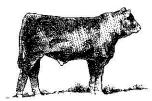
Maritime Beef Test Society



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To: Maritime Beef Testing Society Consignors

From: Management Committee
Date: September 3, 2019

RE: MBTS Animal Guidelines

Background

The Maritime Beef Testing Society makes every effort to ensure the health and well-being of animals while they are under our care and control. The MBTS has limited physical space as well as limited resources to care for animals beyond the performance testing period. The MBTS also has an obligation to our consignors to promote and market top quality animals through the annual breeding stock sale.

Beyond Capacity Guideline

The MBTS' maximum capacity for the test program is 120 animals, this is based on barn space, feed availability and capacity of the GrowSafe system. In the event of more than 120 animals are consigned to the test program, MBTS management will make every effort to ensure that all consignors have access to the program. This may mean that some consignors will be limited to the number of animals they consign. Preference will be given to consignors who have submitted all requested application and supporting forms by the deadline.

End of Test Animal Removal Guideline

The MBTS is committed to notifying all consignors of sale eligibility within 10 days of the end of the testing period. Once notification is given, consignors are able to remove their animals from the premises. All non-sale animals must be removed within 7 days of sale eligibility notification. Any animals remaining at the MBTS will be charged at a rate of \$25 per day. If any animal remains at the MBTS for a period of 14 days after sale eligibility is announced, Management reserves the right to recover costs by sale of the animal in a manner it deems appropriate.

Atlantic Beef Products (ABP) Direct Shipment Guideline

The MBTS is committed to working with consignors of bulls ineligible to the Breeding Stock Sale to coordinate shipment directly to Atlantic Beef Products.

- 1. The MBTS will notify consignors of bull sale eligibility as outlined in the End of Test Animal Removal Guideline;
- 2. Consignors will have forty-eight (48) hours from the time of notification to confirm ABP shipment;
- 3. MBTS will book animals with ABP;
- 4. MBTS will arrange for shipment f from MBTS to ABP, at consignor's expense;
- 5. ABP

Yardage Fee Projection

| # of Bulls Consigned | Feed | Yardage |
|----------------------|---------|----------|
| 120 | \$0.115 | \$175.00 |
| 110 | \$0.115 | \$225.00 |
| 100 | \$0.115 | \$315.00 |
| 90 | \$0.115 | \$425.00 |
| 80 | \$0.115 | \$575.00 |

Compensation Fund

The Maritime Beef Testing Society makes every effort to ensure the health and well-being of animals while they are under our care and control. Unfortunately from time-to-time there are instances when animals must be euthanized as a result of an accident. Test Station holds a Compensation Fund, which is designed to help consignors offset some of the financial loss associated with the loss of an animal. This fund is maintained by setting aside \$10 from each animal consigned to the testing program.

Compensation Outline

The Test Station will compensate consignors who experience total loss of the value of an animal while participating in the testing program. Compensation is based on the estimated weight of the animal, the previous month average feeder sale for its weight category and any outstanding consignor payable related to the specific animal. The outline of the compensation calculation is as follows:

| | Most recent weigh date | Date |
|---|---|-----------|
| Α | Animal weight on recent weigh day | Weight |
| | Animal loss date | Date |
| В | Days past last weigh date | # of Days |
| С | Animal average daily gain (ADG) while on Test | Test ADG |
| D | Estimated additional gain of animal | BxC |
| E | Estimated weight of animal on loss date | A + D |
| F | Previous month average feeder sale price at ASL (weight category) | ASL Avg. |
| G | Total value of animal | ExF |
| Н | Outstanding fees payable to MBTS | Payable |
| | Test feed intake payable | Payable |
| J | Total Payable to MBTS | H + I |
| K | Total Compensation Offer | G - J |

Filing a Claim

• A consignor eligible to file a claim under the MBTS Compensation Fund must provide written notice to Board Administration within fifteen (15) days of the loss of the animal

Paying a Claim

- Board Administration will send the compensation offer, based on the formula to the consignor within fifteen (15) days;
- If accepting the compensation offer, the consignor must return the letter of offer within fifteen (15) days to the Test Station office;
- Board Administration has the authority of the Board to pay compensation to consignors who accept the compensation calculation;
- Compensation will be paid within fifteen (15) days of final agreement.