

2023 SEASON PERFORMANCE GUARANTEE

Program Details

Description

Sound Agriculture offers a financial refund up to the full purchase price if Return on Investment (ROI) from increased yield resulting from the use of SOURCE SC on Soybeans does not offset the price paid by the grower for the product¹

Calculation

Value of yield is determined by the difference between treated and non-treated (within each field) yield/acre multiplied by the 2023 crop insurance price². The maximum payout/acre for the Performance Guarantee is the \$/acre paid by the grower for SOURCE SC.

Eligibility

This program is for SOURCE SC for use on soybeans. An eligible grower purchases SOURCE¹ SC and applies a minimum of 10 gallons of SOURCE SC in Season 2023 (512 acres at labeled rate and timing).

Requirements

- A claim requires a grower to provide digital agronomic data to qualify.
- The claim submission deadline is January 31, 2024.
- The total acres of the untreated areas must represent at least 5% of treated area in each field.
- Farming practices must be identical across treated and untreated areas except for SOURCE application.
- See full performance guarantee document for more details.

SOURCE WORKS AND WE STAND BEHIND THAT PROMISE.

When you buy and apply 10 or more gallons (512 ac) of SOURCE SC on Soybeans, you will achieve a return on investment equal or greater than the price of the product or we will refund the difference.

¹) Sound Agriculture reserves the right to limit the number of years a grower can participate in this program.

²) Average of CME Group Nov '23 Soybeans futures during February 2023.

Program Requirements

- The total acres of the untreated areas must represent at least 5% of treated area in each field. Layouts for treated and untreated areas are described below.
- Farming practices must be identical across treated and untreated areas except for SOURCE application. Practices required to be identical but not limited to the following:
 - Seed (varieties, seeding rates, seed treatments).
 - Nutrients.
 - For SOURCE use as a yield-enhancer, macro and micronutrients timing and rates must be identical as shown in Protocol 1 below.
 - Crop protection (products, timing, rates).
 - Soil type.
 - Irrigation (timing, rates) if applicable.
- Treated and untreated areas must be substantially similar in terms of topography and drainage (headlands excluded for analysis).
- Data must be submitted for all treated and untreated areas.
- Grower must submit required data as defined below by January 31, 2024.
- Growers may qualify for a reduced percentage of required SOURCE-treated fields with non-treated checks by meeting the following conditions:
 - 1) Meet with a Sound SA and follow documented placement recommendations
 - 2) Data partnership connection between customer's operation (JDops and/or Climate FieldView) and Sound Agronomy's operation must be established. Growers must share all spatially logged, digital files for SOURCE applications by no later than August 31st, 2023The reduced requirement will be 50% of all SOURCE-treated fields (versus 100%), with a minimum total of five (5) fields
- Grower will be ineligible for the 2023 Performance Guarantee if invoice is not paid by July 31, 2023

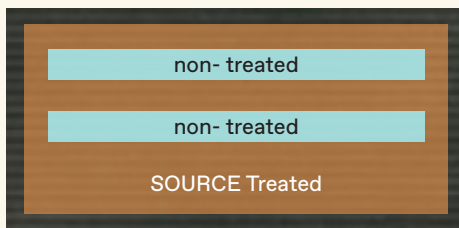
PROTOCOL 1: Maintain N fertility and boost yield

Keep fertility and practices constant across the entire field. The total acres of the untreated areas must represent at least 5% of treated area in each field.

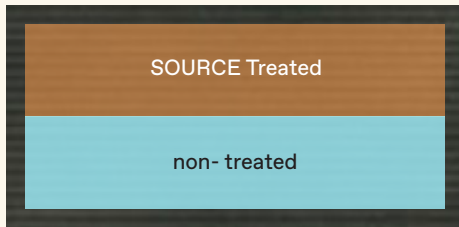
Correct

Check strips allow for fair comparison between standard regions of the field.

Option 1

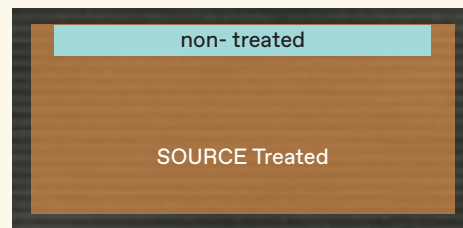


Option 2

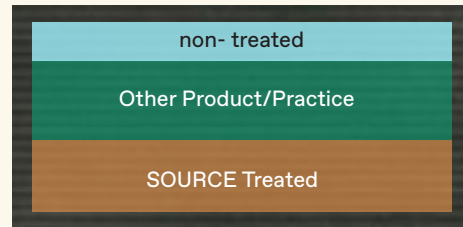


Incorrect

Check strip is along headlands.



Check strip is not side-by-side SOURCE Treatment



Making a Performance Guarantee Claim

As of November 2022

Performance Guarantee Claims should be made by the grower and directly to Sound Agriculture. There is no need to engage a Sound Dealer for the claims process, and Sound Dealers are not authorized to receive Performance Guarantee Claims.

There are two steps to make a Performance Guarantee Claim.

1. **Fill out Claims Form** (via sound.ag/sourceperformance-guarantee)
2. **Share data**

Sound Agriculture will review the claim promptly and contact you to follow up. Analysis will include determination of average yield of treated and untreated areas and calculate the difference, based on as-applied and yield monitor data. We will endeavor to respond to a claim and determine the amount of the payment within 30 days, but this is not a binding commitment and depends on any follow-up questions or reasonable requests for additional information from the grower.



Performance Guarantee Calculation Examples

For illustrative purposes only. Soybean price / bushel to be set in spring 2023.

Scenario 1: Grower focuses on yield, applies SOURCE SC, maintains nitrogen fertility

Example 1: Positive yield response, greater than 1x ROI	Example 2: Positive yield response, less than 1x ROI
Treated area yields: +2 bushels/acre	Treated area yields: +0 bushels/acre
Treated area (with 10 gallons of SOURCE SC): 512 acres	Treated area (with 10 gallons of SOURCE): 512 acres
Soybeans price / bushel: \$14.33	Soybeans price / bushel: \$14.33
SOURCE SC Price / acre: \$13	SOURCE SC Price / acre: \$13
Additional \$ yield / acre: \$28.66	Additional \$ yield / acre: \$0
Net return (Additional \$ yield - Cost of Source) / acre: \$15.66	Net return (Additional \$ yield - Cost of Source) / acre: \$-13
Program Payment/ac: \$0	Program Payment/ac: \$13
Total Program Payment: \$0	Total Program Payment: \$6,656

Force Majeure:

Notwithstanding anything to the contrary herein, Sound shall not be held responsible for any delay or failure in the performance of SOURCE to the Buyer, to the extent that such delay or failure in the performance of SOURCE is caused by a fire, drought (USDA D3 or greater), flood, earthquake, explosion, pandemic, war, strike, embargo, government requirement, civil or military authority, act of God, or other similar causes beyond the parties' control.

