

ESMC 2022 Pilot Program Producer Agreement

This Producer Agreement is between the Ecosystem Services Market Consortium LLC (“**ESMC**”) and [REDACTED] (the “**Producer**”) to enable Producer to participate in a pilot program (the “**Program**”) established by **ESMC** at the property (the “**Operation**”) as identified electronically in the Ecosystem Services Market Consortium’s Producer Portal (the “**Platform**”).

In order to participate in this Program, the Producer and **ESMC** confirm and agree to the following:

1. Purpose: The purpose of the Program is to collect and analyze agronomic data related to enrolled land within the Producer’s Operation to assess and quantify the positive ecological outcomes stemming from the implementation of eligible agricultural management practices. The Program monetizes the outcomes through the creation of reportable Scope 3 supply chain impact units (the “**Impact Units**”) and/or Scope 1 credits (the “**Credits**”) representing measured improvements in ecosystem services. The Program does this by collecting data relating to soil carbon sequestration, changes in greenhouse gas emissions, improvements in water quality, and/or improved water use efficiencies. The Program then processes this data for Impact Units and/or Credit quantification, verification, and/or certification. **ESMC**’s goal in the Program is to generate Impact units and/or Credits and to facilitate the sale to third parties, resulting in a payment to the Producer based on a market-based value for those Impact units and/or Credits.

The Producer acknowledges that **ESMC** is working to pilot the sale of Impact units and/or Credits generated during the Program to third parties, which may result in revenues to be paid to Producers, and in **ESMC** receiving compensation from purchasers of Impact units or Credits based on **ESMC**’s creation of the Impact units and/or Credits and arranging the sale.

Producers do not pay to participate in the Program. Producers are not required to purchase products or enroll in other programs or share data with other partners as a requirement of participation. The Producer authorizes **ESMC** to generate Impact units and/or Credits and to engage in the other activities described in this Agreement.

2. Timeframe: The requirements of this Agreement apply to the Producer’s eligible agricultural management practices at the Operation during the applicable reporting period (2022) as defined in the **ESMC** Protocol. This pilot agreement will terminate on March 1, 2023 unless renewed. The **ESMC** Market Program is scheduled to launch in September 2022 for producer and project enrollment in the 2023 reporting year. Producers wishing to continue participation after the pilot Program period may be allowed to continue into the Market Program at launch and will be required to enter into an updated participation agreement. Establishment of the market will allow for the continued generation and selling of Impact units and/or Credits using **ESMC**’s Platform and Program. The launch of the Market Program is contingent upon several factors, including the enrollment of a sufficient number of producers to operate

the Program efficiently and cost-effectively. ESMC will provide notice on or before July 1, 2022 confirming the launch of the Program if the Program meets the conditions to launch.

3. Impact unit Ownership: By entering into this Agreement, the Producer is representing to ESMC that the Producer is the owner or lessee of the Operation and holds all rights to the enrolled land necessary to enter into this Agreement and permit ESMC to conduct the Program on the Operation, generate the Impact units and/or Credits, and transfer rights of the Impact units and/or Credits, free and clear of liens or other restrictions, to ESMC and/or third parties. [If the Producer is a tenant, the Producer is responsible for obtaining any authorization or prior and informed consent from the landowner necessary for the Producer to retain and transfer ownership of the Impact units and/or Credits, including explicit authorization of impact unit ownership from the responsible agency for any rented fields on state or local-government owned land.] If the Producer becomes aware of any sale of the enrolled land or change in eligibility of enrolled land for participation in the Program, the Producer must (a) notify ESMC of such changes, and (b) provide ESMC with documentation that the Operation remains eligible to participate in the Program. If a new owner or tenant has become the Producer with respect to the Operation, Producer shall use reasonable commercial efforts to assign this Agreement to such new owner or tenant and cause such new owner or tenant to assume the Producer's role under this Agreement.

4. Eligibility: Producer understands and acknowledges that participation in the Program is voluntarily, and that Producer is implementing the eligible agricultural conservation practices voluntarily on the Operation in connection with participation in the Program and entry into this Agreement. (e.g., in anticipation of the financial return from Program participation), and that Impact units and/or Credits can only be generated for the implementation of agricultural practices that comply with regulatory requirements and represent improvements over practices that comply with regulatory requirements.] Enrolled areas must not have been previously forested or natural areas or converted from grassland to cropland within ten years of Program enrollment and must not include federally owned land.

5. Regulatory Compliance: Producer confirms that it conducts its business at the Operation in material compliance with any and all applicable laws, statutes, rules, regulations, ordinances, permits, court orders, enforcement actions, or other legally binding mandates, including, but not limited, to those related to:

- Natural resources (such as water, wetlands, land erosion, and conservation areas) and cultural, historic, and religious resources,
- Endangered species (including protection of habitats),
- Pollution and waste management (including hazardous materials),
- Use and application of chemical inputs (e.g., pesticides, fungicides, fertilizers), and
- Occupational health and safety requirements for the agricultural sector

6. ESMC Program Policies: Producer confirms that it conducts its business at the Operation in material compliance with the following:

Non-Discrimination, Harassment, and Anti-Corruption Policy (Appendix 1); and

Maintenance of a valid Veterinary-Client-Patient-Relationship ([as defined by the AVMA](#)) for an Operation with livestock.

7. Double Counting: Producer confirms that the Operation is not subject to any agreement with another program that generates credits, offsets, impact units, supply chain reporting, or claims related to soil carbon sequestration, changes in greenhouse gas emissions, improvements in water quality, and/or water use efficiencies that could conflict with the creation of or result in double counting of the Impact units and/or Credits that are subject to the Program (excluding regulations, easements or contracts that restrict the Operation to agricultural uses).

8. Cost share Disclosure: Producers generating Water Quality Impact units and/or Credits as a result of proposed practice changes that are also funded through cost-share dollars shall inform buyers of cost-share arrangements and ensure that any prevailing restrictions in existing programs are met.

9. Data Requirements: Producer is willing and able to provide historical data on production systems and operation/management as required by the ESMC Protocol and will provide ongoing annual data on operation and management for each field enrolled. Historical data is defined as a minimum of three (3) years of pre-enrollment data, or one full rotation, whichever is longer (e.g., a 4-year crop rotation would need to provide 4 years of pre-enrollment data).

10. Verification: Producer will fully cooperate with and allow ESMC representatives or contracted third parties access to Producer's farm and records, as needed, to complete the verification audit of Impact units and/or Credits. Producer will provide ESMC representatives or contracted third parties access to the relevant components of the Operation and access to records relevant to the verification audit.

11. Data Privacy: A Producer's individual personal information, e-mail address, data, and model results are for the Producer's use only as described in ESMC's Data Privacy Policy (Appendix 2) and as covered in ESMC's Data Use Agreement (Appendix 3). ESMC may disclose certain information in response to subpoenas, governmental requests, legal processes, or to otherwise protect our legal or contractual obligations. Aggregated, anonymized information including management practices and operational details may be collected, reported to, and used by ESMC and authorized third parties. Such aggregate level information will not identify the Producer's personal information.

- a. Third Party Designee. (optional) As a participant in the [Title of Project] Pilot Project, Producer agrees to allow [name , title , org , email] to access and manage Producer's data in the MRV on their behalf and to serve as Producer's designee with primary responsibility to enter and certify data in the MRV for ESMC Program submission.

12. Generation of Impact units and/or Credits

- a. Sale of Impact units and/or Credits. Any Impact units and/or Credits generated by the Producer by participating in the Program using eligible agricultural management practices conducted on enrolled land within the Producer's Operation will belong to the Producer. The Producer may not transfer rights to such Impact units and/or Credits except to ESMC or to a Buyer designated by ESMC. Producer agrees to transfer Impact units and/or Credits to ESMC or to a buyer designated by ESMC to the extent and in the manner required for ESMC to operate the Program. ESMC shall not sell, trade or otherwise dispose of Producer's Impact units and/or Credits without Producer's prior written consent and the payment to ESMC by Producer or buyer of a share of revenues towards ESMC's management costs.
- b. Payments. For the impact units generated by this project, Producers will be paid \$15/tonne (mtCO₂e) and an amount to be determined for water quality impact units by ESMC once payment has been received from buyer and impact units transferred. Payment due under this Agreement shall be made in accordance with written instructions provided by ESMC.
- c. Taxes. If any of the parties are required to pay or collect any sales, use, value-added, or other taxes based on the purchase and sale of producer impact units under this Agreement, such tax will be paid by the receiving party.

13. Term and Termination: [The initial term of this Agreement shall end at the conclusion of the Program, per Section 2. Prior to such time, either party may terminate this Agreement by providing the other party with 60 days prior written notice.] ESMC may terminate this Agreement upon five (5) business days' prior written notice if the Producer has provided materially false or misleading information to ESMC in connection with the Program, or has transferred the Operation to a third party without obtaining an assignment and assumption as contemplated in Section 3 above.

14. Disputes: Any disputes arising under this Agreement will be resolved by the Parties directly in discussions involving the principals or, if not resolved informally, shall be conclusively resolved by mediation before a neutral third party in the relevant state where the Producer's operations occur.

15. Third-Party Beneficiaries: There are no intended third-party beneficiaries under this Agreement, and no person not a party to this Agreement or a party's authorized representative may assert claims against either party under this Agreement.

Acknowledged and Agreed:

Self-certification: By submitting this information, Producer is attesting that the field or pasture information and operational details that have been provided are accurate and true to the best of their knowledge as of the date of submission. Producer acknowledges that any intentional misrepresentation may result in disqualification from the ESMC Program.

Producer acknowledges that data will be stored and utilized by ESMC to quantify, verify, and/or certify Impact units and/or Credits generated as a result of operational activities; and that this will require that data be confidentially shared in an anonymized fashion with ESMC modelers, technical



contracts, verifiers, and other program staff and advisors to whom access is required or has been granted by the producer.

This Agreement is effective when the Producer electronically agrees to the terms therein.

[MRV will insert field names here for each enrollment year]

[MRV will capture signature in DocuSign here]

Appendix 1

ESMC Non-Discrimination, Harassment, and Anti-Corruption Policy

This Non-Discrimination, Harassment, and Ant-Corruption Policy applies to all ESMC Pilot Projects and serves as an addendum to ESMC's Producer Agreement. By signing the Pilot Project Participating Producer Agreement, producers are agreeing to abide by the following principles and policies:

Non-Discrimination: Neither ESMC nor Pilot Project participants shall discriminate with regards to participation and inclusion in stakeholder consultation, or equitable compensation for comparable work.

Harassment: Neither ESMC nor Pilot Project participants shall tolerate harassment of any kind, including forms of harassment that are gender-based, sexual, or restrictive of an individual's rights.

Anti-Corruption: Neither ESMC nor Pilot Project participants shall involve, be complicit in, or inadvertently contribute to or reinforce corruption or corrupt Projects.

Appendix 2

ESMC Producer Privacy Policy

Ecosystem Services Market Consortium (ESMC) is committed to protecting the privacy of producer participants who access and use our online enrollment platform and will only use your personal information in accordance to the following Privacy Policy.

This Privacy Policy (“POLICY”) is applicable to the ESMC portal and subdomains, mobile apps, widgets, Application Programming Interfaces (APIs), and other online products or services (collectively, the “SERVICES”). These SERVICES are developed, managed, maintained, and supported by <VENDOR> (“VENDOR,” “WE,” or “US”). This POLICY is subject to and must be read in conjunction with the Terms and Conditions of Use (“TERMS” or “AGREEMENT”) of the SERVICES and is binding on all SERVICES users. This POLICY is designed to inform you about the types of information that we gather about you and your organization, how we may use that information, whether we disclose it to anyone, and the choices you have regarding our use of that information.

By using the SERVICES you are accepting and agreeing to be bound by each of the terms set forth in this POLICY. VENDOR may modify this POLICY at any time. Amended terms of this POLICY are effective as of the date that they are posted. You should, therefore, review this POLICY from time to time. Your access and use of the SERVICES after the effective date of any amendment to this POLICY means that you have accepted its amended terms. If you do not agree to be bound by (or cannot comply with) the terms of this POLICY as amended from time to time, you agree that your sole remedy is to cease using the SERVICES. Your continued use of the SERVICES constitutes your agreement to be bound by the amended terms of this POLICY.

For purposes of this POLICY, to use, access and/or visit the SERVICES includes visiting the SERVICES or any of its pages, in order to buy, request, or obtain any service or product from ESMC, registering (partially or completely) in the SERVICES, and logging in and out.

I. Collection and Use of Your Personal Information

The SERVICES collect personal information (i.e., information that can identify specific individuals, including by name, identification number, mailing address, e-mail address, and other personal characteristics or attributes) and details about your farming practices, land details, land use, infrastructure, management plans, economic conditions, sustainability practices, operational details, customized services and results in order to provide you with customized services, and to allow the creation and maintenance of an “ACCOUNT” to store your information for your future use and review. ESMC will use your personal information for the following purposes:

- Provide, maintain, and improve the SERVICES;
- Research and develop new services;
- Send you technical notices, updates, security alerts, invoices and other support and administrative messages;
- Provide customer service;
- Communicate with you about products, services, offers, promotions, and events, and provide other news and information we think will be of interest to you; and
- Monitor and analyze trends, usage, and activities in connection with our SERVICES.

In addition, the SERVICES collect general data pertaining to each visitor, such as the visitor’s IP address, operating system, browser type and version number, and the web pages viewed. This information is aggregated with all other visitor information.

The SERVICES may also collect financial information provided to us or to our payment processing service provider for the purpose of subscribing to our services. This data is only used to process your payment.

VENDOR will process personal information collected from you fairly and lawfully and will not use such personal information for purposes that are incompatible with the purposes it was requested and received.

II. Sharing Your Personal Information

Your individual personal information, e-mail address, data, and model results are for your use only. ESMC will not share these with any third party unless you specifically agree to a data-sharing option. WE may disclose certain information in response to subpoenas, governmental requests, legal processes, or to otherwise protect our legal or contractual obligations. WE will not sell or otherwise transfer your personal information to individuals or entities outside ESMC or one of our authorized partners without your approval.

Aggregated, anonymized information including management practices and operational details may be collected, reported to, and used by ESMC and authorized third parties. Such aggregate level information will not identify your personal information. Aggregate level information may be used and shared by ESMC and authorized third parties, among other purposes, to improve and develop agriculture and agronomic models, and to promote the understanding and adoption of carbon and water quality and quantity credits. Such uses and purposes of aggregate level information may or may not result in monetary benefit to ESMC or its authorized third parties.

III. Cookies

A cookie is type of identifier sent from a website to your computer system via your web browser to provide tailored features. ESMC uses cookies in order to secure and confirm your information when logging into partner access with your private login name and password. We do not use this information for any other purpose than to grant you access to secured website pages.

IV. E-mail Communications

ESMC provides program participants with announcements to provide program updates, promote the goals of the program and to notify producers of status of program requirements. These announcements can be stopped at any time by selecting the opt-out feature at the bottom of the e-mail. We do not sell or transfer e-mail lists to any of our business partners for any reason.

V. Third Party Service: Events and Webinars

From time to time, ESMC will collect personal information for events and webinars. This information may be disclosed to our third-party partners for the limited purpose of promoting and developing agriculture and agronomic models and assessment tools, and to promote trading and selling of carbon and water quality and quantity credits.

VI. Communication Preferences and Reviewing Your Personal Information

You can manage your communication preferences by sending e-mail to info@esmportal.com or sending a letter to the mailing address below. When contacting us please include your name, e-mail address, and the details of your request. You can also access and update your personal information by sending e-mail to info@esmportal.com or sending a letter to the mailing address below that includes you name, e-mail address, account ID and the purpose of the request.

VII. Security of Your Personal Information

ESMC uses a combination of industry standard security measures to protect your personal information from loss and misuse. For example, we use encryption when transmitting payment card information over the Internet. However, information transmitted via the Internet and/or stored on systems connected to the Internet is not 100% secure. As a result, ESMC does not ensure, warrant or guarantee the security or integrity of such information notwithstanding any other provision of this POLICY.

VIII. External Sites

The SERVICES may contain links to other websites (“External Links”). ESMC is not responsible for the privacy practices of other websites. We encourage users to read the privacy statements of each and every website that collects information.

IX. Children’s Privacy

People under the age of eighteen (18) may not use the SERVICES. If we learn that we have collected children’s personal information without parental consent, we will delete it from our systems.

X. How to Contact Us

You can contact ESMC by sending an e-mail to info@esmportal.com. Please include your contact information, name of ESMC web site or service, and a detailed description of your request or privacy concern.

E-mail : info@esmportal.com

ESMC reserves the right to change its practices concerning information gathered from visitors to its websites. If such changes occur, this POLICY will be updated. You should check back periodically to confirm the current terms of this POLICY. This POLICY is not intended to and does not create any contractual or other legal rights in or on behalf of any party.

Appendix 3

ESMC TEAM AND PARTNER DATA USAGE AGREEMENT

This Ecosystem Services Market Consortium (ESMC) Data Usage Agreement (“Agreement”) is between ESMC, a <COMPANY TYPE> organized under the laws of the State of <STATE>, with its principal address at <ADDRESS> and <NAME>, an employee of <COMPANY>, a <COMPANY TYPE> with its principal address at <ADDRESS>.

ESMC anticipates disclosing to <NAME> producer data including, but not limited to, e-mail addresses, field boundaries, management plans, economic conditions, sustainability practices, operational details, and customized services to promote quantification and trading and selling of carbon and water quality and quantity and perhaps other ecosystem services credits (“Purpose”).

<NAME> agrees to maintain the secrecy of the disclosed information as follows:

1. Definitions. “ESMC Data” means all data collected, processed, analyzed, or generated by ESMC and its contractors, suppliers, and partners as part of the ESMC program furnished by ESMC, <VENDOR>, or its subcontractors, partners, or suppliers in any form to <NAME> pursuant to the Purpose that ESMC intend

to remain secret from third parties on the grounds that its disclosure would violate the agreement ESMC executed with the data providers, cause ESMC competitive harm, or waive a privilege granted by law.

2. Nondisclosure Obligation. <NAME> acknowledges that it has been informed of the sensitive nature of the ESMC Data and shall, except as required by law or legal process as provided in Section 11 below, use at least the same degree of care as it uses to protect its own confidential information of like nature, but not less than a reasonable degree of care, to keep all ESMC Data received from ESMC or its subcontractors, partners, or suppliers in confidence and shall not disclose or reveal the existence or the content of any ESMC Data to any third party as noted below. 1. ESMC Data, including personal information, e-mail address, field boundaries, land details, land use, infrastructure, management plans, economic conditions, sustainability practices, operational details, customized services, and results may be used by <NAME> only in support of the ESMC project and exclusively for such work as they were requested or contracted with to conduct.

2. ESMC Data may only be shared with others that are legally bound by an ESMC Team Member Data Usage Agreement.

3. ESMC Data may not be shared with a third party unless specifically agreed to by the data provider.

4. More specifically ESMC Data that includes a producer's Personally Identifiable Information (PII) (such as name, e-mail address, physical address, or field boundaries) must not be transmitted to or be accessible by anyone who has not signed this agreement without explicit and separate permission from the producer.

5. Aggregated, anonymized information including management practices, economic data, sustainability practices, and results may be shared with third parties. Use or public release of any such data in any format (written, verbal, electronic, etc.) is only to occur after review and written approval is provided by the <TITLE> of <COMPANY>. Such aggregate level information will not identify personal information or specific field locations, and may be used, among other purposes, to improve and develop agriculture and agronomic assessment tools and to promote trading and selling of carbon and water quality and quantity metrics, whether or not any such uses and purposes result in any monetary benefit to ESMC or third parties.

1. The data is, or, after disclosure under this Agreement, becomes, publicly available through no fault of <NAME>;

2. The data has been disclosed by ESMC or its subcontractors, partners, or suppliers to others without any obligation of confidentiality;

3. The data was furnished by a third party who, to <NAME>'s knowledge, had no confidentiality obligation to ESMC or its subcontractors, partners, or suppliers; or

4. The data was in <NAME>'s possession on a non-confidential basis prior to receipt from ESMC or its subcontractors, partners, or suppliers.

3. Exclusions. <NAME> shall have no obligation of confidentiality as provided in Section 2 above to the extent that <NAME> can demonstrate:

4. Enforcement. This Agreement shall continue in force in perpetuity.

5. Ownership. <NAME> acknowledges that the ESMC Data received from ESMC or its subcontractors, partners, or suppliers is and shall remain the sole and exclusive property of the data provider.

6. Legal and Equitable Relief. <NAME> acknowledges that monetary remedies may be inadequate to protect against breaches of duties applicable to ESMC Data, and that injunctive relief may be appropriate to protect such rights. <NAME> acknowledges that ESMC or its subcontractors, partners, or suppliers may be irreparably damaged to the extent that any of the terms of this Agreement are violated

and agrees that such terms shall be enforceable through (i) seeking the issuance of an injunction restraining the unauthorized copying, duplication, use, dissemination or disclosure of any ESMC Data, or (ii) any other legal or equitable remedies, which shall be cumulative with and not exclusive of any other remedy or remedies.

7. Assignment. Neither this Agreement nor any right granted hereunder shall be assignable or otherwise transferable.

8. Entire Agreement. This Agreement is the entire Agreement between the parties relating to the subject matter thereof and supersedes all prior agreements, written or oral.

9. Amendments. This Agreement may be modified only by a writing signed by all parties.

10. Severability. If any term or provision of this Agreement shall be found to be illegal or unenforceable, then, notwithstanding that term, all other terms of this Agreement shall remain in full force and effect.

11. Disclosures Required by Law. Disclosure of ESMC Data shall be permitted to the extent demanded by subpoena or other validly issued administrative or judicial process; provided that <NAME> shall promptly notify ESMC and tender to it, if it so elects, the defense of such demand. If requested by ESMC, <NAME> shall reasonably cooperate (at the expense of the requesting party) in the defense of the demand.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of <STATE> applicable to agreements made, and fully to be performed, in <STATE> by residents thereof.

13. Return of ESMC Data. Upon the data providers request, and to the extent reasonably possible, <NAME> will destroy or return all relevant ESMC Data existing in tangible form, as well as all notes, memoranda, reports or other writings, in any format, containing ESMC Data.

14. Proprietary Rights. By furnishing ESMC Data, ESMC and its subcontractors, partners, and suppliers does not convey or transfer to <NAME> any title to, license or interest in, the ESMC Data.

15. No Warranties. Confidential Information is furnished “AS IS” and without any warranty, express or implied, concerning its accuracy, completeness, or performance. ESMC and its subcontractors, partners, and suppliers expressly disclaim all warranties of use, fitness for particular purpose, merchantability, and non-infringement of third party rights, and <NAME> assumes all risks associated with its reliance on ESMC Data.

16. Loss, Theft, or Unauthorized Disclosure. Promptly upon discovery, <NAME> will notify ESMC of any loss, theft, or unauthorized disclosure or use of Confidential Information and will cooperate in good faith to mitigate any damage to ESMC or its subcontractors, partners, or suppliers.

17. No Third-Party Beneficiaries. The parties do not intend for the Agreement to benefit any third party.

18. No Waiver. ESMC’s failure to enforce any provision of this Agreement shall not operate as ESMC’s waiver of the particular provision or this Agreement as a whole, or serve as a waiver of any subsequent rights of enforcement.

19. Notices. A party will deliver all notices contemplated under this Agreement to the other party as prescribed below. All notices must be in writing and delivered by: postage prepaid, certified mail, return-receipt requested; overnight prepaid commercial delivery; fax; or other commercial methods with delivery verification. Notice is effective upon receipt. A party shall notify the other party of any change in the contact information.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

<INSERT COMPANY NAME> <ADDRESS>

BY: DATE:

Name: <NAME>

Title: <TITLE>

<ESMC ADDRESS> <ESMC COMPANY OFFICIAL>

BY: DATE:

Name: <NAME OF AUTHORIZED ESMC REPRESENTATIVE>

Title: <TITLE OF AUTHORIZED ESMC REPRESENTATIVE>