnity by filing a Seeded Acreage Report on or before June 22 of the Crop Year.

8.05 Forage Establishment Insurance Notice. The Insured must notify the Corporation in writing on or before June 25 for claims for Eligible Forage Establishment Crops planted, reseeded or overseeded in the immediately preceding Crop Year.

8.06 Forage Restoration Notice. The Insured must notify the Corporation in writing of a claim for a Forage Restoration Indemnity on or before September 30 of the year in which the loss or damage occurs.

8.07 Greenfeed Notice. Subject to Section 8.03, the Insured must notify the Corporation in writing of a claim for indemnity in respect of Greenfeed on or before September 30 of the year in which the loss or damage occurred.

8.08 Select Hay and Basic Hay Insurance Notices. Subject to Section 21.12, the Insured must notify the Corporation in writing of a claim for indemnity in respect of any Select Hay Type or Basic Hay by September 30 of the year in which the loss or damage occurs and file a Harvested Production Report by that same date.

8.09 Enhanced Quality Option Notice. The Insured must notify the Corporation in writing of a claim for an Enhanced Quality Option Indemnity on or before September 30 of the Crop Year in which the loss or damage occurs.

8.10 Harvest Flood Option Notice. The Insured must notify the Corporation in writing of a claim for a Harvest Flood Option Indemnity on or before September 30 of the Crop Year in which the loss or damage occurs.

8.11 Strawberry and Saskatoon Establishment Insurance Notice. Subject to Section 26.08 in the case of Saskatoon Plants, the Insured must notify the Corporation in writing of a claim for indemnity in respect of Strawberry Establishment Insurance or Saskatoon Establishment Insurance during the period in which such insurance is effective under Section 3.04, but in any event on or before June 20 following the year in which the insurance became effective.

8.12 Failure to Notify. Where the Insured has failed to notify the Corporation of any loss as required by this Part, whether or not the failure to notify is to the prejudice of the Corporation, the Corporation may refuse to pay any indemnity hereunder.

8.13 Late Claims. Notwithstanding Section 8.12, any notification of a claim for indemnity received by the Corporation after the deadlines provided for in Sections 8.01 or 8.02 may be classified as a late claim and, if the late claim is permitted by the Corporation, will be assessed a late filing fee of 25% of the indemnity as determined by the Corporation subject to a maximum fee of \$1,000 and any indemnity in respect of such claim will be payable only if the Corporation can establish Adjusted Production to its satisfaction.

8.14 Late Claim - Excess Moisture. Notwithstanding Section 8.12, any notification of a claim for indemnity received by the Corporation after the deadline provided for in Section 8.04 may be classified as a late claim and, if the late claim is permitted by the Corporation, will be assessed a late filing fee of 25% of the EMI Indemnity as determined by the Corporation, subject to a maximum fee of \$1,000. Notwithstanding the foregoing, notification of a claim for an EMI Indemnity will not in any event be accepted by the Corporation if it is received by the Corporation after June 30 of the Crop Year.

8.15 Late Claim - Forage Establishment. Notwithstanding Section 8.12, any notification of a claim for indemnity received by the Corporation after the deadline provided for in Section 8.05 may be classified as a late claim and, if the late claim is permitted by the Corporation, will be assessed a late filing fee of 25% of the Forage Establishment Indemnity as determined by the Corporation, subject to a maximum fee of \$1,000. Notwithstanding the foregoing, notification of a claim for a Forage Establishment Indemnity will not in any event be accepted by the Corporation if it is received by the Corporation after June 30 of the Crop Year following the Crop Year in which the affected Eligible Forage Establishment Crop was planted, reseeded or overseeded.

8.16 Late Claim - Greenfeed, Select Hay, Basic Hay and Enhanced Quality Option. Notwithstanding Sections 8.07, 8.08 and 8.09, any notification of a claim for indemnity received by the Corporation after the deadline provided for in those Sections may be classified as a late claim and, if the late claim is permitted by the Corporation, will be assessed a late filing fee of 25% of the indemnity as determined by the Corporation, subject to a maximum fee of \$1,000. Notwithstanding the foregoing, notification of a claim for an indemnity will not in any event be accepted by the Corporation if it is received by the Corporation after November 30 of the year in which the loss or damage occurs.

8.17 Late Claim - Forage Restoration. Notwithstanding Section 8.12, any notification of a claim for indemnity received by the Corporation after the deadline provided for in Section 8.06 may be classified as a late claim and, if the late claim is permitted by the Corporation, will be assessed a late filing fee of 25% of the Forage Restoration Indemnity as determined by the Corporation, subject to a maximum fee of \$1,000. Notwithstanding the foregoing, notification of a claim for a Forage Restoration Indemnity will not in any event be accepted by the Corporation if it is received by the Corporation after October 15.

8.18 Late Claim - Harvest Flood Option. Notwithstanding Section 8.12, any notification of a claim for indemnity received by the Corporation after the

deadline provided for in Section 8.10 may be classified as a late claim and, if the late claim is permitted by the Corporation, will be assessed a late filing fee of 25% of the Harvest Flood Option Indemnity as determined by the Corporation, subject to a maximum fee of \$1,000. Notwithstanding the foregoing, notification of a claim for a Harvest Flood Option Indemnity will not in any event be accepted by the Corporation if it is received by the Corporation after October 15.

8.19 Late Claim - Strawberry and Saskatoon Establishment. Notwithstanding Section 8.12, any notification of a claim for indemnity received by the Corporation after the deadline provided for in Section 8.11 may be classified as a late claim and, if the late claim is permitted by the Corporation, will be assessed a late filing fee of 25% of the Strawberry Establishment Insurance Indemnity or the Saskatoon Establishment Insurance Indemnity, as the case may be, as determined by the Corporation, subject to a maximum fee of \$1,000. Notwithstanding the foregoing, notification of a claim for a Strawberry Establishment Insurance Indemnity or a Saskatoon Establishment Insurance Indemnity, as the case may be, will not in any event be accepted by the Corporation if it is received by the Corporation after June 30 immediately following the period in which such insurance is effective under Section 3.04.

8.20 Final Date. Subject to Sections 8.14, 8.15, 8.16, 8.17, 8.18 and 8.19 in which case the dates listed in those Sections are the final dates, notification of a claim for indemnity will not in any event be accepted by the Corporation if it is received by the Corporation after March 31 of the Crop Year in which the insurance applied.

8.21 Appraisal of Loss. Upon receipt of notification of a claim in the manner and within the time provided for in this Part, the Corporation shall appraise the loss for the Insured Crop or any Additional Insurance Program, as the case may be.

8.22 Claims by Declaration. When a claim is made by an Insured, the Corporation may elect to settle the claim solely on the basis of a declaration made by the Insured on the form provided by the Corporation for that purpose, in which case no appeal is available under Section 27.01 of this Contract.

8.23 Representative Strips for Adjusting. If loss or damage occurs to an Insured Crop as the result of a Designated Peril while that crop is standing or is cut and ready for threshing, subject to notice of loss or damage being given in accordance with the terms of this Part, the Insured may proceed to Harvest, Destroy or reseed that Insured Crop or put the affected Acreage to an Alternate

Use, provided that one representative strip of no less than 10 feet in width either:

- (i) the full length of the Field for each 40 acres or less of the Insured Crop which has been damaged or lost, or
- (ii) one-third the distance in from the edge of the Field and completely around the Field,

is left for inspection by the Corporation.

If the Insured makes a claim under this Contract and the Insured proceeds to reseed, Harvest or Destroy that Insured Crop or put the affected Acreage to an Alternate Use without leaving the representative strip(s) contemplated by this Section, the Corporation may refuse to pay any indemnity otherwise payable to the Insured under this Contract.

8.24 Nil Claim Adjusting Fee. If it is finally determined that the Insured is not entitled to any indemnity hereunder, the Corporation may, in its discretion, require the Insured to pay all costs incurred by the Corporation in appraising and investigating the claim by the Insured.

8.25 Right to Deny. Any notice accepted by the Corporation after the dates specified for receipt in this Part will be without prejudice to any rights the Corporation may have to deny the claim for indemnity.

8.26 Form of Notice. All notices required or permitted to be given by an Insured under this Part shall be on the form required by the Corporation from time to time for that purpose.

PART 9 INDEMNITY

9.01 Insured's Obligations. No indemnity shall be paid for a loss or claim hereunder, unless the Insured establishes to the satisfaction of the Corporation that:

- (i) the loss resulted directly from one or more of the Designated Perils for that Insured Crop or Additional Insurance Program, and
- (ii) the Insured reported the loss as required in this Contract.

9.02 Determination by Crop. Except for CCP Insurance, Pedigreed Seed Crops and the corresponding non-Pedigreed Seed Crops, the loss in respect of an Insured Crop, and the amount of indemnity payable therefore, shall be determined separately for each Insured Crop.

9.03 Indemnity Calculation. The maximum indemnity for loss or damage to an Insured Crop, loss or damage in respect of CCP Insurance or loss or damage in respect of an Additional Insurance Program shall be:

- (i) subject to paragraphs (ii) and (vi) below, the Dollar Value multiplied by the Production Loss for an Insured Crop,
- (ii) the Production Value Loss for
 - A. Alfalfa Seed,
 - B. Canola,
 - C. a Pedigreed Seed Crop or the corresponding non-Pedigreed Seed Crop, but only where the Pedigreed Seed Crop and the corresponding non-Pedigreed Seed Crop are grown in the same Crop Year, and
 - D. CCP Insurance,
- (iii) the EMI Indemnity provided by Part 16 for Excess Moisture Insurance,
- (iv) the Forage Establishment Indemnity provided by Part 18 for Forage Establishment Insurance,
- (v) the Forage Restoration Indemnity provided by Part 19 for Forage Restoration,
- (vi) the Pasture Indemnity provided by Part 20 for Pasture,
- (vii) the Hay Disaster Benefit Indemnity provided by Section 21.17 for the Hay Disaster Benefit,
- (viii) the Enhanced Quality Option Indemnity provided by Part 22 for the Enhanced Quality Option,
- (ix) the Harvest Flood Option Indemnity provided by Part 23 for the Harvest Flood Option,
- (x) the Strawberry Establishment Insurance Indemnity provided by Part 25 for Strawberry Establishment Insurance, and
- (xi) the Saskatoon Establishment Insurance Indemnity provided by Part 26 for Saskatoon Establishment Insurance.

9.04 Stage Indemnities. If loss or damage occurs to an Insured Crop in Stage 1 or Stage 2 UH, the Insured will only be eligible for a Stage Indemnity for Stage 1 or Stage 2 UH and the Indemnity Level shall be determined in accordance with the provisions of Parts 10, 11 and 12.

9.05 Obligation to Cooperate. It is a condition precedent to the payment of any indemnity hereunder that the Insured has cooperated fully with the Corporation, its agents and employees in appraising and investigating the claim or loss.

9.06 Wildlife Damage Compensation Offset. Where an Insured has received or is eligible to receive a Wildlife Damage Compensation Payment, the Corporation shall deduct such payment or payments or portion thereof, as determined by the Corporation, from any indemnity otherwise payable under this Contract.

PART 10 STAGE 1

10.01 Calculation. If loss or damage occurs to an Insured Crop, other than tall fescue seed, Fall Rye, winter wheat, Select Hay Types, Basic Hay, Alfalfa Seed, Pedigreed Timothy Seed or Perennial Ryegrass Seed, for which a Stage 1 indemnity does not apply, as a result of a Designated Peril during Stage 1, the Insured is eligible for a Stage Indemnity. The Indemnity Level for Stage 1 is 50%.

10.02 Stage 1 Limitation. If the Corporation acknowledges in writing that loss or damage has occurred during Stage 1 and thereafter the Insured Crop on that portion of the Acreage on which the loss or damage occurred is Destroyed or such Acreage is put to an Alternate Use by the Insured, the indemnity on the affected Acreage shall be limited to the Stage Indemnity for Stage 1.

10.03 Partial Stage 1. Subject to Section 17.06, unless the affected Acreage is the entire Acreage of the Insured Crop, indemnity payments for Stage 1 claims will be withheld until Adjusted Production is determined and will not be payable if Adjusted Production exceeds the Production Guarantee or the Production Value exceeds the Production Value Guarantee, as the case may be. The final indemnity, if any, payable to the Insured shall take into account any Stage 1 indemnity payable.

10.04 Reseeded to Same Crop. Notwithstanding the Corporation's written acknowledgement given under Section 10.02, no indemnity shall be payable for a Stage 1 claim if the affected Acreage is reseeded to the same Insured Crop at any time before the end of the Extended Coverage Seeding Period for that Insured Crop.

10.05 Appraised Production. If the Insured elects to Destroy the entire Insured Crop or a portion of the Insured Crop with the prior written consent of the Corporation and does not reseed to the same Insured Crop, the Corporation may include as part of Adjusted Production for the Insured Crop, any Appraised Production for the affected Acreage in excess of the product of the Coverage multiplied by the affected Acreage multiplied by the Indemnity Level for Stage 1, to a maximum of the Coverage for Stage 1.

PART 11 RESEEDING

11.01 Eligibility and Calculation. If loss or damage has occurred to an Insured Crop during Stage 1, other than tall fescue seed, Select Hay Types, Basic Hay, Alfalfa Seed, Pedigreed Timothy Seed or Perennial Ryegrass Seed, as a result of one or more of the Designated Perils for that Insured Crop such that the Appraised Production is less than the Probable Yield

multiplied by the affected Acreage, and the Reseeded Crop is an Insurable Crop that has been selected by the Insured as an Insured Crop for that Crop Year or an Eligible Forage Establishment Crop (provided the Insured has selected Forage Establishment Insurance for that Crop Year), the Insured is eligible for an Acreage Indemnity on all such Acreage that, with the prior written consent of the Corporation, is reseeded before or during the Extended Coverage Seeding Period for the Reseeded Crop as set forth in Part 6. For the purposes of the foregoing, if Greenfeed is the Reseeded Crop, all Acreage of Greenfeed must be reseeded on or before June 20 in order for the Insured to be eligible for an Acreage Indemnity on the damaged crop. The Acreage Indemnity will be calculated utilizing the Coverage and Dollar Value of the damaged crop and an Indemnity Level of 25%, except for carrots, Cooking Onions, parsnips and rutabagas, in which case the Indemnity Level will be 15%.

11.02 Future Coverage. If the damaged crop is reseeded to the same crop before or during the Extended Coverage Seeding Period for that crop as set forth in Part 6, and the Insured is eligible for an Acreage Indemnity under Section 11.01, the insurance that remains in force for that damaged crop shall be reduced by the indemnity paid or payable in accordance with this Part.

11.03 Reseeding - Winter Wheat/Fall Rye. In the case of Fall Rye and winter wheat, a Reseed claim may only be made after April 1 of the year in which the Fall Rye or winter wheat is to be Harvested.

11.04 Overseeding - Winter Wheat/Fall Rye. If winter wheat or Fall Rye is the damaged crop and is Overseeded, then no Acreage Indemnity is payable in respect of that damaged winter wheat or Fall Rye. The crop resulting from the Overseeding may be insured under the provisions of this Contract as Other Spring Wheat or Mixed Grain, or not insured at all, in each case, as determined by the Corporation. If the Corporation elects to insure the resulting crop in accordance with the foregoing, a Premium is only payable in respect of that crop and not on the damaged crop.

11.05 Reseeding - Organic Crops. For Organic Crops, weeds shall be considered a Designated Peril for the purposes of determining whether an Acreage Indemnity under Section 11.01 is payable, provided generally accepted organic weed management practices have been followed, all as determined by the Corporation.

11.06 Reseeding - Different Crop. If the damaged crop is Reseeded to a different Insured Crop, the Insured must pay the full Premium on the Reseeded

Crop as well as the Premium on the damaged crop and the Reseeded Crop is insured under the provisions of this Contract.

11.07 Reseeding - Canola and Pedigreed Seed Crops. If Acreage is first seeded to one type of Canola or Pedigreed Seed Crop, as the case may be, and then Reseeded to another type of Canola or non-Pedigreed Seed Crop, as the case may be, any Reseeding benefit payable shall be calculated on the basis of the first seeded crop type and the Insured must pay the full Premium only on the Reseeded Crop type and Dollar Coverage on the Reseeded Crop type is reduced by the amount of the indemnity paid on the first seeded crop type.

11.08 Overseeding or Reseeding Approval. The Insured shall obtain the approval of the Corporation before Overseeding or Reseeding a damaged crop. In the case of Overseeding, the Acreage Indemnity will only be paid by the Corporation to the Insured if such Overseeding is carried out in a manner approved by the Corporation. In the case of the Reseeding benefit, the Acreage Indemnity will only be paid if the damaged crop is Reseeded.

11.09 Minimum Acreage. For an Acreage Indemnity to apply, the Acreage of the damaged crop eligible to be reseeded must be in a block or blocks of no less than:

- (i) three acres for carrots, Cooking Onions, parsnips or rutabagas,
- (ii) 10 acres for Table Potatoes and Processing Potatoes (including their respective corresponding Pedigreed Seed Crop), and
- (iii) 20 acres for any other Insured Crop,

unless the affected Acreage is the entire Acreage of that Field and the entire Field is eligible to be reseeded.

11.10 Limitation. An Acreage Indemnity payable pursuant to this Part shall be paid only once on the same Acreage in the same Crop Year except where Fall Rye or winter wheat is the affected Insured Crop in which case an Acreage Indemnity pursuant to this Part may be paid twice in the same Crop Year.

11.11 Inability to Reseed - Excess Moisture. If an Insured is unable to reseed a damaged crop (including Fall Rye and winter wheat) on or before June 20 in any Crop Year because of excess moisture, the Corporation may consider the loss as a Stage 2 UH loss in respect of that damaged crop notwithstanding the loss or damage occurred during Stage 1.

PART 12 STAGE 2

12.01 Stage 2 UH Calculation. If loss or damage occurs to an Insured Crop, as a result of a Designated Peril during Stage 2 UH, the Insured is eligible for a Stage Indemnity. The Indemnity Level for Stage 2 UH is 100%, except for when Table and Processing Potatoes (including their respective corresponding Pedigreed Seed Crop), Cooking Onions, rutabagas, carrots and parsnips are Destroyed, the Indemnity Level is restricted to 85%.

12.02 Stage 2 UH Limitation. If the Corporation acknowledges in writing that loss or damage has occurred during Stage 2 UH and thereafter the Insured Crop on that portion of the Acreage on which the loss or damage occurred is Destroyed or such Acreage is put to an Alternate Use by the Insured, the indemnity on the affected Acreage shall be limited to the Stage Indemnity for Stage 2 UH.

12.03 Partial Stage 2 UH. Subject to Section 17.06, unless the affected Acreage is the entire Acreage of the Insured Crop, indemnity payments for Stage 2 UH claims will be withheld until Adjusted Production is determined and will not be payable if Adjusted Production exceeds the Production Guarantee or the Production Value exceeds the Production Value Guarantee, as the case may be.

12.04 Stage 2 H. If the Corporation receives a notice of loss pursuant to Section 8.01, the Corporation shall calculate a final indemnity based on Section 9.03 in accordance with the following:

- (i) the Indemnity Level for all Stage 2 H claims is 100%,
- (ii) the Corporation shall include, as part of Adjusted Production, any Appraised Production for the affected Stage 1 Acreage and Stage 2 UH Acreage, and
- (iii) the Corporation shall take into account any indemnity amounts which have been paid or are payable pursuant to Parts 10, 11 and 19 and for Stage 2 UH.

12.05 Backstaging. If the Corporation receives a Stage 2 UH claim which, in the opinion of the Corporation, should have been made as a Stage 1 claim, the Corporation may consider the claim as a Stage 1 claim. If the Corporation receives a Stage 2 H claim which, in the opinion of the Corporation, should have been made as a Stage 2 UH claim, the Corporation may consider the claim as a Stage 2 UH claim.

12.06 Greenfeed Exception. If an Insured has selected Greenfeed as an Insured Crop and the

Greenfeed was seeded during the Extended Coverage Seeding Period for Greenfeed and

- (i) loss or damage occurs to that Insured Crop as a result of a Designated Peril during Stage 2, and
- (ii) following that loss or damage, the Insured reseeds the affected Acreage to Greenfeed during the Extended Coverage Seeding Period for Greenfeed,

the Insured is eligible for a Stage Indemnity on the damaged crop. The Reseeded Crop is not eligible for insurance under this Contract.

PART 13 PAYMENT OF INDEMNITY

13.01 Payment. Payment of any amount owed to the Insured under this Contract shall be sent to the Insured on or before the expiry of 90 days from the date of the final determination of the total amount owed to the Insured for all Insured Crops and Additional Insurance Programs.

13.02 Overpayment. If the Corporation overpays an Insured on a claim for indemnity under this Contract, the Insured shall repay such overpaid amount to the Corporation within the time prescribed by the Corporation.

PART 14 PRODUCTION DETERMINATION

14.01 Method. The Corporation may determine the Adjusted Production of an Insured Crop or the loss in respect of any Additional Insurance Program by any method it considers proper.

14.02 Carryover Production. The Insured shall notify the Corporation in writing prior to Harvest or August 15, whichever is the earlier, of any Carryover Production. Carryover Production shall be included in the current Crop Year's Production for all purposes of this Contract if the Corporation cannot, to its satisfaction, separate the Carryover Production from the Production for the current Crop Year. The Insured may be required to pay the Corporation such inspection fee as is determined by the Corporation for inspecting Carryover Production under this Section.

14.03 Crop Mixtures. In considering a claim for indemnity in respect of an Insured Crop where there is Production of another Insurable Crop or any other agricultural crop (including Volunteer Crops) with the Insured Crop, the Corporation may convert any amount of Production of such other Insurable Crop or agricultural crop into an equivalent Production of the Insured Crop utilizing the market value as determined by the Corporation of such other Insurable Crop or agricultural crop in making such conversion and add such converted

Production to the Production of the Insured Crop. The sum of the Production of such crops so determined shall be deemed to be the Production of the Insured Crop for claim purposes only.

14.04 Quality Adjustment. When the quality of Production of an Insured Crop is reduced as a result of one or more of the Designated Perils for that Insured Crop or an adjustment for moisture content is necessary, the adjustment in determining the Adjusted Production for that Insured Crop shall be made:

- (i) in the case of Select Hay Types, by factoring Production downward to the equivalent Production at 15% moisture if the moisture content is greater than 15% and downward proportionally to a minimum RFV of 25 if the RFV is below 105 for alfalfa, 95 for alfalfa grass mixtures or sweet clover, 85 for grasses or 75 for Coarse Hay, all as determined by the Corporation and, if the visual assessment procedure established by the Corporation determines a quality loss, by reducing Production accordingly as determined by the Corporation,
- (ii) in the case of Basic Hay, by factoring Production downward to the equivalent Production at 15% moisture if the moisture content is greater than 15%, and if the visual assessment procedure established by the Corporation determines a quality loss, by reducing Production accordingly as determined by the Corporation,
- (iii) in the case of Greenfeed, by factoring Production downwards to the equivalent Production at 15% moisture content and downward proportionally to a minimum RFV of 25 if the RFV is below 100, all as determined by the Corporation, and if the visual assessment procedure established by the Corporation determines a quality loss, by reducing Production accordingly as determined by the Corporation,
- (iv) in the case of Table Potatoes, Processing Potatoes, Hemp Grain, Field Peas (including its corresponding Pedigreed Seed Crop), carrots, Cooking Onions, parsnips and rutabagas, by adjusting Production to marketable production as determined by the Corporation,
- (v) in the case of tall fescue seed, Common Alfalfa Seed, Pedigreed Alfalfa Seed, Perennial Ryegrass Seed, Annual Ryegrass Seed or Pedigreed Timothy Seed, where Production of those crops is below 80% germination, by reducing Production by the proportion by which germination is below 80%,
- (vi) in the case of Silage Corn, where the moisture content of the Production is less than or greater than 65%, by factoring Production downwards or upwards, as the case may be, in the same

proportion to which the percentage of moisture content is less than or greater than 65% and downward proportionally to a minimum total digestible nutrients (TDN) of 25 if the TDN is below 70, all as determined by the Corporation,

- (vii) in the case of all other Insured Crops with a Guaranteed Grade, by multiplying the Production (after adjustment for dockage and moisture, as applicable) of such Insured Crop by the Grade Factor of such Insured Crop, provided that:
- A. in the case of a Pedigreed Seed Crop, the Grade Factor for those crops shall be the same as the Grade Factor for its corresponding non-Pedigreed Seed Crop,
 - B. in the case of an Organic Crop, the Grade Factor for those crops shall be the same as the Grade Factor for its corresponding non-Organic Crop, and
 - C. in the case of white pea beans, black beans, kidney beans, cranberry beans, small red beans, pinto beans and Other Dry Edible Beans, pick will be considered when determining the net tonnes of Production and pick charges will be considered when determining the per tonne market value of Production used to establish the Grade Factor, all as determined by the Corporation.

14.05 Crops Without Guaranteed Grade. Except for the Insured Crops specifically set forth under Section 14.04, no adjustment will be made under that Section for any Insured Crop or variety thereof which has not been assigned a Guaranteed Grade by the Corporation.

14.06 Quality Determination. If the quality of Production of an Insured Crop is reduced below the Guaranteed Grade for that Insured Crop by reason of an uninsured cause of loss for that Insured Crop including, without limitation, inseparable seeds and foreign material, the grade or market value the Insured Crop has in the absence of such uninsurable cause of loss shall be considered as the grade or market value for determining Adjusted Production, all as determined by the Corporation. In cases where mechanical or other damage occurs including, without limitation, split or cracked seeds, all or a portion of such damaged Production as determined by the Corporation will be added in the calculation of Adjusted Production.

14.07 Keeping Production Separate. If an Insured fails to keep Production from Insured Acreage separate from Production from uninsured Acreage or from Production from land that is not insured by the Corporation or from the Production of any other person(s) or from Acreage that is insured under a

Landlord and Tenant arrangement or an Insured fails to keep Production of any Pedigreed Seed Crop separate from Production of other types of that crop or an Insured fails to keep Production of any Organic Crop separate from Production of other types of that crop, in each case, to the satisfaction of the Corporation, the Corporation may, in its discretion,

- (i) combine Production from Insured Acreage with Production from uninsured Acreage, with Production from land that is not insured by the Corporation, with Production of such other persons, with Production from Acreage that is insured under a Landlord and Tenant arrangement and with Production of other types of the affected crop, and
- (ii) calculate Production for the Insured Acreage, in such manner as the Corporation may determine.

14.08 Destroyed or Alternate Use. If an Insured Crop, or portion of an Insured Crop, is Destroyed, or the Acreage of such Insured Crop is put to an Alternate Use, without the Corporation's written consent, Appraised Production from such Acreage shall be deemed to be an amount equal to Coverage multiplied by the number of acres of the Insured Crop Destroyed or put to an Alternate Use. Notwithstanding the foregoing, for the purpose of IPI Yield or other Probable Yield calculations, Appraised Production from the Acreage of an Insured Crop that is Destroyed without the Corporation's consent shall be deemed to be "zero". Appraised Production from Acreage put to an Alternate Use without the Corporation's consent shall be deemed to be 70% of Probable Yield multiplied by the number of acres put to an Alternate Use.

14.09 Surplus Production - Potatoes and Vegetables. An Insured who has surplus Production of Table Potatoes, Processing Potatoes (including, in each case, their respective corresponding Pedigreed Seed Crop), carrots, Cooking Onions, parsnips or rutabagas in the Field must, before Destroying any of the surplus Production,

- (i) give the Corporation notice of the surplus Production; and
- (ii) if the Corporation agrees that it is surplus Production, choose one the following options:
 - A. request the Corporation to appraise the surplus Production on a fee-for-service basis, with the fee to be established by the Corporation, or
 - B. have Appraised Production on the surplus Production set at Probable Yield for that Crop Year multiplied by the number of acres of surplus Production.

After the Corporation determines Appraised Production under this Section, the Insured shall Destroy all of the affected surplus Production. The Appraised Production determined by the Corporation under subparagraph B. will be used for both claim calculations and Probable Yield calculations. If the Insured does not give the notice required by paragraph (i), the surplus Production shall be deemed to be Destroyed without the Corporation's consent and Section 14.08 shall apply.

14.10 Pre-Harvest Farm Inspection. If the Corporation has completed a pre-Harvest inspection of a crop for the purposes of calculating Appraised Production of that crop, the Corporation may, in its discretion, use the Production indicated on the Insured's Harvested Production Report, the Insured's claim or the Appraised Production for the purposes of calculating the Adjusted Production, the IPI Yield or other Probable Yield calculations for that crop.

14.11 Potato Adjustments. If a claim on Table Potatoes is outstanding on December 1, the Production of Table Potatoes (including its corresponding Pedigreed Seed Crop) will be increased by applying a factor that accounts for shrinkage as the Corporation determines to be appropriate. If any Production of Table Potatoes or Processing Potatoes (including, in each case, their respective corresponding Pedigreed Seed Crop) has to be washed and graded in order to be salvaged as marketable Production, an additional factor that accounts for washing and grading will be applied to reduce that Production, all as determined by the Corporation. If the Production of Table Potatoes or Processing Potatoes (including, in each case, their respective corresponding Pedigreed Seed Crop) is discounted at market due to non-standard size or quality, the Corporation may, in its discretion, apply a factor reducing such Production to such amount as the Corporation considers appropriate.

14.12 Vegetable Wash Factor. If any Production of carrots, rutabagas, Cooking Onions or parsnips has to be washed and graded in order to be salvaged as marketable Production, an additional factor that accounts for washing and grading will be applied to reduce that Production, all as determined by the Corporation.

14.13 Immeasurable Production. If, at the time the Corporation appraises the loss or damage to an Insured Crop, the Production is in an immeasurable position and remains so until the Production is moved to market, the claim in respect of that Insured Crop will be finalized on the basis of the quantity of Production sold and the original grade of the stored Production, provided that a representative sample was obtained, all as determined by the Corporation in its discretion. If the Production of that Insured Crop is measurable by the Corporation

before being moved to market, the claim in respect of that Insured Crop will be finalized on the basis of the grade and quantity determined by the Corporation in its discretion.

14.14 Ownership of Samples. All samples of an Insured Crop acquired by the Corporation in connection with insurance under this Contract shall become the property of the Corporation.

14.15 Grade/Dockage Adjustments. Subject to Sections 14.03 and 14.06, an Insured may request the Corporation to revise the grade and/or dockage used in a declaration the Insured makes under Section 8.22 or in a calculation of indemnity form the Corporation provides to the Insured in respect of a claim for indemnity under this Contract, in which case the Corporation will settle the claim on the basis of the grade and dockage of the sold Production, provided the Insured supplies the Corporation with copies of the sales receipts for that Production on or before August 15 of the following Crop Year.

14.16 Moisture Content/Test Weight Adjustments. If an Insured does not agree with the moisture content or test weight of the Production of an Insured Crop determined by the Corporation and provided there is sufficient Production to resample, the Insured may request the Corporation to resample that Production, in which case the moisture content and test weight determined by that resample shall be final and binding on the Insured and shall be used by the Corporation in determining any indemnity payable to the Insured in respect of that Production. The Insured shall pay all costs associated with the resampling process.

14.17 RFV and TDN Adjustment. If an Insured does not agree with the RFV of the Production of Greenfeed or Select Hay Type or the total digestible nutrients (TDN) of the Production of Silage Corn determined by the Corporation and provided there is sufficient Production to resample, the Insured may request the Corporation to resample that Production, in which case the relative feed value (RFV) or the total digestible nutrients (TDN), as applicable, determined by that resample shall be final and binding on the Insured and shall be used by the Corporation in determining any indemnity payable to the Insured in respect of that Production. The Insured shall pay all costs associated with the resampling process.

14.18 No Cleaning Costs. Except as otherwise specifically provided under this Contract, the Corporation shall not compensate or reimburse the Insured for the costs of cleaning Production under this Part or otherwise under this Contract.

PART 15 REPORTING HARVESTED PRODUCTION

15.01 Filing Date. No later than November 30 in each Crop Year, the Insured shall provide the Corporation with a Harvested Production Report stating the Production of all crops grown on Declared Acreage. For any crop not Harvested, Destroyed or put to an Alternate Use as of November 30, the Insured must provide a revised Harvested Production Report by August 15 of the next Crop Year.

15.02 Failure to File. If an Insured in any Crop Year does not report on the Harvested Production Report for that Crop Year Production of any crops grown on Declared Acreage, the Corporation may declare the IPI Yield, or the yield for other Probable Yield calculations, to be equal to Coverage for such crop. If the Insured fails to report Production of an Insurable Crop that is not insured, the Corporation may declare the IPI Yield, or the yield for other Probable Yield calculations, to be equal to Coverage at the lowest Coverage Level applicable to that crop.

15.03 Late Filing Fee. Harvested Production Reports not filed by November 30 in any Crop Year may, in the discretion of the Corporation, be assessed a late filing fee of \$100.

15.04 Corrections or Revisions. The Insured may make corrections or revisions to the Harvested Production Reports for a Crop Year up to August 15 of the next Crop Year by providing such supporting documentation as is satisfactory to the Corporation, but the receipt of any such corrections or revisions shall not prejudice any rights of the Corporation under this Contract.

15.05 Failure to Report Net Sales. If an Insured in any Crop Year does not provide the net sales information in respect of any Insured Crop in circumstances in which that information is required by the Corporation, then the Insured may elect to have either paragraph (i) or (ii) apply for the purposes of calculating IPI Yield or the yield for other Probable Yield calculations:

- (i) where an Insured has not cleaned or sold any of the Production by August 15 of the following Crop Year, the Corporation will measure the Production and obtain and grade a sample at the Insured's expense, with the results being applied for that Crop Year, or
- (ii) where an Insured has sold only a portion of the Production, which the Corporation determines is representative of the entire Production, the dockage and bushel weight of the sold Production will be applied to the remaining Production, and

if the Insured has not elected to have either paragraph (i) or (ii) apply, or the Insured has elected to have paragraph (ii) apply, but the Corporation determines that the sold Production is not representative of the entire Production, then the Corporation may declare the IPI Yield, or the yield for other Probable Yield calculations, to be equal to Coverage for the affected crop.

15.06 IPI Minimum Acreage. Total Declared Acreage of less than 25 acres of an Insurable Crop in a Crop Year will not be taken into account in the calculation of the Individual Productivity Index for that Insurable Crop.

PART 16 EXCESS MOISTURE INSURANCE SUPPLEMENTARY TERMS AND CONDITIONS

16.01 Purpose and Selection. The provisions of this Part only apply to insurance for the inability to seed Acreage on or before June 20 due to excessive rainfall, flood or excessive moisture. Notwithstanding the definition of Designated Perils in Part 1, the foregoing are the only Designated Perils for Excess Moisture Insurance. If the Corporation offers different Dollar Values for EMI in any Crop Year, then the Insured may select the Dollar Value to apply, other than the minimum Dollar Value offered which is automatically provided by the Corporation and not selectable by the Insured.

16.02 EMI Indemnity. If the inability to seed any of the EMI Insured Acreage by the date set out in Section 16.01 is caused by one or more of the Designated Perils described in Section 16.01, the Corporation, subject to the other provisions of this Contract, shall pay to the Insured the EMI Indemnity.

16.03 Limitation. For greater certainty, the Corporation may refuse to make an EMI Indemnity payment on any Excess Moisture Insurance claim if the Corporation is of the opinion that the EMI Insured Acreage was seeded (whether to an Insurable Crop or not) on or before June 20 in a Crop Year or that the primary cause of the failure to seed any of the EMI Insured Acreage on or before June 20 in any Crop Year is a direct or indirect result of farm management decisions made by the Insured in that Crop Year rather than excessive rainfall, flood or excessive moisture. In each case, the Premium shall be deemed to have been earned by the Corporation and to be payable by the Insured.

16.04 Restriction - Addition of Acreage. Any Acreage added by an Insured to that Insured's EMI Insured Acreage on or after April 1 in any Crop Year is not eligible for an EMI Indemnity in that Crop Year, unless the Insured is able to establish to the satisfaction of the Corporation that such Acreage was legally purchased by the Insured on or before June 30 of that Crop Year and the Insured provides the Corporation with

evidence of legal title to the affected Acreage on or before August 31 of that same Crop Year. The Insured shall be required to pay to the Corporation the corresponding Premium and Administration Fees on all such Acreage declared as purchased.

16.05 Minimum Claim Acres. An Insured is not eligible for an EMI Indemnity if the Insured's EMI Unseeded Acreage is less than 10 acres. If the Insured is a Tenant and has EMI Insured Acreage, a portion of which is farmed independently of the Landlord or Landlords, then the EMI Unseeded Acreage of that Tenant, for the purposes of this Section, shall be calculated separately for the Acreage farmed independently and for each Acreage subject to a Landlord/Tenant relationship.

16.06 EMI Reduced Deductible Option. If the Insured has selected the EMI Reduced Deductible Option, the EMI Deductible shall be 5%.

16.07 Calculation of the EMI Deductible Percentage. In each Crop Year in which the Insured has a Contract in effect, the Corporation shall calculate the EMI Deductible Percentage for each Insured as if the Insured has not selected the EMI Reduced Deductible Option. If, in any Crop Year, the:

- (i) EMI Unseeded Acreage exceeds the EMI Deductible and the Insured makes a claim for an EMI Indemnity, then the Corporation shall apply, in its calculation of the EMI Deductible Percentage in the immediately following Crop Year, an additional five percentage points to the EMI Deductible Percentage, or
- (ii) EMI Unseeded Acreage is equal to or less than the EMI Deductible or the Insured does not make a claim for an EMI Indemnity, then the Corporation shall apply, in its calculation of the EMI Deductible Percentage in the immediately following Crop Year, a deduction of five percentage points to the EMI Deductible Percentage.

In no event shall the EMI Deductible Percentage be less than 5%.

16.08 EMI Reduced Deductible Option and Dollar Value Restrictions. If an Insured has an EMI Deductible Percentage in excess of 35% in any Crop Year, that Insured may not select the EMI Reduced Deductible Option or a higher Dollar Value for Excess Moisture Insurance, if offered by the Corporation, in that Crop Year.

PART 17 CROP COVERAGE PLUS

17.01 Purpose. The provisions of this Part only apply to an Insured who has applied for and been accepted by the Corporation for CCP Insurance. Any indemnity

payable in respect of CCP Insurance is calculated on the basis of Production Value Loss.

17.02 Eligibility and Acknowledgement. CCP Insurance cannot be selected by an Insured unless that Insured is eligible for the 80% Coverage Level and selects that Coverage Level for all CCP Crops. If an Insured has selected CCP Insurance and in any Crop Year a new Insurable Crop eligible for CCP Insurance is offered by the Corporation for insurance, the Insured shall be deemed to have automatically selected the 80% Coverage Level in respect of that new Insured Crop.

17.03 Coverage Level Determination and Restriction. For the purposes of determining the Coverage Level to be offered by the Corporation for CCP Crops, the Corporation shall calculate the Coverage Level percentage based, in part, on the Insured Acreage of each such CCP Crop (excluding any CCP Crop on Acreage Reseeded to another CCP Crop during Stage 1, in which case the subsequently seeded CCP Crop will be used). The Coverage Level for CCP Crops will be between 80% and 90%, but cannot be finally calculated until the Corporation determines the CCP Crops that have been grown by the Insured and the amount of Insured Acreage of each such CCP Crop. In no event can such Coverage Level exceed 90%.

17.04 Premium Discount. If the Coverage Level determined in accordance with Section 17.03 would have been greater than 90%, the Corporation may provide a premium discount to the Insured for any Coverage that would have been in excess of that amount, such discount to be calculated by the Corporation in such manner as the Corporation may determine.

17.05 Coverage Level Not Greater Than 80%. If the Insured grows only one CCP Crop or the Coverage Level determined in accordance with Section 17.03 is not greater than 80%, then CCP Insurance is not available to the Insured, although any CCP Crop selected by the Insured is still eligible for insurance on an individual crop basis at the 80% Coverage Level.

17.06 Indemnity Payment. No indemnity shall be payable for CCP Insurance, if any, until the Production Value Loss has been calculated. The final indemnity payable, if any, to the Insured shall take into account any Stage 1 or Stage 2 indemnity payable.

17.07 Future Coverage. If an Insured is entitled to a Forage Restoration Indemnity under Part 19 or a Reseeding benefit under Part 11, the CCP Insurance that remains in force shall be reduced by the indemnity paid or payable in accordance with those Parts.

PART 18 FORAGE ESTABLISHMENT INSURANCE SUPPLEMENTARY TERMS AND CONDITIONS

18.01 Purpose. The provisions of this Part only apply to an Insured who has applied for and been accepted by the Corporation for insurance for the failure of an Eligible Forage Establishment Crop to achieve Establishment.

18.02 Landlord. A Landlord is not eligible for Forage Establishment Insurance.

18.03 Eligible Acres. All Forage Establishment Acreage must be declared on the Seeded Acreage Report and if the Insured selects Forage Establishment Insurance, all Forage Establishment Acreage must be insured. The indemnity payable under Section 18.06 will only be paid if the Forage Establishment Acreage for which a claim is made is in a block or blocks of five acres or more, unless such affected Forage Establishment Acreage is the total Acreage of an Eligible Forage Establishment Crop in a separate Field. To be eligible for Forage Establishment Insurance under this Contract, all Forage Establishment Acreage must be seeded by having the forage seed incorporated into the soil by mechanical means acceptable to the Corporation. The incorporation date will be deemed to be the seeding date for the purposes of this Contract.

18.04 Companion Crop Requirements - Perennial Ryegrass Seed, Alfalfa, Sainfoin and Clover. If Acreage is sown to Perennial Ryegrass Seed in the spring, that Perennial Ryegrass Seed must be planted with a companion crop in order for that Acreage to be insured under Forage Establishment Insurance in that Crop Year. If Acreage is sown to Perennial Ryegrass Seed, alfalfa, sainfoin or clover in the fall, that Perennial Ryegrass Seed, alfalfa, sainfoin or clover must not be planted with a companion crop and if a companion crop is planted in this circumstance, that Acreage is not eligible for insurance under Forage Establishment Insurance.

18.05 Seeding Deadlines. In accordance with Section 6.01, an Eligible Forage Establishment Crop for spring planting must be planted on or before June 25 of the Crop Year in which the insurance is to apply and, in the case of fall seeding of

- (i) perennial grasses (other than Perennial Ryegrass Seed), alfalfa, clover and sainfoin, on or after July 25 but no later than August 15, and
- (ii) Perennial Ryegrass Seed, on or after August 10 but no later than September 5,

in each case, of the Crop Year prior to the Crop Year in which the insurance is to apply.

18.06 Forage Establishment Claim. A claim for a Forage Establishment Indemnity may be made by an

Insured at any time after the planting of an Eligible Forage Establishment Crop, except that for fall planting, a claim may only be made after January 1 of the year following the year of planting. After an inspection has been made by the Corporation of the Forage Establishment Acreage for which the claim is made, and if the Eligible Forage Establishment Crop has suffered loss or damage as a result of one or more of the Designated Perils, and the Insured has received the prior written consent of the Corporation, then:

In the case of spring planting and:

- (i) loss or damage occurs on or before June 25 of the year of planting the Insured is entitled to a payment of 50% of the Forage Establishment Indemnity and Forage Establishment Insurance ceases unless:
 - A. the Insured Overseeds or Reseeds to an Eligible Forage Establishment Crop on or before June 25 of the year of planting, in which case, the Forage Establishment Insurance on the affected Acreage continues to the expiry of the Forage Establishment Insurance or the Insured has received 100% of the Forage Establishment Indemnity, whichever occurs first; or
 - B. the Insured is unable to Destroy or Reseed the Eligible Forage Establishment Crop by June 25 of the year of planting because of excess moisture, as determined by the Corporation, the Insured is entitled to a payment of 100% of the Forage Establishment Indemnity less any Forage Establishment Indemnity previously paid in respect of the affected Forage Establishment Acreage, and Forage Establishment Insurance on the affected Acreage ceases as of the date of the damage or loss;
- (ii) subject to Section 18.07, loss or damage occurs after June 25 of the year of planting the Insured is entitled to a payment of 50% of the Forage Establishment Indemnity and Forage Establishment Insurance ceases unless:
 - A. the Insured Destroys or Reseeds the affected Eligible Forage Establishment Crop on or before June 25 of the Crop Year immediately following the year of planting, in which case, the Insured is entitled to a payment of 100% of the Forage Establishment Indemnity less any Forage Establishment Indemnity previously paid in respect of the affected Forage Establishment Acreage;
 - B. the insured Overseeds on or before June 25 of the Crop Year immediately following the

year of planting, in which case, the Forage Establishment Insurance on the affected Acreage continues to the expiry of the Forage Establishment Insurance or the Insured has received 100% of the Forage Establishment Indemnity, whichever occurs first; or

- C. the Insured is unable to Destroy or Reseed the Eligible Forage Establishment Crop by June 25 of the Crop Year immediately following the year of planting because of excess moisture, as determined by the Corporation, the Insured is entitled to a payment of 100% of the Forage Establishment Indemnity less any Forage Establishment Indemnity previously paid in respect of the affected Forage Establishment Acreage, and Forage Establishment Insurance on the affected Acreage ceases as of the date of the damage or loss.

In the case of fall planting and:

- (iii) loss or damage occurs on or before June 25 of the Crop Year immediately following the year of planting the Insured is entitled to a payment of 50% of the Forage Establishment Indemnity and Forage Establishment Insurance ceases unless:
- A. the Insured Overseeds or Reseeds to an Eligible Forage Establishment Crop on or before June 25 of the Crop Year immediately following the year of planting, the Forage Establishment Insurance on the affected Forage Establishment Acreage remains in effect until June 25 of the second Crop Year following the year of planting. If the Reseeded or Overseeded Eligible Forage Establishment Crop fails to establish before the expiry of the Forage Establishment Insurance, the balance of the Forage Establishment Indemnity on that Acreage will be paid; or
- B. the Insured cannot Destroy the Eligible Forage Establishment Crop or Reseed the affected Forage Establishment Acreage to an Eligible Forage Establishment Crop on or before June 25 of the Crop Year immediately following the year of planting because of excess moisture, as determined by the Corporation, the Insured is entitled to a payment of 100% of the Forage Establishment Indemnity less any Forage Establishment Indemnity previously paid in respect of the affected Forage Establishment Acreage.

18.07 Losses Before June 25. If the Insured makes a claim for indemnity under paragraph 18.06(ii) and, in the opinion of the Corporation, the loss or damage occurred on or before June 25, the Insured shall only be entitled to a payment of 50% of the Forage Establishment Indemnity and Forage Establishment Insurance ceases in respect of the affected Acreage as of the date that the Corporation determines that the damage or loss occurred.

PART 19 FORAGE RESTORATION

19.01 Purpose. The provisions of this Part only apply to loss or damage to Forage Restoration Acreage on or before September 30 due to excessive rainfall, flood or excessive moisture.

19.02 Eligibility. Only an Insured who has selected Select Hay Insurance, Basic Hay Insurance, Alfalfa Seed, Pedigreed Timothy Seed or tall fescue seed for insurance in a Crop Year is eligible for Forage Restoration in that Crop Year and then only on the Insured Acreage of the affected Insured Crop.

19.03 Minimum Claim Acres. An Insured is not eligible for a Forage Restoration Indemnity if:

- (i) the Forage Restoration Acreage affected by the loss or damage is less than 10 acres, or
- (ii) the Forage Restoration Acreage of that Insured affected by the loss or damage is not in a block or blocks of five acres or more unless the affected Acreage is the entire Acreage of that Field.

19.04 Forage Restoration Indemnity. Subject to Section 19.06, if loss or damage is caused to Forage Restoration Acreage by the date set out in Section 19.01 by one or more of the Designated Perils described in that Section and such loss or damage reduces Ground Cover on the affected Forage Restoration Acreage to less than 75% of tame species, the Insured is entitled to a payment of:

- (i) 50% of the Forage Restoration Indemnity if the Insured Overseeds any damaged Forage Restoration Acreage to an Eligible Forage Establishment Crop (excluding Perennial Ryegrass Seed) on or before June 25 of the immediately following Crop Year. The Forage Restoration Acreage affected by the loss or damage remains eligible for 100% of the Forage Restoration Indemnity, provided that in the case of further loss or damage, such affected Acreage is Destroyed on or before June 25 of the following year. Any such indemnity shall be reduced by the amount of the Forage Restoration Indemnity already paid or payable, or

- (ii) 100% of the Forage Restoration Indemnity if the Insured Destroys any damaged Forage Restoration Acreage on or before June 25 of the immediately following Crop Year.

19.05 Future Forage Coverage. If an Insured is eligible for a Forage Restoration Indemnity under this Part, the insurance that remains in force for the affected Select Hay Type, Basic Hay, Alfalfa Seed, Pedigreed Timothy Seed or tall fescue seed, as the case may be, shall be reduced by the indemnity paid or payable in accordance with this Part.

19.06 Destruction Deadline. If an Insured makes a claim for a Forage Restoration Indemnity in respect of Alfalfa Seed, Pedigreed Timothy Seed, Select Hay Types, Basic Hay or tall fescue seed and does not Overseed or Destroy the crop on the affected Forage Restoration Acreage on or before June 25 of the immediately following Crop Year, the Corporation may refuse to pay any Forage Restoration Indemnity otherwise payable in respect of the Forage Restoration Acreage that has not been Overseeded or Destroyed unless such Acreage is continuously too wet to Overseed or Destroy. No Excess Moisture Insurance is available in respect of such affected Forage Restoration Acreage unless such Acreage is Destroyed on or before June 10 of the Crop Year in which such insurance is to apply.

PART 20 PASTURE SUPPLEMENTARY TERMS AND CONDITIONS

20.01 Eligibility. Only an applicant who has been accepted for Basic Hay Insurance or Select Hay Insurance is eligible to insure Pasture in that Crop Year. If an insured has selected Select Hay Insurance, then all Acreage and Select Hay Types must be insured at the same Coverage Level to be eligible for Pasture Insurance. Landlords are not eligible to insure Pasture.

20.02 Coverage Level Restriction. The Coverage Level applied to Pasture will be equal to the Coverage Level at which the Insured's Select Hay Types are insured or, if the Insured has selected Basic Hay Insurance, the Coverage Level offered by the Corporation for Basic Hay Insurance. When the Insured selects Pasture Insurance and Select Hay Insurance, the Pasture Coverage will be assigned by the Corporation to the various Select Hay Types on the basis of Insured Acreage of each Select Hay Type.

20.03 Pasture Indemnity. A Pasture Indemnity will be automatically calculated by the Corporation when the Insured's indemnity for loss or damage to the applicable Select Hay Type(s) or Basic Hay, if any, has been determined.

20.04 Declaration of Livestock Numbers. The number of Pastured Livestock must be declared by the Insured by June 30 of the Crop Year in which insurance is to apply on such form as is prescribed by the Corporation from time to time for that purpose.

20.05 Failure to Declare. If the Insured does not declare the number of Pastured Livestock by the date set forth in Section 20.04 in any Crop Year, the Corporation may determine such number or declare the number of Pastured Livestock to be "zero". The Insured shall pay all costs associated with any such determination by the Corporation.

20.06 Pastured Livestock Factors. The factor to be applied to each type of Pastured Livestock for purposes of determining the Maximum Pastured Livestock of an Insured will be determined by the Corporation and such determination is final and binding on the Insured.

PART 21 BASIC HAY INSURANCE AND SELECT HAY INSURANCE SUPPLEMENTARY TERMS AND CONDITIONS

21.01 Application. The provisions of this Part only apply to an Insured who has applied for and been accepted by the Corporation for Basic Hay Insurance or Select Hay Insurance.

21.02 Basic Hay and Select Hay Types. Basic Hay Insurance and Select Hay insurance is available for the following hay types:

- (i) alfalfa - where alfalfa comprises 75% or more of the Stand,
- (ii) alfalfa-grass mixtures - mixtures of alfalfa and cultivated grass types where the alfalfa comprises from 25% to less than 75% of the Stand,
- (iii) tame grasses - where the cultivated grass types comprise more than 75% of the Stand,
- (iv) sweet clover - in the year following the year of seeding only and where sweet clover comprises 75% or more of the Stand,
- (v) Coarse Hay,

in each case, as determined by the Corporation and provided the Stand is otherwise satisfactory to the Corporation for insurance.

21.03 Eligibility. For Basic Hay or the applicable Select Hay Type to be eligible for insurance under this Contract, Ground Cover must be at least 75% or more of the Field. If any Acreage of Basic Hay or Select Hay Type is accepted for insurance by the Corporation without the Corporation first having conducted an inspection of that Acreage, the Corporation may, after completing an inspection, deny coverage on that

Acreage or reclassify the type of Basic Hay or Select Hay Type insured on that Acreage. In such a case, the Insured's Coverage and Premium shall be adjusted accordingly.

21.04 Landlord. A Landlord is not eligible for Basic Hay Insurance or Select Hay Insurance.

21.05 Age of Stand. Probable Yields for alfalfa, alfalfa-grass mixtures and tame grasses will be calculated according to:

- (i) Stands that are less than or equal to four years old,
- (ii) Stands that are greater than four years old.

Stands described above shall be considered as one Insurable Crop for Coverage Level selection purposes under Select Hay Insurance. The Adjusted Production for each of the Stands described above will be combined for purposes of calculating any indemnities payable under this Contract.

21.06 First Year of Stand. Year one of any Stand will be the first year following the year of Establishment.

21.07 Selection. If an Insured selects Basic Hay Insurance, the Insured must insure all types of Basic Hay and the same Dollar Value applies for all types of Basic Hay in a Crop Year. For Select Hay Insurance, the Insured may individually select the Coverage Level for each Select Hay Type.

21.08 Destroyed or Alternate Use - Indemnity. The indemnity for loss or damage to Basic Hay or the applicable Select Hay Type is provided for in Section 9.03. Adjustment for losses will be made as follows:

- (i) where Basic Hay or the Select Hay Type on the affected Acreage has been Destroyed or such Acreage has been put to an Alternate Use, without the prior written consent of the Corporation, the Insured will not be entitled to any indemnity on that Acreage,
- (ii) where Basic Hay or the Select Hay Type on the affected Acreage has, with the prior written consent of the Corporation, been Destroyed, the Corporation will determine Appraised Production and add it to the calculation of Adjusted Production. If in the opinion of the Corporation, the Basic Hay or Select Hay Type is Destroyed before the Corporation is able to complete an appraisal of a subsequent cut, the Insured's Appraised Production may be calculated on the basis of 50% of the Insured's Coverage on the affected Acreage,

- (iii) where Basic Hay or the Select Hay Type on the affected Acreage has, with the prior written consent of the Corporation, been put to an Alternate Use by the Insured, the Corporation will determine Appraised Production and add it to the calculation of Adjusted Production.

21.09 Uninsured Cause of Loss. If the Production Loss for Basic Hay or the applicable Select Hay Type insured under this Contract is determined by the Corporation to be due to an uninsured cause of loss, the loss in Production resulting from the uninsured cause will be determined by the Corporation and added in the calculation of Adjusted Production.

21.10 Production Determination. If the Production Loss for Basic Hay or the applicable Select Hay Type insured under this Contract is determined by the Corporation to be due to a failure to make subsequent cuts or otherwise Harvest Basic Hay or the Select Hay Type, and if in the opinion of the Corporation, such subsequent cuts or Harvesting would have been in accordance with proper farming practices, the loss in Production resulting from the failure to make subsequent cuts or otherwise Harvest will be determined by the Corporation and added in the calculation of Adjusted Production.

21.11 Destroyed or Alternate Use - Premium. If Basic Hay or the Select Hay Type on the affected Acreage has been Destroyed or such Acreage has been put to an Alternate Use without the prior written consent of the Corporation, the Premium and Administration Fees for such Acreage shall be due and payable by the Insured.

21.12 Notification of Disposition. The Insured must notify the Corporation 10 days prior to any Production from any Acreage of Basic Hay or Select Hay Type being utilized for feed, sold, placed in an immeasurable position or disposed of in any manner. If the Insured does not provide such notice, the Corporation may deny any claim or determine Adjusted Production in such manner as it determines appropriate. In such case, the Premium and Administration Fees shall be due and payable by the Insured. Whether the Corporation denies the claim or not, the Corporation may determine Adjusted Production on such basis as it considers appropriate in order to calculate the Insured's Probable Yield.

21.13 Loss or Damage in Storage. Subject to Section 3.31, Basic Hay Insurance or Select Hay Insurance does not provide for loss or damage incurred in storage.

21.14 Grazed Acreage. Where the Insured has selected Basic Hay Insurance or Select Hay Insurance

and has declared Acreage as Pasture or for the purpose of grazing and subsequently Harvests Basic Hay or any Select Hay Type on such Acreage and the Production from such Acreage exceeds Coverage multiplied by such Acreage, the Insured shall pay a Premium and Administration Fees for that Acreage of Basic Hay or Select Hay Type.

21.15 Over-Grazing by Livestock. Basic Hay Insurance and Select Hay Insurance do not provide for loss or damage resulting from grazing by livestock where such grazing, in the fall of the year prior to the year in which the Basic Hay and Select Hay Type is Harvested or in early spring of the year in which the Basic Hay and Select Hay Type is Harvested or both, is in the opinion of the Corporation not in accordance with proper farming practices or is excessive. In each case, the Premium and Administration Fees shall be due and payable by the Insured.

21.16 Surplus Production - Basic Hay and Select Hay. If an Insured has surplus Production of Basic Hay or a Select Hay Type, the Insured may request the Corporation to appraise the surplus Production on a fee-for-service basis, with the fee to be established by the Corporation. The Appraised Production determined by the Corporation will be used for both claim calculations and Probable Yield calculations.

21.17 Hay Disaster Benefit. An Insured who is eligible for an indemnity under Select Hay Insurance, Basic Hay Insurance and/or is eligible for the Harvest Flood Option Indemnity, is also entitled to a Hay Disaster Benefit Indemnity, but only if the forage yield (after adjustment for quality) for 20% or more of the forage producers insured under a Contract in the Crop Year is less than 50% of those producers' Probable Yield, all as determined by the Corporation.

PART 22 ENHANCED QUALITY OPTION UNDER SELECT HAY INSURANCE

22.01 Purpose and Selection. The provisions of this Part only apply to an Insured who has applied for and been accepted by the Corporation for the Enhanced Quality Option.

22.02 EQO Indemnity. If the Attained RFV is below the RFV Coverage as a result of one or more of the Designated Perils, the Corporation, subject to the other provisions of this Contract, shall pay to the Insured the EQO Indemnity.

22.03 Limitation. For greater certainty, the Corporation may refuse to pay an EQO Indemnity if the Corporation is of the opinion that a reduction in RFV occurred as a direct or indirect result of farm management decisions made by the Insured in that Crop

Year rather than a Designated Peril. In such a case, the Premium and Administration Fees shall be due and payable by the Insured.

22.04 Restriction - Tonnes with EQO Coverage. The number of tonnes of alfalfa eligible for an EQO Indemnity is limited by the Production Guarantee for alfalfa insured under Select Hay Insurance.

22.05 Assigned RFV. In each Crop Year in which the Insured has selected the Enhanced Quality Option, the Corporation shall calculate the Assigned RFV for that Insured. If, in any Crop Year, the Insured has selected the Enhanced Quality Option and:

- (i) makes a claim for an EQO Indemnity, then the Corporation shall apply, in its calculation of the Assigned RFV in the second year following the Crop Year, a deduction of five points to the Assigned RFV of that Insured, or
- (ii) does not make a claim for an EQO Indemnity, then the Corporation shall apply, in its calculation of the Assigned RFV in the second year following the Crop Year, an addition of five points to the Assigned RFV of that Insured.

22.06 Eligibility Restriction. For purposes of being eligible for the Enhanced Quality Option, an Insured's Assigned RFV cannot be less than 110 nor greater than 150. An Insured without prior experience will have an Assigned RFV of 130.

PART 23 HARVEST FLOOD OPTION FOR COARSE HAY

23.01 Purpose and Selection. The provisions of this Part only apply to an Insured who has applied for and been accepted by the Corporation for the Harvest Flood Option. Notwithstanding the definition of Designated Perils in Part 1, excessive moisture is the only Designated Peril for the Harvest Flood Option. If the Corporation offers different Dollar Values for the Harvest Flood Option in any Crop Year, then the Insured must select the Dollar Value to apply.

23.02 Harvest Flood Option Indemnity. If the inability to Harvest any Acreage of Coarse Hay is caused by excessive moisture, the Corporation, subject to the other provisions of this Contract, shall pay to the Insured the Harvest Flood Option Indemnity.

23.03 Limitation. For greater certainty, the Corporation may refuse to pay a Harvest Flood Option Indemnity if the Corporation is of the opinion that the primary cause of the failure to Harvest any of the Acreage of Coarse Hay is a direct or indirect result of farm management decisions made by the Insured in that Crop Year rather than excessive moisture. In such a

case, the Premium shall be deemed to have been earned by the Corporation and to be payable by the Insured.

23.04 Minimum Claim Acres. An Insured is not eligible for a Harvest Flood Option Indemnity unless the Insured's total Acreage of Coarse Hay unharvested due to excessive moisture is equal to or greater than 10 acres.

PART 24 NOVEL CROP INSURANCE

24.01 Purpose. The provisions of this Part only apply to an Insured who has applied for and been accepted by the Corporation for Novel Crop Insurance.

24.02 Eligibility. A Novel Crop is only eligible for insurance under this Contract, if in the opinion of the Corporation, the Novel Crop is agronomically viable for the area in which it is grown.

24.03 Landlord. A Landlord is not eligible for Novel Crop Insurance.

24.04 Extended Definition. Subject to this Part, crops that meet the criteria described in Section 24.02 are designated as "Insurable Crops" under this Contract and all provisions that apply to Insurable Crops shall apply to such Novel Crops unless the context otherwise provides or requires.

24.05 Minimum and Maximum Acreage. The minimum number of acres of a Novel Crop that an Insured may insure under Novel Crop Insurance is three acres, subject to the Novel Crop Maximum Acreage for all Novel Crops insured.

24.06 Seeded Acreage. An Insured shall indicate the Novel Crops seeded by the Insured under Novel Crop Insurance in the Seeded Acreage Report required pursuant to Section 7.01 of this Contract.

24.07 Indemnity. Notwithstanding any other provision of this Contract, the Corporation shall pay an indemnity in respect of Novel Crops insured under Novel Crop Insurance in an amount equal to the quotient that is obtained when the Insured's total indemnity payable under this Contract, if any, in respect of all Insured Crops (excluding for this purpose, Insured Crops not eligible for CCP Insurance) is divided by the Insured's total aggregate Dollar Coverage for all such Insured Crops multiplied by the Insured's Dollar Coverage for Novel Crop Insurance.

24.08 Stage 1 and Reseeding. Novel Crops insured under Novel Crop Insurance are not eligible for any Stage 1 Indemnity or Reseeding benefit as contemplated by Part 11 of this Contract.

PART 25 STRAWBERRY ESTABLISHMENT INSURANCE SUPPLEMENTARY TERMS AND CONDITIONS

25.01 Purpose. The provisions of this Part only apply to an Insured who has applied for and been accepted by the Corporation for insurance for the loss of Strawberry Plants as a result of a Designated Peril.

25.02 Strawberry Establishment Insurance Indemnity. If a Strawberry Plant is lost as a result of one or more of the Designated Perils, the Corporation, subject to the other provisions of this Contract, shall pay to the Insured the Strawberry Establishment Insurance Indemnity.

25.03 Eligibility. To be eligible for Strawberry Establishment Insurance an Insured must have a minimum of 4,000 Strawberry Plants that are eligible for insurance under Section 25.04. A Landlord is not eligible for Strawberry Establishment Insurance.

25.04 Eligible Plants. Only Strawberry Plants transplanted on or before June 20 of the Crop Year are eligible for Strawberry Establishment Insurance and all such Strawberry Plants must be insured. All Strawberry Plants must be declared on the Seeded Acreage Report.

25.05 Overwinter Cover. To reduce loss caused by winter weather, all eligible Strawberry Plants must be covered by adequate straw or mulch in the year in which the Strawberry Plants are transplanted.

25.06 Majority of Strawberry Plants Damaged. If the Corporation is of the opinion that 51% or more of the Strawberry Plants in any block (as determined by the Corporation) have been lost, the Corporation may consider the whole block of such Strawberry Plants lost for the purposes of calculating any Strawberry Establishment Insurance Indemnity otherwise payable.

25.07 Plant Destruction. Once the Corporation completes its assessment of the lost Strawberry Plants, all such Strawberry Plants must be Destroyed.

PART 26 SASKATOON ESTABLISHMENT INSURANCE SUPPLEMENTARY TERMS AND CONDITIONS

26.01 Purpose. The provisions of this Part only apply to an Insured who has applied for and been accepted by the Corporation for insurance for the loss of Saskatoon Plants as a result of a Designated Peril.

26.02 Saskatoon Establishment Insurance Indemnity. If a Saskatoon Plant is lost as a result of one or more of the Designated Perils, the Corporation, subject to the other provisions of this Contract, shall pay

to the Insured the Saskatoon Establishment Insurance Indemnity.

26.03 Eligibility. To be eligible for Saskatoon Establishment Insurance an Insured must have a minimum of 500 Saskatoon Plants that are eligible for insurance under Section 26.04. A Landlord is not eligible for Saskatoon Establishment Insurance.

26.04 Eligible Plants. Only Saskatoon Plants that are viable at the time the Insured selects Saskatoon Establishment Insurance or that are transplanted on or before June 20 of the Crop Year, in the case of spring plantings, and between August 15 and November 30 of the immediately preceding Crop Year, in the case of fall plantings, are eligible for Saskatoon Establishment Insurance and all such Saskatoon Plants must be insured. All Saskatoon Plants must be declared on the Seeded Acreage Report.

26.05 Three Year Restriction. If 51% or more of the Saskatoon Plants in any block (as determined by the Corporation) are less than three years old, then the Corporation may accept all of the Saskatoon Plants in that block for Saskatoon Establishment Insurance, however, if 51% or more of the Plants are over three years old, then the Corporation may regard all of the Plants in that block as older than three years old and Saskatoon Establishment Insurance is not available for that block.

26.06 Majority of Saskatoon Plants Damaged. If the Corporation is of the opinion that 51% or more of the Saskatoon Plants in any block (as determined by the Corporation) have been lost, the Corporation may consider the whole block of such Saskatoon Plants lost for the purposes of calculating any Saskatoon Establishment Insurance Indemnity otherwise payable.

26.07 Plant Destruction. Once the Corporation completes its assessment of the lost Saskatoon Plants, all such Saskatoon Plants must be Destroyed.

26.08 Fall Planting. In the case of Saskatoon Plants planted in the fall, a claim cannot be made before April 1 of the year following the year in which the Saskatoon Plant was planted.

PART 27 CLAIM APPEALS

27.01 Appeal Deadline. The Corporation may assess a loss at various times, depending on whether the claim for indemnity is made pursuant to Parts 10, 11 or 12 of this Contract. Whenever an assessment is performed, the Corporation shall notify the Insured of the results of that assessment. If the Insured and the Corporation cannot agree as to any matter addressed in the assessment which may, by virtue of the Act, be

appealed to the Appeal Tribunal, the Insured must, within seven days of receipt of notice of the relevant assessment from the Corporation, appeal by written notice of appeal to the Appeal Tribunal, and shall deliver a copy of the appeal to the Corporation. If the Insured fails to so appeal within the prescribed seven day time period, the Corporation's assessment of the loss shall be final and binding upon the Insured and no appeal is available to the Appeal Tribunal. A Landlord cannot appeal in respect of matters addressed by the Contract of the Tenant. Any decision made by a Tenant from time to time in respect of an appeal under this Section shall also be binding on the Landlord of that Tenant.

27.02 Field Restrictions. If an Insured has appealed in accordance with Section 27.01, the Insured shall not Destroy or put the Acreage affected by the appeal to an Alternate Use without first obtaining the consent of the Appeal Tribunal.

27.03 Procedure. Should the Insured not accept a Stage 1 or Stage 2 UH indemnity and appeal to the Appeal Tribunal, such appeal shall not be heard until the Corporation has determined the final indemnity.

27.04 Final Decision. The decision of the Appeal Tribunal shall be final and binding on both the Insured and the Corporation and shall not be subject to appeal or review by a court.

27.05 Appeal Fee. At the time of filing an appeal, the Insured shall deposit with the Appeal Tribunal such fee as is required from time to time pursuant to the Act as security for the costs of the appeal.

PART 28 CONTINUING CONTRACT - TERMINATION AND CHANGES BY THE INSURED

28.01 Cancellation Deadline. This Contract shall come into effect upon acceptance of the Application by the Corporation for the Crop Year for which the Application is made and shall automatically renew from Crop Year to Crop Year thereafter for all Insured Crops and all Additional Insurance Programs selected by the Insured (except for Excess Moisture Insurance, which is automatically provided by the Corporation under this Contract and is not selectable by an Insured) unless notice of termination in writing is given by the Insured on or before March 31 of the year prior to the applicable Crop Year.

28.02 Confirmation of Insurance. The Corporation shall post to its website via a private access portal maintained for the benefit of each Insured or mail to the Insured, at least 14 days before the relevant dates set forth in this Part, a confirmation of insurance which sets out, amongst other things, the Insured Crops and Dollar Value (if more than one Dollar Value is offered by the

Corporation for any Insured Crop), any Additional Insurance Program and, subject to Section 17.03, the Coverage Levels which the Corporation will provide to the Insured for the period to which the confirmation of insurance relates based on the selections previously made by the Insured. If the Insured wishes to change the selection of Insured Crops, Coverage Levels, Dollar Value in respect of Insured Crops (if more than one Dollar Value is offered by the Corporation for any Insured Crop) and Excess Moisture Insurance (if a Dollar Value above the minimum is offered by the Corporation), EMI Reduced Deductible Option or any Additional Insurance Program previously selected (except for Excess Moisture Insurance, which is automatically provided by the Corporation under this Contract and is not selectable by an Insured), the Insured must do so by the dates set forth in this Part; otherwise the Insured shall be bound by the confirmation of insurance for the applicable period. Landlords are not entitled to receive a confirmation of insurance.

28.03 Notification of Coverage to Insured. If the Insured was not insured with the Corporation in the Crop Year immediately preceding the Crop Year for which an Application is being made or if the Insured has selected an Insurable Crop for insurance which was not insured in the Crop Year immediately preceding the Crop Year for which such selection is being made, the Corporation may determine Coverage by any means and with such information as may be available to the Corporation at the time of such determination and within such time frame as it may deem appropriate. For purposes of determining Coverage in accordance with the foregoing, the Insured shall be required to provide the Corporation with all historical production data that may be in the possession or control of the Insured and as may be requested by the Corporation from time to time. Any Coverage so determined shall be final and binding on the Insured.

28.04 Changes in Selection. All changes in selection of: Insured Crops, Dollar Values for Insured Crops (if more than one Dollar Value is offered by the Corporation for any Insured Crop), Coverage Levels, for CCP Insurance, for Additional Insurance Programs (other than Excess Moisture Insurance) and for the continuous hail insurance option if the Insured has a contract of insurance issued under the Hail Insurance Regulation under the Act, must be made on or before March 31 in the year prior to the Crop Year in which the insurance is to apply.

28.05 Changes in Selection - EMI. All changes in selection of Dollar Value in respect of Excess Moisture Insurance (if a Dollar Value above the minimum is offered by the Corporation) and for the EMI Reduced Deductible Option must be made on or before November 30 in the year prior to the Crop Year in which the insurance is to apply.

28.06 Method for Making Changes in Selection. The changes in selection contemplated by Sections 28.04 and 28.05 may be made

- (i) in writing;
- (ii) via an online private access portal maintained for the benefit of each Insured by the Corporation at its website; or
- (iii) by telephone by an Insured, but an Insured's alternate signing authority, if any, may not make changes by telephone.

If an Insured makes changes in selection by telephone, all information received by the Corporation and shown in the records of the Corporation shall be conclusive evidence of the information given over the telephone by the Insured to the Corporation and a copy of the changes in selection after acceptance by the Corporation will be mailed to the Insured.

28.07 Right to Amend Deadlines. Notwithstanding Section 34.01, the Corporation shall have the right to change the cancellation deadline date in Section 28.01 or one or more of the deadline dates contemplated by the remaining Sections of this Contract without the consent of the Insured, but such changed deadline date(s) shall not be less than 14 days following the date on which written notice of the change is given to the Insured.

PART 29 PREMIUMS FOR INSURANCE AND ADMINISTRATION FEES

29.01 Premiums, Surcharges, Discounts and Administration Fees. Premiums shall be calculated by the Corporation and may be subject to such surcharges or discounts as may be determined by the Corporation from time to time except that no surcharges or discounts will apply to Premiums for insurance on carrots, Cooking Onions, parsnips, rutabagas, Pasture, Basic Hay Insurance, Select Hay Insurance, Novel Crop Insurance or to any Additional Insurance Program. The Insured agrees to pay the Premiums and Administration Fees in respect of all insurance provided under this Contract including, without limitation, Excess Moisture Insurance and all other charges, costs and fees required by this Contract. All such Premiums and Administration Fees are due and payable when billed to the Insured.

29.02 Interest. If the Premiums or Administration Fees or any other charges, costs and fees appearing on the Statement of Account setting forth the Premiums and Administration Fees are not paid by October 31 of the Crop Year for which they are due, interest shall be payable (both before and after judgement) on such amounts or any unpaid portion thereof from October 1 of such Crop Year until the last day of the month before the month in which payment is made, at a per annum rate

equivalent to two percentage points greater than the Royal Bank Prime Rate as of April 1 of that Crop Year.

29.03 Claim Overpayment Interest. The Corporation may charge interest on any claim overpayment at the same rate as specified under Section 29.02 for the Crop Year in which the notice of claim overpayment or notice of such outstanding charges, fees, costs or expenses is given. Interest shall commence 30 days after such written notification or at any other time beyond such 30 days as may be specified in such notification to the Insured.

29.04 No Interest Payable by Corporation. The Corporation shall not be obligated to pay interest on any amounts owed to the Insured in any circumstance.

PART 30 MISREPRESENTATION

30.01 Misrepresentation - General. If the Insured, or if the Insured is a Landlord, the Tenant of that Insured, in the current Crop Year or in any prior Crop Year:

- (i) gives false particulars or misrepresents or fails to disclose any fact required to be stated in the Application or other documentation provided to the Corporation,
- (ii) contravenes a term or condition of this Contract,
- (iii) commits a fraud, or
- (iv) makes a false statement in respect of a claim under this Contract, (each of the matters referred to in subsections (i) to (iv) of this Section being hereinafter referred to as a "Default"),

the Corporation may, at its option, deny or cancel any claim of the Insured where, in the Corporation's opinion a Default has occurred, whether the claim has been finalized or not, and/or terminate this Contract by giving notice to the Insured. If the Corporation terminates this Contract, such termination shall be effected by written notice to the Insured and will be effective the Crop Year following the Crop Year in which notice was given. All Premiums and Administration Fees and all other charges, costs, fees and expenses due to the Corporation by the Insured shall be deemed to have been earned by the Corporation and non-refundable to the Insured. Upon a denial or cancellation of a claim in accordance with this Section, the Insured's right to any indemnity in respect of that claim shall be forfeited. If a claim is cancelled by the Corporation, the Insured shall immediately repay to the Corporation any indemnity paid by the Corporation in respect of that claim.

30.02 Production Misstatement. If an Insured misstates Production, the Corporation will adjust Production or other Probable Yield calculations to Adjusted Production. The Corporation may also make a further downward adjustment in such Insured's Individual

Productivity Indexes or other Probable Yield calculations and may require the Insured to pay a monetary amount including, without limitation, any amount necessary to compensate the Corporation for auditing or otherwise monitoring the Insured's prior or future years' Production, all as determined by the Corporation.

PART 31 SUBROGATION

31.01 Recovery Right. The Insured shall not be entitled to any indemnity under this Contract for any loss if the Insured has done or does anything to prejudice the Insured's right of recovery against any Person in respect of such loss.

31.02 Subrogation. If the Corporation has paid a claim under this Contract, the Corporation is subrogated to the extent thereof to all rights of recovery of the Insured against any Person, and may bring action in the name of the Insured against such Person for the full amount to enforce such rights of recovery. The Insured agrees that the Corporation shall have complete and sole control over the conduct of any such action commenced by the Corporation, including the appointment of counsel. At the request of the Corporation, the Insured shall do whatever is necessary to secure such rights of recovery.

31.03 Third Party Compensation. Where the Corporation is liable to pay a claim under this Contract, but the Insured has been compensated for the loss by another Person, the Corporation may deduct the net amount of such third party compensation, after deducting the costs of recovering such compensation, from the amount of the indemnity otherwise payable by the Corporation under this Contract.

31.04 Limitation. Where the net amount recovered from a third party, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damages suffered by the Insured, the amount recovered from the third party shall first be retained by the Corporation up to the amount of the indemnity paid and the balance shall be paid to the Insured.

31.05 Insured's Obligation. If the Corporation exercises the rights granted to it pursuant to Section 31.02, the Insured shall:

- (i) assist the Corporation, except in a pecuniary way, in the enforcement of such rights including, without limiting the generality of the foregoing, cooperation in establishing the facts, securing and giving evidence and obtaining the attendance of witnesses and, if an action is commenced, immediately providing to the Corporation everything received in writing concerning the claim, including legal documents, and

- (ii) do nothing to prejudice the Corporation's rights including, without limiting the generality of the foregoing, not interfering in any settlement or legal proceedings.

PART 32 ASSIGNMENT OF INDEMNITY

32.01 Right to Indemnity Payment. Subject to Section 32.02, no indemnity shall be paid to any Person other than the Insured.

32.02 Assignment. The Insured may assign all or a specified dollar amount of the right to indemnification under this Contract in respect of any Crop Year, and only for that Crop Year, but an assignment is not binding on the Corporation, and no payment of indemnity shall be made to an assignee, unless:

- (i) the assignment is made on a form acceptable to the Corporation and is accompanied by the fee stipulated by such form, and
- (ii) the Corporation gives its acceptance to the assignment in writing.

Any assignment made in accordance with the foregoing has the effect of assigning all rights of indemnification of the Insured under all contracts of insurance between the Insured and the Corporation (excluding any contract of insurance between the Insured and the Corporation under the Western Livestock Price Insurance Program), although in the case of an assignment of a specified dollar amount, only up to the dollar amount specified.

32.03 Rights of Assignee. An assignee shall have the same right as the Insured to file a claim for loss or damage to the Insured Crop or under an Additional Insurance Program.

32.04 Subsequent Assignments. If more than one assignment is received by the Corporation, the assignment first received and accepted by the Corporation shall have priority over subsequent assignments received. In any such case, once any prior assignment has been satisfied, the Insured expressly authorizes the Corporation to pay any and all subsequent assignment(s) to the full extent of such assignment(s) assuming the indemnity payments otherwise payable to the Insured are available to satisfy such assignment(s).

PART 33 RECORDS, ACCESS AND RELEASE OF INFORMATION

33.01 Right of Entry and No Liability. The Insured agrees that the Corporation has a right of entry to the land, property and premises (including, without limitation, crop storage facilities) of the Insured, which right may be exercised by the Corporation or its agents or employees at any reasonable time or times for any purpose related

to this Contract. Such right of entry may include, and the Insured expressly consents to, the use by the Corporation of one or more drones (unmanned aircraft vehicles). The Insured shall keep or cause to be kept such records as the Corporation may prescribe from time to time for any Insurable Crop or Additional Insurance Program. The Corporation may require the Insured to produce or make available such records as the Corporation considers pertinent to any matter contemplated by this Contract.

In the event that the Corporation exercises its rights in accordance with this Part, the Corporation shall not be responsible for any loss or damage caused by it or any of its agents, servants or employees to the Insured's land, property or premises, unless such loss or damage is the result of the willful misconduct or gross negligence of the Corporation or its agents, servants or employees.

33.02 Access to Records. The Insured agrees that the Corporation and any Person designated by the Corporation shall have access to the records kept by the Insured and to the land on which the Insurable Crops are grown or stored or, to which an Additional Insurance Program relates, for the purpose of determining matters concerning this Contract.

33.03 Time to Provide Records. The Insured shall provide records requested by the Corporation pursuant to Sections 33.01 and 33.02 within 15 days of the Corporation's request.

33.04 Right to Audit. The Insured shall keep all books and records relating to the subject matter of this Contract until the expiration of seven years from the end of the Crop Year to which such books and records relate. At any time during the currency of this Contract and within seven years after the termination of this Contract, the Insured shall permit the Corporation to audit the Insured's books and records as far as they relate to the subject matter of this Contract. The Corporation assumes no responsibility and waives no rights by reason of such examination, audit or omission thereof.

33.05 Access to Third Party Records. The Corporation may, at any time, request any Person to provide the Corporation with records pertinent to this Contract for any Crop Year, and the Insured by entering into this Contract shall be deemed to have authorized and consented to the release of that information to the Corporation. If any Person refuses to provide such information to the Corporation, the Insured shall make best efforts to obtain the information and provide it to the Corporation. Any costs associated with obtaining the information shall be the responsibility of the Insured.

33.06 Consequences of Non-Cooperation. If the Insured fails to permit the Corporation access to any lands and premises (including, without limitation, crop

storage facilities) or to provide information and records required by this Part or as required to finalize any outstanding claim for indemnity hereunder in a timely manner, as determined by the Corporation, the Corporation may refuse to pay any indemnity hereunder. Further, if such failure to cooperate affects the ability of the Corporation to calculate or audit IPI Yields or the yield for other Probable Yield calculations, the Corporation may declare Production for IPI purposes to be equal to Coverage, if the calculation or audit is in respect of an Insured Crop, and Coverage at the lowest Coverage Level applicable to the affected crop, if the calculation or audit is in respect of an Insurable Crop that is not insured.

33.07 Collection of Information. Information collected under this Contract is done so under the authority of the Act and will be used to administer the Contract and for research purposes and may be released by the Corporation in accordance with Sections 33.08 and 33.09 or as otherwise permitted by law. Any questions regarding such collection should be directed to the Insured's local MASC insurance agent.

33.08 Release of Information. The Corporation may provide the Government of Canada, the Government of Manitoba and their respective crown agencies, as well as the Advance Payment Program administrators, with any information and data in the Corporation's possession pertaining to the Insured on a confidential basis.

33.09 Release of Aggregate Information. The Corporation may release information and data pertaining to the Insured to any Person when such information and data is combined with other information and data to form a larger data base from which the Insured is not identifiable.

33.10 Authorization and Consent. The Insured authorizes and consents to the release of information and data under Sections 33.08 and 33.09 by the Corporation and waives the protection of any applicable law that would preclude the Corporation from releasing such information and data.

PART 34 GENERAL

34.01 Right to Amend Contract. The Corporation shall have the right to change the terms and conditions of this Contract from year to year, without the consent of the Insured and such changes are deemed to be part of this Contract. Notification of any changes to this Contract will be mailed to the Insured on or before March 15 of the Crop Year immediately preceding the Crop Year in which the changes are to be in effect.

34.02 Termination Without Cause. The Corporation has the right to terminate this Contract without cause effective at the end of any Crop Year by mailing written notice of such termination to the Insured on or before March 1 of that Crop Year. Upon termination, all rights, obligations and liabilities acquired or incurred under this Contract shall be of no further force or effect with respect to any subsequent Crop Year but without prejudicing any rights, obligations or liabilities acquired or incurred under this Contract with respect to the Crop Year in which notice of termination is given or prior Crop Years.

34.03 Termination - General. In addition to any other termination provisions of this Contract in favour of the Corporation, the Corporation may terminate this Contract effective upon written notice to the Insured for any of the following reasons:

- (i) the failure of the Insured to provide information, records or access to land or premises (including, without limitation, crop storage facilities) as and when required under Part 33 of this Contract,
- (ii) the Insured is not farming any land as declared on the Seeded Acreage Report in respect of the Crop Year then in effect,
- (iii) improper farming practices of the Insured as determined by the Corporation,
- (iv) failure by the Insured to fully cooperate with the Corporation in order to establish the indemnity payable, if any, under this Contract,
- (v) physical violence or physical intimidation, or threats of any such nature, directed by the Insured at any of the employees or agents of the Corporation,
- (vi) failure by the Insured to comply with this Contract, the Act or the Regulations,
- (vii) failure by the Insured to pay when due, amounts owed by the Insured to the Corporation whether such amounts were due before or after the commencement of this Contract and whether or not such amounts are due under this Contract or under any other program administered by the Corporation from time to time.

34.04 Termination - Non-Payment of Premiums. If the Insured has not paid the Premium and Administration Fees or interest thereon owing to the Corporation on or before March 31 in the Crop Year for which the Premium and Administration Fees are due, this Contract shall be terminated effective that date unless the Corporation has agreed in writing to waive the provisions of this Section 34.04.

34.05 Termination - Outstanding Claims. If the Corporation has agreed to the continuation of this Contract pursuant to Section 34.04 for a Crop Year and

on June 30 following such agreement the Premium and Administration Fees for the prior Crop Year or interest thereon remain unpaid, this Contract shall be deemed to have terminated effective the beginning of the then current Crop Year, unless the Corporation has agreed in writing to waive the provisions of this Section 34.05.

34.06 Termination - All Acreage. If a Person has a significant interest in this Contract, as determined by the Corporation, whether individually, through a corporation, a partnership or other entity, as the case may be, and also has a significant interest in any other Contract or Contracts and any such Contract in which that Person has such an interest is cancelled or otherwise terminated in accordance with the terms of that Contract, the Insured shall then be deemed to be in breach of Section 4.01 of this Contract and, as a result, the Corporation may also terminate this Contract. In that event, this Contract shall be terminated effective as at the time indicated in the written notice to that effect to the Insured.

34.07 Credit Privileges. An Insured whose insurance was cancelled previously by the Corporation may be declared by the Corporation to be an unsatisfactory credit risk for the Corporation and, if this is done, the Corporation may, at its option, require the Insured to submit an annual Application accompanied by the estimated Premium and Administration Fees prior to the relevant dates set forth in Part 28. The provisions of Part 28 will not apply to an Insured who is required to make an annual Application under this Section for so long as that requirement is in effect.

34.08 No Liability of Corporation. Termination of this Contract by the Corporation in accordance with the terms of this Contract will not result in any liability of the Corporation to the Insured of any kind or nature, including any claim or demand for damages, loss of profits or otherwise.

34.09 Survival of Covenants and Agreements. Notwithstanding the termination of this Contract for any reason whatsoever, all covenants and agreements to be performed or observed by the Insured under this Contract, all provisions contained in this Part and any right of indemnity arising from any loss which occurred prior to the termination of this Contract and which has been established to the Corporation's satisfaction shall survive any said termination, except as otherwise provided in this Contract.

34.10 Payments Applied to Debt. Upon the termination of this Contract, the Corporation shall have the right to withhold payment of any amount otherwise payable by it to the Insured whether under this Contract or otherwise for the purpose of setting off the payment

against any indebtedness of the Insured to the Corporation.

34.11 Money Owed Applied to Debt. If the Insured owes the Corporation any money whether under this Contract or any other contract or program offered or administered by the Corporation, the Corporation may deduct the amount owed from any money payable to the Insured whether under this Contract or otherwise.

If a Person has a significant interest in this Contract, as determined by the Corporation, whether individually, through a corporation, a partnership or other entity, as the case may be, and also has a significant interest in any other Contract or Contracts or any other program offered or administered by the Corporation, and if a Person under any such Contract or Contracts or any other program offered or administered by the Corporation owes the Corporation any money, the Corporation may deduct the amount owed under that Contract or Contracts or any other program offered or administered by the Corporation from any money payable to the Insured under this Contract.

34.12 Waiver. No term or condition of this Contract shall be deemed waived or altered in whole or in part, unless the waiver or alteration is expressed in writing, and signed by a duly authorized representative of the Corporation. In each case, that waiver or alteration shall be effective only in the specific instance and for the specific purpose for which it is given or made. Notwithstanding any such waiver, any circumstances related to such waiver may be considered by the Corporation at any subsequent time together with any subsequent events in determining the Corporation's rights under this Contract. Without limiting the generality of the foregoing, notice to any agent or employee of the Corporation or knowledge possessed by any agent or employee of the Corporation shall not effect a waiver or estop the Corporation from asserting any right under the terms of this Contract.

34.13 No Subsequent Waiver. The full or partial waiver by the Corporation at any time of any of its rights under this Contract, including its rights with respect to a breach or violation of or default under any provision of this Contract, will not operate as a waiver of any other right or of any other provision of this Contract or of any subsequent breach or violation thereof or default thereunder.

34.14 No Waiver. The Corporation shall not be deemed to have waived any term or condition of this Contract or any of its rights pursuant to this Contract by the receipt of any forms or any information from the Insured or by any act relating to the appraisal of the amount of loss or by the delivery and completion of claim forms or the investigation or adjustment of any claim under this Contract.

34.15 No Deemed Waiver. The acceptance by the Corporation of any amount payable by, on behalf of or for the account of the Insured at any time after termination of this Contract shall not be deemed to be a waiver by the Corporation of any rights and remedies to which it may be entitled.

34.16 Eligibility Review. The Insured agrees that at any time during the currency of this Contract, the Corporation may conduct an eligibility review to determine whether the Insured continues to be eligible for an AgrilInsurance Contract. The Insured consents to such review, agrees to fully cooperate in the eligibility review process, and to be bound by the decision of the Corporation resulting from such review. If the Corporation conducts an eligibility review during the currency of this Contract and changes the basis upon which the Insured is insured under this Contract, such change shall take effect at the commencement of the Crop Year immediately following the Crop Year in which the Insured was notified of such change. Upon receipt or deemed receipt of the Corporation's decision following such eligibility review, the Insured may upon written notice to that effect to the Corporation terminate this Contract effective April 1 of the year immediately following the year in which such notice is given.

34.17 Personal Guarantee of Corporate Debt. If the Insured is a corporation, the Corporation may require as a condition of granting or continuing insurance hereunder that the Premiums, Administration Fees or any other money due under this Contract and the due and punctual performance of all other obligations of the Insured under this Contract shall be personally guaranteed by the Principal Shareholders. Such guarantee shall be in such form as the Corporation may require from time to time.

34.18 Changes in Ownership. If the Insured is a corporation, the Insured shall give written notice to the Corporation promptly of any change in the direct or indirect ownership of shares in such corporation. If the Insured is a partnership, the Insured shall give written notice to the Corporation promptly of any change in the partners of that partnership. If the Insured is an individual, the Insured shall give prior written notice to the Corporation if the Insured intends to incorporate or if the Insured intends to farm in partnership. Conversely, if the Insured is a corporation or farms in partnership and intends to farm individually, the Insured shall give prior written notice to the Corporation of any such intention. Throughout the currency of this Contract, the Insured shall promptly notify the Corporation of all names under which the Insured carries on business.

34.19 Monitoring Fees. The Corporation may require, as a condition precedent to entering into this Contract or the continuance of this Contract, that the Insured pay

administrative costs, as determined by the Corporation, for yearly or occasional monitoring of the Insured's farm operations.

34.20 Enforcement Fees. The Insured agrees to pay the Corporation, upon demand, all out-of-pocket costs and expenses (including, without limitation, legal fees on a solicitor and own client basis) incurred by or on behalf of the Corporation in connection with enforcing any of its rights against the Insured under this Contract. If the Insured claims for loss or damage under this Contract and it is found that the Insured is not entitled to such indemnity, the Insured may be required by the Corporation to pay for the costs and expenses incurred by the Corporation in considering the claim.

34.21 No Withholding by Insured. The Insured shall not, on grounds of the alleged non-performance by the Corporation of any of its obligations hereunder, or otherwise, withhold payment of any amount due to the Corporation.

34.22 Taxes. The Insured shall pay to the Corporation an amount equal to any and all taxes now or hereafter imposed on, or collectible by, the Corporation with respect to any amounts payable by the Insured to the Corporation under this Contract, whether characterized as a goods and services tax, sales tax, value added tax or otherwise.

34.23 Severability. If any provision of this Contract should be held invalid or unenforceable for any reason whatsoever or to violate any applicable law of Canada or Manitoba, this Contract is to be considered divisible as to such provision, and such provision is to be deemed deleted from this Contract, and the remainder of the Contract will be valid and binding as if such provision were not included herein.

34.24 Governing Law. This Contract shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein and shall be treated, in all respects, as a Manitoba contract. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Manitoba.

34.25 Corporation Rights Cumulative. The rights of the Corporation hereunder are cumulative and no exercise or enforcement by the Corporation of any right or remedy hereunder shall preclude the exercise or enforcement by the Corporation of any other right or remedy hereunder or which the Corporation is otherwise entitled by law to enforce.

34.26 Deadline for Action Against Corporation. Any action or proceeding by the Insured against the Corporation shall be commenced within one year after

the cause of action arose and not afterwards. The Insured shall not commence an action or proceeding against the Corporation until the Insured has fully complied with all the terms of this Contract.

34.27 Calculation of Time. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day which ends the period.

34.28 Business Day. Whenever any action to be taken under this Contract is required to be taken on a day other than a business day, such action shall be taken on the next business day following. For the purposes of this Contract, “business day” means a day on which the Corporation is open for business.

34.29 Interpretation. Any reference in this Contract to “as determined”, “as established”, “as specified”, “as declared”, “as approved”, “as offered” or “as accepted” by the Corporation, or to the phrases “in its discretion”, “in its opinion”, “at its option”, “to its satisfaction” or “considers appropriate” or similar or like phrases shall mean that the Corporation may make such determination or exercise such discretion in an absolute, sole and unfettered manner and, without limitation and for greater certainty, determinations by the Corporation of Dollar Value, Probable Yield and market value shall be final and binding on the Insured.

34.30 Alternate Signing Authority. The Insured may from time to time:

- (i) by filing a notice with the Corporation using the form provided by the Corporation for that purpose, or
- (ii) by telephone,

appoint another Person to execute and file any documents, reports and notices required to be filed under this Contract by the Insured or as otherwise required by the Corporation (including, without limitation, an assignment of indemnity form as contemplated by Section 32.02), but in no event shall such other Person be entitled to execute an application for insurance hereunder or terminate this Contract. In the case of an appointment by telephone in accordance with the foregoing, all information received by the Corporation or by the insurance office of the Corporation and shown in the records of the Corporation or that insurance office, as the case may be, shall be conclusive evidence of the information given over the telephone by the Insured to the Corporation or to that insurance office of the Corporation in respect of that appointment. The Insured acknowledges that any Person appointed in accordance with the foregoing or appointed pursuant to the Application of the Insured is deemed to be the Insured’s

representative to sign on the Insured’s behalf all documents pertaining to any contract of insurance issued to the Insured under the authority of the Hail Insurance Regulation under the Act, including any Application on behalf of the Insured for such a contract of insurance.

34.31 Number and Gender. The use of words in the singular or plural, or with reference to a particular gender, shall not limit the scope or exclude the application of any provision of this Contract to such Person or Persons or circumstances as the context otherwise permits.

34.32 Time. Time shall be of the essence of this Contract.

34.33 Currency. Unless otherwise specified, all references to money amounts are in Canadian currency.

34.34 Entire Agreement. This Contract constitutes the entire agreement between the parties hereto with respect to all of the matters herein and there are no representations, warranties, covenants, terms, conditions, promises, undertakings or collateral agreements, express or implied, which form part of this Contract other than as expressly set forth herein. The entering into of this Contract by the Insured has not been induced by nor does the Insured rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.

34.35 Headings. The division of this Contract into Parts and Sections and the use of headings are for convenience of reference only, and shall not affect the interpretation or construction of this Contract.

34.36 Enurement. This Contract shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, permitted assigns and legal representatives, as the case may be.

34.37 Assignment. Except as specifically provided in Part 32 of this Contract, no part of this Contract or any interest in this Contract may be assigned by the Insured without the prior written consent of the Corporation, which may be withheld at its discretion.

34.38 Acreage Adjustment. If, at any time during the currency of this Contract or, within seven years of any termination of this Contract, the Corporation becomes aware of any overstatement in the Declared Acreage of an Insured for any Crop Year, the Corporation may adjust the Insured’s Coverage and Premiums for the affected Crop Year or Crop Years. All additional Premiums or claim overpayments or both resulting from such adjustment by the Corporation shall become

immediately due and payable by the Insured to the Corporation.

34.39 Authority of Directors, Officers, Partners and Agents. An Insured that is a corporation (or a guarantor of an obligation of the corporation) or a partnership or other form of entity may not assert against the Corporation that

- (i) the articles, by-laws or any unanimous shareholder agreement or other agreement affecting the Insured have not been complied with,
- (ii) a person held out by the Insured as a director, an officer, a partner or an agent of the Insured has not been duly appointed or has no authority to exercise the powers and perform the duties that are customary in the business of the Insured or usual for a director, officer, partner or agent,
- (iii) a document issued by any director, officer, partner or agent of the Insured with actual or usual authority to issue the document is not valid or not genuine.

34.40 Electronic Copy. An Insured may elect to receive an electronic copy of this Contract in lieu of a printed version in the manner and in the form required by the Corporation for that purpose. Upon receipt by the Corporation of that election, the posting of this Contract on the Corporation's website as a downloadable PDF shall constitute delivery to the Insured of the electronic copy so requested and be deemed to be as effective as delivery of a printed copy. Such posting shall be deemed "mailed to the Insured" for the purposes of Section 34.01.

PART 35 SERVICE

35.01 Notice to Corporation. Any written notice to the Corporation shall be given by actual delivery thereof to the manager of any insurance office of the Corporation or to the corporate insurance office of the Corporation in Portage la Prairie or by sending it by mail to the proper address of the Corporation at 400 - 50 - 24th Street, N.W., Portage la Prairie, Manitoba, R1N 3V9. Unless otherwise provided herein, such notice to the Corporation is only effective upon actual receipt.

35.02 Notice to Insured. Any written notice to the Insured shall be given by actual delivery to the Insured, or by sending it by mail, addressed to the Insured at the last mailing address for the Insured on file with the Corporation, or by sending it by email, addressed to the Insured at the last email address for the Insured on file with the Corporation. The Insured consents to the receipt of notices in electronic form and acknowledges that any notice given in such form will be considered "in writing". Such consent to receive notices from the Corporation electronically is valid until revoked by the Insured by sending an email message to mailbox@masc.mb.ca, by telephoning or by attending in person at the corporate insurance office or any local insurance office of the Corporation. In the event of disruption or threatened disruption of regular mail services by strike or threatened strike, all notices shall be given, at the discretion of the Corporation, either by actual delivery to the Insured, or by email pursuant to the aforesaid method, or by publishing such notice in The Manitoba Co-operator or other newspaper of general circulation in Manitoba, or by the posting thereof on the Corporation's public website at www.masc.mb.ca. Any notice given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof; and if given by mail, email, or by publication as aforesaid, shall be conclusively deemed to have been given five days after the mailing or emailing by the Corporation to the Insured (whether or not the Insured has received or retrieved the notice), or on the date of publication.

35.03 Form of Notice. Except as specifically set out herein, any notices under or pursuant to the provisions of this Contract must be in writing.

35.04 Change in Address. Either party shall be entitled to specify a different address by giving notice in accordance with Section 35.01 or 35.02, as applicable.