



PARTNERS PROGRAM



FUNDING APPLICATION AND GUIDELINES

JULY 2009 – JUNE 2010

Introduction To Beef Information Centre

The Beef Information Centre (BIC) is a national organization formed in 1973 by Canada's beef producers. BIC is the market development division of the Canadian Cattlemen's Association (CCA) and currently provides market development programs for Canadian beef in Canada and the United States, for both fed and non-fed beef.

VISION STATEMENT

Our vision for a sustainable profitable beef industry is to have Canadian beef recognized as the most outstanding by domestic and export customers.

STRATEGIC GOALS

1. To maximize the total value realized by the industry through the optimization of carcass values through supporting the sale of key cuts into the highest value markets.
2. To expand market size within key markets and market segments.
3. To build awareness of the Canadian Beef Advantage Brand.

MISSION STATEMENT

Maximize demand for Canadian beef and optimize the value of Canadian beef products.

The Beef Information Centre's mission statement, supported by definitions of key concepts, articulates the organization's core purpose and distinctive identity.

DEMAND – *Reflects the price and quantity of beef products delivered to and fulfilling consumer needs.*

OPTIMIZE THE VALUE – *Maximize profit potential to Canadian cattle producers by supporting value chain partners to meet the needs of consumers.*

PARTNERS PROGRAM FUNDING OBJECTIVES

The BIC Partners Program has been developed in partnership with industry to increase the market share and maximize the value of Canadian beef.

Projects eligible for reimbursement funding from the Partners Program will focus on the facilitation, development and marketing of products utilizing Canadian beef in the Canadian and US marketplaces. An explanation of expenses, funding terms and conditions, reimbursement process, etc. is in Appendix "A" located at the end of this document.

Partners Program reimbursement funding is available to companies operating in the following distribution channels:

Meat Processors Food Manufacturers Wholesalers
Distributors Foodservice Chains Retailers

The types of initiatives that can be undertaken through the Partners Program are varied and reflect industry needs.

All projects are created and driven by the industry partner, with BIC acting to provide support as needed and as available at any stage during the project.

BIC has market managers for Retail, Foodservice, Processing as well as US Market Development. If you do not know who your contact is, or you need contact information, please call our head office in Calgary, Alberta at (403) 275-5890 or send an email request to info@canadianbeef.info.

Your BIC market manager is available to guide you and to help you complete the application for reimbursement funding. This includes, clarifying which elements of your proposed project are eligible for Partners Program funding, as well as determining the maximum eligible amount of funding available for your project. If you have any questions, please contact your BIC market manager.

APPLYING FOR PARTNERS PROGRAM FUNDING

All eligible Partners Program activities must meet BIC objectives for the specific market channel and Partners Program funding criteria. Partners Program funding criteria may change from time to time based on market demands and funding availability. All applications are considered and will be accepted or rejected based on the information provided in the Application, the merits of the Project, the availability of funds and the Project's potential impact on the BIC trade marketing strategy objective.

BIC reserves the right to add, change or modify any of the program or project funding based on recommendations from the Review Committee. This includes the right to adjust or deny any Application, in part or in its entirety, and the right to adjust or deny any specific project activity or the amount of funding available for that activity within any Application.

If you wish to apply for reimbursement funding:

- Read the Partners Program Funding Application and Guidelines prior to filling out the Application Form. Every project approved for reimbursement funding is subject to the Funding Terms and Conditions set out in Appendix "A".
- If you are in agreement with the Terms and Conditions set out in Appendix A, fill out the Application to the best of your ability. Your BIC market manager is available to guide you and help you through this process.
- Not all eligible expenses apply to all market channels. Your BIC market manager will work with you through the application process to ensure that all activities meeting the specific market channel objectives are included in your application.
- Submit your completed Application to your BIC market manager via email as an attachment.

Once you submit your Application:

- Your BIC market manager will contact you within 2 weeks of receipt of your Application to review the Application with you and obtain any clarification or additional information that may be required. Your BIC market manager is responsible for evaluating your Application to ensure that the Application meets the funding objectives of the Partners Program, and that all required information is provided.

- Once your Application has been evaluated, your BIC market manager will submit your Application to the Review Committee for consideration. If the Review Committee requires further information or clarification, your BIC market manager will notify you of their request. Providing the requested information to your BIC market manager in a timely manner will prevent delay of the review process. Failure to provide the requested additional or revised information within a reasonable length of time will result in your Application being denied.
- Your BIC market manager will advise you by e-mail as to whether or not your Application has been approved by the Review Committee.

If your Application is Approved

- You will receive an e-mail from your BIC market manager attaching a letter from BIC advising that your Application has been approved. A copy of the approved Application will be attached to the letter as well.
- Approval of your Application is an offer of reimbursement funding which must be accepted in order to be finalized. To accept this funding offer you are required to print a copy of the letter from BIC, sign where indicated and return the signed copy to your BIC market manager by fax or as an e-mail attachment.

Note: Please read the Partners Program Guidelines carefully prior to filling out the Application Form. If your Application is approved the funding will be subject to the Terms and Conditions attached as Appendix "A" to this Funding Application and Guidelines.

APPENDIX "A"

TO THE PARTNERS PROGRAM FUNDING APPLICATION TERMS AND CONDITIONS OF PARTNERS PROGRAM FUNDING

PROJECT

1. The Applicant undertakes and agrees to carry out the Project (the "Project") described in Part 3 of the Partners Program Funding Application (the "Application") in accordance with the approved Partners Program Funding Application.
2. The Project must have a definite start date and completion date. The Project must start (the "Start Date") and be completed (the "Completion Date") on or before the dates set out in Part 7 of the Application.

TERM

3. Unless terminated by either BIC or the Applicant, the approval of reimbursement funding will be in force from the date the Applicant

signs and returns the letter from BIC approving the Application to 30 days after the Completion Date.

4. The funding approval and BIC's obligation to reimburse the Applicant's Project expenses will automatically terminate 31 days after the completion date unless, prior to the expiry of the 30 day period within which to submit a request for reimbursement, the Applicant applies to the BIC market manager for an extension of time.
5. Any application for an extension of time to submit a request for reimbursement shall include reasons why the request cannot be submitted within the 30 day period. Any approval of a request for an extension shall be in the sole discretion of BIC and such approval may be unreasonably withheld.

FUNDING

6. The funding from BIC will not exceed the amount of the funding requested in Part 7 of the Application and approved by BIC.
7. Unless agreed to by BIC when the Application is approved the Applicant will only be reimbursed for approved eligible costs incurred after the date the Application is approved and before the Completion Date.

USE OF LOGO

8. In Canada, the Applicant shall include the approved Canada Beef Brand Mark on all consumer and trade oriented point of sale and point of purchase materials developed for the Project where applicable. The applicant will also be required to fill out and sign a separate "Application for Use of the Canada Beef Brand Mark as Administered by the Canadian Cattlemen's Association". This application is available through your BIC market manager. Compliance to the accompanying brand mark usage guidelines agreement is the responsibility of the applicant. For materials developed of an educational or technical nature or where the Canadian Beef Brand Mark is not applicable for consumer or trade POS or POP, you will be required to use a BIC identifier as specified by your BIC market manager
9. All materials containing the approved Canada Beef Brand Mark and/or any BIC identifier must first be pre-approved by BIC to ensure message is accurate and consistent with BIC positioning, as well as to ensure correct use and graphic integrity of the Canada Beef Brand Mark and/or any BIC identifier.

ELIGIBLE PROJECT EXPENSES

10. All eligible Partners Program activities must meet BIC objectives for the specific trade market.
11. Only expenses arising from services provided by third parties at arm's length to the Applicant are eligible for reimbursement funding. No in-house costs (such as reimbursement for salaried or hourly employees, production line time, overhead costs, etc.) incurred by the Applicant are eligible.
12. The following Project expenses are eligible for reimbursement funding:

CONTRACTED OUTSIDE SERVICES:

- a) Project specific research services, consulting services and/or technical services provided by mutually agreed upon external qualified experts, contractors or companies.
- b) Nutritional analysis and labelling, CFIA or USDA labelling approval expenses.
- c) Research projects meeting Partners Program marketplace objectives.

MARKETING COSTS:

- a) Concept design and prepress costs relating to consumer marketing materials: brochures, recipe labels, case divider graphics, signage.
- b) Concept design and prepress costs relating to technical support materials: vendor product information, yield analysis comparisons.
- c) Concept design and prepress costs relating to branded program development.
- d) Canadian beef industry support materials, merchandising program support materials.
- e) Packaging design graphics and prepress costs.
- f) Web site additions, multi-media applications and presentation design concepts specific to Partners Program objectives.

- g) Limited first run print production based on materials meeting Partners Program objectives.
- h) Pre-press production of advertising: flyer activity, electronic print and voice and visual media.
- i) Limited cost for insertion/placement of electronic or print media.
- j) In-store retail and foodservice promotions: Product demonstrations, employment of part-time contractors to implement specific promotional activities (excluding costs to produce or acquire the samples).
- k) Trade or consumer shows to support launch of new products or concepts (eligible expenses are limited to booth rental and/or space rental)

PROJECT SPECIFIC BUSINESS DEVELOPMENT:

- a) Outgoing trade missions to suppliers of Canadian beef.
- b) Project specific travel expenses relating to return economy airfare, ground transportation between airports and city centers: bus, train, taxi (accommodation, entertainment and food is not eligible and travel for sales calls are not eligible).

FOR US MARKET ACTIVITIES ONLY:

- a) Registration fees at conferences, seminars and trade shows relating directly to BIC objectives in the U.S. marketplace. Trade show booth set up, freight and participation expenses for trade-only exhibits and shows.
- b) Return economy airfare and pre-approved accommodation cost: in-coming missions of U.S. trading partners (including taxi/bus to and from the airport on arrival and departure).
- c) Return economy airfare and pre-approved accommodation cost: out-going missions to explore new markets and attend trade-related conferences, seminars and shows relating directly to BIC objectives in the U.S. marketplace (including taxi/bus to and from the airport on arrival and departure).

OTHER:

- a) Non-refundable applicable taxes (such as Provincial Sales Tax).
 - b) Other activities meeting BIC trade market objectives. See your BIC market manager for details.
13. Not all eligible expenses apply to all trade markets. Only activities meeting the specific trade market objectives are eligible for funding. BIC will assess and apportion the available funding dollars in support of any eligible project or individual eligible activity within that project.

INELIGIBLE EXPENSES

14. The following Project expenses are not eligible for reimbursement funding:
- a) Goods and Services Tax (GST) or other items for which a refund or rebate is available (non-refundable portion is an eligible expense).
 - b) Normal costs of establishing or operating a commercial operation:
 - (i) Salaries, living expenses, office expenses, allowances and related travel expenses.
 - (ii) Sales and marketing expenses including: listing fees, meals, refreshments, entertainment, hospitality and gifts, promotional items.
 - (iii) Capital costs and rental or purchase of capital items.
 - (iv) Cost of distribution of advertising items.
 - (v) Payment or Gifts-in-kind (i.e. air tickets with no cash value or outlay by the applicant).

- c) Cost of raw materials and ingredients or subsidizing cost of product, freight, incentives, rebates, discount programs and claims.
- d) Costs to produce or acquire samples for testing, presentations, in-store promotions or demonstrations.
- e) Local ground transportation: mileage allowance, car rental, taxis, bus and train (excluding taxi/bus/train/subway to and from the airport on arrival and departure).
- f) All no-cost technical materials, services and consumer promotion initiatives that are owned and offered by the BIC. These resources are available for use in Partners Program projects on a no cost basis as well. However source credit must be given to the Beef Information Centre on any resource used and BIC must approve the use in context prior to production (such as, but not limited to, printed materials and other visual media).

Reimbursement of eligible expenses

- 15. The Applicant will be reimbursed for its actual costs incurred in carrying out the Project provided the Applicant submits a completed request for reimbursement to the BIC market manager within 30 days of the Completion Date of the Project.
- 16. Please note that once BIC has accepted the Applicants request for reimbursement, it may take 6-8 additional weeks for the Applicant to receive the reimbursement cheque.
- 17. The request for reimbursement must contain the following:
 - a) Written confirmation that the Project has been successfully completed in accordance with the Application along with a written summary evaluating the Project.
 - b) Statement of all additional sources of funding for the Project and the amount of additional funding received by the Applicant.
 - c) A copy of the all of the paid invoices from suppliers relating to the total estimated dollar value of the eligible components/ activities as outlined in Part 7 of the Application.
 - d) Proof of payment for each paid invoice (copy of cancelled cheques, or vendor statement showing invoice paid, or copy of bank statement showing cheque cashed, or letter from supplier indicating relevant specific invoices have been paid, copy of Electronic Funds Transfer document, etc.)
 - e) Summary of reimbursement(s) being requested in a form approved by the BIC market manager.
 - f) Electronic copy of all “tangibles” created through the Partners Program (point of sale or point of purchase materials; labels; product photos; packaging; copy of TV commercials; radio ads; print ads; website additions; multi-media presentations created; executive summary of research conducted; executive summary of any market or marketing assessment / evaluation / positioning / strategy, recipe development, etc.)
 - g) Results of the Project noting things such as but not limited to: percentage increase in sales; incremental volume of Canadian beef purchased; number of units sold per store (average); type of advertising done (radio, TV, print, in house POS, etc.), project specific advertising spend and reach; etc.
- 18. Each Partners Program is based on a percentage reimbursement of eligible expenses. If the total actual dollar value spent on the eligible expense for the specific activity is less than stated on the approved Application, BIC reserves the right to reimburse a dollar amount proportionate to the approved dollar funding divided by the total estimated cost/dollar value per activity as noted on the approved Application.

- 19. Notwithstanding paragraph 6, BIC may withhold payment of any amount payable pursuant to the approved Application where the Applicant has failed to comply with any of these Terms and Conditions.
- 20. Any payment to the Applicant in excess of the amount of the approved funding request is a debt owing by the Applicant to BIC and may be recovered by action against the Applicant.

PROJECT PERFORMANCE REPORTS

- 21. The Applicant shall provide BIC with a brief summary of Project performance based on the first 6 and 12 month time periods after completion where applicable or as requested by BIC.
- 22. a) The Applicant agrees to provide BIC with any information and reports as BIC may reasonably require for the purpose of assessing the Partners Program and the Project including quarterly Canadian beef volume (lbs/kg) purchases and/or sales.
 - b) The applicant is required to inform BIC immediately if any significant interruption in their supply of Canadian beef occurs
- 23. Where BIC requests the Applicant to provide any additional information and reports the Applicant agrees to provide the requested information and reports to BIC within 30 days of the date of the request and in the form and manner that may be prescribed by BIC.
- 24. BIC requests for information and reports may be made verbally or in writing, provided that any verbal request shall be confirmed in writing within 2 business days of the request. The information and reports provided by the Applicant to BIC shall be in writing unless otherwise agreed to by BIC.

ACCEPTANCE BY BIC

- 25. The request for reimbursement and the information and reports provided by the Applicant to BIC are subject to the approval of BIC, which approval shall not be unreasonably withheld.
- 26. The parties agree that a request for reimbursement or response to a request for any information or reports is incomplete until the request for reimbursement, the information or the reports have been approved by BIC.
- 27. The Applicant agrees to make any and all reasonable revisions to the information and reports as BIC, in its opinion, deems necessary.

TERMINATION

- 28. The Applicant may terminate the Funding Approval at any time.
- 29. BIC may terminate the Funding Approval on one week's notice to the Applicant in the event that:
 - a) any information provided by the Applicant in the Application is not true and correct;
 - b) the Applicant has failed to comply with these Terms and Conditions, and/ or any reasonable request for information, or
 - c) there has been a change in the funding available to BIC for the Partners Program.
 - d) the source of supply of Canadian beef is severely diminished, restricted, or inaccessible
- 30. If the Funding Approval is terminated pursuant to paragraph 29(a), no funds will be payable to the Applicant.
- 31. If the Funding Approval is terminated pursuant to paragraph 29(b), BIC will give written notice to the Applicant to comply and the Applicant shall have 5 business days to comply. If the Applicant

fails to comply, within 5 business days of such notice and direction from BIC on the requirements to remedy the non-compliance, BIC may immediately terminate this Agreement by giving written notice of its intention to do so.

32. If the Funding Approval is terminated pursuant to paragraph 29(c), BIC will give as much notice as possible to the Applicant.
33. On termination of the Funding Approval under paragraph 29(b), (c) and (d):
 - a) BIC will, on receipt of the request for reimbursement pay the Applicant for the approved eligible expenses incurred by the Applicant before the termination of the Funding Approval; and
 - b) the Applicant shall no longer be entitled to the balance of the reimbursement funding.
34. If the status of the Applicant changes in respect of ownership or control, technical or financial competence, location of workplace or in any other way which may prejudice the completion of the Project, the Applicant shall immediately notify BIC, at which time the terms of the Funding Approval will be reviewed and the Funding Approval amended or terminated as may be mutually agreed upon between the parties.

PUBLICITY

35. The Applicant gives permission to BIC to publicize the Applicant's involvement with BIC in the Partners Program. Any proposed publicity shall be subject to the prior written approval of the Applicant.

INTELLECTUAL PROPERTY

36. All technical information, inventions, designs, methods, processes, know-how and other intellectual property rights, whether expected or unexpected, arising from the Project are the exclusive property of the Applicant.

CONFIDENTIALITY

37. BIC and the Applicant will mutually respect the confidentiality of information received from each other and to use such information solely for the purposes for which it is obtained.
38. Due to the nature of the Partners Program BIC will use its best efforts to protect the confidentiality of the information supplied by the Applicant but is unable to guarantee the confidentiality of the information supplied by the Applicant as part of the Funding Application process.
39. The Applicant agrees to the following:
 - a) the Applicant is authorized to disclose the information in the Application and any other information provided to BIC in relation to the Application without any limitations or reservations and have disclosed and will disclose that information without any limitations or reservations.
 - b) The disclosure of the information contained in the Application and the disclosure of any other information provided to BIC in relation to the Application do not and will not establish a confidential relationship of any kind between the Applicant and BIC.
 - c) No documents of any kind submitted to BIC are required to be returned. BIC has the right to make and retain copies so that it will have a record of the material disclosed.
 - d) BIC is not under any obligation to reveal any of its own activities or information which may be related to the Funding Application or to any other information provided to BIC.

RELATIONSHIP

40. The approval of the Application by BIC and the Project being funded by BIC and carried out by the Applicant does not, will not, and shall not be deemed to create any relationship between BIC and the Applicant or any other party of agency, partnership, joint venture or employment.
41. The responsibility to start and complete the Project is the sole responsibility of the Applicant.
42. BIC does not have any right to exercise any direction, control or supervision over the Project or to direct, control or supervise, in any respect the manner in which the Project is carried out. The entire control and direction of the activities of the Project shall be and remain with the Applicant.

INDEMNIFICATION

43. The Applicant shall indemnify and save harmless BIC from all actions resulting in any loss, damage, injury, death, suits, claims and demands of any nature whatsoever which may be brought against BIC as a result of BIC approving the Application and the Applicant carrying out the Project approved by BIC.

AMENDMENT

44. No amendment or change to the approved Application shall be binding on either BIC or the Applicant unless the amendment or change is in writing, is approved BIC, which approval may be unreasonably withheld, and signed by both BIC and the Applicant.

ASSIGNMENT

45. This Agreement shall not be assigned by the Applicant.

WARRANTIES

46. The Applicant shall ensure that all laws, by-laws and regulations applicable to the Project are complied with and that such permits, licenses, consents and other authorizations are obtained and shall ensure that these are obtained prior to the commencement of any activities to which they apply.
47. Payment of all expenses incurred by the Applicant in carrying out the Project shall be the sole and absolute responsibility of the Applicant.

INTERPRETATION AND ENFORCEMENT

48. The Application and these Terms and Conditions constitute the entire and complete agreement between BIC and the Applicant concerning the approved funding and the Project.
49. This Agreement shall be governed by the laws of the Province of Alberta, Canada without regard to laws governing conflict of laws. If the Application is executed by the Applicant outside of Alberta it will be treated as if executed in Alberta. The parties irrevocably attorn to the jurisdiction of the Courts of the Province of Alberta and further agree that any action relating to this Agreement shall be brought in the courts of competent jurisdiction in the Province of Alberta.